



**REAL ESTATE COMMISSION
STATE OF HAWAII**

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

WAIKOLOA HILLS CONDOMINIUM-PHASE 1
Paniolo Avenue
Waikoloa
County and State of Hawaii

Registration No. 1752

Issued: April 11, 1986
Expires: May 11, 1987

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of April 4, 1986 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
 - FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission. This report must be read together with _____.
 - SUPPLEMENTARY:** (pink) Changes information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated _____
 - Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

TABLE OF CONTENTS

| | page |
|--|------------------------|
| Report Purpose | 1 |
| Type of Report | 1 |
| Summary of Changes from Earlier Public Reports | 2 |
| Table of Contents | 3 |
| General Information on Condominiums | 4 |
| Summary of the Condominium Project | 5 |
| | |
| I. PEOPLE CONNECTED WITH THE PROJECT | 6 |
| Developer | Managing Agent |
| Real Estate Sales Agent | Attorney for Developer |
| Escrow Company | |
| | |
| II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS | |
| A. Declaration | 7 |
| B. Condominium Map (File Plan) | 7 |
| C. Bylaws | 7 |
| D. House Rules | 8 |
| E. Changes to Condominium Documents | 8 |
| | |
| III. THE CONDOMINIUM PROJECT | |
| A. Interest to be Conveyed to Buyer | 9 |
| B. Underlying Land | 10 |
| C. Buildings and Other Improvements | 10 |
| D. Common Elements, Limited Common Elements, Common Interest | 14 |
| E. Encumbrances Against Title | 15 |
| F. Management of the Common Elements | 15 |
| G. Maintenance Fees | 16 |
| H. Separate Utility Charges | 16 |
| I. Construction Warranties | 16 |
| J. Status of Construction | 17 |
| K. Project Phases | 17 |
| L. Sales Documents Filed with the Real Estate Commission | 17 |
| | |
| IV. ADDITIONAL INFORMATION NOT COVERED ABOVE | 18 |
| | |
| Buyer's Right to Cancel Sales Contract | 19 |
| Signature of Real Estate Commission Chairman | 20 |
| | |
| EXHIBIT A: Common Elements | |
| EXHIBIT B: Common Interests | |
| EXHIBIT C: Encumbrances Against Title | |
| EXHIBIT D: Estimate of Initial Maintenance Fees | |
| EXHIBIT E: Summary of Sales Contract | |
| EXHIBIT F: Summary of Escrow Agreement | |
| EXHIBIT G: | |
| EXHIBIT H: | |
| EXHIBIT I: | |
| EXHIBIT J: | |

Appendix I: People Connected with the Project

Attached only if there are additions or changes to information contained in the body of the report.

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominiums, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented or encumbered, and they may be disposed of by will or gift.

Your apartment will, however, be part of the group of apartments that comprise the condominium. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium

The Association of Apartment Owners is the means through which apartment owners may take action with regard to the administration, management, and operation of the condominium. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your control of the administration and operation of the condominium will in most cases be limited to your right to vote as an owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Waikoloa Hills Associates Phone: 523-9177
Name (Business)
737 Bishop Street, Suite 2350
Business Address
Honolulu, Hawaii 96813

Names of officers or general partners of developers who are corporations or partnerships:
Waikoloa Hills Associates is a registered Hawaii limited
partnership. Its general partners are Channing, Ltd., a
Hawaii corporation, and The Beery Corporation, a Nevada
corporation.

Real Estate Sales Agent: Locations, Inc. Phone: 735-4200
Name (Business)
1339 Hunakai Street
Business Address
Honolulu, Hawaii 96816

Escrow: Founders Escrow Corporation Phone: 536-0842
Name (Business)
900 Fort Street, Suite 1000
Business Address
Honolulu, Hawaii 96813

Managing Agent: _____ Phone: _____
Name (Business)

Business Address

Attorney for Developer: Ashford & Wriston (Galen C. K. Leong)
Name
235 Queen Street, Sixth Floor
Business Address
Honolulu, Hawaii 96813

Appendix I may be attached to this report. If so, it will list additional people connected with the project or changes that may have been made to the above information after this public report was issued.

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Horizontal Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium.

The Declaration for this condominium is:

Proposed
 Recorded – Bureau of Conveyances – Book _____ Page _____
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

- B. **Condominium Map (File Plan)** shows the elevation and layout of the condominium. It also shows the floor plan for each apartment.

The Condominium Map for this condominium is:

Proposed
 Recorded – Bureau of Conveyances – Map No. _____
 Filed – Land Court – File Plan No. _____

Amendment date(s) and recording/filing information:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded – Bureau of Conveyances – Book _____ Page _____
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted

Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are recorded or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of apartment owners who must vote for or give written consent to changes:

| | <u>Minimum Set by Law</u> | <u>This Condominium</u> |
|--------------------------------|-------------------------------|------------------------------------|
| Declaration (and Condo Map) | 75% | <u>75%</u> |
| Bylaws | 65% | <u>65%</u> |
| House Rules | — | <u>See Art. VI; Sec. 3, Bylaws</u> |

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

During the sales period, the developer has reserved the right to make any changes to said documents and the Project as may be required by law, any title insurance company, institutional mortgage lender or governmental agency, provided only that such changes shall not substantially impair the prospective use and enjoyment of the Apartment, substantially reduce the usable space within the Apartment, render unenforceable the Purchaser's mortgage loan commitment, increase the Purchaser's share of common expense, or increase the purchase price.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the underlying land will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 Month Year.

Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners) either (1) remove or dispose of the building and other improvements; or (2) convey the building and improvements to the lessor at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 Month Year.

Other:

For Subleaseholds:

Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled Foreclosed.

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Land Area: 1.589 ~~square feet~~ Acres

Zoning: RM-3
TMK: (3)6-8-003-006 (portion)

Fee Owner: Waikoloa Hills Associates
name
737 Bishop Street, Suite 2350
address
Honolulu, Hawaii 96813

Sublessor: _____
name

address

C. Buildings and Other Improvements:

1. New Construction Conversion of Existing Building
 Both New Construction and Conversion

2. Buildings: 4 Floors Per Building: 3

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other Glass, Concrete Slabs, Gypsum Board

4. Permitted Uses:

| | <u>No. of Apts.</u> | | <u>No. of Apts.</u> |
|---|---------------------|---------------------------------------|---------------------|
| <input type="checkbox"/> Commercial | _____ | <input type="checkbox"/> Industrial | _____ |
| <input checked="" type="checkbox"/> Residential | <u>40</u> | <input type="checkbox"/> Agricultural | _____ |
| <input type="checkbox"/> Timeshare/Hotel | _____ | <input type="checkbox"/> Recreational | _____ |
| <input type="checkbox"/> Other: _____ | | | _____ |

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium include but are not limited to:

- Pets: No livestock, poultry or other animals, except dogs and cats
in reasonable number and other common household pets which are confined.
 Number of Occupants: _____
 Other: _____

6. Interior (fill in appropriate numbers):

Total Apartments 40

Elevators 0 Stairways Yes Trash Chutes 0

| <u>Apt. Type</u> | <u>Qty</u> | <u>BR/Bath</u> | <u>Net Living Area*</u> | <u>Lanai/Patio</u> |
|------------------|------------|----------------|-------------------------|--------------------|
| <u>A</u> | <u>4</u> | <u>1/1</u> | <u>859</u> | <u>170</u> |
| <u>B</u> | <u>4</u> | <u>2/2</u> | <u>996</u> | <u>124</u> |
| <u>C</u> | <u>4</u> | <u>2/2</u> | <u>996</u> | <u>124</u> |
| <u>D</u> | <u>4</u> | <u>2/2</u> | <u>999</u> | <u>197</u> |
| <u>E</u> | <u>4</u> | <u>3/2</u> | <u>1145</u> | <u>194</u> |
| <u>F</u> | <u>4</u> | <u>2/2</u> | <u>1015</u> | <u>230</u> |

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining floor area may have been used.

Boundaries of Each Apartment:

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the unfinished surfaces of the floors and ceilings which surround each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as herein provided. Each apartment shall be deemed to include its adjacent lanai, including the lanai railings, all of the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, all windows and window frames and doors and door frames serving the apartment and all fixtures and appliances originally installed in such apartment for its exclusive use.

Permitted Alterations to Apartments:

Additions to or alterations of an apartment made within such apartment or within a limited common element appurtenant to and for the exclusive use of such apartment shall be permitted with the approval of the Board of Directors of the Association of Apartment Owners and the consent of all apartment owners determined by the Board to be directly affected by such additions or alterations, and upon completion of any addition or alteration which changes the floor plan of an apartment or limited common element, the Board shall cause a copy of the revised floor plan of the apartment or limited common element affected to be filed, at the expense of the owner of such apartment, as an amendment of the Declaration and the Condominium Map.

7. Parking Stalls:

| | <u>Number of Stalls</u> |
|--|-------------------------|
| Assigned Stalls (For Individual Units) | _____ |
| Guest Stalls | _____ |
| Unassigned Stalls | <u>40</u> |
| Other: _____ | _____ |
| Total Parking Stalls | _____ |

Each apartment will have the exclusive use of at least _____ parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

| | regular | compact | tandem |
|--------------------------|-----------|---------|--------|
| Number of covered stalls | _____ | _____ | _____ |
| Number of open stalls | <u>40</u> | _____ | _____ |

Commercial parking garage permitted on condominium.

Exhibit _____ contains additional information on parking stalls for this condominium.

8. Recreational and Other Common Facilities:

- | | |
|--|---------------------------------------|
| <input type="checkbox"/> Swimming pool | <input type="checkbox"/> Storage Area |
| <input type="checkbox"/> Recreation Area | <input type="checkbox"/> Laundry Area |
| <input type="checkbox"/> Tennis Court | <input type="checkbox"/> Trash Chute |
| <input type="checkbox"/> Other: _____ | |
| _____ | |

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot (for conversions only)

| | <u>Conforming</u> | Non-Conforming | |
|------------|-------------------|----------------|----------------|
| | | <u>Legal</u> | <u>Illegal</u> |
| Uses | _____ | _____ | _____ |
| Structures | _____ | _____ | _____ |
| Lot | _____ | _____ | _____ |

If a variance has been granted or if uses, improvements, or lot are either legal non-conforming or illegal non-conforming, buyer should consult with county zoning authorities as to possible limitations which may apply.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit A describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments. The limited common elements and the apartment which may use them are:

[] described in Exhibit _____

[] as follows:

There are no Limited Common Elements in this project.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit B describes the common interests for each apartment.

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit C describes the encumbrances against the title contained in the title ~~report~~^{policy} dated December 31, 1985 issued by Ticor Title Insurance.

Blanket Liens:

- There are no blanket liens affecting title to the individual apartments.
- There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

| <u>Type of Lien</u> | <u>Effect on Buyer's Interest If Developer Defaults</u> |
|--|---|
| 1. First Mortgage to Trans-continental Development Co. | Buyer's interest may be terminated and Buyer will receive refund. |
| 2. Second Mortgage to Bancorp. Finance of Hawaii, Inc. | Buyer's interest may be terminated and Buyer will receive refund. |

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium ~~is~~ has not yet been selected.

- not affiliated with the Developer.
- the Developer or the Developer's affiliate.
- other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium. If you are late in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit D contains a schedule of maintenance fees and maintenance fee disbursements.

H. Separate Utility Charges for Apartments:

Except for the utilities indicated below, each apartment will be billed separately for utilities:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. Construction Warranties

1. Building and Other Improvements:

The Developer warrants against structural defects in an individual apartment of which written notice has been given to the Developer by the apartment owner at any time within one year from the date of substantial completion of the project or conveyance of title to the apartment owner, whichever first occurs. In addition, the Developer warrants against structural defects in the common elements for one year from substantial completion of the project.

2. Appliances:

Warranties on appliances furnished with an apartment shall be assigned by the Developer and shall thereafter run in favor of the apartment purchaser directly from the manufacturer. These warranties will expire at different times, depending on the date of installation of the appliances. The Developer will assure each purchaser only that the appliances are in working order at the time of occupancy by the purchaser.

J. Status of Construction and Estimated Completion Date

The Project has no set commencement date for construction or completion. Depending upon sales, the earliest that Developer expects to commence construction is July 1, 1986 and the estimated date of completion would be about March 1, 1987.

K. Project Phases:

The developer [] has [] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

At the present time the Developer plans to develop an additional 37 apartments in two additional phases and to merge those developments with Phase 1 so as to have only one Board of Directors. See Article W. of the proposed Declaration of Horizontal Regime for the details of this phasing.

Note also the Developer's right to withdraw land per Article V. of said Declaration.

L. Sales Documents Filed with the Real Estate Commission:

[] Notice to Owner Occupants

[] Specimen Sales Contract

Exhibit E contains a summary of the provisions of the sales contract.

[] Escrow Agreement dated _____

Exhibit F contains a summary of the provisions of the escrow agreement.

[] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers a copy of the Final Public Report and all prior public reports not previously delivered to the buyer; and
2. The buyer is given an opportunity to read the reports; and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the reports and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the reports were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the reports were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Declaration of Horizontal Property Regime.
2. Bylaws of the Association of Apartment Owners.
3. House Rules.
4. Escrow Agreement.
5. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
6. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law are available for \$ 2.00 at the Department of Commerce and Consumer Affairs.

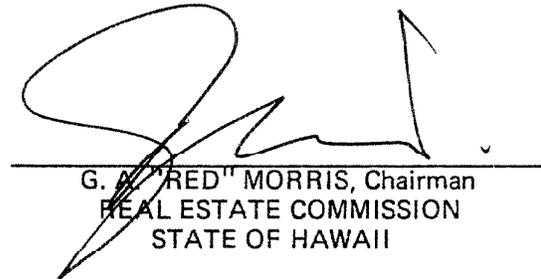
This Public Report is a part of Registration No. 1752 filed with the Real Estate Commission on March 31, 1986.

The Developer is responsible for delivering a true copy of this report to all purchasers and prospective purchasers and for securing a signed receipt for the report. When reproduced, this report must be on:

yellow paper stock white paper stock pink paper stock

Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.



G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Separate Disclosure Abstract on this condominium:

Required Not Required — disclosures covered in this report

Distribution:

Department of Finance, City and County of Honolulu
Bureau of Conveyances
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT A

Common Elements

- (a) The land of the Project in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, corridors, fire escapes, roofs, stairs, walkways and entrances and exits of said buildings;
- (c) The yards and grounds, fences, driveways, pavement and refuse facilities;
- (d) Central facilities and appurtenant installations for utility and other common services such as power, light, gas and water;
- (e) All other apparatus and installations existing for common use;
- (f) All other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

Schedule of Apartments and Common Interests

| <u>Building No.</u> | <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Approximate Net Living Floor Area</u> | <u>Lanai Area</u> | <u>Percentage Interest</u> |
|---------------------|-----------------|------------------|--|-------------------|----------------------------|
| 1 | 101 | D | 999 | 197 | 4.1556 |
| 1 | 102 | C | 996 | 124 | 4.1431 |
| 1 | 103 | B | 996 | 124 | 4.1431 |
| 1 | 104 | A | 859 | 170 | 3.5732 |
| 1 | 105 | F | 1015 | 230 | 4.2221 |
| 1 | 106 | E | 1145 | 194 | 4.7629 |
| 2 | 201 | D | 999 | 197 | 4.1556 |
| 2 | 202 | C | 996 | 124 | 4.1431 |
| 2 | 203 | B | 996 | 124 | 4.1431 |
| 2 | 204 | A | 859 | 170 | 3.5732 |
| 2 | 205 | F | 1015 | 230 | 4.2221 |
| 2 | 206 | E | 1145 | 194 | 4.7629 |
| 3 | 301 | D | 999 | 197 | 4.1556 |
| 3 | 302 | C | 996 | 124 | 4.1431 |
| 3 | 303 | B | 996 | 124 | 4.1431 |
| 3 | 304 | A | 859 | 170 | 3.5732 |
| 3 | 305 | F | 1015 | 230 | 4.2221 |
| 3 | 306 | E | 1145 | 194 | 4.7629 |
| 4 | 401 | D | 999 | 197 | 4.1556 |
| 4 | 402 | C | 996 | 124 | 4.1431 |
| 4 | 403 | B | 996 | 124 | 4.1431 |
| 4 | 404 | A | 859 | 170 | 3.5732 |
| 4 | 405 | F | 1015 | 230 | 4.2221 |
| 4 | 406 | E | 1145 | 194 | 4.7629 |
| Total | 24 | | 24040 sq.ft. | | 100.0000 |

Note: The common interest for an apartment was determined by taking the net living floor area of the apartment and dividing that figure by the aggregate of the net living floor area for all apartments in the project, with minor adjustments to bring the total percentage to 100%.

EXHIBIT C

Encumbrances

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

2. Easement "S-3" (15 feet wide) for sanitary sewer purposes, as shown on File Plan 1188.

3. Reservations contained in Deed dated December 30, 1985, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 19199, at Page 40, to-wit:

"EXCEPTING AND RESERVING, HOWEVER, unto the Grantor, its successors and assigns, easements for electrical, gas, communications and other utility purposes and for sewer, drainage and water facilities over, under, across, along and through any easements within the granted premises which are designated on said File Plan, with the right to grant to State of Hawaii, County of Hawaii, Board of Water Supply or other appropriate governmental agency or to any public or private utility or other corporation easements for said purposes within said easement so designated.

EXCEPTING AND RESERVING ALSO, HOWEVER, unto the Grantor, its successors and assigns, all rights to underground water under or appurtenant to the granted premises, with the right to assign and transfer said rights to State of Hawaii, County of Hawaii, Board of Water Supply or any public or private utility or other corporation; provided, however, that said rights shall not include any surface right to enter upon and drill for water."

4. Declaration of Protective Covenants dated May 27, 1971, recorded in said Bureau in Liber 7577, at Page 66, as supplemented from time to time.

5. Restrictive Covenants and Conditions contained in Exhibit A to Deed dated December 30, 1985, recorded in said Bureau in Liber 19199, at Page 40.

6. Mortgage, Security Agreement and Financing Statement in favor of Transcontinental Development Co., a Texas Partnership, dated December 30, 1985, recorded in said Bureau in Liber 19199, at Page 55.

7. Mortgage in favor of Bancorp. Finance of Hawaii, Inc., a Hawaii corporation, dated December 30, 1985, recorded in said Bureau in Liber 19199, at Page 83.

8. Real property taxes as may be due and owing.

EXHIBIT D

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

| <u>Apartment</u> | <u>Monthly Fee</u> x 12 months = | <u>Yearly Total</u> |
|------------------|----------------------------------|---------------------|
| Type A | \$64.32 | \$ 771.84 |
| Type B | 74.58 | 894.96 |
| Type C | 74.58 | 894.96 |
| Type D | 74.80 | 897.60 |
| Type E | 85.73 | 1,028.76 |
| Type F | 75.99 | 911.88 |

[] Revised on _____

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

EXHIBIT E

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) What a purchaser must do to qualify for a loan if the purchaser wants a mortgage loan to cover part of the purchase price.

(b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That a purchaser may receive interest on deposits made under the Sales Contract.

(d) That the apartment will be subject to various other legal documents which the purchaser should examine.

(e) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(f) That the Sales Contract will be subordinate to the lien of a construction lender.

(g) That the project will be subject to ongoing construction and sales activities which may result in certain annoyances to purchaser.

(h) That Developer makes no rental representations in connection with the sale of units.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT F

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

- (a) Escrow will let purchasers know when payments are due.
- (b) Escrow will arrange for purchasers to sign all necessary documents.
- (c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.
- (d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.