



**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

C & W

39 Haumalu Place

Wahiawa, Hawaii

Registration No. 1795 (Conversion)

Issued: October 20, 1986

Expires: November 20, 1987

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 9, 19 86 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: 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.
(yellow)

FINAL: The developer has legally created a condominium and has filed complete information with the Commission. ~~This report must be read together with~~ _____
(white)

SUPPLEMENTARY: Changes information contained in the
(pink)
[] 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.

No prior reports have been issued.

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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: Franze Wayne Dye and Helen Alexina Dye Phone: 621-9616
Name 39 Haumalu Place
Business Address Wahiawa, Hawaii 96786
(Business)

Names of officers or general partners of developers who are corporations or partnerships:

Real Estate Sales Agent: N/A Phone: _____
Name (Business)
Business Address _____

Escrow: King Escrow Service Corp. Phone: 524-0855
Name 900 Fort Street Mall, Suite 1205
Business Address Honolulu, Hawaii 96813
(Business)

Managing Agent: N/A Phone: _____
Name (Business)
Business Address _____

Attorney for Developer: Dinman, Nakamura, Elisha & Nakatani
Name Suite 1850, 737 Bishop Street
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 1396458

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. 605

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 1396459

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>100%</u>
Bylaws	65%	<u>100%</u>
House Rules	—	<u>100%</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:

None.

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: 30,215 square feet Zoning: R-3

TAX MAP KEY: 1-7-5-25; 26

Fee Owner: Franze Wayne Dye and Helen Alexina Dye
name

39 Haumalu Place

address

Wahiawa, Hawaii 96786

Sublessor: _____
name

address

C. Buildings and Other Improvements:

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

2. Buildings: 3 Floors Per Building: 1

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

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>3</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: reasonable number of dogs, cats and other household pets

Number of Occupants: _____

Other: _____

6. Interior (fill in appropriate numbers):

Total Apartments 3

Elevators 0

Stairways 0

Trash Chutes 0

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>1</u>	<u>1</u>	<u>6/4</u>	<u>2184</u>	<u>---</u>
<u>2</u>	<u>1</u>	<u>2/1</u>	<u>776</u>	<u>---</u>
<u>3</u>	<u>1</u>	<u>2/1</u>	<u>900</u>	<u>112</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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:

Exhibit A

Permitted Alterations to Apartments:

Exhibit B

7. Parking Stalls:

	<u>Number of Stalls</u>
Assigned Stalls (For Individual Units)	4
Guest Stalls	---
Unassigned Stalls	---
Other: _____	---
Total Parking Stalls	4

Each apartment will have the exclusive use of at least 1 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	3	1	---
Number of open stalls	---	---	---

Commercial parking garage permitted on condominium.

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

8. Recreational and Other Common Facilities:

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

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

See reports of Wendell T. P. Ching attached hereto as Exhibit I.
No estimate or warranty as to expected useful life.

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

All Homes met code requirements at time of construction pursuant to Verified Statement of Herbert K. Muraoka dated August 7, 1986. The Verified Statement further states: "For your information, these dwellings are existing nonconforming uses of structures because the property does not have a site development or subdivision plan. Therefore, repairs exceeding 10% of the replacement value of the building may not be made within any 12 consecutive months and any building demolished by any means may not be replaced unless a variance, site development plan, or existing use permit is obtained from the Department of Land Utilization."

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

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 C 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 D

as follows:

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 ~~-----~~ describes the common interests for each apartment.

Each Home shall have appurtenant thereto a one-third (1/3) undivided interest in the Common Elements (hereinafter called the "Common Interest") for all purposes, including voting.

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

Exhibit E describes the encumbrances against the title contained in the title report dated August 25, 1986 .

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>
---------------------	---

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:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

other project is self-managed

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 F 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 type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. Construction Warranties

1. Building and Other Improvements:

None

2. Appliances:

None

J. Status of Construction and Estimated Completion Date

N/A

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:

L. Sales Documents Filed with the Real Estate Commission:

Notice to Owner Occupants N/A -- All Homes will be sold to present occupants.

Specimen Sales Contract

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

Escrow Agreement dated _____

Exhibit H 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 \$ 1.75 at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 1795 filed with the Real Estate Commission on October 9, 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.


for 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 & County of Honolulu
Bureau of Conveyances
Planning Department, City & County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT A

BOUNDARIES OF APARTMENTS: The Project is hereby divided into the following separate freehold estates:

1. Homes. Three (3) separate and distinct freehold estates bounded by and including the decorated or finished surfaces of the exterior of the perimeter walls, by the exterior surfaces of the respective roofs thereof, and inclusive of the floor and ceiling of each of the dwellings in the project, which dwellings are designated on the Condominium File Plan as "Home Number One", "Home Number Two", and "Home Number Three", and are sometimes referred to herein collectively as the "Homes". The term "Home" as used herein shall have the same meaning as the term "Apartment" in the Horizontal Property Act, as the same may be amended from time to time.

(a) Home Number One contains one story in which there are six (6) bedrooms, four (4) bathrooms, a living room, kitchen/dining room, utility room, and carport. Home Number One contains a net living area of approximately 2184 square feet. The carport contains two full-size covered parking spaces and has an area of approximately 380 square feet. Home Number One is principally constructed of wood frame with tongue-and-groove redwood exterior and a flat built-up roof.

(b) Home Number Two contains one story in which there are two (2) bedrooms, one bathroom, kitchen, living room, entrance foyer, covered outside laundry area, and attached carport. Home Number Two contains a net living area of approximately 776 square feet. The carport contains one compact-size covered parking space and has an area of approximately 144 square feet. The laundry area has an area of approximately 72 square feet. Home Number Two is constructed principally of wood frame and walls with rolled mineral roofing material.

(c) Home Number Three contains one story in which there are two (2) bedrooms, one bathroom, kitchen, dining area, living room, enclosed lanai, and garage. Home Number Three contains a net living area of approximately 900 square feet. The enclosed lanai has an area of approximately 112 square feet. The garage contains one full-size parking space and has an area of approximately 360 square feet. Home Number Three is constructed principally of wood frame and walls with rolled mineral roofing material.

(d) Each Home shall also include all pipes, wires, conduits, and other utility and service lines contained wholly within such Home and which are utilized exclusively by and serve only such Home.

EXHIBIT B

PERMITTED ALTERATIONS TO APARTMENTS: No work shall be done by any owner of a Home or any other person which could jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement or hereditament, nor may any owner of a Home or any other person add any material structure or excavate any additional basement or cellar, without in every such case first obtaining the unanimous consent of the owners of all of the other Homes. All other additions to or alterations of any Home or its appurtenant limited Common Elements by the owner of such Home shall be permitted without restriction, provided that the owner making such additions or alterations shall comply strictly with all applicable laws, ordinances, and regulations of any governmental entity, and shall also obtain all necessary permits, at such owner's sole expense.

EXHIBIT C

COMMON ELEMENTS: The Common Elements shall consist of all portions of the Project except the Homes and shall also include, without limitation, all pipes, wires, conduits, and other utility and service lines which are utilized for or serve more than one Home.

EXHIBIT D

LIMITED COMMON ELEMENTS: Certain parts of the Common Elements are set aside and reserved for the exclusive use of each Home and shall constitute "limited Common Elements" appurtenant thereto. Each Home shall have an exclusive easement for the use of the limited Common Elements appurtenant thereto, except as otherwise provided. The cost of maintenance, repair, and upkeep of each limited Common Element shall be assessed to the owner of the Home or Homes to which such limited Common Element is appurtenant. The limited Common Elements shall be appurtenant to each of the Homes as follows:

(a) That certain 11,459 square feet, more or less, of the real property of the Project which includes the real property upon which Home Number One is situated, as is more particularly shown on the Condominium File Plan, shall constitute a limited Common Element appurtenant to and for the exclusive use of Home Number One.

(b) That certain 18,756 square feet, more or less, of real property which includes the real property upon which Home Number Two and Home Number Three are situated, as is more particularly shown on the Condominium File Plan, shall constitute a limited Common Element appurtenant to and for the exclusive use of Home Number Two and Home Number Three, which shall share equally the common expenses allocated thereto, provided that each Home shall be assessed for any such expenses made for the exclusive benefit of that Home.

(c) One mailbox shall be appurtenant to and for the exclusive use of each Home, as shall be designated thereupon.

(d) All pipes, wires, conduits, and other utility and service lines not contained within a Home but used exclusively by and servicing only such Home, shall be appurtenant to and for the exclusive use of that Home.

EXHIBIT E

ENCUMBRANCES AGAINST TITLE:

The Preliminary Title Report issued by Long & Melone, Ltd., dated August 25, 1986, reflects the following encumbrances:

1. Real property taxes which may be due and owing. For further information, check with the Tax Assessor.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. EXCEPTING AND RESERVING a perpetual right of way 50 feet wide of mauka ditch, area 13,000 square feet, being on the North Boundary of Lot A-3-C-1, as shown on Maps 15 and 112 of Application No. 680, in favor of Wahiawa Water Company, Limited, as described in Liber 269, Pages 2-14, Hawaiian Registry dated April 18, 1903, between W. B. McCormick and others and Wahiawa Water Company.
4. EASEMENT Q for underground pipeline as shown on Map 113 filed with said Application 680, as set forth in Land Court Order No. 33981, filed October 13, 1971.
5. GRANT OF EASEMENT for sewer purposes in favor of City and County of Honolulu, dated April 1, 1970 and filed as Land Court Document No. 500277.
6. GRANT OF EASEMENT across Easement Q for underground water pipeline in favor of City and County of Honolulu, dated May 14, 1971 and filed as Land Court Document 555056.
7. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, limitations on title, and all other provisions contained in or incorporated by reference in the Declaration of Horizontal Property Regime dated July 30, 1986, filed as Land Court Document No. 1396458 (By-Laws dated July 30, 1986, filed as Land Court Document No. 1396459), Condominium Map No. 605; any instrument creating the estate or interest herein set forth; and in any other allied instrument referred to in any of the instruments aforesaid.

EXHIBIT F

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Intial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
1	45 540
2	45 540
3	45 540

[] Revised on _____

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

Estimate of Maintenance Fee Disbursements:

Monthly Fee x 12 months = Yearly Total

Utilities and Services	n/a	
Air Conditioning		
Electricity		
[] common elements only		
[] common elements and apartments		
Gas		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies	n/a	
Building Grounds		
Management	n/a	
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	\$60	\$720
Reserves	\$75	\$900
Taxes and Government Assessments	n/a	
Other	n/a	
TOTAL	\$135	\$1620

I/We, Franze Wayne Dye
Helen Alexina Dye, as managing agents for the condominium, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

x Franze Wayne Dye

x Helen Alexina Dye

Date: July 30, 1986

EXHIBIT G

SUMMARY OF SALES CONTRACT: The long form specimen Sales Contract contains, among other things, the following provisions:

1. NO INTEREST ON DEPOSITS. Any and all interest received by the Developer and/or the Escrow Agent on the purchaser's payments shall become the sole property of the Developer, pursuant to the provisions of Sections 402-8 and 449-16.5 of the Hawaii Revised Statutes.

2. WARRANTIES. DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE HOMES, COMMON ELEMENTS, APPLIANCES, FURNISHINGS, OR ANYTHING INSTALLED IN OR UPON THE HOMES OR THE PROJECT OR USED IN CONNECTION WITH THE HOMES OR THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION, OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

3. TIME IS OF THE ESSENCE. Time is of the essence with regard to each of the terms of the Sales Contract, and if Buyer shall default in any payment when due, or fail to perform any other obligation required of the Buyer thereunder, Seller may notify Buyer in writing of such default and if such default shall not be cured within five (5) days after receipt of such notice, Seller may, at Seller's option, terminate the Sales Contract by written notice to Buyer. In such event, all sums paid by Buyer thereunder shall belong absolutely to Seller as liquidated damages, or at Seller's option, Seller may pursue any other remedies in law or in equity for specific performance, damages, or otherwise, and all costs, including reasonable attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

4. MODIFICATION OF DOCUMENTS. Seller reserves the right to modify the Declaration, the By-Laws, and the Deed as may be required by law, by any title insurance company, or by any institutional mortgagee, provided that no such modification shall:

- (a) increase Buyer's share of Common Expenses;
- (b) increase the cost of the Home;
- (c) require substantial physical change of the Home;
- (d) reduce the obligation of Seller for Common Expenses on the other home; or
- (e) substantially impair or modify any of Seller's obligations to Buyer.

Seller further reserves the right to make minor changes to the Home or to the other home and to the Common Elements. However, except as provided in the Declaration, no changes shall be made which affect the physical location or design of the Home, change the number of homes in the Project, or substantially change its exterior appearance.

EXHIBIT H

SUMMARY OF ESCROW AGREEMENT: An escrow agreement (hereinafter called the "Escrow Agreement") detailing the manner in which purchasers' funds are to be handled, has been executed and a copy thereof has been filed with the Commission. The Escrow Agent is King Escrow Services Corp., a Hawaii corporation. The escrow agreement, among other things, contains the following provisions:

Sales Contracts. Seller will have each purchaser sign a Reservation Agreement, Deposit Receipt, and Sales Contract (the "Sales Contract").

All Deposits Will be Paid to Escrow.

a. Payments. Seller will turn over the purchasers' initial deposits to Escrow. All other payments to be made by the purchasers are required to be paid to Escrow. This includes any loan payments from purchasers' lenders.

b. Collection Notices. Seller will notify Escrow when a payment is due under the Sales Contracts. Escrow shall then give written notice to the purchasers and call for such payments to be made to Escrow.

What Will Happen to Purchasers' Deposits. Escrow will accept purchasers' deposits and payments and will hold them or pay them out according to this Escrow Agreement.

a. Deposit in a Trust Fund. Escrow will deposit all of the money from the purchasers in a special savings account (the "Trust Fund") with a federally insured Hawaii bank (the "Bank"). The Trust Fund will pay interest at the passbook rate. As stated in the Sales Contracts the Seller will get all of the interest paid on the Trust Fund. Escrow will make the deposits into the Trust Fund at least once each week. If Seller tells Escrow to make a deposit more than once in a calendar week, Seller will pay Escrow a reasonable service charge of Twenty-Five Dollars (\$25.00) for each additional deposit made during that week. Seller shall have the right to find out the status of the Trust Fund directly from the Bank. Escrow will not be responsible and will not have any liability for any loss of funds not caused by Escrow during the time such funds are deposited in the Bank.

b. When a Purchaser's Funds May be Removed from the Trust Fund. A purchaser's funds may be taken out of the Trust Fund but only after the following have happened:

i. the Real Estate Commission has issued a final public report (the "Final Report") on the Project, and

ii. the purchaser has received a copy of the Final Report and given the Seller a receipt for it, and

iii. two full working days have gone by since Seller notifies Escrow that he has received the receipt, and

iv. Seller notifies Escrow in writing that all of the requirements of Sections 514A-39, 514A-63, and 514A-65, Hawaii Revised Statutes then applicable to the Project have been satisfied, and

v. Seller notifies Escrow in writing that the Sales Contract has become a binding sales contract and that the Purchaser's rights of cancellation have lapsed or have become void.

c. Payment of Purchaser's Funds to Seller. Purchaser's funds in the Trust Fund, as well as any payments made at closing as described in the Sales Contract, shall be paid to Seller when purchaser's Deed has been filed in the Bureau of Conveyances of the State of Hawaii (the "Bureau of Conveyances"),

d. Seller's Funds. Seller's funds may be released from escrow and disbursed without any of the above limitations.

Refunds to Purchasers.

a. When Refunds Will be Made. The Sales Contract explains when purchasers may obtain refunds. Escrow agrees to make the refunds promptly if Seller tells Escrow in writing that a refund should be made according to the Sales Contract. No refund is to be made at a purchaser's request unless Escrow receives written approval from the Seller.

b. Interest. Refunds to purchasers will be made without any interest.

c. Deduction of Cancellation Fees. Under the Sales Contracts there are times when Escrow is to deduct cancellation fees from the refund amount. Escrow will deduct the cancellation fees from the refund unless Seller instructs Escrow not to do so. The words "cancellation fees" mean Escrow's cancellation fees which are defined in Paragraph 11.b of the Escrow Agreement and any cancellation fees of the lender from whom the purchaser has arranged a loan to buy the condominium unit.

d. Notice of Refunds. Escrow shall give each purchaser entitled to a refund notice of the refund by registered mail. It will be addressed to such purchaser at the address shown on his or her Sales Contract. If a purchaser gives Escrow another address, then Escrow will send the notice to that

address.

Purchaser's Default. Seller will notify Escrow in writing that a purchaser has defaulted and that Seller has cancelled that purchaser's Sales Contract. Escrow will then notify that purchaser by registered mail that the Seller has cancelled the Sales Contract because of the default. After ten (10) days following the Purchaser's receipt of such notice, Escrow will then treat the purchaser's funds, less Escrow's cancellation fees, as belonging to the Seller.

HOME NUMBER ONE

INSPECTION REPORT

July 2, 1986

By: Wendell T. P. Ching, P.E.
Registered Engineer No. 2243

General: An inspection of the property including structural, mechanical and electrical components of the building was conducted on June 27, 1986 at approx. 10:30 a.m. All items were in good condition.

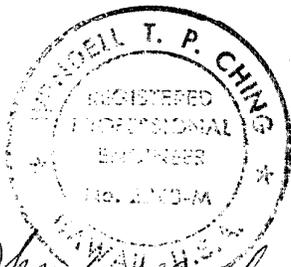
Address: The address is 39 Haumalu Place, Wahiawa, Oahu, HI 96786. It is at the left side at the termination of Haumalu Place, just off California Avenue.

Description of the Property: One-story dwelling of approx. 2,100 square feet, 6 bedroom 4 bath and double carport, with a large central living room and entry foyer; the plans include a patio for the future.

Construction consists of wood frame 1 x 8 tongue and groove redwood exterior, flat built-up roof, wood floor joist w/ post and beam construction.

The owner built the house in 1969.

Remarks: There is minor water-rot at the roof edge above the front entry.



Wendell T. P. Ching

EXHIBIT I

HOME NUMBER TWO

INSPECTION REPORT

July 2, 1986

By: Wendell T. P. Ching, P.E.
Registered Engineer No. 2243

General: An inspection of the property including structural, mechanical and electrical components of the building was conducted on June 27, 1986 at approx. 11:00 a.m.

The building is obviously aged as indicated by its construction, building materials and overall obsolescence. Although it is quite reasonable and satisfactory, it is deemed "below average" in overall scope. The structural members under the floor were satisfactory . . . the wooden posts, joists and beams were relatively undamaged and in good condition. The roof structural members were not inspected. The structural condition of the walls and partitions were acceptable.

The mechanical system (plumbing) was operable and in working condition. The piping and fixtures are old with probable repairs or replacement in the near future.

The electrical system was adequate and in working condition. As with the overall construction - - - the electrical system is operable but of "out-of-date" materials and workmanship. It is operable and usable but simply obsolete.

Address: The address of this house is 2206-Y California Avenue, Wahiawa, Oahu, HI 96786.

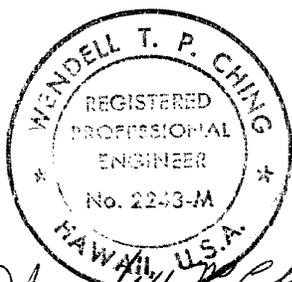
Description of the Property: One story single family dwelling consisting of approx. 757 square feet with an attached single carport, 2 bedroom 1 bath.

Construction consists of wood frame and walls, hardwood floor (apparently koa wood), hip-roof with rolled mineral roofing paper. The 2 bedrooms have flat roofs.

Remarks: The kitchen sink drain trap needs to be repaired since there is a c-clamp holding the top fastener together. By the large window in the living room, there is a termite-damaged ceiling molding. The water pipes are galvanized iron with threaded connections and the plumbing waste lines are hub-type - - - both are indications of obsolete materials and old age. The rolled roofing appears to be patched over the bathroom area with single roofing.

EXHIBIT I

Portions of the house shows the aged peeling paint and wear and tear of use over the years. The tax-office records indicate that this was moved on the property in 1959.



Wendell T. Ching

HOME NUMBER THREE

INSPECTION REPORT

July 2, 1986

By: Wendell T. P. Ching, P.E.
Registered Engineer No. 2243

General: An inspection of the property including structural, mechanical and electrical components of the building was conducted on June 27, 1986 at approx. 12:00 noon.

The building is in an acceptable condition, however, due to its old age it is considered "below average" in overall scope.

The structural conditions of the flooring, beams, joist and post were satisfactory and in good condition. The roof system was not inspected due to being inaccessible. The structural condition of the walls and partitions were acceptable.

The mechanical system (plumbing) was operable and in working condition. However, the piping and fixtures are old with probable repairs or replacement in the near future.

The electrical system was adequate and in working condition. As with the overall condition, it is considered "out-of-date" and obsolete.

Address: The address of this house is 2206-Z California Avenue, Wahiawa, Oahu, HI 96786.

Description of the Property: One-story single family dwelling consisting of approx. 1,020 square feet with an attached double carport; 2 bedroom 1 bath house with a fireplace.

Construction consists of wooden frame and walls, asphalt floor tile, hip roof with rolled mineral roofing material.

Remarks: There is peeling paint on the ceiling of the kitchen and the hall area. Above the fireplace, the ceiling is patched which indicates some kind of previous leaky condition. Floor tile at the front porch area are worn and cracked. The outside 4 x 4 column is damaged with water rot at the bottom and needs to be re-nailed at the top. There is termite damage on one piece floor joist under the bedroom near the carport.

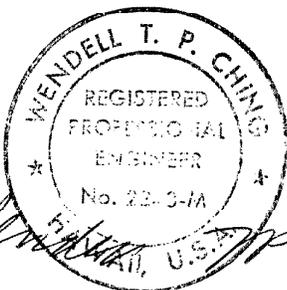


EXHIBIT I

Wendell T. P. Ching