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

WAIPA ESTATES
Waipa Lane
Honolulu, Hawaii 96817

Registration No. 1885

Issued: September 29, 1988
Expires: October 29, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 15, 19 88 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.

__X__ FINAL: (white) — The developer has legally created a condominium and has filed complete information with the Commission.
[X] Supersedes all prior public reports
[ ] Must be read together with _____

____ SUPPLEMENTARY: (pink) — Updates 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 _____

[ ] This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] *Required* [X] *Not Required -- disclosures covered in this report.*

FORM: RECO-30 286/986-350W, 150Y, 50P

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.

A preliminary report was issued on this project on November 17, 1987. Since said report was issued, the developer has changed the floor plan of Apartment 5. This report reflects the changes.

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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 project 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 condominium projects, 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, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. 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.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. 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 participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment 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.

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages in text of report)

Interest to be Conveyed to Buyer:

A freehold interest in an apartment and undivided interest in the Project's common elements.

Type of Project:

1. [X] New Building(s) [ ] Conversion
   [ ] Both New Building(s) and Conversion
2. [X] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [ ] Other _____
3. [ ] High Rise (5 stories or more) [X] Low Rise
4. [ ] Single or [X] Multiple Buildings
5. Apartment Description

Apt. Type	Qty	BR/Bath	Net Living Area*	Deck Lanai/Patio
A	2	6/2-1/2	1748	----
B	2	5/2-1/2	1794	----
C	1	3/2	1000	96

Total Apartments: 5

*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 the floor area may have been used.

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other: 2-car garage or carport for each apartment.	10
Total Parking Stalls	10

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Foytich Family Partnership
Name
4205 Alae Street
Business Address
Honolulu, Hawaii 96816
Phone: 737-1486 (Business)

Names of officers or general partners of developers who are corporations or partnerships:
No. 1 Foytich Corporation- General Partner
Steve Foytich - president

Real Estate Sales Agent: Roberta Brown, Realtor
Name
1188 Bishop Street, Ste. 708
Business Address
Honolulu, Hawaii 96813
Phone: 524-7552 (Business)

Escrow: Founders Title & Escrow of Hawaii
Name
900 Fort Street Mall, 10th Floor
Business Address
Honolulu, Hawaii 96813
Phone: 531-3189 (Business)

Managing Agent: Self-managed
Name
Business Address
Phone: (Business)

Attorney for Developer: James A. Stubenberg
Name
1001 Bishop Street, 1250 Pauahi Tower
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/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 project.

The Declaration for this condominium is:

[ ] Proposed
[X] Recorded — Bureau of Conveyances — Book 22185 Page 122
[X] Filed — Land Court — Document Number 1567824

Amendment date(s) and recording/filing information:

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded — Bureau of Conveyance Condo Map No. 1145
[X] Filed — Land Court Condo Map No. 675

Amendment date(s) and recording/filing information:

C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. 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 project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded — Bureau of Conveyances — Book 22185 Page 147
[X] Filed — Land Court — Document Number 1567825

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. These rules must be followed by owners, tenants, and guests. 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

[X] 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 duly adopted and recorded and/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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	100%
Bylaws	65%	80%
House Rules	–	

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:

The developer reserves the right to amend the Declaration and the Condominium Map without the consent or joinder of any apartment owner in order to amend, replace, modify or revise the plans of any apartment prior to the completion of initial construction thereof, except that the total number of apartments in the Project and percentage of common interest assigned to an apartment shall notbe changed and such plans shall be approved by the appropriate government agencies prior to the commencement of any work. The Developer reserves the right to file "as built" amendments pursuant to section 514A-12 of the Hawaii Revised Statutes without the consent or joinder of any apartment owner.

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:

[X] 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.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

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.

[ ] 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 -- tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often 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:**

Address: 622, 624, 626, 628, 628-A Waipa Lane Tax Map Key: 1-7-32:18 & 92
Honolulu, Hawaii 96817 (TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 27,834 [X] square feet [ ] acre(s) Zoning: R-5

Fee Owner: Foytich Family Partnership
name
4205 Alae Street
address
Honolulu, Hawaii 96816

Sublessor: _____
name
_____
address
_____

C. **Buildings and Other Improvements:**

1. [X] New Building(s) [ ] Conversion of Existing Building(s)
   [ ] Both New Building(s) and Conversion

2. Buildings: 4 Floors Per Building: 1 or 2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [X] Concrete [X] Hollow Tile [X] Wood

   [ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial	_____	[ ] Industrial	_____
[X] Residential	5	[ ] Agricultural	_____
[ ] Timeshare/Hotel	_____	[ ] Recreational	_____
[ ] 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 project include but are not limited to:

[ ] Pets: _____

[ ] Number of Occupants: _____

[X] Other: There are special use restrictions in the By-Laws and the Declaration.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 5

Elevators n/a Stairways n/a Trash Chutes n/a

Apt. Type	Qty	BR/Bath	Net Living Area*	Deck ~~Lanai/Patio~~
A	2	6/2-1/2	1748	-------
B	2	5/2-1/2	1794	-------
C	1	3/2	1000	96

*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:

For apartments 3,4 and 5, each shall consist of the apartment unit and all other improvements located within the "Private Land Area" as designated on the Condomium Map, which serves only such apartment.

For apartments 1 and 2, each shall consist of the spaces within the interior surfaces of the perimeter walls or party walls, the floor and ceilings, together with other improvements located within the "Private Land Area", which serves only such apartment.

Permitted Alterations to Apartments:

See Exhibit "A"

7. Parking Stalls:

Total Parking Stalls: 10

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)							
Guest							
Unassigned							
Extra Available for Purchase							
Other:	10						
Total Covered & Open	10						

Each apartment will have the exclusive use of at least 2 parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[X] Other: Roadway

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

N/A

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

N/A

10. Conformance to Present Zoning Code

a. [X] 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

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

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

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

   Exhibit "B" 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.

   [ ] There are no limited common elements in this project.

   [X] The limited common elements and the apartments which may use them are:

   [X] described in Exhibit "C"

   [ ] 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.

   [x] as follows:

Apartment Number	Percentage of Common Interest
1	20%
2	20%
3	20%
4	20%
5	20%

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

Exhibit "D" describes the encumbrances against the title contained in the title report dated July 29, 1988.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] 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.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
First Mortgage - Finance Factors, Ltd. Second Mortgage - First Hawaiian Bank	Buyers interest will be subject to the mortgages.

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 project. 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 project.

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.

[X] other There are no present plans to hire a managing agent for this project.

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 project. If you are delinquent 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 _____ contains a schedule of maintenance fees and maintenance fee disbursements.
Developer does not project any monthly maintenance fees for this project.
See Section IV, on Page 18

H. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[ ] Electricity [ ] Television Cable

[ ] Gas [ ] Water & Sewer

[ ] Other _____

I. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

Whatever warranties given by the general contractor, sub-contractors or material men for the project. Developer makes no warranties, whether expressed or implied.

2. Appliances:

Whatever warranties given by the manufacturers.

J. **Status of Construction and Estimated Completion Date:**

The project will be completed on April 30, 1989.

K. **Project Phases:**

The developer [ ] has [x] 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:**

Sales documents on file with the Real Estate Commission include but are not limited to:

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated September 28, 1987

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

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

There will be no monthly maintenance fees for the project because the owners of each apartment will maintain their own insurance to cover the common elements as required under H.R.S. 514A-86.

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 to the buyer a copy of:
   a. Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report;
      AND
   b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
   a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   c. The apartment is conveyed to the buyer within 30 days from the date the report(s) 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 (a) the use or value of the buyer's apartment or its limited common elements; or (b) 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. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. 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 (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 1885 filed with the Real Estate Commission on September 29, 1987.

Reproduction of Report. When reproduced, this report must be on:

[ ] yellow paper stock [X] white paper stock [ ] pink paper stock

Expiration Date of Reports. 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.

Gloria Damron

GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

EXHIBIT "A"

PERMITTED ALTERATION TO APARTMENTS

Prior to the completion of the initial construction of his apartment any apartment owner may modify or alter the plans of his apartment by submitting all plans for such alteration to the Developer for its review and approval.

After completion of initial construction, an apartment owner may alter his apartment at any time by submitting all plans for such alteration together with a statement of the estimated cost of construction and completion date to the Board of Directors for approval, or if there is not yet any Board, to the Developer. For purposes hereof, the only alterations of an apartment requiring the prior approval of the Board of Directors or the Developer are those which affect the external appearance or dimensions of such apartment.

The alteration of an apartment may decrease or increase the size or elevation of such apartment, layout of rooms, and its configuration, provided that the same shall not extend or place the apartment outside of the limits of the Private Land Area designated on the Condominium Map. The boundaries and designation of the Private Land Areas shall not be altered except by general amendment to the Declaration.

EXHIBIT "B"

DESCRIPTION OF COMMON ELEMENTS

One freehold estate is hereby designated in all the remaining portions and appurtenances of the Project, herein called the "common elements", including specifically, but not limited to:

(a) Said land in fee simple;

(b) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, refuse, sewer, telephone, radio and television signal distribution; and

(c) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.

EXHIBIT "C"

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) The limited common elements set aside and reserved for Apartments 3, 4 and 5 is the driveway designated on the Condominium Map and any improvements related to the construction and use of said driveway. The costs of maintaining and repairing said driveway shall be shared equally by the owners of Apartments 3, 4 and 5.

(b) The limited common elements set aside and reserved for Apartments 1 and 2 are all foundations, floors, party walls, roofs, columns, beams, wires, pipes and other structures supporting or serving both such apartments.

(c) The limited common element set aside and reserved for the exclusive use of each apartment is the respective Private Land Area beneath and surrounding each apartment as designated on the Condominium Map.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

1. Easement for sanitary sewer purposes as shown on Map 2 and as set forth by Land Court Order No. 32740, filed February 8, 1971.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. Grant of Easement for sanitary sewer purposes in favor of the City and County of Honolulu by instrument dated December 12, 1970, filed as Document No. 526708 and recorded in Liber 7450 at Page 243.

4. Final Order of Condemnation for easement for sanitary sewer purposes affecting the property described herein in favor of the City and County of Honolulu by instrument dated May 3, 1971, filed as Document No. 536888.

5. Mortgage in favor of Finance Factors, Limited, a Hawaii corporation, by instrument dated June 18, 1987, filed on August 6, 1987 as Document No. 1485826, recorded in Liber 20991 at Page 78.

6. Mortgage in favor of First Hawaiian Bank, a Hawaii corporation, by instrument dated July 17, 1987, filed on August 6, 1987 as Document No. 1485827, recorded in Liber 20991 at Page 90.

7. Declaration of Horizontal Property Regime dated July 13, 1988, filed in the office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1567824, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22185 at Page 122, as the same may hereafter be amended. (Project is covered by Condominium Map No. 675 & Condominium File Plan 1145.)

8. By-Laws of the Association of Apartment Owners of Waipa Estates dates January 15,1988 filed in the office of the Assistant Registrar of the Land Court in the State of Hawaii as Land Court Document No. 1567825, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22185 at Page 147, as the same may hereafter be amended.

EXHIBIT "E"

Summary of Sales Contract

(1) The Sales Contract is not a present transfer of any interest in the Project but only an agreement to purchase and sell apartments.

(2) Payment of the purchase price shall be made through an escrow agent, Founders Title & Escrow of Hawaii. Buyer will have the opportunity to read the Escrow Agreement and agrees with the provisions made therein.

All money for the purchase will be paid to Escrow and may be deposited by Escrow into interest-bearing accounts. All interest earned on such money will belong to the Seller.

(3) By signing the Sales Contract, Buyer represents that Buyer can make all required payments when due. Buyer must supply the Seller on any mortgage lender with true and accurate financial information.

If Buyer needs a mortgage in order to make the purchase, Buyer must apply for a loan within ten (10) business days after Seller signs the Sales Contract. If Buyer does not qualify for a loan, Seller has the option of cancelling the sale. If the sale is cancelled, Seller will tell Escrow to return Buyer's money (without interest), minus Escrow's cancellation fee, and Seller's or any lender's fee for processing the Sales Contract or loan application. As soon as buyer receives a commitment letter to make a loan, a copy of the letter must be sent to Seller immediately. If Buyer is unable to go through with the purchase because Buyer's lender does not close the loan, buyer will be deemed in breach of the Sales Contract. Seller then has the option of keeping all monies already paid by Buyer or pursuing any other legal remedy.

If Buyer intends to pay in cash, Buyer must furnish written proof of ability to pay within ten (10) business days after Seller signs the Sales Contract.

(4) Buyer agrees that Buyer has read, reviewed and approved the condominium documents (Declaration or By-Laws), the Condominium Map, Rules and Regulations of the Project,

form of Apartment Deed and Disclosure Abstract in addition to the Escrow Agreement.

(5) Seller has the right to amend the condominium documents and Condominium Map as long as such amendments do not increase or reduce the number of the other apartments.

(6) Seller makes no representations to Buyer or anyone else about the rental or resale of apartments.

(7) The Sales Contract is not binding on either buyer or Seller until a Final Public Report on the Project has been issued by the Real Estate Commission and Buyer's right to cancel the sale has lapsed. Buyer can waive the right to cancel and go through with the sale by signing the appropriate form given to Buyer. Buyer will lose the right to cancel unless Buyer cancels within thirty (30) days of receiving a copy of the Final Public Report.

(8) Closing shall occur on ten (10) days notice of the date of final closing by Seller or Escrow.

Prorations, real property taxes and other costs shall be prorated as of the closing date. All risk of damage or loss to the purchased apartments will also pass to Buyer as of that date.

(9) Some of the expenses that the buyer must pay at closing include the following: the entire Escrow fee, notary fees, conveyance taxes, appraisal fees, recording fees, cost of credit reports, document preparation fees, title insurance, all costs of Buyer's mortgage, and prorated maintenance fees and real property taxes.

(10) The Sales Contract cannot be transferred or assigned to another buyer without Seller's prior written consent.

(11) The Seller is selling the property "as is" and makes no warranties, expressed or implied, with respect to the apartment, the project, or consumer products or other things installed or contained in the apartment or the Project.

EXHIBIT "F"

SUMMARY OF ESCROW AGREEMENT

1. All monies payable by Purchasers under Sales Contracts shall be made to the Escrow Agent.

2. Purchaser's funds will be deposited by Escrow into federally-insured accounts. All interest earned on such deposits shall be credited to the Seller.

3. No disbursement of any funds received by Escrow shall be made until (a) the construction of the Project is completed; (b) the 45-day lien period provided for under Section 507-43, Hawaii Revised Statutes, as amended, has lapsed; and (c) the Project is free and clear of any mechanics' and materialmen's liens.

4. Escrow will conduct the closing of each Purchaser's Sales Contract by arranging and supervising the execution of all documents related to the Project, recording all applicable real property documents, and doing all other acts required to close sales.

5. Purchasers will be entitled to a refund of their monies if any one of the following events has occurred:

   (a) Seller directs Escrow to make the refund;

   (b) Seller exercises any cancellation right available under the Sales Contract;

   (c) Purchaser is entitled to a refund under any provision of the Horizontal Property Act; or

   (d) Purchaser exercises any right of cancellation available under the Sales Contract.

   Under cancellation of any sale, Escrow has a right to receive a cancellation fee commensurate with the work Escrow has performed, but in any event not less than Twenty Five Dollars ($25.00), plus all costs insured by Escrow.

6. If Seller terminates the Sales Contract due to a default on the part of Purchaser, Seller will so notify Escrow. Escrow will notify the Purchaser that the Sales Contract

was cancelled because of default by certified or registered mail. If Escrow does not hear from Purchaser before the due date thereof or if the Purchaser fails to perform in any manner which is being handled by Escrow, Escrow will deduct its cancellation fee from Purchaser's monies and treat the remainder as Seller's property.

7. Escrow's fee is $299.00 on each apartment sold, plus general excise tax.