



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 1010 Richards Street - P. O. Box 3469
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

WAOKANAKA ESTATES I
 165 Waokanaka Place (Unit #1)
 171 Waokanaka Place (Unit #2)
 Honolulu, Hawaii 96817

Registration No. 2086

Issued: December 13, 1989
 Expires: January 13, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of December 8, 1989, 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.
(white)
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** Updates 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 _____
- This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

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 by the Commission.

Changes made are as follows:

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. 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: Limited Common Elements	
EXHIBIT C: Encumbrances Against Title	
EXHIBIT D: Estimate of Initial Maintenance Fees and Maintenance Fee Distribution	
EXHIBIT E: Developers Reservations	
EXHIBIT F: Summary of Sales Contract	
EXHIBIT G: Summary of Escrow Agreement	
EXHIBIT H:	
EXHIBIT I:	
EXHIBIT J:	

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium 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 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

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

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

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
1	1	3/2	2,760	508
2	1	3/2	2,064	392

Total Apartments: 2

**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:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>4</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>4</u>

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: DRG Partners, a Limited Partnership
Name
Three Waterfront Plaza, Suite 405
Business Address
Honolulu, Hawaii 96813

Phone: (808) 524-6142
(Business)

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

Waokanaka Development Corp. is the General Partner of DRG Partners.
Donald T. Eovino, Gary K. Iki and Randall I. Morikawa are the limited
partners. DTE Investment Corp. & Jackfinn Development Corp., corporate
partners and General Partner of Waokanaka Ventures.

Real Estate Sales Agent: Eovino & Associates, Inc.
Name
Three Waterfront Plaza, Suite 405
Business Address
Honolulu, Hawaii 96813

Phone: (808) 524-6142
(Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen Street
Business Address
Honolulu, Hawaii 96813

Phone: (808) 521-0211
(Business)

Managing Agent: self managed
Name

Business Address

Phone: _____
(Business)

Attorney for Developer: Michael H. Sakai
Name
201 Merchant Street, Suite 902
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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Condominium 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
 Recorded - Bureau of Conveyances - Book 22913 Page 263
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

First Amendment to Declaration dated June 15, 1989, recorded in Book 23298, Page 134.
Second Amendment to Declaration dated September 14, 1989, recorded in Book 23653, Page 553.
Third Amendment to Declaration dated November 3, 1989, recorded in Book 23853, Page 397.

- 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
 Recorded - Bureau of Conveyance Condo Map No. 1180
 Filed - Land Court Condo Map No. _____

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
 Recorded - Bureau of Conveyances - Book 22813 Page 296
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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.

- 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
- 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 common interest which 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>N/A</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:

- 1) Right to grant easements for utilities.
- 2) Right to amend Declaration and Condominium Map to file architects' "As-Built" statement for immaterial changes.
- 3) Right to amend Declaration and By-Laws prior to the first conveyance of dwelling.
- 4) Right to assign declarants' rights under the Declaration.
- 5) Right to withdraw approximately 11,584 square feet of common element as designated on the Condo Map (10 year limitation) for the purpose of subdivision and development.
- 6) For a more detailed discussion on the Developer's right to either withdraw or further develop this project, your attention is directed to Exhibit "E".

B. Underlying Land:

Address: 165 Waokanaka Place, Honolulu, HI 96817 Tax Map Key: (1)-1-9-3-12
171 Waokanaka Place, Honolulu, HI 96817 (TMK)

Address TMK is expected to change because _____

Land Area: 1,762 square feet acre(s) Zoning: R-10

Fee Owner: DRG Partners
Name
Three Waterfront Plaza, Suite 405
Address
Honolulu, Hawaii 96813

Sublessor: N/A
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building House #1 - 3 floors
House #2 - 1 floor
 Exhibit _____ contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other Allied Building Materials

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>2</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 project include but are not limited to:

Pets Normal household pets (dogs & cats) allowed in reasonable number.

Number of Occupants: _____

Other: Residential use and day-term lease; cannot be used for transient rental income property.

There are no special use restrictions.

6. **Interior (fill in appropriate numbers):**

Total Apartments 2

Elevators None

Stairways Both - yes

Trash Chutes None

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1</u>	<u>1</u>	<u>3/2</u>	<u>2,760</u>	<u>508</u>
<u>2</u>	<u>1</u>	<u>3/2</u>	<u>2,064</u>	<u>392</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 the floor area may have been used.

Boundaries of Each Apartment:

The exterior finished surfaces of all perimeter walls, roofs, windows, frames, beams, foundations, footings and slabs.

Permitted Alterations to Apartments;

Each dwelling owner may improve, remodel, rennovate, make additions to, replace, or restore his/her dwelling, subject to requirements set forth in the Declaration (building permit, value of dwelling not lessened, compliance with zoning laws, etc.).

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least 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

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.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
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 "A" describes the common elements.

As follows:

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.

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

described in Exhibit "B"

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.

As follows:

Apartment #1 - 50%

Apartment #2 - 50%

If another apartment is subsequently constructed pursuant to the terms of the Declaration, each apartments' common interest will be 33.33%.

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 dated July 31, 1989 and issued by Title Guaranty Escrow Services, Inc.

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Mortgagee would foreclose mortgage if Developer defaults, and buyers interest would be lost. Construction loan agreement secured by the mortgage provides for a release fee for each unit. The mortgage will be released as to each unit and its limited common elements before conveying to buyer.
Improvement District Assessment (Sewer)	City & County would levy if the developer defaults, and the buyers interest would be lost. Unpaid assessments shall be a common area expense.

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] self-managed by the Association of Apartment Owners.

[] 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 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 _____ "D" _____ contains a schedule of maintenance fees and maintenance fee disbursements.

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:

- | | |
|--|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |
| <input checked="" type="checkbox"/> Not applicable | |

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:

There are no warranties by the Developer; the units are sold "as is". However, the Developer will pass on to the buyer (i) the contractor's normal one-year warranty to correct any work found to be defective within one (1) year after substantial completion, as defined in the construction contract, and (ii) whatever warranties the contractor has received from suppliers and sub-contractors for the benefit of the buyer.

2. Appliances:

The Developer will assign the manufacturers warranties on the appliances to each buyer.

J. Status of Construction and Estimated Completion Date:

165 Waokanaka Place - June 30, 1989

171 Waokanaka Place, - December 31, 1989

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:

Developer has reserved the right to withdraw approximately 11,584 square feet of common element as designated on the Condo Map for the purpose of either selling the same or creating another apartment unit which will be part of the condominium. The reservation is limited to ten (10) years after the execution of the Declaration.

A Purchaser's attention is directed to Exhibit "E" for further information on the reservation in favor of the Developer.

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

Specimen Sales Contract

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

Escrow Agreement dated February 27, 1989

Exhibit "G" contains a summary of the pertinent provisions of the escrow contract.

Other

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. Not a Subdivision. This is a condominium project which should not be confused with a subdivision. A buyer of an apartment will be conveyed an apartment unit together with an "undivided" interest in the common elements which the entire parcel of land upon which the project is situated is designated as.
2. Conveyance of Apartment Units. The Developer will convey the apartments in the project to the following parties:
 - a) Unit 1 will be conveyed to DTE Investments Corp., a Hawaii corporation which is a corporation that is wholly owned by Donald T. Eovino, a limited partner of DRG Partners.
 - b) Unit 2 will be conveyed to Randall Morikawa and Teresa Morikawa. Randall Morikawa is a limited partner of DRG Partners.
3. Waokanaka Estates II. The roadway and utility easement which serves access to the units in this project will also be providing access and utilities to the Waokanaka Estates II project which will be developed adjacent to this project. This means the owners of this Project will be sharing the use of the roadway and utility easements on a nonexclusive basis with the owners of units in the Waokanaka Estates II condominium project.
4. Common Element With Reservation. The Developer has agreed to pay for certain cost associated with the Common Element With Reservation land area during the period that it continues to have the right to develop or subdivide the land area. The Declaration, as amended, includes the following paragraph in Section H:

"Notwithstanding anything contained herein to the contrary, until the Owner exercises any rights to delete, remove or otherwise subdivide any portion of the "Common Element With Reservation" of the Project or until Owner develops the Common Element With Reservation of the Project, the Owner shall be liable and responsible for all costs rationally related to the maintenance of the land area designated as "Common Element With Reservation" including but not limited to reasonable upkeep, water, insurance and real property taxes which cost shall be determined and prorated in an equitable manner by the Association and the Owner. The covenants of this paragraph shall terminate automatically upon the occurrence of the earlier of (i) January 30, 1996 or (ii) Owner recording an Amendment to this Declaration stating that it cancels, waives and terminates its reservation contained in Sections Q and S."

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 Condominium 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. 2086 filed with the Real Estate Commission on
June 22, 1989.

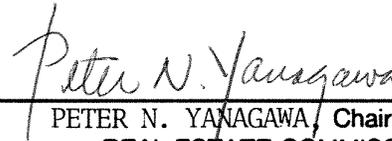
Reproduction of Report. When reproduced, this report must be on:

yellow paper stock

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.



PETER N. YANAGAWA, 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"

Common Elements

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

- a. Land in fee simple.
 - b. All yards, grounds and landscaping;
 - c. All driveways;
 - d. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any; and
- e. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "B"

Limited Common Elements

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

(a) The lot upon which each respective apartment is built, including the yard, grounds, a portion of the driveway, landscaping and any amenities located thereon, as outlined in red on the Condominium File Plan, shall be appurtenant to and for the exclusive use of that apartment.

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

(c) One mailbox shall be appurtenant to and for the exclusive use of each apartment, shall be designated with the apartment number thereon and shall be located on the limited common element for each apartment.

EXHIBIT "C"

Encumbrances Against Title

SUBJECT, HOWEVER, to the following:

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

2. Perpetual drainage of surface water easement and perpetual access and utility easement, being Easement "A" (2,648 square feet), as granted in Grant of Easement dated January 3, 1989, recorded in Book 22813, at Page 260, and being more particularly described therein as per survey of Haruo Shigeoka, Registered Professional Land Surveyor, dated July 22, 1988.

3. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated January 30, 1989, recorded in the Bureau of Conveyances, State of Hawaii, in Book 22813, at Page 263, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1180).

4. By-Laws of the Association of Apartment Owners of the Condominium Project known as "Waokanaka Estates I" dated January 30, 1989, recorded in the Bureau of Conveyances, State of Hawaii, in Book 22813, Page 296, as the same may hereafter be amended.

5. Agreement dated June 2, 1989, recorded in Book 23276 at Page 782, by and between DRG Partners, a Hawaii Limited Partnership, and the Board of Water Supply, City and County of Honolulu; re: water service.

6. As to Apartment 1 only:

Terms, easements, restrictions, agreements, reservations, covenants, conditions and provisions contained in Apartment Deed dated March 21, 1989, recorded in Book 22998, Page 350.

7. As to Apartment 2 only:

Terms, easements, restrictions, agreements, reservations, covenants, conditions and provisions contained in Apartment Deed dated June 8, 1989, recorded in Book 23279, Page 233.

8. Mortgage, Security Agreement and Financing Statement dated March 21, 1989, by and between DTE Investments Corp., a Hawaii corporation, as Mortgagor, and Liberty Bank, a Hawaii corporation, as Mortgagee, recorded in Book 22998, Page 357.

9. As to Apartment 2 only:

Mortgage dated June 8, 1989, by and between Randall I Morikawa and Teresa A. Morikawa, husband and wife, as Mortgagor, and First Interstate Bank of Hawaii, a Hawaii banking corporation, as Mortgagee, recorded in Book 23279, Page 240.

10. Improvement Assessment: Nuuanu Valley Sewers, Section 3, District No. 263, Lot No. 20.

11. For real property taxes that may be due and owing reference is made to the Office of the Tax Assessor, City and County of Honolulu.

EXHIBIT "D"

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
1	\$300.00 x 12 months = \$3,600.00
2	\$300.00 x 12 months = \$3,600.00

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 x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only

common elements
and apartments

\$50.00 x 12 months = \$ 600.00

Gas

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance (Liability)

\$50.00 x 12 months = \$ 600.00

Reserves

Taxes and Government Assessments

\$200.00 x 12 months = \$2,400.00

Audit Fees

Other

TOTAL

\$300.00 x 12 months = \$3,600.00

I/We, DRG Partners, a Limited Partnership, as
developer ~~managing agents~~ for the condominium project, hereby certify that the above estimates of initial
maintenance fee assessments and maintenance fee disbursements were prepared in accordance
with generally accepted accounting principles.



Date: December 8, 1989

EXHIBIT "E"

DEVELOPER RESERVATIONS

(1) The Developer and its successors and assigns shall have the right at Developer's sole discretion, without being required to obtain the consent or joinder of any person or group of persons, including any apartment owner or any mortgagee, lien holder or any other person who may have an interest in the project or any apartment therein, at any time prior to January 30, 1996, unless such time is extended by a vote of 75% of the apartment owners in the project, to develop, construct and add to the project one additional apartment, together with such supporting and servicing common elements, which Developer determines in Developer's sole discretion to be beneficial to the project, in the area designated as "Common Element with Reservation" in the Condominium Map (which apartment and common elements are hereinafter referred to as the "additional apartment").

(2) In the exercise of the foregoing rights, Developer may, at any time prior to January 30, 1996, record:

(a) One or more amendments of the Declaration in the Bureau of Conveyances of the State of Hawaii which may contain: (i) an amended description of the project, including any additional apartment which Developer has chosen to add to the project and any changes to the project made pursuant to the terms of the Declaration; and (ii) the percentage common interest of each apartment in the amended project, which percentage common interest shall be divided equally among all apartments in the project; and

(b) an appropriate amendment to the Condominium Map showing any changes in the project. Developer may apply for and obtain from the Real Estate Commission of the State of Hawaii an appropriate Public Report describing the changes made in the project pursuant to the terms of the Declaration.

(3) Said additional apartment shall be deemed a part of the project for all purposes upon the completion of all of the following events:

(a) The recordation by Developer in said Bureau of an amendment thereof which shall contain:

(i) An amended description of the project, including said additional apartment and any other changes made pursuant to the terms of the Declaration;

(ii) The percentage common interest of each apartment in the amended project; and

(iii) A certification by a Hawaii registered architect or professional engineer that the final plans theretofore filed, or being filed simultaneously therewith, fully and accurately depict the layout, location, apartment number, dimensions and elevations of the additional apartment of the project as built.

(4) Upon completion of the foregoing, all of the apartments shall have the right to use the common elements in the project to the same extent and subject to the same limitations as are imposed upon an apartment as though the amended project had been developed as one project. It is the purpose hereof to provide that from and after the date of the completion of the foregoing, all of the amended project shall be treated as though it had been developed, divided into apartments, held, occupied and used by the owners thereof as a single undivided project.

(5) In connection with, and to the extent necessary for the creation of the additional apartment and common elements, as aforesaid, Developer shall have the right at any time prior to January 30, 1996, unless extended, to remove, amend or add common elements; to enter upon the project premises with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing the additional apartment and common elements according to plans and specifications approved by the officer of the City and County of Honolulu having jurisdiction over the issuance of building permits; to connect the additional apartment and common elements to utilities of the project; to file amendments to the Declaration; to amend any prior instrument of conveyance of an apartment to conform the same to the Declaration, as amended as aforesaid; and to sell said additional apartment. Such rights shall include the following:

(a) An easement over, under and across the common elements of this project for the purposes of all work connected with or incidental to the development, construction and sale of the additional apartment;

(b) The right in the nature of an easement over and upon the existing buildings and common elements of the project to create and cause dust, noise, vibration and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of the additional apartment;

(c) The right to enter the common areas of the project for the purpose of showing prospective purchasers the additional apartment in the project; and

(d) The right to place signs upon the project in conjunction with sales of the additional apartment.

(6) Developer shall have the right to execute, acknowledge and deliver any and all instruments, including without limitation said amendments, necessary or appropriate for the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by the Declaration, all as the true and lawful attorney-in-fact of the respective owners or lienors from time to time of the apartments of the project as originally constituted or as amended. By accepting or acquiring any right, title or interest in the person having any interest in the project agrees that such person shall, if required by law or by Developer, join in, consent to, or execute all instruments or documents necessary or desirable to effect the addition of the additional apartment to the project as provided for in the Declaration.

(7) The rights reserved in the Declaration to Developer are subject to the following terms and conditions:

(a) Construction shall be in accordance with the complete plans and specifications therefor prepared by a licensed architect;

(b) No plans and specifications shall require the alteration or demolition of any existing apartments or limited common elements, except that Developer shall have the right to utilize, relocate and realign existing, and/or to develop additional, central and appurtenant installations for services to the additional apartment for electricity, hot and cold water, air conditioning and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easements and rights-of-way over, under and on the common elements as necessary or desirable in connection

therewith; provided that the same shall not cause any interruption, other than a temporary interruption in the service of such utilities to any other part of the project;

(c) Construction shall be at Developer's expense and shall be completed within three (3) years of commencement thereof, subject to delays beyond the control of Developer;

(d) During the entire course of such construction, Developer will cause to be maintained at Developer's expense builder's all-risk insurance in an amount not less than the estimated cost of construction, and the Association shall be named as an additional insured;

(e) The offering and sale of such additional apartment shall be in compliance with applicable provisions of said Condominium Property Act; and

(f) Developer shall not in any way encumber the project as a whole or the individual apartments no longer owned by Developer in connection with the financing of such construction; provided that Developer may assign, by way of security, Developer's interest in said additional apartment.

RESERVATION TO WITHDRAW LAND.

Developer and its successors and assigns shall have the right at Developer's sole discretion under Section S of the Declaration (hereinafter called "this Section"), without being required to obtain the consent or joinder of any person or group of persons, including any apartment owner or any mortgagee, lien holder or any other person who may have an interest in the project or any apartment therein, at any time prior to January 30, 1996, unless such time is extended by a vote of 75% of the apartment owners in the project, to subdivide the parcel of land described as "Common Element With Reservation" in the Condominium Map as a separate lot and the remaining portions of said land may be subdivided into as many separate lots as Developer may in Developer's sole discretion determine. Thereafter, Developer may withdraw any of said separate lots from any further involvement with this project. Such withdrawal may be accomplished by the recordation by Developer in the Bureau of Conveyances of the State of Hawaii of a notice of withdrawal with respect to the lots affected, which withdrawal shall have the effect of freeing said lot from any further involvement with this project.

EXHIBIT "F"

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) A buyer must obtain his own financing. Buyer acknowledges that this Sales Contract is contingent on any financing after the issuance of the final public report.

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

(c) That interest on deposits shall belong to the buyer so long as said funds are held in escrow.

(d) That the unit will be subject to various other legal documents which the buyer certifies that he has examined.

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

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

EXHIBIT "G"

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.