



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

PROJECT LANIHULI
 Lanihuli Drive & Linoahu Way
 Honolulu, Hawaii 96822

Registration No. 2212

Issued: May 18, 1990
 Expires: June 18, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of April 19, 19 90, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:**
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:**
(white) The developer has legally created a condominium and has filed complete information with the Commission.
 No prior reports have been issued
 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 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:

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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 "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 (Attached)
5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Garage Area (sf)</u>
--	2	4/2½	1,750	488
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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)	4 (within garages)
Guest Stalls	<u>0</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>0</u>
Other: _____	<u>0</u>
Total Parking Stalls	<u>4</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: R. Wo and Associates, Inc.
Name
1314 South King Street, Suite 524
Business Address
Honolulu, Hawaii 96814

Phone: 523-5078
(Business)

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

Richard C. Wo - President

Real Estate Sales Agent: Regal Realty, Inc.
Name
707 Richards Street, Suite 718
Business Address
Honolulu, Hawaii 96813

Phone: 533-1463
(Business)

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

Phone: 521-0211
(Business)

Managing Agent: To be self-managed
Name

Business Address

Phone: _____
(Business)

Attorney for Developer: Bettina W. J. Lum, Esq.
Name
707 Richards Street, Suite 728
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 - Document Number 90-022294
 Filed - Land Court - Document Number _____

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
 Recorded - Bureau of Conveyance Condo Map No. 1293
 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 - Document Number 90-022295
 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>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Majority of a quorum of the Board of Directors</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:

The Developer may amend the Declaration, Condominium Map and By-Laws as follows:

1. To make changes to any apartment which has not been sold and recorded.
2. To make minor changes in any apartment or the common elements which do not affect the location, design or size of, or the common interest appurtenant to any apartment which has been sold and recorded.
3. To file the "as built" verified statement, with plans, if applicable, required by Section 514A-12 of the Condominium Statute.
4. To make amendments required by law, the Real Estate Commission, any title insurance company, institutional lender or any governmental agency as a condition precedent to marketing or sale of apartments.

B. Underlying Land:

Address: 2042 Lanihuli Drive (Apt. No. 1) Tax Map Key: (1) 2-9-1-13
2035 Linohau Way (Apt. No. 2) (TMK)
Honolulu, Hawaii 96822

Address TMK is expected to change because _____

Land Area: 7,500 square feet acre(s) Zoning: R-5

Fee Owner: R. Wo and Associates, Inc.
Name
1314 South King St., Suite 524
Address
Honolulu, Hawaii 96814

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: 1 (apartments attached) Floors Per Building 2
 Exhibit A contains further explanations.

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>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:

A reasonable number of pets is permitted, subject to the

[X] Pets conditions in the House Rules.

[X] Number of Occupants: As permitted by law.

[] Other:

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators -0-

Stairways 2
(1 within each apartment)

Trash Chutes -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>--</u>	<u>2</u>	<u>4 / 2½</u>	<u>1750</u>	<u>-0-</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>
<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 the floor area may have been used.

Boundaries of Each Apartment: Each apartment is bounded by the outside surfaces of the concrete slabs, the roofs and perimeter walls of the apartment; including the attached garage; provided that the apartments do not include any wall, foundation, column, girder, beam, floor slab, footing, support or roof which is utilized for or serves both apartments, or any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wires, pipes, air exhaust or air conditioning which is utilized for or serves both apartments.

Permitted Alterations to Apartments:

See Exhibit B.

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	4	-0-	-0-	-0-	-0-	-0-	4
Guest	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Extra Available for Purchase	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other:	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Covered & Open	4		-0-		-0-		

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 Storage Area
- Recreation Area Laundry Area
- Tennis Court Trash Chute
- Other: _____
- _____

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 C 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 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.

As follows:

Apartment No. 1	50%
Apartment No. 2	50%

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 March 7, 1990 and issued by Title Guaranty of Hawaii, 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.

[X] 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>
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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 F 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:

- Electricity
- Gas
- Other _____
- Not applicable
- Television Cable
- Water & Sewer

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:

The construction contract with the contractor for the Project contains the following provision:

Occupancy of the building by either Owner or those claiming under Owner shall constitute completion of the work, acceptance thereof by Owner, and a waiver of all claims by Owner other than those arising from unsettled liens, or from faulty work or defective materials, written notice of which was given the Contractor within a period of one (1) year after the making and acceptance of the final payment. It is currently projected that final payment will be made on or before April 10, 1990.

2. Appliances:

Seller makes no warranties itself, but agrees that the recordation of an Apartment Deed shall be deemed to be an assignment of all of Seller's rights under the construction contract and any manufacturer's or dealer's warranties which are assignable, covering any furnishings, fixtures, appliances and consumer products in the Apartments.

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

Construction is complete.

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:

None

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

Escrow Agreement dated February 1, 1990

Exhibit H contains a summary of the pertinent provisions of the escrow contract.

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 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. 2212 filed with the Real Estate Commission on March 21, 1990.

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

Description of Buildings

The two Buildings in the Project are attached at the garages, and the garages will share a common wall. The Buildings may also share common footings and supports, but are otherwise separate and distinct structures.

EXHIBIT B

Permitted Alterations to Apartments

1. Alterations by Association. Alterations to the Project may be undertaken by the Association only pursuant to an amendment of the Declaration, duly executed by or pursuant to the affirmative vote of on hundred percent (100%) of the apartment owners, with the consent of all mortgagees and in compliance with the construction requirements of Subsection 13.3 of the Declaration.

2. Alterations by Owners. The owner of any apartment may make any alterations or additions to such owner's apartment and the limited common elements appurtenant thereto, at such owner's expense, provided that:

(a) The structural integrity of the Buildings is not affected by such alterations or additions;

(b) Such owner complies with all construction requirements set forth in Subsection 13.3 of the Declaration;

(c) Such owner files any necessary amendments of the Declaration and Condominium Map reflecting such alterations;

(d) No apartment owner shall do any work which could jeopardize the soundness of the Project, reduce the value thereof, or impair any easement or hereditament, without the consent of all apartment owners; and

(e) No apartment owner shall add any material structure or excavate any basement or cellar without the consent of all apartment owners.

3. Alterations by Developer. Prior to the time that all apartments have been sold and recorded and prior to the filing of the "as built" verified statement required by Section 514A-12 of the Condominium Property Act, the Developer may make (a) any alterations to any apartment which is not sold and recorded, and (b) minor alterations which do not affect the physical location, design or size of, or common interest appurtenant to, any apartment which has been sold and recorded.

EXHIBIT C

Description of Common Elements

The Common Elements include:

1. The Land, in fee simple;
2. Any perimeter walls, foundations, floor slabs, columns, girders, beams, footings, supports, roofs or other external fascial of the Buildings which are utilized for or serve both apartments;
3. All walkways, roadways, sidewalks, retaining walls, fences, gates, driveways, yard areas, planting areas, grounds, landscaping, and refuse areas which are utilized for or serve both apartments;
4. 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 both apartments for services such as power, light, gas, water, air conditioning, telephone and television signal distribution, if any; and
5. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, which are normally in common use.

EXHIBIT D

Description of Limited Common Elements

The Limited Common Elements include:

1. Any perimeter walls, foundations, floor slabs, columns, girders, beams, footings, supports, roofs, or external fascial of the Buildings which are not part of an apartment but are utilized for or serve only one apartment are limited common elements appurtenant to the apartment utilizing or served by such elements;

2. All walkways, roadways, sidewalks, walls, fences, fenced areas, gates, driveways, planting areas, refuse areas, landscaping, grounds, entrances, exits, entry patios, yard areas, steps or similar areas located on the Lanihuli Street side of the common garage wall or the fence extending therefrom are limited common elements appurtenant to Apartment No. 1.*

3. All walkways, roadways, sidewalks, walls, fences, fenced areas, gates, driveways, planting areas, refuse areas, landscaping, grounds, entrances, exits, entry patios, yard areas, steps or similar areas located on the Linohau Way side of the common garage wall or the fence extending therefrom are limited common elements appurtenant to Apartment No. 2.*

4. All other walkways, roadways, sidewalks, walls, fences, fenced areas, gates, driveways, planting areas, refuse areas, landscaping, grounds, entrances, exits, entry patios, yard areas, steps or similar areas which would normally be used only for the purposes of ingress to and egress from, or in connection with only one of the apartments are limited common elements appurtenant to such apartment.

* **NOTE:** The fenced area designated as the limited common element for Apartment No. 1 and No.2 does not represent a legally subdivided lot.

EXHIBIT E

Encumbrances Against Title

The following are the encumbrances against the title to the land included in the Project:

1. Title to all minerals and metallic mines reserved to the State of Hawaii.
2. Restrictive covenant as contained in that certain Deed dated January 19, 1912 and recorded in Book 358, Page 192, to-wit:

"That no malt, vinous, spirituous or intoxicating liquors of any kind shall ever be sold or exposed for sale or manufactured on the premises or any part thereof."
3. Any matters that a modern survey may reveal.
4. The restrictions on use and other restriction and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated January 24, 1990, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-022294, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1293).
5. By-Laws of the Association of Apartment Owners of the Condominium Project known as "Project Lanihuli" dated January 24, 1990, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-022295, as the same may hereafter be amended.
6. Real property taxes as may be due and owing. Check with the Tax Assessors for further information.

EXHIBIT F

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

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
1	42.00 504
2	42.00 504

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

Gas
Refuse Collection
Telephone
Water and Sewer

Maintenance, Repairs and Supplies -----

Building
Grounds

Management -----

Management Fee
Payroll and Payroll Taxes
Office Expenses

Insurance

Property	74	888
Liability	10	120

Reserves

Taxes and Government Assessments

Audit Fees

Other

TOTAL

84

1,008

developer I/We, P. Wo & Associates, Inc., as ~~managing agents~~ 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.

P. Wo and Associates, Inc.

By

Richard C. Wo

Its President

Date:

05.07.90

EXHIBIT G

Summary of Specimen Sales Contract

The Specimen Sales Contract on file with the Real Estate Commission consists of the standard Hawaii Association of Realtors Deposit Receipt Offer and Acceptance (the "DROA"), together with an Addendum to DROA. The DROA and the Addendum collectively are the "Agreement". Among other things, the Agreement contains the following provisions:

1. A description of the Project.
2. An acknowledgement that the Buyer has received and has had a full opportunity to read and review, and has approved the Declaration of Condominium Property Regime, the Condominium Map, the By-Laws of the Association of Apartment Owners, the Rules and Regulations for the Project, the Escrow Agreement and the form of Apartment Deed.
3. An authorization for Escrow to disburse funds in accordance with the terms of the Escrow Agreement.
4. If any portion of the purchase price is to be financed, an agreement by the Buyer to apply for the loan, to use best efforts to obtain the loan, to execute and deliver all necessary documents and disclose all requested information, to pay all costs associated with the loan, and to comply with all requests of the lender and the Seller to apply for, obtain and close the loan.
5. An agreement that the Seller has the right to make changes to the Condominium Documents and the Project, without further consents (a) which are required by law, any title insurance company, any institutional lender or any governmental agency, or (b) which are minor changes that do not directly, substantially and adversely affect the use or value of the Property or any amenities of the Project available for the Buyer's use.
6. An agreement that Seller has the right to make material changes to the Project and the Condominium Documents, which may directly, substantially or adversely affect the use or value of the Property, provided that (a)

Seller gives Buyer a written disclosure which describes the changes and contains a provision for Buyer's written approval or acceptance of the changes, (b) Buyer has the right to cancel the Agreement by written notice to Seller within 30 days from the date of delivery of the disclosure document to Buyer, and to obtain a full refund of any moneys paid, and (c) if Buyer does not cancel the Agreement or return the written approval or acceptance within such 30-day period, the Buyer is deemed to have accepted and approved the changes.

7. An agreement that the Seller makes no warranties itself, but that the recordation of the Apartment Deed is deemed to be an assignment of all of the Seller's rights under the construction contract for the Project and any manufacturer's or dealers warranties which are assignable, covering any furnishings, fixtures, appliances and consumer products in the Apartment. The following disclaimer of warranties is also included:

THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING ALL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS), OR WITH RESPECT TO ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR OTHER ITEMS WHATSOEVER INSTALLED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE.

8. An agreement by Buyer to inspect the Apartment and the Property at a time specified by Seller, and to sign an inspection sheet listing any and all defects, deficiencies or damages to the Property; provided that such inspection is not a condition to closing, and that any punchlist items are to be corrected by the contractor.

9. A statement that the Agreement is not binding on the Buyer until (a) a true copy of the Real Estate Commission's Final Public Report has been delivered to the Buyer, either personally or by registered or certified mail with return receipt requested, together with a true copy of any other public reports previously issued; (b) the Buyer has been given an opportunity to read the public reports; and (c) the Buyer has executed the "RECEIPT AND NOTICE OF RIGHT TO CANCEL" for the Project, and waives the right to cancel

or is deemed to have waived the right to cancel by failure to execute and return the receipt and notice within 30 days of the date of delivery of the public reports, or by acceptance of a conveyance of the Apartment within such 30-day period.

EXHIBIT H

Summary of Escrow Agreement

The Escrow Agreement includes the following provisions:

1. An agreement that unless directed otherwise in writing by any purchaser, Escrow will deposit all monies which it receives from purchasers into interest bearing accounts with a federally insured bank or savings and loan association in the State of Hawaii, and that all interest earned shall accrue to the purchasers.

2. An agreement that no disbursements shall be made on behalf of the Seller from any funds deposited with Escrow by any purchaser, except for certain refunds to the purchasers, until :

- (a) Escrow receives an opinion letter from Seller's attorneys stating that assuming that the purchasers have signed receipts for public reports and assuming that nothing happens later which would give purchasers the right to rescind, the Sales Agreements have "become effective" and that "the requirements of Sections 514A-39 and 514A-63 have been met"; and
- (b) Escrow receives satisfactory evidence that construction of the Project has been completed; and
- (c) Escrow receives satisfactory evidence that all mechanic's and materialmen's liens have been cleared, or sufficient funds have been set aside for any bona fide dispute, or the lien period has expired. A payment bond which assures the payment of any claims of mechanics and materialmen and the removal of any such liens, or waivers of liens from all contractors, subcontractors and materialmen will constitute satisfactory evidence that the mechanics' and materialmen's liens have been cleared.

3. An agreement that subject to the payment of the escrow cancellation fee, Escrow will return the funds of any purchaser, with any accrued interest thereon, promptly after the purchaser makes a request therefor and executes a written termination of all rights under such purchaser's Sales Agreement, only if one of the following has occurred:

- (a) Seller has consented in writing to the return of such funds; or
- (b) Seller gives Escrow written notice that the purchaser's Sales Agreement has been cancelled pursuant to any right or cancellation or rescission; or
- (c) the conditions for a refund stated in Section 514A-63 of the Condominium Property Act have been met.

4. Escrow's fees for handling its obligations under the Escrow Agreement are \$1,200.00 plus general excise tax for each Sales Agreement which is closed. Seller and the purchaser under each Sales Agreement will each pay one-half (1/2) of the Escrow Fee.