



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

CONDOMINIUM PUBLIC REPORT

THE WOODLANDS

Registration No. 2484

Issued: August 15, 1991
 Expires: September 15, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 31, 1991, 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 lc 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:

The Woodlands is a single-family cluster housing condominium project and not a lot subdivision. The lines drawn on Sheet Numbers AO-1 and S-1 of the Condominium Map are only for the purpose of delineating the limited common element of each apartment and are not subdivision lines.

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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.

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.

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.

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 Ohana
 Mixed Residential and Commercial Agricultural
 Other _____
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings
5. Apartment Description See Exhibit A attached.

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: _____

**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)	61
Guest Stalls	6
Unassigned Stalls	-0-
Extra Stalls Available for Purchase	-0-
Other: _____	-0-
Total Parking Stalls	67

7. Recreational amenities: Hiking Trails

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: The Nahele Corporation Phone: 522-0044
Name (Business)
1019 Waimanu Street, Suite 205
Business Address
Honolulu, Hawaii 96814

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

Vernon Y. T. Woo - President, Secretary
Kevin K. Loh - Vice President, Treasurer

Real Estate Broker: Conley Dew, Ltd. Phone: 524-2844
Name (Business)
201 Merchant Street, Suite 2200
Business Address
Honolulu, Hawaii 96813

Attn: Herbert N. Conley, Jr.

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211
Name (Business)
235 Queen Street, First Floor
Business Address
Honolulu, Hawaii 96813

Attn: David T. Pietsch, Jr.

General Contractor: None Phone: N/A
Name (Business)

Business Address

Condominium Managing Agent: Alii Ohana Property Management, Inc. Phone: 947-3331
Name (Business)
1580 Makaloa Street, Suite 1130
Business Address
Honolulu, Hawaii 96814

Attorney for Developer: Chun, Kerr, Dodd & Kaneshige Phone: 531-6575
Name (Business)
700 Bishop Street, Suite 1408
Business Address
Honolulu, Hawaii 96813

Attn: Melvin Y. Kaneshige, Esq.

**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 No. _____
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

N/A

- 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. _____
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

N/A

- 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 No. _____
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

N/A

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>Majority of Board of Directors</u>

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

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules See Exhibit B attached.

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>19</u>	_____	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

Yes No

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: See Exhibit C attached.

Number of Occupants: See Exhibit C attached.

Other: See Exhibit C attached.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators None Stairways None 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>See Exhibit A attached.</u>	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: _____

**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 shall include all walls, ceilings, floors, slabs, foundations, doors and door frames, window and window frames, supporting beams and fixtures, if any, and all ducts, pumps, pipes, conduits, wires and other utility lines running through such apartment which do not serve or are not utilized by any other apartment. Each apartment shall not be deemed to include any pipes, wires, conduits or other utility lines running over, under or through such apartment which are utilized by or which serve more than one apartment, the same being deemed common elements.

Permitted Alterations to Apartments:

See Exhibit D attached.

7. Parking Stalls:

Total Parking Stalls: 67

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>31</u>	<u>16</u>			<u>7</u>	<u>7</u>	<u>61</u>
Guest		<u>3</u>		<u>3</u>			<u>6</u>
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>50</u>		<u>3</u>		<u>14</u>		

Each apartment will have the exclusive use of at least 3 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
- Other: Hiking Trails
- Storage Area
- Laundry Area
- Trash Chute

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

N/A

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

N/A

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:

*Property subject to Report, Conclusions and Decisions and Order dated December 29, 1989 issued by the Department of Land Utilization, City and County of Honolulu, a copy of which is attached as Exhibit E.

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	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

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 F 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 G

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: Each apartment shall have appurtenant thereto an undivided 5.26 percent interest (except for Apartment 7, which shall have an undivided 5.32 percent interest) in the common elements of the Project (hereinafter referred to as the "common interest") and the same percentage share in all common profits and expenses of the common elements of the Project and, except as herein expressly provided for, the same percentage interest for all other purposes, including, without limitation, voting.

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

Exhibit H describes the encumbrances against the title contained in the title report dated June 7, 1991 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.

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 lien(s) of Developer's lender(s)	Buyer's interest is specifically made subject and subordinate to such liens.

NOTE: Developer has notified the Commission that at the time of the first conveyance of each apartment, each of Developer's lender(s) lien(s) will be paid and satisfied of record, or the apartment being conveyed and its common interest shall be released therefrom.

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.

proposed

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

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 I 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:

Not applicable

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: See Exhibit J attached.

2. Appliances: See Exhibit J attached.

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

Construction is estimated to begin on September 1, 1991 and to be completed on September 1, 1993.

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:

N/A

L. **Sales Documents Filed With the Real Estate Commission:**

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

Exhibit K contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated _____

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

[] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

None.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales 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, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2484 filed with the Real Estate Commission on July 18, 1991

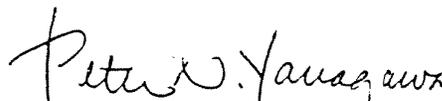
Reproduction of Report. When reproduced, this report must be on:

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 & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

APARTMENT DESCRIPTION

The Project shall consist of seven (19) separate one, two and three story buildings, without basements, containing nineteen (19) apartments.

Apartment 1 is a separate one-story wood frame structure, without a basement, containing three bedrooms, two and one-half baths, a living room, a family room, a dining room, a library, a sewing room, a kitchen and a laundry room containing a net living area of approximately 3,283.05 square feet; and lanais and a two-car garage containing an area of approximately 1,318.40 square feet. Apartment 1 is a Model "A" apartment.

Apartment 2 is a separate two-story wood frame structure, without a basement, containing four bedrooms, four baths, a living room, a family room, a laundry room, a dining room and a kitchen/breakfast area containing a net living area of approximately 3,261.63 square feet; and a lanai and two-car garage containing approximately 567.63 square feet. Apartment 2 is a Model "BB" apartment.

Apartment 3 is a separate two-story wood frame structure, without a basement, containing three bedrooms, two and one-half baths, a living room, a sitting room, a family room, a laundry room, a dining room and a kitchen containing a net living area of approximately 3,151.90 square feet; and a two-car garage containing an area of approximately 438.22 square feet. Apartment 3 is a Model "B" apartment.

Apartments 4 and 5 are separate two-story wood frame structures, each without a basement, each containing three bedrooms, two and one-half baths, a living room, a sitting room, a family room, a laundry room, a dining room and a kitchen containing a net living area of approximately 3,151.90 square feet; and a two-car garage containing an area of approximately 438.22 square feet. Apartments 4 and 5 are Model "B Reverse" apartments.

Apartment 6 is a separate three-story wood frame structure, without a basement, containing four bedrooms, four and one-half baths, a living room, a family room, a sitting room, a laundry room, a dining room, a study and a kitchen containing a net living area of approximately 3,443.50 square feet; and a two-car garage containing an area of approximately 476.78 square feet. Apartment 7 is a Model "C1" apartment.

Apartment 7 is a separate two-story wood frame structure, without a basement, containing three bedrooms, two and one-half baths, a living room, a den, a family room, a dining room, a pantry, a laundry room, and a kitchen containing a net living area

of approximately 3,082.80 square feet; and a lanai and a two-car garage containing an area of approximately 501.10 square feet. Apartment 7 is a Model "D1" apartment.

Apartments 8 and 10 are separate two-story wood frame structures, each without a basement, and each containing three bedrooms, two and one-half baths, a living room, a den, a family room, a dining room, a laundry room, a pantry and a kitchen containing a net living area of approximately 3,084.21 square feet; and a lanai and a two-car garage containing an area of approximately 501.10 square feet. Apartments 8 and 10 are Model "D" apartments.

Apartments 9, 12 and 15 are separate two-story wood frame structures, each without a basement, and each containing three bedrooms, two and one-half baths, a living room, a den, a family room, a dining room, a laundry room, a pantry and a kitchen containing a net living area of approximately 3,054.84 square feet; and a two-car garage containing an area of approximately 445.51 square feet. Apartments 9, 12 and 15 are Model "D2" apartments.

Apartment 11 is a separate two-story wood frame structure, without a basement, containing three bedrooms, two and one-half baths, a living room, a den, a family room, a sitting room, a laundry room, a pantry, a dining room and a kitchen containing a net living area of approximately 3,200.34 square feet; and a lanai and a two-car garage containing approximately 588.22 square feet. Apartment 11 is a Model "D3" apartment.

Apartments 13 and 16 are separate two-story wood frame structures, each without a basement, and each containing three bedrooms, two and one-half baths, a living room, a sitting room, a family room, a dining room, a laundry room and a kitchen containing a net living area of approximately 2,857.76 square feet; and a two-car garage containing an area of approximately 478.30 square feet. Apartments 13 and 16 is a Model "B3" apartments.

Apartment 14 is a separate two-story wood frame structure, without a basement, containing three bedrooms, two and one-half baths, a living room, a den, a family room, a dining room, a laundry room, a pantry and a kitchen containing a net living area of approximately 3,079.92 square feet; and a lanai and a two-car garage containing an area of approximately 501.10 square feet. Apartment 14 is a Model "D4" apartment.

Apartment 17 is a separate two-story wood frame structure, without a basement, containing four bedrooms, three and one-half baths, a living room, a family room, a laundry room, a dining room, a study, a breakfast area, a pantry and a kitchen containing a net living area of approximately 3,950.03 square feet; and a two-car garage, patios, decks and a lanai containing an area

of approximately 906.09 square feet. Apartment 17 is a Model "D5" apartment.

Apartment 18 is a separate two-story wood frame structure, without a basement, containing three bedrooms, two and one-half baths, a living room, a sitting room, a dining room, a family room, a laundry room and a kitchen area containing a net living area of approximately 2,802.57 square feet; and a two-car garage containing approximately 478.30 square feet. Apartment 18 is a Model "B1" apartment.

Apartment 19 is a separate two-story wood frame structure, without a basement, containing three bedrooms, two and one-half baths, a living room, a sitting room, a dining room, a family room, a laundry room and a kitchen containing a net living area of approximately 2,822.46 square feet; and a two-car garage containing an area of approximately 473.63 square feet. Apartment 19 is a Model "B2" apartment.

The apartments are identified by their numbers, as shown on the Condominium Map. The layout, location, apartment number and dimensions of each apartment are shown on the Condominium Map.

The plan for each apartment and their apartment numbers are as follows:

<u>Apartment</u>	<u>Net Living Area*</u>	<u>Lanais/Patios*</u>	<u>Garage*</u>
1	3283.05	816.68	501.72
2	3261.63	99.20	468.43
3	3151.90	N/A	438.22
4	3151.90	N/A	438.22
5	3151.90	N/A	438.22
6	3443.50	N/A	476.78
7	3082.80	55.59	445.51
8	3084.21	55.59	445.51
9	3054.84	N/A	445.51
10	3084.21	55.59	445.51
11	3200.34	142.71	445.51
12	3054.84	N/A	445.51
13	2857.76	N/A	478.30
14	3079.92	55.59	445.51
15	3054.84	N/A	445.51
16	2857.76	N/A	478.30
17	3950.03	480.42	425.67
18	2802.57	N/A	478.30
19	2822.46	N/A	473.63

*Net Living Area of the enclosed portion of each apartment is measured from the interior surface of such apartment's perimeter

walls. Areas of lanais/patios and garage, which are considered part of the apartment, are computed separately from the enclosed apartment area.

DEVELOPER'S RESERVED RIGHTS

1. Paragraph 17(f) of the Declaration provides:

"(f) Developer shall have the right at any time prior to the issuance of a certificate of occupancy for each apartment, with the consent of the purchasers of such apartment, if any, but without the consent of any other person or persons, to alter an apartment if the common elements (but not limited common elements) are not thereby affected."

2. Paragraph 19 of the Declaration states, in part:

. . . "[A]t any time prior to the issuance of the Final Public Report by the Real Estate Commission of the State of Hawaii, Developer may amend this Declaration and the Bylaws in any manner. Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the apartments, this Declaration (including the Bylaws and when applicable, the Condominium Map) may be amended by Developer (a) by filing the as built verified statement (with plans, if applicable) required by Section 514A-12 of the Act, so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed, or being filed simultaneously with such statement, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built; or (b) to effect any change or amendment required by an administrative agency of any county, state, or federal government or by any territory, possession, or foreign country or other foreign jurisdiction or a mortgagee of the fee or leasehold interests in the Land as a condition to governmental approvals, marketing the Project or making a loan to finance the construction and/or the sales of the Project."

EXHIBIT B

SPECIAL USE RESTRICTIONS

1. Pets. Article V, Section 5, subparagraph (j) of the Bylaws states as follows:

"No agricultural or commercial or illegal crops, livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project, except that dogs and cats in reasonable number may be kept by the apartment owners and occupants in their respective apartments and limited common element(s) and in fenced areas of the Residential Lots with the prior written approval by the Board but shall not be kept, continuously and/or regularly bred or used therein for any commercial purpose nor allowed on any common and limited common elements except in transit when carried or on leash or within fenced areas of the Residential Lots, provided that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board of Directors or the managing agent."

2. Number of Occupants. Article I, Section 4 of the House Rules states as follows:

"Occupancy is limited to not more than two persons per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner or occupant."

3. Other.

(a) Paragraph 9 of the Declaration states as follows:

"Purposes.

(a) The apartments shall at all times be occupied and used only for residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests, and for no other purpose. No apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The apartments shall not be rented for transient or hotel purposes, which are defined as: (i) rental for any period less than thirty (30) days or (ii) any rental in which the occupants of an apartment are provided customary hotel services such as room service for food and beverages, maid service, laundry and linen or bellboy service. The apartments in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-share purpose or under any time-sharing plan, arrangement or program, including, without limitation, any so-called "vacation license", "travel club

membership" or "time interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, without limitation, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. The respective apartment owners shall otherwise have the absolute right to rent or lease such apartments subject to all provisions of the Act, this Declaration and the Bylaws.

(b) The owner of an apartment shall not use the same for any purpose which will injure the reputation of the Project. Except as provided in this Declaration, such owner shall not do or suffer anything to be done or be kept in, on, or around said apartment or elsewhere which will jeopardize the natural park-like and wooded environment, safety or soundness of the Property, or interfere with or unreasonably disturb the rights of other owners, or increase the premiums for fire insurance or any other form of insurance paid by the Association or any other apartment owner, or which will materially alter, hinder, interfere with or create flooding or a flooding hazard on the Project, material erosion of the natural environment or which will reduce the value of any apartment, common element, or limited common element appurtenant to the apartment of any other owner, or impair any easement or hereditament or alter the appearance of the exterior of such owner's apartment or limited common element without conforming to the provisions of the Act, this Declaration and Exhibit C attached hereto and made a part hereof (hereinafter referred to as the "Architectural Requirements").

(c) The owner of an apartment shall not, except as specifically permitted herein, without the prior written consent of the Board, make any alterations of or any additions to the exterior of the apartment (including awnings, jalousies or screens) or to any other portion or portions of the limited common elements appurtenant thereto or the common elements unless otherwise specifically permitted herein, in the Bylaws or in the Architectural Requirements, and by applicable zoning and building rules, regulations and laws.

(d) The owner of an apartment shall not lease less than such owner's entire apartment and any appurtenant limited common element. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Act, this Declaration, the Bylaws and the House Rules promulgated thereunder and that the failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing and a copy of each lease shall be filed with the Association."

(b) Paragraph 21 of the Declaration states as follows:

"Declaration of Restrictive Covenants (Cluster Housing).
A Declaration of Restrictive Covenants (Cluster Housing) affecting the Project was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. _____, as required by the Department of Land Utilization, City and County of Honolulu, as a condition to approval of Developer's application for a cluster housing project pursuant to the Land Use Ordinance of the City and County of Honolulu, and the terms of such Declaration are incorporated herein by reference. Said Declaration of Restrictive Covenants states, among other things, that (a) the Association shall be obligated for the perpetual repair and maintenance of the common elements and certain limited common elements, including, without limitation, the private roadway, landscaping, retaining walls and drainage system referred to therein, and (b) future additions and alterations to apartments, limited common elements and common elements shall require the review and approval of the Director of Land Utilization and the Association. By virtue of this reference, this Declaration confirms that obligation of the Association."

(c) Article V, Section 5 of the Bylaws states as follows:

"Section 5. Use of Project.

(a) The apartments of the Project shall be used only for such purposes as stated in the Declaration.

(b) All common elements and all limited common elements of the Project shall be used only for their respective purposes as designed and in accordance with all applicable laws, rules, and regulations.

(c) No apartment owner or occupant shall plant or cultivate or landscape the common elements or place, store or maintain in the walkways, grounds or other common elements of similar nature any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements.

(d) Every apartment owner and occupant shall at all times keep his apartment and his limited common element(s), if any, in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations, and design criteria and guidelines of the landscape plan set forth on Sheets Nos. L-3 and L-4 of the Condominium Map, now or hereafter made by any governmental authority or the Association for the time being applicable to the Apartment and the limited common element(s), if any, and the use of the Project.

(e) No apartment owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of his apartment, his limited common element(s), or the Project nor alter or remove any furniture, furnishings or equipment of the common elements.

(f) All apartment owners and occupants shall avoid making noises and using musical instruments, radios, televisions and amplifiers in such manner as may disturb other apartment owners and occupants.

(g) No garments, rugs or other objects shall be hung from the windows or facades of any apartment or otherwise be displayed in public view.

(h) No rugs or other objects shall be dusted or shaken from the windows or doors of any apartment or cleaned by beating or sweeping on any walkways, patios, entries or other exterior part of the Project.

(i) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements and limited common element(s) of the Project outside of the disposal facilities provided for such purpose.

(j) No agricultural or commercial or illegal crops, livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project, except that dogs and cats in reasonable number may be kept by the apartment owners and occupants in their respective apartments and limited common element(s) and in fenced areas of the Residential Lots with the prior written approval by the Board but shall not be kept, continuously and/or regularly bred or used therein for any commercial purpose nor allowed on any common and limited common elements except in transit when carried or on leash or within fenced areas of the Residential Lots, provided that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board of Directors or the managing agent.

(k) No apartment owner or occupant shall without the written approval of the Board of Directors and the Architectural Committee, if necessary, install any wiring for electrical or telephone installations, machines or air conditioning units, or other equipment or appurtenances whatsoever on the exterior of any apartment or protruding through the walls, windows or roof thereof.

(l) No apartment owner or occupant shall erect, place or maintain any television or other antennas or solar energy

systems or any other types of objects or equipment on any apartment visible from any point outside of his apartment.

(m) Nothing shall be allowed, done or kept in any apartments, limited common element(s) or common elements of the Project which would overload or impair the floors, walls, or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

(n) Anything to the contrary notwithstanding, the Developer of the Project may engage in real estate sales activities in such apartments or on the premises of the Project for the purpose of selling such apartments.

(o) No improvements or movable personal property in excess of thirty inches in height above existing grade shall be constructed or permitted to exist within five (5) feet of any Residential Lot boundary line.

(p) No improvement shall be added above the roof line of an apartment as shown on the initial Condominium Map.

(q) No signs whatsoever, including, without limitation, commercial, political or similar signs, visible from neighboring property shall be erected or maintained upon or within any apartment or Residential Lot except:

(i) Such signs as may be required by legal proceedings;

(ii) Apartment identification signs of a combined total face area of one square foot or less for each apartment; and

(iii) Not more than one "For Sale" or "For Rent" sign having a maximum face area of three square feet, such sign to refer only to the premises on which it is situated.

(r) No house trailer, mobile home, tent or similar facility or structure shall be kept, placed or maintained upon or within any Residential Lot at any time, except by the Developer for the Project's development and/or sales program.

(s) No boat or trailer or truck of more than one-ton capacity shall be kept, placed or maintained upon or within any Residential Lot in such a manner that such boat, trailer or truck is visible from neighboring property.

(t) No trailer, vehicle or boat shall be constructed, or reconstructed or repaired upon or within any

Residential Lot in such a manner that such construction, reconstruction or repair is visible from neighboring Residential Lots, nor shall any vehicle not in good operating condition be maintained upon or within any Residential Lot so as to be visible from any neighboring Residential Lots, provided that nothing in this paragraph shall prevent an apartment owner from performing maintenance work or minor repairs on his own trailer, vehicle or boat in his garage.

(u) No open storage of furniture, fixtures, appliances and other goods and chattels not in active use will be permitted within a Residential Lot so as to be visible from neighboring Residential Lots, and no outside clothes lines or other outside clothes drying or airing facilities shall be permitted when they are visible from neighboring property.

(v) No exterior fires whatsoever shall be permitted, except small barbecue fires, and an apartment owner shall not permit any condition on or within his apartment which creates a fire hazard.

(w) An apartment owner shall not park his car on any portion of the Residential Lot visible from any adjacent property, except in a garage or on a paved driveway area, and boats, trailers or truck campers will not be kept within or on any Residential Lot except in a garage.

(x) No garage shall be used in a manner inconsistent to the use of same for other than the parking of vehicles and boats.

(y) Each apartment owner and occupant shall do what is necessary to preserve and maintain the drainage patterns on his Residential Lot and adjoining Residential Lots and shall not do or create anything that alters, hinders, impairs or obstructs such drainage patterns."

PERMITTED ALTERATIONS TO APARTMENTS

Paragraph 17 of the Declaration states as follows:

"Alteration of Project.

(a) Except as otherwise expressly set forth and reserved in this Declaration (including, without limitation, the requirement of obtaining the prior approval of the Director of Land Utilization of the City and County of Honolulu as more particularly set forth in paragraph 21 hereof), restoration or replacement of the Project or of any building or other facility thereof which is a common element or construction of any additional building or structural alterations or additions to any structure which is a common element different in any substantial and material respect from the Condominium Map, shall be undertaken by the Association or any apartment owner(s) only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of not less than seventy-five percent (75%) of the apartment owners, and promptly upon completion of such restoration, replacement or construction the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. Any additions to or alterations of any apartment made within such apartment shall be permitted without the consent of the Board or any other apartment owner, except that if such additions or alterations would jeopardize the soundness or safety of the Project, reduce the value thereof, violate the uniform external appearance of the apartments, or impair any easement, then the prior consent of seventy-five percent (75%) of all apartment owners, together with the consent of all other apartment owners directly affected thereby, shall be first obtained.

(b) Notwithstanding anything to the contrary contained herein, the owner of any two or more apartments on adjoining Residential Lots may, with the consent of the Board, the Architectural Committee, the Director of Land Utilization of the City and County of Honolulu and any mortgagee of such apartments, alter the apartments by constructing improvements on the Residential Lots appurtenant to such apartments which cross the boundary lines between such Residential Lots. Any such alteration, removal or construction shall be performed under the supervision of a licensed architect and be strictly in accordance with the requirements of applicable law, and prior to commencing such alteration or removal the owner (i) shall secure a performance and payment bond naming as obligees said owner and collectively the owners of all other apartments, the Association and any affected mortgagees, as their interests may appear, in a penal sum of not

less than 100% of the cost of any construction, guaranteeing the payment of funds in an amount necessary to ensure the completion thereof free and clear of all mechanics' and materialmen's liens, and that any such construction shall be carried out in strict compliance with all applicable laws, and (ii) provide comprehensive general liability insurance insuring said owner and collectively all the owners of all other apartments, the Association and any affected mortgagees, as their interests may appear, against loss or damage from excavation, pile driving, loss of subterranean support and other hazards normally insured against in the construction industry; provided further, that the approval of any other apartment owner, mortgagee or other lienholder shall not be required to perform the alterations permitted herein, but the approval of the Board shall be required, which such approval shall be given provided that the owner of the adjoining Residential Lots complies with all of the terms and conditions relating to said alterations set forth herein. Subject to the terms and conditions of this Declaration and the Bylaws, and at the sole expense of the apartment owner involved, the owner of any such adjoining apartments shall also have the right to make additions to or alterations and physical partitions within such apartments; provided, that no work shall be done which would jeopardize the soundness or safety of the Project, reduce the value thereof, detract from the external appearance of the apartments, or impair any easement, without in every such case the prior written consent of the mortgagees of such apartments, the Board and all other apartment owners directly affected thereby (as determined by the Board).

(c) Notwithstanding anything to the contrary contained herein, the owners of all apartments shall have the right at any time and from time to time, at their respective sole cost and expense, without the consent or joinder of any other apartment owners, but with the consent of the Board, the Architectural Committee and any mortgagee of an apartment in which such work is being performed, to install, maintain, remove, and rearrange partitions and other improvements from time to time within such apartments, and to paint, paper, panel, plaster, tile, finish, and do or cause to be done such other work on the ceilings; floors and walls within any such apartment and to finish, alter or substitute any plumbing, electrical or other fixtures attached to said ceilings, floors and walls as shall be appropriate for the utilization of such apartment by such owner or the tenants or lessees thereof (provided, that such plumbing and electrical alterations and/or substitutions shall not adversely affect the plumbing and electrical systems of the Project as determined by the Board in the exercise of its sole discretion). Any of the foregoing provisions to the contrary notwithstanding, any such alteration shall be performed under the supervision of a licensed architect and be strictly in accordance with the requirements of

applicable law, and prior to commencing any alteration of a common element, an owner (i) shall secure a performance and payment bond naming as obligees, said owner and collectively the owners of all other apartments, the Association and any affected mortgagees, as their interests may appear, in a penal sum of not less than 100% of the cost of any construction, guaranteeing the payment of funds in an amount necessary to ensure the completion thereof free and clear of all mechanics' and materialmen's liens, and that any such construction will be carried out in strict compliance with all applicable laws, and (ii) provide comprehensive general liability insurance insuring said owner and collectively all the owners of all other apartments, the Association and any affected mortgagees, as their interests may appear, against loss or damage from excavation, pile driving, loss of subterranean support and other hazards normally insured against in the construction industry; provided, further, that the approval of any other apartment owner, mortgagee or other lienholder shall not be required to perform the alterations permitted herein, but the approval of the Board shall be required to perform the alterations permitted herein, which such approval shall be given provided that such owner complies with all of the terms and conditions relating to such alterations set forth herein. Provided, that no work shall be done which would jeopardize the soundness or safety of the Project, reduce the value thereof, detract from the external appearance of the apartments, or impair any easement, without in every such case the prior written consent of the mortgagees of such apartments, the Board and all other apartment owners directly affected thereby (as determined by the Board).

(d) Notwithstanding anything to the contrary contained herein, the owners of Apartments 7 and 17 shall have the right at any time and from time to time, at their respective sole cost and expense, without the consent or joinder of any other apartment owners, but with the consent of the Board, the Architectural Committee and any mortgagee of an apartment in which such work is being performed, to install, maintain, remove, and rearrange walls, fences and gates from time to time within the Residential Lots on which such apartments are located. Any of the foregoing provisions to the contrary notwithstanding, any such alteration shall be performed under the supervision of a licensed architect and be strictly in accordance with the requirements of applicable law, and prior to commencing any alteration of a common element, an owner (i) shall secure a performance and payment bond naming as obligees, said owner and collectively the owners of all other apartments, the Association and any affected mortgagees, as their interests may appear, in a penal sum of not less than 100% of the cost of any construction, guaranteeing the payment of funds in an amount necessary to ensure the completion thereof free and clear of all mechanics' and materialmen's liens, and that any such construction will be carried out in strict compliance with all

applicable laws, and (ii) provide comprehensive general liability insurance insuring said owner and collectively all the owners of all other apartments, the Association and any affected mortgagees, as their interests may appear, against loss or damage from excavation, pile driving, loss of subterranean support and other hazards normally insured against in the construction industry; provided, further, that the approval of any other apartment owner, mortgagee or other lienholder shall not be required to perform the alterations permitted herein, but the approval of the Board shall be required to perform the alterations permitted herein, which such approval shall be given provided that such owner complies with all of the terms and conditions relating to such alterations set forth herein. Provided, that no work shall be done which would jeopardize the soundness or safety of the Project, reduce the value thereof, detract from the external appearance of the apartments, or impair any easement, without in every such case the prior written consent of the mortgagees of such apartments, the Board and all other apartment owners directly affected thereby (as determined by the Board).

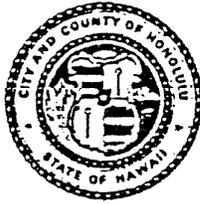
(e) Any part of the common elements of the Project which, because of the alterations as provided for in this paragraph 17, serve or are used exclusively by one apartment or apartments shall become limited common elements appurtenant to and for the exclusive use of such apartment or apartments and any costs in connection therewith shall be borne as provided in paragraph 12 hereof.

(f) Developer shall have the right at any time prior to the issuance of a certificate of occupancy for each apartment, with the consent of the purchasers of such apartment, if any, but without the consent of any other person or persons, to alter an apartment if the common elements (but not limited common elements) are not thereby affected.

(g) In the event that any change or alteration made in accordance with paragraph 17(f) requires any amendment to this Declaration or the Condominium Map, such amendment may be executed by Developer, without requiring the consent or joinder of any other person or persons, and filed as aforesaid."

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

630 SOUTH KING STREET
HONOLULU, HAWAII 96813 • (808) 523-4432



DAK F. FASI
MAYOR

JOHN P. WHALEN
DIRECTOR

BENJAMIN B. LEE
DEPUTY DIRECTOR

89/CL-11(BN)

December 29, 1989

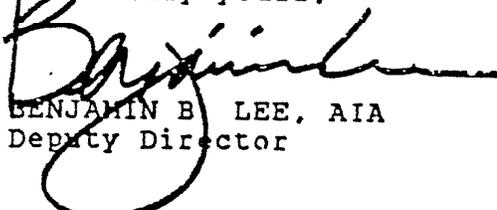
The Nahele Corporation
1019 Waimanu Street, Suite 205
Honolulu, Hawaii 96815

Gentlemen:

Cluster Housing Development Application
Nuuanu, Oahu
Tax Map Key: 1-9-05: Por. 3
Application No. 89/CL-11

The Cluster Housing Development application for Waokanaka Street Cluster has been approved, subject to the provisions of the attached "Report, Conclusions, and Decision and Order" dated December 29, 1989.

Very truly yours,

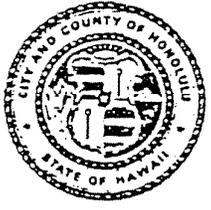

BENJAMIN B. LEE, AIA
Deputy Director

BBL:ra
0011M
Attach.

EXHIBIT E
Page 1

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET
HONOLULU, HAWAII 96813 • (808) 523-4432

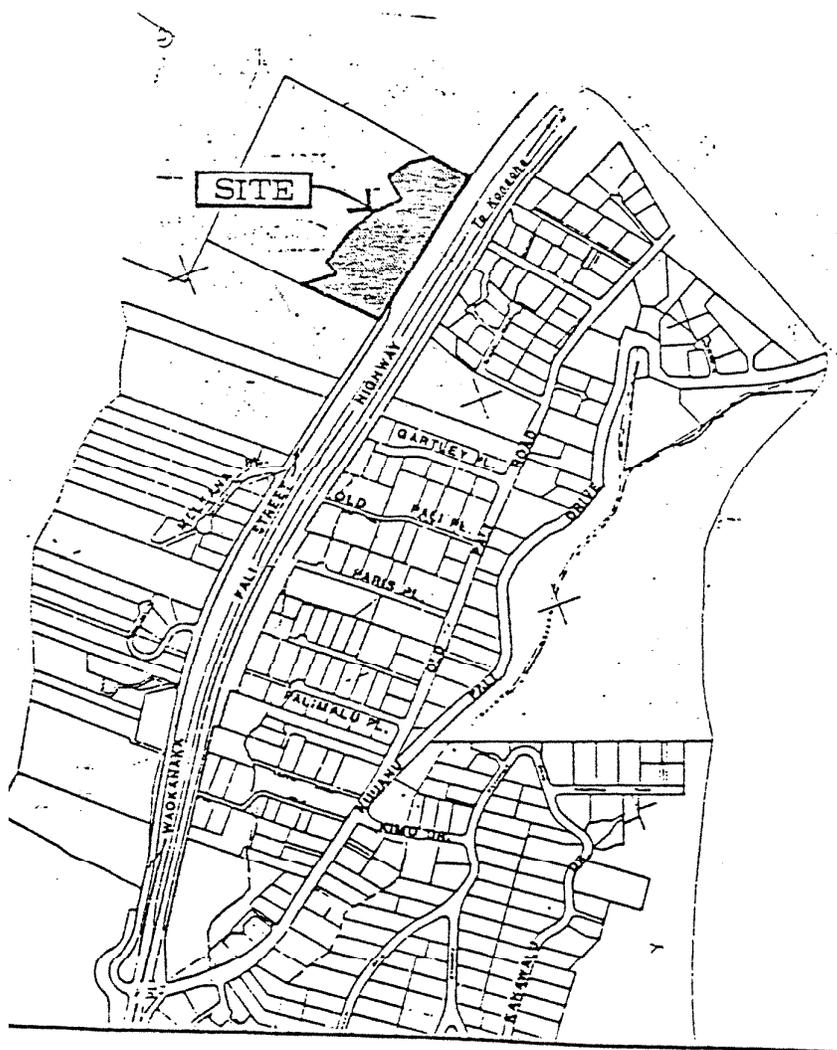


FRANK F. FASI
MAYOR

JOHN P. WHALEN
DIRECTOR

BENJAMIN B. LEE
DEPUTY DIRECTOR

December 29, 1989



Application for a Cluster
Housing Development
Application No. 89/CL-11

Project:
Waokanaka Street Cluster

REPORT, CONCLUSIONS AND
DECISION AND ORDER

I. APPLICATION

Application Date

October 18, 1989

Landowner/Applicant

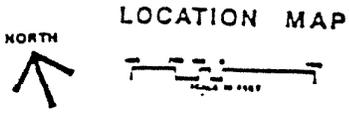
The Nahele Corporation
1019 Waimanu Street
Suite 205
Honolulu, Hawaii 96814

Agent

Gray, Hong, Bills
& Associates, Inc.
119 Merchant Street
Suite 607
Honolulu, Hawaii 96813

Location

3900 Waokanaka Street
Nuuanu, Honolulu



Tax Map Key

1-9-05: Portion of 3

Area

208,000 square feet

Request

Cluster housing development for 20 single-family detached dwelling units. On December 21, 1989, the applicant submitted revised plans reducing the number of units to 19. This Report, Conclusions and Decision and Order is based on the revised plan.

State Land Use

Urban

Development Plan

Residential

Public Facilities Map

No improvements proposed

Zoning

R-10 Residential District

PROPOSAL:

Number of Units

Nineteen (19) 3-bedroom, 2-1/2 bath units:

<u>Model</u>	<u>Number</u>
A 1-story	1
B 2-story	6
C 2- and 3-story, split-level design	5
D 2-story	7
	<u>19</u> Total

Density

4 units per acre

Park Dedication

Park Dedication requirements will be met by payment of fee.

Code Requirements

The requirements of Land Use Ordinance (LUO) Sections 6.50-1, 6.50-2 and 6.50-3 are applicable to the proposed development. The proposal meets the density requirement for Cluster Development in the R-10 Residential District.

Project area	208,000 square feet
Minimum lot area per unit	10,000 square feet
Maximum No. of units allowed	$\frac{208,000}{10,000} = 20$
No. of units proposed	= 19

II. REPORT

Summary of Agencies Comments

Comments were requested from the City Board of Water Supply, Departments of Fire, Parks and Recreation, Transportation Services, Public Works and the Nuuanu-Punchbowl Neighborhood Board No. 12, and the State Departments of Health, Land and Natural Resources, and Transportation.

No comments were received from Neighborhood Board No. 12.

The responding agencies had no objections to the proposal, subject to specific recommendations (letters on file with the Department of Land Utilization).

Major comments are as follows:

Board of Water Supply (Letter dated December 1, 1989)

The existing fire protection in the vicinity of the proposed cluster does not meet the requirements of our water system standards. The improvements necessary to upgrade the existing system include the installation of approximately 3,200 linear feet of 12-inch main along Old Pali Road from our Nuuanu Upper Aerator site to Gartley Place, approximately 450 linear feet of 12-inch main along Waokanaka Street from the end of the existing 8-inch main to the project site, and a fire hydrant. These improvements are quite extensive, and we have no plans to undertake them at this time. The developer may, at his option, install the improvements so that he can proceed with his proposed development.

Honolulu Fire Department (Letter dated November 13, 1989)

1. Roadways shall be minimum unobstructed 20 feet in width, and vertical clearances of minimum 13'-6".
2. Maximum road grades shall not exceed 19 percent.
3. Turnarounds shall be provided with no parking signs.
4. Key box(es) shall be provided for all secured roads (gates).

Department of Public Works (Letter dated November 20, 1989)

Engineering: Building setbacks along the existing gulch shall be established for DPW approval.

Refuse: Public refuse service can be provided, subject to compliance with standards and requirements of the Division of Refuse, DPW.

State Department of Land and Natural Resources
(Letter dated December 6, 1989)

The Forestry and Wildlife Division of the DLNR is proposing the establishment of a public hunting area to control feral pigs on the adjacent northeast property.

State Department of Transportation (Letter dated December 11, 1989)

1. Submit a Traffic Impact Assessment Report (TIAR) defining the roadway requirements, potential traffic problems and mitigation measures to solve/minimize any facility deficiencies.
2. Submit a Drainage Report together with applicable calculations and plans.
3. Waokanaka Street and Pali Highway are under our jurisdiction. Our review and approval for any improvements to these facilities or construction work within our right-of-way is required. Roadway improvements must conform to the current State highway design standards. All costs incurred for construction of required improvements shall be borne by the developer.
4. The developer should be informed of our proposal to contraflow Pali Highway and of our Pali Highway Emergency Truck Turn-out project, which is in the vicinity of Waokanaka Street. These projects should be considered in the preparation of the TIAR.

Site Plan Analysis

Based on the revised site plan submitted December 21, 1989 reducing the number of units from 20 to 19, the proposed 19-unit cluster housing project is generally acceptable. The project retains many of the existing major trees. Grading is minimal because of the previously graded roadway and the leveled 1.5-acre pad for another approved project which was abandoned.

Based on a conventional R-10 subdivision, 14 lots with a potential of 19 dwelling units could be placed on the site. If the property was developed in this manner, a wider subdivision road, removal of major trees and more grading would be required.

The project is consistent with the Cluster Housing guidelines. The revised plan with the reduction in number of units from 20 to 19, re-siting and grade adjustments, show only a portion of 3 units to be placed on lands in excess of 40% slope.

Roadways/Parking

The proposed 18' wide roadways shall be widened to 20 feet as required by the Fire Department. The roads will be privately maintained and parking prohibited at the turnarounds for service and emergency vehicles. The applicant will provide a turnaround for the public at the Waokanaka Street deadend at the project site.

A total of five guest parking stalls will be provided in accordance with the guidelines, three within the center of the development area, and two at the northeast side.

Building Design

The four model dwelling units are generally acceptable. The split-level units are stepped to follow the sloping terrain, and units provide articulated and interesting forms and provide varying shades and shadows. The buildings would be stucco finish with tile roof.

Landscaping

The landscape plan provides for retention of many of the existing major trees and other plants on the site. Additional new trees and plantings will be provided along the private driveways for site enhancement.

The development site would not impact views from Pali Highway and residences across the highway because of a heavily landscaped strip of land between the highway and the project planted with mature Eucalyptus, Cinnamon, and Ironwood trees and other shrubbery.

Soils, Grading, Drainage and Utility Analysis

The proposed grading and drainage plans are acceptable. Grading work is generally limited to roadways and building foundation pads, and the remainder area will essentially be undisturbed. The applicant's soils report indicates that the site can accommodate the project. All grading, drainage and erosion control plans would be in compliance with all applicable Federal, State and County regulations, statutes, and ordinances.

All utilities would be provided underground. The applicant shall provide the water and fire protection improvements to meet the standards and requirements of the Board of Water Supply and Fire Department. The existing public sewer can accommodate the 19-unit project.

Nature and Extent of Open Space and Common Areas

The project open space of approximately 80% is acceptable.

Relationship to the Neighborhood

The proposed dwelling units would be compatible with existing single-family residential development in the neighborhood.

Prospective buyers, property owners and all residents should be notified of the State DLNR proposal for the adjacent lands for public hunting, and that hiking and other activities in the Conservation District without State approvals are prohibited.

III. CONCLUSIONS

Based on the foregoing analysis, the Director has made the following conclusions:

- a. The development, subject to conditions of approval, complies with the Cluster Housing provisions of the Land Use Ordinance (LUO) and requirements of the governmental agencies;
- b. Property in the vicinity of the area would not be adversely affected; and
- c. The property would be used for purposes and in a manner permitted in the existing residential district.

IV. DECISION AND ORDER

Based on the Report and Conclusions, the Cluster Housing application for "Waokanaka Street Cluster" is approved, subject to conformity with the following exhibits and conditions:

Exhibit "A"

Application Drawings by Gray, Hong, Bills & Associates, J. Nishi Associates, and Belt Collins, 15 sheets, DLU date-stamped October 4, 1989.

Exhibit "B"

Applicant's Narrative by Gray, Hong, Bills & Associates, titled "Waokanaka Street Cluster Housing Development at Honolulu, Oahu, Hawaii", DLU date stamped October 4, 1989.

Exhibit "C"

Revised Site Plan by J. Nishi Associates (1 sheet), DLU date-stamped December 21, 1989.

Exhibits "A", "B", and "C" shall be followed, except as may be altered by the following conditions:

1. Site Plan and Building Design

- a. Within each subdivided or condominium lot, all structures shall comply with the height and side and rear yards of R-10 Residential District. If there is no subdivided or condominium lot, the minimum side and rear yard shall be measured as if there were a property line between any two units.
- b. Lot coverage on each subdivided or condominium lot shall not exceed 50%. If there is no subdivided or condominium lot, the total lot coverage shall not exceed 30% of the total lot area.
- c. Parking for dwelling units shall meet Land Use Ordinance off-street parking requirements. Two stalls per unit plus one per 1,000 square feet of floor area over 2,500 square feet (excluding carports and garages).
- d. The minimum yard and height setbacks around the boundaries shall meet R-10 Residential District regulations.
- e. Building setbacks from the private road shall be a minimum of 10 feet.
- f. White or highly reflective material shall not be used on the roof of any proposed structure.

- g. All fences and walls along the private roadways shall be set back a minimum of 3' and landscaped with trees, shrubbery or 42" high continuous hedge. Chain link fencing shall not be used.
- h. Retaining walls exceeding 8' in height shall be terraced with a minimum 2 feet clear landscape strip provided between terracing.

2. Landscaping

Landscaping shall be provided by the developer in accordance with the plans approved by the Director of Land Utilization, and shall include the following:

- a. Final landscape plans shall be in accordance with Exhibit "A". Groundcover, shrubs, vines, hedges and/or trees shall be planted on all bare ground, including embankments graded by the developer. Where possible, major trees and plants shall be retained or relocated on site.

The applicant shall provide a detailed evaluation of existing conditions along the project boundary. The Director of Land Utilization shall determine whether solid fencing and/or landscape screening would be required based on this evaluation.

- b. A continuous hedge and vertical trees shall be provided to screen the understructure of all elevated units.
- c. All retaining walls, fences, transformers and trash enclosures shall be screened with a minimum 4 feet high, continuous hedge.
- d. All retaining walls six (6) feet in height or greater shall be landscaped with dense hedges, vines and/or trees. Any wall greater than eight (8) feet in height shall be terraced every six (6) feet with a minimum two (2) feet clear planting space between terracing, and shall be landscaped with dense shrub, hedges, vines and/or small trees. A minimum 18" wide planting area shall be provided along the base of all retaining walls over 6' in height.
- e. Trees shall be a minimum 8' to 10' in height and 1-1/2 inches in trunk diameter at time of planting.
- f. The final landscape plan shall include detailed information on (1) disposition of the existing trees and landscaping, (2) type and size of all new landscaping, (3) fencing, (4) retaining walls, (5) pavement materials, (6) lighting, and (7) irrigation to support the landscaping.

- g. Landscape work in accordance with the approved final landscaping plan shall be completed prior to the occupancy of dwelling units. Trees planted shall not be removed, replaced or relocated without prior approval by the Department of Land Utilization.

3. Roadways

- a. A Traffic Impact Assessment Report (TIAR) and Drainage Report including the proposed contraflow scheme and emergency truck turnout project shall be submitted to the State Department of Transportation. The project shall comply with the requirements of the State Department of Transportation prior to issuance of any permits.
- b. Roadway grades shall be designed not to exceed 19 percent.
- c. The roadway shall be designed to provide a minimum 20' wide pavement, 13'-6" minimum vertical clearance, and a turnaround to meet Fire Department requirements.
- d. The proposed roadway intersection with Waokanaka Street shall be provided with a Private Road sign, "STOP" signs and "STOP" on the pavement to clearly identify the driveway as a private roadway.
- e. A minimum of 5 guest parking stalls shall be provided. Parking shall be allowed only in areas designated for resident and guest parking. Parking shall not be permitted within the common vehicular turnaround and maneuvering areas for the common guest parking stalls. A Homeowners' Association should be responsible for the enforcement of this requirement on the private roadways. Appropriate "No Parking" and "Guest Parking" signs shall be posted by the developer. Parking for the individual units must also be provided in conformance with the LUO requirements.
- f. Adequate lighting and illumination shall be provided for all roadways. Light fixtures shall be shielded to minimize glare and adverse impact on adjacent properties. Private light poles shall not exceed 15' in height measured from finish grade to the top of the pole.
- g. Final roadway construction plans, to include turnarounds, shall be subject to review and approval by the Fire Department, Transportation Services, Public Works, Land Utilization and State Department of Transportation, prior to issuance of any permits for the project. Construction within the State right-of-way shall be subject to approval by the State Department of Transportation.

4. Soils, Grading and Drainage

- a. Building setback lines shall be established along the existing gulch at the east end of the property. Calculations for determining the setback lines shall be submitted to the Department of Public Works for approval. All final plans shall show the building setback lines as approved by the Department of Public Works.
- b. A detailed drainage and erosion control report shall be submitted and approved by the Department of Public Works and State Department of Transportation prior to issuance of any permits. The final erosion control drainage and grading plans shall be subject to approval by the Department of Public Works and State Department of Transportation.
- c. Grading and drainage work, including erosion controls, shall comply with all applicable Federal, State and County regulations, statutes and ordinances.
- d. Pavements for roadways, driveways, walkways and parking areas shall be designed for the particular soil conditions and constructed in accordance with the requirements of the Department of Public Works.

5. Utilities

All utilities shall be placed underground within the project site. Additional conditions are as follows:

- a. The proposal shall comply with the requirements of the Board of Water Supply for availability of water. Installation of a complete water system shall meet Board of Water Supply specifications and standards. Construction plans shall be submitted to the Board of Water Supply for review and approval.
- b. Installation of a complete sewer system shall meet the Department of Public Works specifications and standards. Construction plans shall be submitted to the Department of Public Works and the Department of Health for review and approval.
- c. Installation of the necessary sewer and water easements shall meet the Department of Public Works and the Board of Water Supply standards and specifications.
- d. The applicant shall meet the requirements of the City and County to cover the estimated connection charges applicable to the development.

6. Fire Protection

Fire protection plans shall be approved by the Fire Department and Board of Water Supply prior to issuance of building permits. The applicant shall install off-site water transmission improvements for adequate fire protection as required by the Board of Water Supply and Fire Department.

7. Refuse Collection

The applicant shall meet the requirements of the Department of Public Works for refuse collection. The Division of Refuse Collection and Disposal of the Department of Public Works shall review and approve the refuse collection plan prior to issuance of any permits.

8. Lighting

All exterior lighting shall be recessed and shielded to minimize glare and any adverse visual impact to the development and surrounding neighborhood.

9. Engineer's or Architect's Supervision and Responsibility

The applicant's consulting engineer and/or architect shall be responsible for all work and final plans to comply with all provisions of the Land Use Ordinance. The project plans shall meet all code regulations, standards and requirements for approval by all affected governmental agencies.

10.- Flexibility

- a. The project shall be developed as authorized and approved by the Director of Land Utilization. In no case, however, shall the above alteration harm the general intent of the design concept of the project, nor will there be any increase in the number of units (19). The environmental character and design concept of the project, as indicated on the submitted plans, shall be maintained.
- b. Any modification to the conditions stated herein shall be subject to approval by the Director of Land Utilization. Any major modification may be subject to a new application under the cluster development provisions.
- c. Changes made to the conditions or site plan necessitated by additional soils, grading, drainage or other studies shall be subject to the approval of the Director of Land Utilization.

11. Archaeological Findings

Should any cultural deposits, burials or archaeological artifacts, charcoal-filled fire pits, or human skeletal remains be discovered during construction, the applicant and/or contractor shall stop work and notify the State Historic Sites Office, Department of Land and Natural Resources, for mitigative action.

12. Detailed Documents

- a. The applicant shall obtain the approval of the Director of Land Utilization and appropriate governmental agencies on final detailed documents covering all building and site improvements, including but not limited to parking, grading, drainage, sewers, water and electric utilities, easements, walkways, roadways, fire protection, refuse storage and collection, fences, landscaping, and final exterior materials, colors, textures and/or finishes.
- b. This approval shall be obtained prior to commencement of any work. Site improvements and landscaping plans shall be approved by the Director of Land Utilization prior to issuance of any building permits.

13. Model Units

- a. The grading and building permits for model units, if any are to be provided, may be issued only after review and approval of the detailed documents for such units by the Director of Land Utilization and other appropriate governmental agencies.
- b. This approval shall be obtained prior to commencement of any work. Site improvements and landscaping plans shall be approved by the Director of Land Utilization prior to issuance of any model unit building permits.

14. Maintenance of Common Areas and Facilities

Legal documents shall be drawn up to ensure perpetual maintenance of all common elements including, but not limited to, roads, landscaping retaining walls and drainage system.

15. Future Additions and Alterations

- a. Future additions and alterations to individual dwelling units and in common areas subsequent to the completion of the project, shall require the review and approval by the Director of Land Utilization, and individual owners requesting such additions and alterations shall first obtain the written approval from the Homeowners' Association. All fencing for future additions by individual homeowners shall be in accordance with pre-approved fence designs.

- b. Standard designs for fencing by individual homeowners shall be provided by the applicant and submitted to DLU for review and approval prior to issuance of building permits.
- c. Lot coverage permitted on each subdivided or CPR (condominium property regime) lot shall not exceed 50% of the individual lot area. No additions shall be permitted which would exceed this maximum lot coverage.
- d. Owners and tenants of the project shall be informed by the applicant of the standard fence design and the lot coverage requirement for future additions and expansion.

16. Transfer of Rights

- a. Any assignment and/or transfer of any substantial interest in the land parcel designated as a cluster development by this document shall be subject to the approval and consent of the Department of Land Utilization (except for such assignment and/or transfer to any mortgagee or to any purchaser upon foreclosure). Such approval and consent shall not be unreasonably withheld provided that the assignee and/or transferee agrees in writing to comply with all the conditions imposed herein.
- b. This requirement of obtaining Department of Land Utilization's approval and consent shall become null and void upon the applicant/developer satisfying the following:
 - (1) Completion of all construction according to approved plans, as well as sale of the house lots within the cluster project; and
 - (2) Compliance with all the conditions and restrictions imposed by this document.

17. Time Limit

Failure to secure building permits for 10 of the total 19 units within 3 years of the date of this approval may constitute grounds for the Director to revoke this approval. If the applicant finds that he is unable to obtain a building permit prior to the expiration date of this approval, he shall submit to the Director a written request for extension of time prior to the expiration date, with reasons to justify such extension.

18. Responsibility

It shall be the responsibility of the applicant to provide all site improvements, landscaping and other features in conformity with Exhibits "A", "B" and "C" and the conditions and restrictions imposed herein. All structures and site improvements, and landscaping shall be completed prior to the occupancy of the dwelling unit.

19. Covenants

The developer shall be required to incorporate all of the post construction conditions set forth which are applicable, subsequent to occupancy as part of the restrictive covenants running with the land and made a part of any sales agreement with any future owners. Sales prospectus shall also include notification relating to the State Department of Land and Natural Resources' proposed public hunting area on adjacent lands. The applicant shall coordinate and consult with the State Department of Land and Natural Resources.

20. Recordation

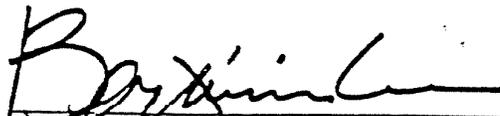
The applicant/developer of the property encompassed by this cluster development shall be required to file with the Bureau of Conveyances or Assistant Registrar of the Land Court of the State of Hawaii, a declaration of the above-mentioned restrictive conditions.

21. Violations

The Department of Land Utilization would review alleged violations of the conditions imposed herein and upon its findings that the applicant has not complied with any of said conditions, may take any lawful action necessary to prevent further non-compliance, or to compel compliance with the conditions.

22. Rescinding Governmental Agency Approvals

Upon repeal of this approval by the Department of Land Utilization, the Director of Land Utilization and other governmental agencies may rescind any or all approvals granted to the development including but not limited to approvals of building permits and other detailed documents, in order to restore the property to conditions pre-existing the effective date of this approval.



BENJAMIN B. LEE, AIA
Deputy Director

Date: December 29, 1989

0900M

Exhibit "A": Application Drawings
Exhibit "B": Application Narrative
Exhibit "C": Revised Site Plan

COMMON ELEMENTS

Paragraph 4 of the Declaration states as follows:

"One freehold estate is hereby designated in all common elements of the Project, which include all portions of the Project other than the apartments (except as herein specifically included), and all other common elements mentioned in the Act which are actually included in the Project, including specifically without limitation:

(a) The Land in fee simple.

(b) All natural and concrete drainage culverts, retaining walls, fences, hiking trails, water reservoir and roadway in the Project, some of which are shown on Sheets Nos. AO-1, AO-1.1, AO-1.2 and S-1 of the Condominium Map, whether or not located on a Residential Lot (as defined in subparagraph 5(a) below);

(c) The private roadway located within the Project as outlined on Sheets No. AO-1, AO-1.1, AO-1.2 and S-1 of the Condominium Map, the six (6) uncovered regular-sized guest parking stalls (three (3) regular sized and three (3) compact) located thereon, walkways, entry gates, enterphone system, mailboxes, refuse facilities and landscaping not located on limited common areas.

(d) All sewer lines, electrical equipment, wiring, pumping station, utility yards and equipment, pipes and other central and appurtenant transmission facilities and installations on, over, under and across the Project which serve more than one apartment for services such as but not limited to electricity, water, gas, sewer, telephone, radio, television and cable television signal distribution.

(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.

(f) The limited common elements described below."

LIMITED COMMON ELEMENTS

Paragraph 5 of the Declaration states as follows:

"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 various separate land areas ("Residential Lots") numbered "1" through "19", as shown on Sheet No. S-1 of the Condominium Map, shall be appurtenant to and for the exclusive use of the apartment having the same number. For example, Residential Lot 7 is appurtenant to and for the exclusive use of Apartment 7.

(b) The driveway, if any, extending from the private roadway within the Project to the garage of each apartment and any parking stalls located thereon, as outlined on Sheets Nos. AO-1, AO-1.1 and AO-1.2 of the Condominium Map, shall be appurtenant to and for the exclusive use of that apartment.

(c) All fencing and landscaping within each of the Residential Lots appurtenant to each apartment; provided, however, that no apartment owner shall cut or trim any tree with a diameter of ten (10) inches or more located on such owner's Residential Lot without the prior written consent of the Association.

(d) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments."

ENCUMBRANCES AGAINST TITLE

1. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : THE NAHELE CORPORATION, a Hawaii corporation
MORTGAGEE : GECC FINANCIAL CORPORATION, a Hawaii corporation
DATED : April 19, 1989
FILED : Land Court Document No. 1628851
AMOUNT : \$1,500,000.00

2. MORTGAGE

MORTGAGOR : THE NAHELE CORPORATION, a Hawaii corporation
MORTGAGEE : BANK OF HONOLULU
DATED : May 30, 1990
FILED : Land Court Document No. 1735107
AMOUNT : \$300,000.00

ABOVE MORTGAGE AMENDED BY INSTRUMENT

DATED : January 15, 1991
FILED : Land Court Document No. 1797462
RE : Increase the amount of \$300,000.00 to \$600,000.00

3. For real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.

THE WOODLANDS
PRELIMINARY PROPOSED BUDGET
FIRST YEAR

	<u>MONTHLY BUDGET</u>	<u>ANNUAL BUDGET</u>
<u>RECEIPTS:</u>		
Maintenance Fees	\$10,186	\$122,232
New Buyer Assessments		
Late Fees		
Interest Income	185	2,220
Misc. Income	<u> </u>	<u> </u>
TOTAL RECEIPTS	\$10,371	\$124,452

DISBURSEMENTS:

UTILITIES

		\$ 4,200
Electricity	\$ 350	6,000
Water	500	3,000
Sewer	250	3,240
Cable	270	600
Tele/Communication	50	

REPAIR & MAINTENANCE

Lighting/Electrical	\$ 20	\$ 240
Gate	368	4,416
Pump Station	120	1,440
Grounds	3,800	45,600
Concrete Ditches	800	9,600

ADMINISTRATIVE

Acct./Tax Prep./Audit	\$ 60	\$ 720
Legal/Consultant Fees	55	660
Management Fee	1,482	17,784
Office Expense	75	900
Education Fund/ Reg. Fee	6	72
Ins.-Gen. Liab./ Property	450	5,400
Ins.-Directors & Officers	90	1,080
Ins.-Fidelity Bond	20	240
Taxes-Haw. Gen. Excise Tax	50	600
Taxes-Other	<u>50</u>	<u>600</u>
TOTAL OPER. DISB.	\$8,866	\$106,392

MAJOR EXPENDITURES

Gate	\$ 42	\$ 504
Sprinkler System	100	1,200
Annual Tree Trimming	1,253	15,036
Paving/Seal Coating	165	1,980
Refuse Bin	25	300
Reservoir	42	504
Subterranean Terminte (3 year warranty)	<u>211</u>	<u>2,532</u>
TOTAL MAJ. EXPENDITURE	\$1,838	\$22,056
Less	<u>(333)</u>	<u>(3,996)</u>
TOTAL ADJ. MAJ.	\$ <u>1,505</u>	\$ <u>18,060</u>
TOTAL OPER. & ADJ. MAJ.	\$ <u>10,371</u>	\$ <u>124,452</u>
NET GAIN/(LOSS)	\$ <u>0</u>	\$ <u>0</u>

The estimated maintenance charge for each of the nineteen (19) apartments is \$545.85 per month or \$6,550.20 per year.

CERTIFICATION

I, Gwyn Fowler-Butchka, the president of Alii Ohana Property Management, Inc., the managing agent for The Woodlands 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.

Dated: Honolulu, Hawaii, July 15, 1991.


Gwyn Fowler-Butchka
Gwyn Fowler-Butchka

AD

STATE OF HAWAII)
) ss.
CITY & COUNTY OF HONOLULU)

On this 29th day of July, 1991, before personally appeared Gwyn Fowler-Butchka, to me personally known, who being by me duly sworn, did say that she is the President of Alii Ohana Property Management, and that the seal affixed to the instrument is the corporate seal of the corporation, and that the instrument was signed and sealed in behalf of the corporation by authority of its board of directors, and Gwyn Fowler-Butchka acknowledged the instrument to be the free act and deed of the corporation.


JOHN W. WARD
My commission expires: 4/4/94



WARRANTIES

Paragraph E.18 of the Sales Contract and Deposit Receipt states as follows:

"The execution, delivery and recordation of Buyer's Apartment Deed shall constitute the assignment by Seller to Buyer of any and all warranties given to Seller by the general contractor for the Project, if any, including, without limitation, any warranty of materials and workmanship against faulty or deficient materials and installation, and of any transferable manufacturer's or dealer's warranties covering the appliances in the Apartment. The benefit of such warranties, if any, shall accrue to Buyer on closing without further instruments or documents. Seller agrees to cooperate with Buyer during the effective period of any such warranties in asserting any claims based on such warranties. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE APARTMENT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN. At Seller's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's Apartment on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages to the Property, if any. Buyer agrees to accept possession of the Property despite the existence of such defects or damages to the Property regardless of extent, including, without limitation, any defects in appliances and fixtures, which may be listed in said inspection sheet, but which do not render the Property uninhabitable. Seller will cooperate with and assist Buyer in having legitimate listed defects or damages corrected or repaired within a reasonable time thereafter by the general contractor or other warrantor. Buyer agrees to indemnify Seller for any damages or losses, including interest and attorney's fees, resulting from any refusal to make such inspection, to sign such inspection sheet or to accept possession of the Property upon request by Seller (unless the Apartment is uninhabitable) and if Buyer shall make any such refusal Buyer shall be deemed to be in default under this Agreement and Seller at its option shall be entitled to cancel this Agreement and keep all payments made hereunder as liquidated damages. Buyer hereby waives all rights of inspection and rights to Seller's cooperation and assistance with the general contractor or other warrantors if Buyer fails to inspect Buyer's Apartment on the date and time specified by Seller, and Buyer acknowledges that such waiver shall not in any way affect Buyer's obligations hereunder, including, without limitation, the making of Payments B and C and performance of Buyer's pre-closing and final closing obligations."

SUMMARY OF SALES CONTRACT

A specimen Sales Contract and Deposit Receipt (the "Sales Contract") has been submitted to the Real Estate Commission. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES CONTRACT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Sales Contract, among other things, covers in more detail the following items:

1. A Sales Contract executed prior to the issuance of an effective date for a Final Public Report for the Project shall constitute a "reservation" and not a "binding contract" for the purchase of an apartment. Accordingly, the reservation may be canceled and terminated at any time at the option of either party (and buyer shall receive a refund) until an effective date for a Final Public Report is issued on the Project, the buyer signs a receipt for the Final Public Report (or is deemed to have receipted for it under the Condominium Property Act), each of the conditions set forth in Section 514A-62(a) of the Condominium Property Act (the "Act") has been satisfied, and the buyer signs a separate confirmation letter in which the buyer agrees to treat the Sales Contract as a binding contract. Therefore, the buyer should be aware that the execution of a Sales Contract prior to the issuance of an effective date for a final Public Report does not necessarily mean that the buyer will be able to purchase the reserved apartment for the price or on the other terms stated in the Sales Contract, or on any terms at all.

2. SELLER MAKES NO WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS), INCLUDING ANY WARRANTIES OR PROMISES OF "MERCHANTABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR USE OR PURPOSE". The execution, delivery and recordation of a buyer's Apartment Deed shall constitute the assignment to a buyer of any and all warranties, if any, given by the general contractor for the Project and any transferable manufacturers' or dealers' warranties covering any appliances in the apartment.

3. Seller may cancel the Sales Contract and treat the buyer as being in default if the buyer's financial condition changes materially detrimentally before closing. Seller may also cancel if the buyer's application for a mortgage loan is rejected or not approved within thirty (30) days after application or within forty-five (45) days after application in the event that the buyer shall be an owner-occupant as defined by the Act. If Seller is not

satisfied for any reason with the buyer's ability to make the cash payments, then Seller may cancel the Sales Contract.

4. Seller has entered or will enter into one or more loan agreements with one or more lenders to cover the construction and other costs of the Project. Seller has given or will give the lender or lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment and covering Seller's ownership rights in the Project, including the individual apartments. All of the rights and interests which Seller gives to the lender or lenders will have priority over the buyers' rights and interests under the Sales Contracts. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including among other things extensions, renewals and other changes). BUYER GIVES UP AND SUBORDINATES THE PRIORITY OF BUYER'S RIGHTS AND INTERESTS UNDER THE SALES AGREEMENT IN FAVOR OF THE RIGHTS AND INTERESTS OF SELLER'S LENDERS UNTIL THE FINAL CLOSING AND DELIVERY OF A SIGNED APARTMENT DEED TO THE BUYER.

5. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALES PERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S PROPERTY. IF BUYER WANTS TO RENT OR SELL THE PROPERTY, HOW BUYER DOES IT WILL BE UP TO BUYER. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE PROPERTY OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE PROPERTY OR ABOUT THE TAX EFFECTS OF BUYING THE PROPERTY.

6. Seller will pay for the cost of drafting the Apartment Deed, any amendments thereto and the cost of the acknowledgements of Seller in respect thereof, the State of Hawaii conveyance tax, and one-half of the escrow fees. The buyer will pay for one-half of the escrow fees and the costs of obtaining a financing commitment, credit reports, any attorney's fees and costs incurred by Seller in connection with the buyer's failure to perform its obligations under the Sales Contract. The buyer will also pay the nonrefundable start-up fee which will be held and used by Seller and the managing agent as a working capital fund for the benefit of all the apartment owners. Real property taxes, maintenance charges and other common expenses and other prorations will be made, and risk of loss will transfer from Seller to buyer, on the scheduled closing date as defined in the specimen Sales Contract. The buyer will sign all documents and do everything else required for closing within ten (10) days after receiving written notice that the apartment is ready for occupancy.

7. The buyer agrees that buyer will not have any right to transfer the Sales Contract or his rights under the Sales Contract without first getting the written consent of Seller.

Seller will consent to any transfer if (any only if) certain conditions set forth in the Sales Contract are satisfied.

NOTE: ALL BUYERS SHOULD READ THE SALES CONTRACT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES CONTRACT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES CONTRACT, AND DOES NOT ALTER OR AMEND THE SALES CONTRACT IN ANY MANNER.

SUMMARY OF ESCROW AGREEMENT

A copy of the Escrow Agreement between the Seller and Title Guaranty Escrow Services, Inc. ("Escrow Agent") has been submitted to the Real Estate Commission. The Escrow Agreement, among other things, covers in more detail the following items:

1. Subject to various terms and conditions set forth in detail in the Escrow Agreement, the buyer's funds held in escrow will be paid out of escrow, at the time and in the amounts requested by Seller, (a) to pay for construction costs in proportion to the valuation of the work completed by the contractor in accordance with the contract documents, on the buildings and other improvements to be constructed on said land, as certified by a registered architect or professional engineer and as approved by the Seller's lender; and (b) to pay for architectural, engineering, finance and legal fees and other incidental expenses of the Project as approved by the Seller's lender.

2. Escrow Agent shall make no disbursements of buyer's funds paid prior to the buyer's receipt of the final public report on the Project, except by the way of refunds thereof as provided in the Escrow Agreement, until Escrow Agent has received satisfactory evidence that the Sales Contracts have "become binding" and that "the requirements of Sections 514A-40 and 514A-63" of the Hawaii Revised Statutes have been met, as said phrases are used in Section 514A-65, Hawaii Revised Statutes.

3. All monies received by Escrow Agent under the Escrow Agreement will be deposited by Escrow Agent in a special account or accounts with a financial institution(s) designated by Seller, in Honolulu, Hawaii, authorized to do business in the State of Hawaii at an interest rate determined by Seller, in its sole and absolute discretion, to be the highest rate of interest available for such funds, recognizing the financial institution paying such interest, the number of days such funds shall be on deposit, and such other factors as shall be determined by Seller in its sole and absolute discretion. Buyer shall be entitled to such interest from and after the date of execution of the Sales Contract and Seller's approval of Buyer's financing pursuant to the provisions of the Sales Contract. All interest paid prior to such date shall belong to Seller.

4. A buyer will have the right to a refund of his funds only if (a) Seller asks Escrow Agent in writing to return the buyer's funds to the buyer; (b) Seller gives Escrow Agent written notice that Seller has rescinded or canceled the Sales Contract pursuant to any right of rescission or cancellation stated in the Sales Contract or otherwise available to Seller; (c) the conditions provided for a refund under Section 514A-63 of the Condominium

Property Act (as amended on the date the Sales Contract become binding) have been met and written notice thereof has been provided to the Seller; (d) Seller gives Escrow Agent written notice of the buyer's exercise of the right to rescind or cancel the Sales Contract pursuant to any right of rescission or cancellation stated therein; or (e) Escrow Agent receives written notice from buyer(s) holding a nonbinding reservation agreement terminating such reservation agreement and releasing all rights and interest in the subject apartment, provided that Escrow Agent shall notify Seller of such termination prior to making any refund to the buyer.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.