



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 ARBORS, INCREMENT C

91-1039 (Bldg. 23), 91-1035 (Bldg. 24), 91-1031 (Bldg. 25),
 91-941 (Bldg. 43) and 91-945 (Bldg. 44) La'aulu Street

ENA BEACH, HAWAII
 (Buildings 23 through 25, 43 and 45)

Registration No. 2487

Issued: February 28, 1992
 Expires: March 28, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 5, 1992, 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.

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	7
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	8
D. House Rules	8
E. Changes to Condominium Documents	8
III. THE CONDOMINIUM PROJECT	9
A. Interest to be Conveyed to Buyer	10
B. Underlying Land	10
C. Buildings and Other Improvements	14
D. Common Elements, Limited Common Elements, Common Interest	15
E. Encumbrances Against Title	15
F. Management of the Common Elements	16
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	17
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
EXHIBIT A: APARTMENT DESCRIPTION, PARKING STALL ASSIGNMENTS AND COMMON INTEREST	
EXHIBIT B: COMMON ELEMENTS	
EXHIBIT C: ENCUMBRANCES AGAINST TITLE	
EXHIBIT D: ESTIMATE OF INITIAL MAINTENANCE FEES	
EXHIBIT E: SUMMARY OF SALES CONTRACT	
EXHIBIT F: SUMMARY OF ESCROW AGREEMENT	
EXHIBIT G:	
EXHIBIT H:	
EXHIBIT I:	
EXHIBIT J:	

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

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR. Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
1A	2	2 1/2	1,008	** (See Note Below)
2	3	2/2	1,098	• • • •
3	3	2/2	1,010	• • • •
4	3	3/3	1,526	• • • •
4A	5	3/3	1,526	• • • •
5	3	2/2	1,050	• • • •
5A	2	2/2	1,079	• • • •

Total Apartments: 29

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. See Exhibit "A"

**NOTE: Courtyard and lanai configurations and sizes may vary due to jobsite conditions.

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)	58 (29 two-stall parking garages)
Guest Stalls	21
Unassigned Stalls	--
Extra Stalls Available for Purchase	--
Other: _____	--
Total Parking Stalls	79

- 7. **Recreational amenities:** There are no recreational amenities within The Arbors, Increment C project itself; however, the Declaration discloses that the Developer has developed a Recreation Area on a separate site in the vicinity of this Project and intends to convey it in fee simple title to the respective Associations of Apartment Owners for The Arbors project after the administrative merger of all of the increments in that project. The administrative merger is more fully disclosed in paragraph K herein and in paragraph 19 of the Declaration.

**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. 1880864

Amendment date(s) and recording/filing information:

First Amendment to and Restatement of Declaration of Condominium Property Regime of The Arbors, Increment C dated February 5, 1992, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1887598.

- 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. 885

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
 Filed - Land Court - Document No. 1880865

Amendment date(s) and recording/filing information:

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	29	Yes	<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:

Dogs, cats and other household pets limited to two in number and subject to compliance with

Pets: provisions of House Rules.

Number of Occupants: _____
Apartment cannot be used for transient or hotel use. The apartment cannot be sold, rented or used for "time share", "time interval", "vacation license" or "travel club membership."

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Exterior stairways to Type 1A only.

All other 2nd floor units have

Elevators NONE Stairways interior stairways. 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>
1A	5	2/2	1,009 1,009	** (See Note Below)
2	3	2/2	1,098
3	3	2/2	1,010
4	3	3/3	1,526
4A	5	3/3	1,526
5A	3	2/2	1,098 1,098

Total Apartments: 29

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. See Exhibit "A"*

****NOTE:** Courtyard and lanai configurations and sizes may vary due to jobsite conditions. 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.

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

Not Applicable

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

Not Applicable

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<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.

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

Exhibit C describes the encumbrances against the title contained in the title report dated January 13, 1992 and issued by Security Title Corporation .

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	Lender has priority over Purchaser's rights under a Sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before apartment sale is closed. Should the lender terminate Purchaser's Sales Contract, Purchaser shall be entitled to a refund of all deposits less a nominal cancellation fee.

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

J. Status of Construction and Estimated Completion Date:

Construction on the Project is expected to be completed in March, 1992..

K. Project Phases:

The developer has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Futura Development:

The project is the second increment of The Arbors project which is ultimately planned to consist of 289 apartments to be developed in ten separate increments. Each increment will be a separate condominium project. The Developer intends to merge the ten increments for purposes of administration and use so that the management, control, administration and use of the ten condominium projects will be unified under one Association of Apartment Owners. The merger will only affect the administration and use of the increments and will affect each owners' proportionate share of common expenses. It will not affect the ownership of the apartments nor their appurtenant common interests in their respective increments.

The apartments in each increment will be substantially similar in design and construction, except for Increment F, which will consist of four buildings of a slightly different design. None of the increments shall contain particular facilities or amenities which could substantially increase the upkeep or maintenance of the entire project.

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated June 5, 1991

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

Other _____

respective officers, directors, employees, agents, successors, and successors-in-trust and assigns from and against any and all liability, claims or expenses relating to any claim made by the Buyer or any person using or occupying the Property covered by this Sales Agreement, arising directly or indirectly from the Activities on Adjacent Land; provided, however, that the person or entity whose actions or omissions are the direct cause of any damage to the Buyer shall be responsible for the consequences or results of its own gross negligence, willful misconduct or violation of applicable law.

4. The Arbors projects are bordered on the mauka and Diamond Head sides by two major roadways (Kolowaka Drive and Ft. Weaver Road) and on the Ewa and mauka sides by another condominium project called Palm Villas II. There are presently no plans to construct border fences or walls along these boundaries, but these plans are subject to change.

5. The Arbors project consists of eleven (11) lots. Each of the ten increments of The Arbors project (Increments A through J) will be constructed on one of the lots. The Recreation Center is constructed on the remaining lot adjacent to Increment B. The lot on which the Increment C project (this project) is situated consists of 2.041 acres. The entire Arbors project, including the Recreation Center, will occupy approximately 19.804 acres.

6. The Recreation Center has been developed on Lot 7214, Map 582, adjacent to this Project. The Recreation Center improvements will consist of a swimming pool, cabana, barbecue grills, meeting room and shower facilities. The Recreation Center will be available for use by all of the apartment owners of the overall Arbors Project. The maintenance fees for this Project do not yet include the costs of operating the Recreation Center.

7. The Developer is currently planning to construct a portion of a golf course along the makai border of the project property and is in the process of obtaining the necessary governmental approvals for the golf course construction. However, the Developer may revise its plans and makes no assurances or representations that a golf course will be built. Should the Developer choose not to pursue the development of the golf course for any reason in its sole discretion, portions of the property presently shown as a golf course may be developed and other portions may remain vacant, open space.

If a golf course is developed, owners in The Arbors will not be accorded any ownership interest in or right to use the golf course or its related facilities by virtue of their ownership in The Arbors or by reason of their membership in the Ewa by Gentry Community Association.

8. Developer has reserved the right to withdraw land from the Project without being required to obtain the consent or joinder of any owner of any other person who may have an interest in the Project (see paragraph 20 of the Declaration) in order to implement correct increment boundaries for The Arbors projects. This will not affect any owners' use and enjoyment of the property, nor will it affect each owners' ownership interest. The withdrawal will be done by legal consolidation and subdivision.

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 Ewa By Gentry Community Area Declaration of Covenants, Conditions and Restrictions

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.

EXHIBIT "A"

DESCRIPTION OF APARTMENT TYPES AND DESIGNATIONS:

TYPE 1 - (Two bedroom, two bath)

(Interior net living area: approximately 1,009 square feet; garage: approximately 485 square feet for the 7-plex and approximately 442 square feet for the 4-plex.) All Type 1 apartments are on the ground floor and contain two (2) bedrooms, two (2) baths, a separate kitchen and living/dining room. Each apartment also has a fenced courtyard and a two (2) car enclosed garage as limited common elements. All Type 1 apartments have been modified to be accessible and adaptable according to federal regulations.

TYPE 1A - (Two bedroom, two bath)

(Interior net living area: approximately 1,009 square feet; garage: approximately 408 square feet for the 7-plex and approximately 382 for the 4-plex.) All Type 1A apartments are on the second floor and contain two (2) bedrooms, two (2) baths, a separate kitchen and a living/dining room. Each apartment also has a lanai and a two (2) car enclosed garage as limited common elements. Each apartment has exterior stairway access to the ground floor.

TYPE 2 - (Two bedroom, two bath)

(Interior net living area: approximately 1,098 square feet; garage: approximately 526 square feet.) Type 2 apartments are on the second floor and each contain two (2) bedrooms, two (2) baths, a separate kitchen and a living/dining room. Each apartment also has a lanai, a courtyard and a two (2) car enclosed garage as limited common elements. Each apartment has direct ground floor access and an interior stairway to the second floor.

TYPE 3 - (Two bedroom, two bath)

(Interior net living area: approximately 1010 square feet; garage: approximately 461 square feet.) All Type 3 apartments are on the second floor and contain two (2) bedrooms, two (2) baths, a separate kitchen and a living/dining room. Each apartment also has a lanai and a two (2) car enclosed garage as limited common elements. Each apartment has direct ground floor access and an interior stairway to the second floor.

THE ARBORS, INCREMENT C
UNDIVIDED PERCENTAGE INTEREST IN COMMON ELEMENTS

<u>Apt. Type</u>	<u>Apt. Nos.</u>	<u>Approx. Sq. Ft. (interior & garage)</u>	<u>Percentage Common Interest</u>		<u>No. of Apts.</u>	<u>Total % Common Interest</u>
1 (7-plex)	23A/24A/25A	1,494	3.17%	x	3	9.51
1 (4-plex)	43A/44A	1,451	3.08%	x	2	6.16
1A (7-plex)	23B/24B/25B	1,417	3.01%	x	3	9.03
1A (4-plex)	43B/44B	1,391	2.95%	x	2	5.90
2	23C/24C/25C	1,624	3.45%	x	3	10.35
3	23D/24D/25D	1,471	3.13%	x	3	9.39
4	23E/24E/25E	1,988	4.23%	x	3	12.69
4A	23F/24F/25F 43C/44C	1,979	4.20%	x	5	21.00
5	23G/24G/25G	1,520	3.23%	x	3	9.69
5A	43D/44D	1,483	3.14%	x	<u>2</u>	<u>6.28</u>
					29	100.00%

As nearly as practicable, the percentage of common interest for each residential apartment is determined by calculating what percentage of the total interior net floor area plus garage floor area of all of the residential apartments is represented by the net floor area of the particular apartment and multiplying the percentage thus obtained by one hundred percent (100%).

EXHIBIT "C"

Encumbrances Against Title

1. Real property taxes as may be due and owing.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The terms and provisions of that certain Unilateral Agreement and Declaration for Conditional Zoning dated September 4, 1984, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1256439.
4. Rights, easements, privileges, reservations, terms, conditions and provisions as contained in that certain Deed dated January 15, 1985, filed in said Office of the Assistant Registrar as Document No. 1277742. *(Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.)*
5. Restrictions, covenants and conditions as contained in that certain Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restriction dated July 21, 1988, filed in said Office of the Assistant Registrar as Document No. 1568352, as amended by instrument dated May 30, 1989, recorded in the Office of said Assistant Registrar as Document No. 1652869. *(Developer intends to record a document to annex the entire Arbors project into the Ewa by Gentry Community Area.)*
6. Rights, easements, privileges and reservations thereof and certain terms, conditions and provisions, as set forth in the Limited Warranty Deed dated January 4, 1989, filed in said Office of the Assistant Registrar as Document No. 1605407. *(Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.)*
7. That certain Additional Security Real Property Mortgage, Security Agreement and Financing Statement dated June 27, 1991, and filed in said Office of the Assistant Registrar as Document No. 1831869. *(Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.)*
8. That certain Financing Statement made by Gentry Homes, Ltd. in favor of First Hawaiian Bank and filed on June 28, 1991 as Document No. 91-088286. *(Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.)*

EXHIBIT "D" -- Page 1 of 2
THE ARBORS, INCREMENT C

ESTIMATE OF INITIAL MAINTENANCE FEES
(Prior to Merger)

<u>APARTMENT MODEL</u>	<u>MONTHLY FEE x 12 MONTHS</u>	<u>YEARLY TOTAL</u>
1 (7-plex) (3 units)	\$142.87	\$ 1,714.44
1 (4-plex) (2 units)	138.81	1,665.72
1A (7-plex) (3 units)	135.67	1,628.04
1A (4-plex) (2 units)	132.96	1,595.52
2 (3 units)	155.49	1,865.88
3 (3 units)	141.07	1,692.84
4 (3 units)	190.65	2,287.80
4A (5 units)	189.29	2,271.48
5 (3 units)	145.58	1,746.96
5A (2 units)	141.51	1,698.12

The Developer has reserved the right to merge all of the increments of The Arbors as set forth in the Declaration. Although the Developer does not know at this time when all of the increments of The Arbors can be merged it anticipates being able to merge all of the increments by December, 1992. Once all increments have been merged, the maintenance fees will be recalculated based upon the projects expenses for the merged increments. No budget or estimate of maintenance fees for The Arbors project after merger of all increments is available at this time.

It is anticipated that a resident manager for the Project will be hired when approximately 200 units are occupied. The Developer anticipates this will occur in the summer of 1992. The expenses related to the Resident Manager are not included in the budget for this project. Until The Arbors Association of Apartment Owners makes a decision regarding the purchase of an apartment for the Resident Manager an apartment may be rented for the Resident Manager from the Developer.

The expenses relating to the Recreation Area are not yet included in the above maintenance fees.

The foregoing maintenance fees do not include the dues payable to the Ewa by Gentry Community Association. At the present time, those dues are \$30 per quarter.

EXHIBIT "E"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

1. That the buyer of the apartment must live in the apartment for at least 12 months.
2. What the obligations are of the buyer if the buyer wants a mortgage loan to cover part of the purchase price.
3. That a buyer's money will be held in escrow, under the terms of the Escrow Agreement.
4. That a buyer will not receive interest on deposits made under the Sales Contract.
5. That the apartment will be subject to various other legal documents which the buyer should examine.
6. That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to buyer.
7. That the Seller has no control over certain activities on adjacent property owned by others including agriculture, military, utility and aviation; that these activities may cause some inconveniences to the buyers; and that the buyer will indemnify the Developer and the owners of the properties involved except in cases of negligence or willful misconduct.
8. That under certain circumstances where the apartment is ready for occupancy and the buyer has not completed his financing arrangements for the purchase of the apartment, buyer will be responsible for all of the Seller's expenses as a result of buyer's delay.
9. That the Developer has reserved the right to administratively merge the increments of The Arbors.

END OF EXHIBIT "E"