



**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**

VALLEY VIEW TERRACE

3097, 3097A, 3135B-H, J, K, 3145, 3145A-H, J, & K Kalihi Street  
 Honolulu, Hawaii

Registration No. 2571 (Conversion)

Issued: March 6, 1992  
 Expires: April 6, 1993

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of March 3, 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.

**Summary of Changes from Ea. Public Reports:**

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[ X ] No prior reports have been issued by the Commission.

[ ] Changes made are as follows:

**SPECIAL ATTENTION**

1. Each of the twenty units shall have exclusive use of limited common areas depicted on Condominium Map No. 876 (filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii), and referred to as "Private Land Areas." Notwithstanding the boundary lines used to denote the different "Private Land Areas" or limited common areas appurtenant to and for the exclusive use of each unit, the boundaries do not represent boundaries of legally subdivided lots.
2. The units, built approximately in 1961, according to the Developer, are being sold "as is," without warranties.
3. Each of the twenty units in the project share a common water meter and the monthly water fee is shared by each unit on an equal basis with all other units (1/20th).

This public report does not constitute approval of the Project by the Real Estate Commission, nor does it ensure that all applicable City and County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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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

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
A	6	3/1	897	0
B	6	3/1	1008	0
C	7	3/1	870	0
D	1	5/1-3/4	1133	0

Total Apartments: 20

*\*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)	32
Guest Stalls	0
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: _____	
<b>Total Parking Stalls</b>	<b><u>32</u></b>

**7. Recreational amenities: None**

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Peoples Realty Network, Incorporated  
Name  
98-029 Hekaha Street, #19  
Business Address  
Aiea, Hawaii 96701

Phone: 488-0472  
(Business)

Names of officers or general partners of developers who are corporations or partnerships:  
Kenneth R. Sikes - President, Secretary, Treasurer  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Broker: KEBOJINA, Ltd., dba Real Estate  
Name Professionals  
98-029 Hekaha Street, #19  
Business Address  
Aiea, Hawaii 96701

Phone: 488-0472  
(Business)

Escrow: T.I. of Hawaii, Inc.  
Name  
Four Waterfront Plaza, Suite 300  
Business Address  
500 Ala Moana Blvd., Hon., HI 96813

Phone: 526-3571  
(Business)

General Contractor: N/A  
Name  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Phone: \_\_\_\_\_  
(Business)

Condominium Managing Agent: KEBOJINA, Ltd., dba Real Estate  
Name Professionals\*  
98-029 Hekaha Street, #19  
Business Address  
Aiea, Hawaii 96701

Phone: 488-0472  
(Business)

\*Subject to compliance with the provisions of Ch. 514A-95, HRS.

Attorney for Developer: Richard B. W. Ing  
Name  
1188 Bishop Street, #702  
Business Address  
Honolulu, Hawaii 96813

Phone: 523-7541  
(Business)

**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.

1. 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. 1873851

Amendment date(s) and recording/filing information:

First Amendment dated March 3, 1992 filed on March 3, 1992 as Land Court Document No. 1893454.

Second Amendment dated March 16, 1992 filed on March 16, 1992 as Land Court Document No. 1896626.

2. 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. 876
- Filed - Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

3. 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. 1873852

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed                       Adopted                       Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>75%</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

In accordance with Paragraph 17, Pages 16-19 of the Declaration of Condominium Property Regime for the Project, the Developer shall have the right and duty without the consent or joinder of any other person to amend and shall be required to amend the Declaration and the Condominium Map to reflect any changes brought about by the development of Phase II and Phase III of the Project.

See Exhibit H.



For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is  
 Cancelled       Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

**B. Underlying Land:**

Address: 3097, 3097A, 3135B-H, J, K, 3145A-H, Tax Map Key: (1) 1-4-14-07  
J, K Kalihi Street, Hon., HI 96819 (TMK)

Address       TMK      is expected to change because N/A

Land Area: 6.842       square feet       acre(s)      Zoning: R-7.5

Fee Owner: Grace Bible Church  
Name  
1052 Ilima Drive  
Address  
Honolulu, Hawaii 96817

Sublessor: N/A  
Name  
  
Address

**C Buildings and Other Improvements:**

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

2.    Buildings: 20      Floors Per Building 1  
       Exhibit A contains further explanations.

3.    Principal Construction Material:  
       Concrete       Hollow Tile       Wood  
       Other

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>20</u>	<u>Yes</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: Dogs, cats and other common household pets are permitted in reasonable number.
- Number of Occupants: \_\_\_\_\_
- Other: Residential use only.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0                      Stairways 0                      Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>6</u>	<u>3/1</u>	<u>897</u>	<u>0</u>
<u>B</u>	<u>6</u>	<u>3/1</u>	<u>1008</u>	<u>0</u>
<u>C</u>	<u>7</u>	<u>3/1</u>	<u>870</u>	<u>0</u>
<u>D</u>	<u>1</u>	<u>5/1-3/4</u>	<u>1133</u>	<u>0</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 20

*\*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 not include perimeter walls or interior load bearing walls or the floors and ceilings surrounding each apartment (except in each case for the interior decorated or finished surfaces of the perimeter walls, interior load bearing walls, floors or ceilings) or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment.... Each apartment shall include all of the walls and partitions which are not load bearing, including any glass, windows, ceilings and fixtures contained or installed therein.

**Permitted Alterations to Apartments:** Restoration or replacement in any material respect must be by affirmative vote of all apartment owners and consent of all holders of liens affecting the apartment and in accordance with complete plans and specifications certified by a professional engineer or architect, first approved by the Board. Amendments to the Declaration must be filed along with a complete set of floor plans.

7. Parking Stalls:

Total Parking Stalls: 32

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	32						
Guest	0						
Unassigned	0						
Extra Available for Purchase							
Other:	0						
Total Covered & Open	32						

Each apartment will have the exclusive use of at least 1 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.

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

8. Recreational and Other Common Facilities:

[ X ] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Storage Area

[ ] Recreation Area

[ ] Laundry Area

[ ] Tennis Court

[ ] Trash Chute

[ ] Other: \_\_\_\_\_

\_\_\_\_\_

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

Based on the Professional Engineer's report attached hereto as Exhibit B, the Developer has concluded that the expected useful life of structural components, mechanical and electrical installations is twenty (20) years.

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

The Project is in compliance with Building Codes and Municipal Regulations. A letter from the City and County of Honolulu Building Department dated August 6, 1991 is on file with the Commission.

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 restriction on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

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

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

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

Exhibit     C     describes the common elements.

As follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

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

described in Exhibit     C    

as follows:

Certain parts of the common elements have been set aside for the exclusive use of each apartment, including the site of the apartment as depicted on Condominium Map No. 876, the walkways, driveways connecting the apartments to the roadway, and all other common elements related to less than all of said apartment or apartments served thereby. All costs pertaining to each limited common element shall be borne entirely by the apartment or apartments to which they are appurtenant.

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     A     describes the common interests for each apartment.

As follows:

NOTE: The Developer has reserved rights to phase the Project. As additional phases are added, an apartment owner's percentage of ownership in the Project's common elements will decrease. See the Project documents for further information.

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

Exhibit D describes the encumbrances against the title contained in the title report dated December 17, 1991 and issued by T.I. of Hawaii, Inc.

**Blanket Liens:**

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

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

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
First Mortgage	Buyer will lose right to purchase an apartment and all deposits made by Buyer will be returned.

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.

[X] 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   G   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: None.

2. Appliances: None.

**G. Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit \_\_\_\_\_ contains a schedule of maintenance fees and maintenance fee disbursements.

**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:

2. Appliances:



#### **IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

**Buyer's Right to Cancel Sales Contract:**

**A. Rights Under the Condominium Statute:**

**Preliminary Report:** Sales made by the Developer are not binding 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. 2571 filed with the Real Estate Commission on December 24, 1991.

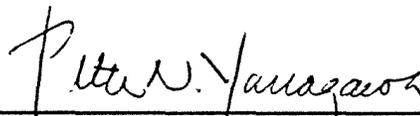
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.



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PETER YANAGAWA, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Bureau of Conveyances

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

Federal Housing Administration

EXHIBIT "A"

VALLEY VIEW TERRACE

DESCRIPTION OF APARTMENTS

<u>Dwelling No.</u>	<u>Street Address (Kalihi Street)</u>	<u>Net Living Area</u>	<u>Model Type</u>	<u>Type of Carport</u>	<u>Percentage of Common Elements</u>
1	3145	1008 sq. ft.	B	1-Car	5.0%
2	3145-A	870 sq. ft.	C	1-Car	5.0%
3	3145-B	897 sq. ft.	A	2-Car	5.0%
4	3145-C	1008 sq. ft.	B	2-Car	5.0%
5	3145-D	870 sq. ft.	C	1-Car	5.0%
6	3145-E	897 sq. ft.	A	1-Car	5.0%
7	3145-F	1008 sq. ft.	B	2-Car	5.0%
8	3145-G	870 sq. ft.	C	1-Car	5.0%
9	3145-H	1008 sq. ft.	B	1-Car	5.0%
10	3145-J	897 sq. ft.	A	2-Car	5.0%
11	3145-K	1008 sq. ft.	B	1-Car	5.0%
12	3135-K	1133 sq. ft.	D	1-Car	5.0%
13	3135-J	897 sq. ft.	A	2-Car	5.0%
14	3135-H	1008 sq. ft.	B	2-Car	5.0%
15	3135-G	870 sq. ft.	C	2-Car	5.0%
16	3135-F	1008 sq. ft.	B	2-Car	5.0%
17	3135-E	897 sq. ft.	A	2-Car	5.0%
18	3135-D	870 sq. ft.	C	2-Car	5.0%
19	3135-C	897 sq. ft.	A	2-Car	5.0%
20	3135-B	870 sq. ft.	C	2-Car	5.0%
				TOTAL	100.0%

December 19, 1991

Richard B.W. Ing  
Attorney at Law  
1188 Bishop Street  
Suite 702  
Honolulu, Hawaii 96813

Dear Mr. Ing:

Subject: Structural building inspection - Valley View Terrace  
Owner: Grace Bible Church  
Site Address: 3097; 3097-A; 3135 B-H, J, K; 3145;  
3145 A-H, J, K Kalihi Street  
Honolulu, Hawaii 96819  
Tax Map Key: (1) 1-4-14:7  
Area: 6.842 acres  
Developer: Peoples Realty Network Incorporated

In response to your request, structural building inspections were made November 2, 1991, December 1, 1991 and December 19, 1991 to ascertain the physical characteristics of the buildings on the subject property.

My description and comments are as follows:

<u>Description</u>	<u>Comments</u>
1. Units:	20 Residential Buildings (3-bedroom)
2. Type of Construction:	Wood (single family)
3. Height:	1 Story
4. Lot Area:	6.842 Acres
5. Zoning:	R-7.5 Residential
6. Roadway:	Private (29' wide with curbing)
7. Utilities:	Overhead Electric Overhead telephone Water Meter (1 master) Sewers (individual)
8. Contractor:	Unknown
9. Construction Date:	1961 (30 years old)
10. Carports:	Single (17) and Double (3)

EXHIBIT "B"

Mr. R.B.W. Ing  
December 19, 1991  
Page 2.

General Comments:

There are 20 residential-type single-story buildings located on a private, dead-end asphaltic roadway approximately 700' in length. The houses are located on both sides of the roadway (11 mauka, 9 makai). The roadway begins at Kalihi Street at a perpendicular, level intersection. But, as the road continues into the pie-shaped lot, it slopes upward to 10-12% maximum (estimated) just before the dead-end.

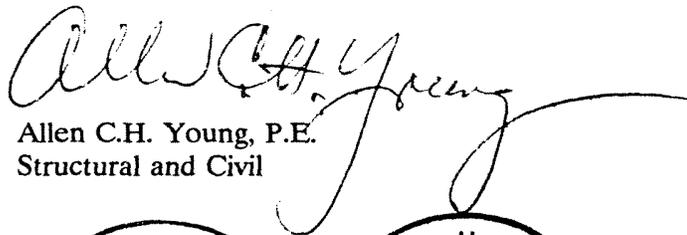
The houses have asphaltic tile roofs and are wooden single-wall construction on post and beam foundations. Although the buildings are 30 years old, their structural condition must be termed good, because of the maintenance and general upkeep by the previous owner. Minor wood rot in the bathrooms was observed in a few houses but some repairs are being performed. A few buildings could use new exterior paint. Mold was also noticed on some exterior walls but it is being washed off. As a whole, the building interiors are also in good condition although they have been rented on a month to month basis.

The carports were added to the homes. Concrete rubble masonry (CRM) walls were built between the houses to level the lots. They are intact and in good structural condition. The previous owner indicated that termite treatment was performed 5 years ago. No sign of infestation is visible.

Summary:

The 20 houses are structurally sound and have been maintained well. Superficial repair work to a few houses and painting would restore the houses from a very good to an excellent condition.

Sincerely,



Allen C.H. Young, P.E.  
Structural and Civil

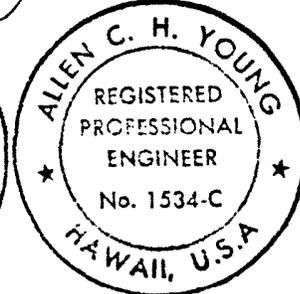


EXHIBIT "C"

COMMON ELEMENTS

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

- (a) Said land in fee simple.
- (b) All fencing, grounds, landscaping, boundary walls, perimeter walls, refuse facilities and mail boxes.
- (c) All driveways and walkways.
- (d) All electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and 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.

LIMITED COMMON ELEMENTS

Certain parts of the common elements herein called the "limited common elements", are being designated and set aside for the exclusive use of certain apartments. Each apartment owner shall be responsible for and pay the costs of property repairing and maintaining the limited common elements set aside and reserved for the exclusive use of such apartment, called Private Land Area or Private Yard Area, as the case may be. The Private Land Area for each apartment is depicted and delineated by the areas bounded by dotted lines shown on Condominium Map No. 876, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE  
CONTAINED IN TITLE REPORT DATED DECEMBER 17, 1991

1. Granted dated April 5, 1974, filed as Land Court Document No. 681995, in favor of HAWAIIAN ELECTRIC COMPANY, INC. and HAWAIIAN TELEPHONE COMPANY, granting easement to build, construct, rebuild overhead power lines, etc., over Lot A-5.
2. Real Property Mortgage and Financing Statement in favor of Honolulu Federal Savings and Loan Association (now known as Honfed Bank), dated May 17, 1984, filed May 24, 1984, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1237741.
3. Mortgage, Security Agreement and Financing Statement dated April 29, 1991, filed September 4, 1991, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1848466.
4. Declaration of Covenants, Restrictions, Easements, Charges and Liens dated December 13, 1991, filed as Land Court Document No. 1873850.
5. Condominium Map No. 876 filed on December 17, 1991.
6. The covenants, agreements, obligations, conditions and other provisions set forth in Declaration of Condominium Property Regime entitled "VALLEY VIEW TERRACE" dated December 12, 1991, filed as Land Court Document No. 1873852, to which reference is hereby made.

END

EXHIBIT "E"

SUMMARY OF PERTINENT PROVISIONS  
OF THE SALES CONTRACT

The Deposit Receipt and Sales Contract for Valley View Terrace contains the following pertinent provisions:

1. Identity of the unit sold;
2. Identity of the escrow agent who will handle the closing of the sale and purchase: T. I. of Hawaii, Inc.;
3. The Seller's name: Peoples Realty Network, Incorporated, a Hawaii corporation;
4. Amount of total Purchase Price;
5. Amount of Initial Deposit (Payment A);
6. Balance to be paid at closing (Payment B);
7. The name of the owners to whom title is to be conveyed, and the type of tenancy desired by Buyer(s)
8. The name of the real estate broker representing Seller: KEBOJINA, LTD., a Hawaii corporation; the name of the real estate broker representing Buyer(s);
9. Addendum A, containing the following provisions:
  - A. The property is being sold in an "as is" condition without expressed or implied warranties or guarantees regarding condition, fitness or structural soundness of the foundation, improvements, roofs, walls, fences, termite damage, asbestos, hazardous waste or substance, soil, subdivisions, uses, encroachments of any kind, if any, easements recorded or unrecorded, if any, or future claims to title to the property. Seller shall not be required to repair defects subsequently discovered.
  - B. Seller has no obligation to correct encroachments;
  - C. Seller is not obligated to repair or correct any defect required to be repaired or corrected by Buyer's lender.
10. Exhibit "B" contains provisions relating to the payment of the Purchase Price, escrow funds and loan qualification, date of occupancy, time of possession, pre-closing, risk of loss, minor changes in documents, need for Final Public Report, termination of rights, Buyer's consent to changes, Seller's right to cancel and various requirements of Buyer, if Buyer is purchasing as Owner-Occupant.

EXHIBIT "F"

SUMMARY OF PERTINENT PROVISIONS  
OF ESCROW AGREEMENT

The Escrow Agreement between KEBOJINA, LTD, a Hawaii corporation ("Seller") and T. I. OF HAWAII, INC. ("Escrow") dated December 19, 1991, contains the following pertinent provisions:

1. All contracts must be in writing and all funds received by Seller must be immediately deposited with Escrow.

2. Escrow shall hold all monies collected under the sales contract from Purchaser(s) or others, in a escrow trust account.

3. Upon written receipt from Seller, Escrow will give written notice to Purchaser(s) of any required payments to be made to Escrow, any "late charges" or similar penalties, in accordance with the sales contract.

4. Escrow will disburse finance, legal fees, other project expenses, interest on Seller's loan, and sales commissions, upon written request from Seller and approval by Seller's mortgagee.

5. However, no disbursements shall be made from the escrow fund until the issuance of a Final Public Report from the Real Estate Commission of the State of Hawaii, and Seller's attorney shall have furnished a written opinion to Escrow that the sales contract is in full force and effect and all requirements of Sections 514A-63 through 514A-66, Hawaii Revised Statutes, have been met.

6. Purchaser(s) shall be entitled to a refund of all payments, less fees described in the agreement, and without interest if:

A. Escrow receives written request from Seller;

B. If Purchaser(s) funds were received prior to the issuance of a Final Public Report and there is a change in building plans requiring approval from the City and County of Honolulu, unless Purchaser(s) approve the changes in writing;

C. Escrow will not be liable if there are insufficient amounts in the escrow fund to cover refund requests;

D. Escrow may deduct \$25 for cancellation fee, plus the cost of Credit Reports, long distance telephone calls on Purchaser(s) behalf. Escrow will give Purchaser(s) written notice of charges (except for cancellation fee) within a reasonable time after incurred;

7. If Purchaser(s) default and Escrow is given written notice by Seller, Escrow will give Purchaser(s) written notice by certified mail and if there is no dispute or conflict, shall treat the escrowed fund as belonging to Seller. Escrow shall be entitled to a cancellation fee of \$250.

8. All interest earned on deposits shall be the property of the Seller only.

9. Escrow shall close the transaction after all requirements have been met, and record and/or file the necessary documents within five (5) business days, provided that the documents are not defective. Once corrected, Escrow shall file or record the documents within five (5) business days and if delinquent for at least 2 days, Escrow shall pay interest to Seller on interim or other financing, if any.

10. For its services, Escrow shall be entitled to \$900.00 as and for escrow fees.

11. Escrow shall not be liable for acting according to the escrow agreement and Seller agrees to indemnify and save and hold Escrow harmless for claims arising out of its performance under the escrow agreement.

12. Escrow shall not be responsible for the validity or sufficiency of the sales contract, or for divulging to Seller or Purchaser(s) any facts coming to escrow's attention regarding the project or the transaction, so long as it does not prevent escrow's compliance with the escrow agreement or Seller's written instructions.

13. If there is a dispute or difference between Seller and Purchaser(s), Escrow has no obligation to determine who is right, or to take any legal action and may wait until the matter is resolved in court or otherwise, or may bring an action in interpleader, at its sole option. Escrow has a right to reimbursement of court costs or legal fees for doing so.

14. The escrow agreement may be terminated upon 15 days notice by Seller or Escrow.

EXHIBIT          G

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
1	\$125 X 12 =	\$1,500
2	\$125 X 12 =	\$1,500
3	\$125 X 12 =	\$1,500
4	\$125 X 12 =	\$1,500
5	\$125 X 12 =	\$1,500
6	\$125 X 12 =	\$1,500
7	\$125 X 12 =	\$1,500
8	\$125 X 12 =	\$1,500
9	\$125 X 12 =	\$1,500
10	\$125 X 12 =	\$1,500
11	\$125 X 12 =	\$1,500
12	\$125 X 12 =	\$1,500
13	\$125 X 12 =	\$1,500
14	\$125 X 12 =	\$1,500
15	\$125 X 12 =	\$1,500
16	\$125 X 12 =	\$1,500
17	\$125 X 12 =	\$1,500
18	\$125 X 12 =	\$1,500
19	\$125 X 12 =	\$1,500
20	\$125 X 12 =	\$1,500

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning None.

Electricity None.

[ ] common elements only

[ ] common elements  
and apartments

Gas - None.

Refuse Collection None.

Telephone None.

Water and Sewer \$28 (Sewer); \$25 (Water)

Note: Water is based on common meter.

\$53 X 12 = \$636

Maintenance, Repairs and Supplies

Building None.

Grounds-Maintenance of Project Road

\$40 X 12 = \$480

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

\$17 X 12 = \$204

Insurance

Liability - \$5

D & O - \$4

Total - \$9

\$9 X 12 = \$108

Reserves \$6

\$6 X 12 = \$ 72

Taxes and Government Assessments

Audit Fees

Other

TOTAL

\$125 X 12 = \$1,500

I/We, KEBOJINA, LTD., a Hawaii corporation, as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

KEBOJINA, LTD.

By Kenneth R. Sles

Its Pres.

Date: 12-19-91

**CONDOMINIUM DISCLOSURES  
AND  
STATEMENT OF CONDITION  
PURSUANT TO HRS CHAPTER 514A**

1. These disclosures pertain to Valley View Terrace, a condominium project located at 3097, 3097A, 3135 B-H, J, K, 3145, 3145 A-H, J, K Kalihi Street, Honolulu, Hawaii (T.M.K., (1) 1-4-14:07).
2. The developer of the project is PEOPLES REALTY NETWORK, INCORPORATED, a Hawaii corporation, whose principal place of business and post office address is 98-029 Hekaha Street, Suite 19, Aiea, Hawaii 96701.
3. The project manager is KENNETH RANDOLPH SIKES, 1544 Hooli Circle, Pearl City, Hawaii 96782. Phone: 456-4209 (home) or 488-0472 (office) or 848-8807 (project site).
4. A breakdown of the estimated maintenance fees and the monthly estimated cost for each apartment based on generally accepted principles is attached to the Final Public Report as Exhibit "F" and incorporated herein by reference.
5. There are no warranties against defects of material and workmanship in either individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "as is" condition. Based on a professional engineer's report, developer concludes that the units are in good condition and developer estimates the useful life of each unit to be 20 years.
6. All of the apartments of the project are to be used for residential purposes only. No apartments shall be used for hotel or commercial purposes.
7. No commercial or other non-residential development is included in the project.
8. Reservation of Development Rights. Seller, in its sole and absolute discretion, shall have the right to amend this Project, which is the first phase, by way of merger, as hereinafter provided, at any time up to, but not later than January 1, 2021, by the construction and addition to the project of sixteen (16) additional residential buildings containing sixteen (16) additional condominium units, together with such supporting and servicing common elements which Seller, in its sole discretion determines are beneficial to the Project, on up to an additional 153,780.52 square feet of land adjoining the first phase (which contains 144,257 square feet), which addition may be made in two (2) additional phases. For purposes of this disclosure and Paragraphs 17 and 18 of the Declaration of Condominium Property Regime of Valley View Terrace ("Declaration"), as amended, the first phase of the Project shall be referred to as "Phase I" and the subsequent phases shall be referred to as "Phase II" and "Phase III" respectively.

Merger shall take effect with respect to the proposed Phase II, and Phase III as they are built and upon the happening of all of the conditions set forth in Paragraph 17 of the Declaration, as amended. Said Paragraph 17 sets forth the rights, powers and privileges of Seller and the effect of merger of additional phases. The percentage of common interest of each condominium unit upon merger of Phase I and Phase II shall be provided in Exhibit "D" of the Declaration, as amended. The percentage common interest of each condominium unit upon merger of Phase I, Phase II and Phase III shall be as provided in Exhibit "E" of the Declaration, as amended. In the event that a Christian church facility is constructed on Phase III and/or Phase II, the percentage common interest of each condominium unit upon the merger of Phase I, Phase II and Phase III shall be as provided in Exhibit "F" of the Declaration. The condominium units in each of the merged phases shall have the right to use the common elements in each phase to the same extent and subject to the same limitations as are imposed upon a condominium unit in each phase just as though the merged phases had been developed as one phase, except as limited in said Declaration.

In the event that a Christian church facility is constructed on Phase III, the entire Phase III land area shall be a Private Land Area reserved to the exclusive use of the owner or occupant of said Christian church facility. In the event that the Christian church facility incorporates the Phase II land into the Christian church facility, the entire Phase II land areas shall be a Private Land Area reserved to the exclusive use of the owner or occupant of said Christian church facility.

Buyer will have the full opportunity to read, review, examine and approve of Paragraph 17 of the Declaration, as amended, prior to the Sales Contract becoming a binding agreement. Buyer is encouraged to read both the Declaration and the Amendment to the Declaration, which is a separate instrument amending both Paragraph 17 and Paragraph 18 of the Declaration.

9. Option to Subdivide and Remove Land for Proposed Phase II and/or Phase III. Seller, in its sole and absolute discretion, shall have the right to subdivide and remove the land for the development of the proposed Phase II and/or Phase III from the Project and the condominium property regime for the Project. If Seller exercises its right to subdivide and remove the Phase II and Phase III land, Phase I shall constitute the entire Project and the percentage common interest shall be as provided in Exhibit "A" of the Declaration, as amended. If Seller exercises its right to subdivide and remove the Phase III land, Phase I and Phase II shall constitute the entire Project and the percentage common interest shall be as provided in Exhibit "E" of the Declaration, as amended. Seller shall have perpetual, non-exclusive easements for ingress to, egress from, utility services for and support, maintenance, and repair of any improvement constructed upon the Phase II and Phase

III land and non-exclusive easements for the development and construction of any improvement upon the Phase II and/ Phase III land.

Paragraph 18 of the Declaration, as amended, is intended to give Seller, in its sole and absolute discretion, the right to subdivide and remove the Phase II and/or Phase III land from the condominium property regime established for the Project. The subdivision and removal of Phase II and/or Phase III land, will create separate legal parcels. The Project will be contained on a parcel separate and apart for the Phase II and/or Phase III land. As a separate, legal parcel, Seller shall have the sole and absolute right to develop the Phase II and/or Phase III land as permitted by law and such development and improvement of such land may not constitute a portion of the Project.

Paragraph 18 of the Declaration, as amended, sets forth the rights, powers and privileges of Seller to subdivide and remove the Phase II and/or Phase III land from the Project and the condominium property regime established for the Project and the conditions which must be satisfied in order to effectuate the subdivision and removal of the Phase II and/or Phase III land.

Both Paragraph 17 and 18 of the Declaration, as amended, set forth Seller's intention and right to construct a Christian church facility on Phase II and/or Phase III land, whether Seller subdivides and removes Phase II and/or Phase III from the Project or merges Phase II and/or Phase III with the Project. Such church facility will include a gymnasium that can be converted into a sanctuary or assembly hall, offices, restrooms, parking facility, related structures and residential dwellings to be occupied by staff and/or members of the church. By purchasing a condominium unit in the Project, Buyer agrees to the construction and operation of such church facility.

Buyer shall have the full opportunity to read, review, examine and approve of Paragraph 18 of the Declaration, as amended, prior to the Sales Contract becoming a binding agreement. Buyer is encouraged to read both the Declaration for the Project and the Amendment to the Declaration, which is a separate instrument amending both Paragraph 17 and Paragraph 18 of the Declaration.

PEOPLES REALTY NETWORK, INCORPORATED

By Kenneth R. Litz  
Its President

Developer