



REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 250 South King Street Room 702
 Honolulu, Hawaii 96813

CONDOMINIUM PUBLIC REPORT

WAI LANI

24 Waimalino Lane
 Hilo, Hawaii 96720

Registration No. 2716

Issued: November 9, 1992
Expires: December 9, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 24, 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. ANY SALES CONTRACT ENTERED INTO UNDER THE PRELIMINARY PUBLIC REPORT IS NOT BINDING ON THE DEVELOPER

Type of Report: OR PROSPECTIVE PURCHASER.

X **PRELIMINARY:** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
(yellow)

 FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)

No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____

 SUPPLEMENTARY: Updates information contained in the
(pink)

Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____

And Supersedes all prior public reports
 Must be read together with _____

This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

SPECIAL ATTENTION

The developer has disclosed the following:

1. The developer has reserved the right in the Declaration to build "Phase II" of the Project, which will contain an additional thirty-two (32) condominium apartments on the Land (See Exhibit B).
2. Exhibit "M" contains a number of disclaimers of which a prospective purchaser should be aware.
3. The developer has reserved the right in the Sales Contract to increase the purchase price prior to the delivery of the Final Public Report to the purchaser (See Exhibit "K", paragraph 6).
4. The developer will assign the contractor's and manufacturer's warranties to the purchaser. The developer's obligation is limited to assisting the owners and association in presenting claims under the one year warranty to the contractor. (See page 16, paragraph I).
5. In the event of a default by the developer under the construction loan for the project, the project lender is not obligated to complete the sale to buyer; however, buyer will receive a refund of his deposit. (See page 15, paragraph E).
6. Purchaser's deposit in escrow may be used to finance construction after the "Sales Contract becomes effective" as defined in the contract. (See Exhibit "K", paragraph 9).

The prospective purchaser is cautioned to carefully review the project documents for further information with regard to the foregoing.

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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 Other
 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 (sqft)</u>	<u>Lanal/Patio (sq)</u>
<u>There are 8 different types of apartments in the project with areas ranging from 916 sq. ft. to 1,198 sq. ft. See Exhibit "A".</u>				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 40

Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>40</u>
Guest Stalls	<u>8</u>
Unassigned Stalls	<u>N/A</u>
Extra Stalls Available for Purchase	<u>13</u>
Other: <u>Handicapped</u>	<u>5</u>
Total Parking Stalls	<u>66</u>

7. Recreational amenities:

The project will have a recreation area consisting of a swimming pool and deck area. The project will also have barbeque facilities in various locations and a nature trail meandering through recreational open space.

L . . . 'LE CONNECTED WITH THE PR . . . ST

Developer: RIVERVIEW DEVELOPMENT PARTNERS
Name
720 South Street
Business Address
Honolulu, Hawaii 96813

Phone: 533-3900
(Business)

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

EDMUND C. OLSON
PENCE INVESTMENT CORPORATION, a California corporation

Real Estate Broker: TRACY LEWIS INC., REALTORS
Name
586 Kanoelehua Avenue
Business Address
Hilo, Hawaii 96720

Phone: 935-7119
(Business)

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
235 Queen Street, 1st Floor
Business Address
Honolulu, Hawaii 96813

Phone: 521-0211
(Business)

General Contractor: DLR CORP.
Name
2678 Kilihau Street
Business Address
Honolulu, Hawaii 96819

Phone: 833-2114
(Business)

Condominium Managing Agent: CHANEY BROOKS & COMPANY
Name
606 Coral Street
Business Address
Honolulu, Hawaii 96813

Phone: 544-1600
(Business)

Attorney for Developer: PAUL ALSTON, ESQ.
BRUCE S. NOBORIKAWA, ESQ.
ALSTON, HUNT, FLOYD & ING
Name
Suite 1800, Pacific Tower
1001 Bishop Street
Business Address
Honolulu, Hawaii 96813

Phone: 524-1800
(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.

- 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 (Chap. 4A, 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	—	The Board of Directors has the power to adopt, <u>amend or repeal</u> the House Rules.

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"

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: 24 Waimalino Lane Tax Map Key: (3) 2-6-7:5
Hilo, Hawaii 96720 (TMK)

[X] Address [] TMK is expected to change because access will be from Amaulu Street.

Land Area: 5.004 [] square feet [X] acre(s) Zoning: RM-1

Fee Owner: EDMUND CLARENCE OLSON, Trustee under the
EDMUND C. OLSON TRUST NO. 3
Name

c/o Riverview Development Partners
Address
720 South Street
Honolulu, Hawaii 96813

Sublessor: N/A
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 4 Floors Per Building 2 and 3

[X] Exhibit "A" contains further explanations.

3. Principal Construction Material:

[] Concrete [] Hollow Tile [] Wood

[X] Other Galvanized steel for load bearing walls, columns & beams; lightweight concrete floors; gypsum boards and galvanized steel studs for non-load bearing walls; wooden doors and wooden frames; metal doors and metal frames; aluminum frames for glass windows.

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>
[] Commercial	_____	_____	[] Industrial	_____	_____
[X] Residential	<u>40</u>	<u>Yes</u>	[] Agricultural	_____	_____
[] Timeshare/Hotel	_____	_____	[] Recreational	_____	_____
[] Other: _____	_____	_____		_____	_____

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

[X] 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: A cat, a small bird and fish are allowed. No dogs are allowed, except for guide, signal and service dogs owned and accompanied by blind, deaf, physically handicapped or visually impaired residents and guests. Owners of such dogs must register their pet with the Managing Agent or any person designated by the Board of Directors. Not more than one (1) pet, with the exception of fishes, may be kept in any apartment.

[X] Number of Occupants: Not more than four (4) permanent residents for two (2) bedroom apartments, and not more than six (6) permanent residents for three (3) bedroom apartments.

[X] Other: Timesharing, short term (less than 30 days) or hotel rental uses are prohibited. See Section IV for additional information.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators N/A Stairways N/A Trash Chutes N/A

<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".</u>	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 40

**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

See Exhibit "C".

Permitted Alterations to Apartments:

See Exhibit "D".

7. Parking Stalls:

Total Parking Stalls: 66

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>40</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>40</u>
Guest	<u>-0-</u>	<u>8</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8</u>
Unassigned	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Extra Available for Purchase	<u>13*</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>13</u>
Other:	<u>-0-</u>	<u>5</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5</u>
Total Covered & Open	<u>66</u>		<u>-0-</u>		<u>-0-</u>		

*These stalls are shown as appurtenant to Apartment F204 in the Declaration.

Each apartment will have the exclusive use of at least one (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.

Exhibit "E" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: The project will have a recreational area consisting of a swimming pool and deck area. The project will also have barbeque facilities and picnic areas in various locations and a nature trail through recreational open space.

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:

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X		
Structures	X		
Lot	X		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

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

D. Common Elements, Limited Common Elements, Common Interest;

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

Exhibit "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 "H" describes the common interests for each apartment.

As follows:

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

Exhibit "I" describes the encumbrances against the title contained in the title report dated July 21, 1992 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

- [X] There are no blanket liens affecting title to the individual apartments. However, developer intends to apply for and secure a construction loan which will be secured by a blanket lien.
[] 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	If the developer defaults after the apartment is conveyed to buyer, buyer's interest in the apartment will not be affected. If the developer defaults before the apartment is conveyed to buyer, the mortgagee may or may not decide to sell the apartment to buyer pursuant to the Sales Contract. If the mortgagee decided <u>not</u> to sell the apartment to buyer, buyer will be entitled to a refund of buyer's deposit.

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:

- [X] 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 "J" 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 electricity for the common areas and refuse collection.

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

The Developer will enter into a construction contract with the general contractor for the Project, which shall contain a warranty clause similar to Section 13.2.2 of AIA Document A201 which generally provides as follows:

If within one year after the date of substantial completion of the work, any of the work is found to be defective or not in accordance with the contract documents, the contractor shall correct it promptly after receipt of a written notice from the Developer to do so unless the Developer has previously given the contractor a written acceptance of such condition. The Developer shall give such notice promptly after discovery of the condition.

The Developer makes no warranties itself, but, if a purchaser of an apartment in the Project shall give the Developer written notice of any such condition promptly after discovery thereof, and during the unexpired term of the contractor's warranty, the Developer will forward such notice together with its written notice to the contractor to correct such condition.

2. Appliances:

A description of warranties on the appliances to be installed in each apartment is presently unavailable inasmuch as the purchase contracts therefor have not been executed by the Developer. The Developer will attempt to assign to buyers the unexpired term, if any, of any manufacturer's or dealer's warranties covering any fixtures or appliances in the apartment. By such assignment, the Developer will be merely passing through to buyers any such manufacturer's or dealer's warranties, and the Developer will not be adopting any such warranties or acting as co-warrantor.

J. Status of Construction and Estimated Completion Date:

Construction of the Project has not commenced. Construction will begin only after the requirements of the construction lender are satisfied. The developer has not secured an interim construction loan for the construction and other development costs of the Project.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

The Developer has reserved the right to add an additional thirty-two (32) apartments to the Project, which addition has been designated as "Phase II". If Phase II is constructed, the common interests, parking assignments, estimate of maintenance fees and maintenance fee disbursements, among other things, will change. Phase I consists of 40 units, encompassing Buildings A, B, F & E. Phase II consists of 32 units, encompassing Buildings C, D & G. The pool and deck area, as well as the majority of the recreational open space, will be completed within Phase I. Guest and handicapped parking will be divided roughly proportionate between the phases. Construction access for Phase II will be primarily via Waihau Lane, at the east end of the site opposite from the entrance so as to minimize any disruption to Phase I residents during construction of Phase II. See Exhibit "B" for a further description of the Developer's reserved right to add to this condominium 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 "K" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated November 4, 1991

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

Other Affidavit of Intent to Purchase and Reside in An Owner-Occupant Designated Condominium Residential Unit, and Receipt for Deposit, and Acknowledgement of Owner-Occupant Procedure.

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

A. Additional Information from Part II, Paragraph C.5 "Special Use Restrictions":

1. Hotel Use Prohibited. The apartments shall be occupied and used only as dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartments are provided customary hotel services on a daily basis, such as room service for food and beverages, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and the Bylaws. Any lease or rental agreement must be in writing, and the leasing of less than the whole of a residential apartment is prohibited.
2. Time Sharing Prohibited. The apartments or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so called "vacation license", "transient vacation rentals", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, 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 specific, discernible, 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, membership agreement, partnership or otherwise.
3. By letter dated September 22, 1992, the County's Planning Department noted that Final Plan Approval for the project had not yet been granted. In addition, the County offered some preliminary comments (See Exhibit "N"). Prospective purchasers are invited to inquire of the Developer concerning such comments and final approval.

Buyer's Right to Cancel Sales Co. E

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 Apartment Deed

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 part of Registration No. 2716 filed with the Real Estate Commission on September 8, 1992.

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

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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.



MARCUS NISHIKAWA, Chair
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii
Federal Housing Administration

EXHIBIT "A"

APARTMENT DESCRIPTION

Rooms Listing. Numbers shown in the column entitled Apartment Rooms Listing correspond to the key numbers shown below which identify the rooms in each of the respective apartments. For example, Type A apartments would have in the Room Listing column the key numbers "1, 4, 5, 7, 9, 10." Reference to the key numbers shows that the rooms described would be two bedrooms, foyer, two bathrooms, living-dining room, kitchen, breakfast nook.

<u>Key No.</u>	<u>Room</u>
1	Two Bedrooms
2	Three Bedrooms
3	Two Master Bedrooms
4	Foyer
5	Two Bathrooms
6	Two Master Bedrooms
7	Living-Dining Room
8	Den
9	Kitchen
10	Breakfast Nook
11	Hobby/Media Room

Floor Area. The floor areas of the apartment spaces are hereinafter set forth in square feet and in terms of "net living area" and "gross floor area." Net living area represents the approximate area of the space within the interior finished surfaces of the perimeter non-party walls and party walls of the apartment space. It includes the space occupied by all partitions and walls (load-bearing and nonload-bearing), all air shafts, and all plumbing, mechanical and electrical chases within such perimeter and party walls. The net living area is the area of the apartment measured in accordance with the regulations of the Real Estate Commission of the State of Hawaii.

Gross floor area represents the approximate area of the apartment space, measured not in accordance with the above-mentioned regulations, but in accordance with local architectural practice and represents the space within the exterior face of the perimeter non-party walls and the interior half of the party walls of the apartment space, and the space occupied by all partitions and walls (load-bearing and nonload-bearing), all air shafts, and all plumbing, mechanical and electrical chases within such perimeter and party walls. Gross floor areas of the apartment spaces are set forth for comparison purposes only.

PHASE I

ALL AREAS SET FORTH HEREINAFTER ARE APPROXIMATE ONLY. THE AREAS OF THE APARTMENT SPACES UPON COMPLETION ARE LIKELY TO VARY SOMEWHAT. EVEN APARTMENTS OF THE SAME TYPE MAY DIFFER SLIGHTLY.

<u>Apt Type</u>	<u>Apt No(s)</u>	<u>Net Living Area</u>	<u>Gross Living Area</u>	<u>Apt Rooms Listing</u>	<u>Percentage Common Interest</u>
A	E101, E201, F101, F201	945 105*	998 116*	1, 4, 5, 7, 9, 10	2.1769%
AR	E104, E204, F104, F204	945 105*	998 116*	1, 4, 5, 7, 9, 10	2.1769%
B	E102, E202, F102, F202	920 103*	976 108*	1, 4, 5, 7, 9	2.1193%
BR	E103, E203, F103, F203	955 103*	1,015 108*	1, 4, 5, 7, 9	2.2000%
C	A101, A201, A301	1,200 100*	1,275 105*	2, 4, 5, 7, 9	2.7643%
C	B101, B201, B301	1,200 100*	1,275 105*	3, 4, 5, 7, 9	2.7643%
CR	A104, A204, A304, B104, B204, B304	1,200 100*	1,275 105*	2, 4, 5, 7, 9	2.7643%
D**	A102, A202, A302, B102, B202, B302	1,180 82*	1,239 96*	1, 5, 7, 8, 9	2.7183%
DR**	A103, A203, A303, B103, B203, B303***	1,145 82*	1,200 96*	1, 5, 7, 8, 9	2.6376%
					2.6382%
Total		43,410			100.0000%

Note: Apartments A101, A102, A103, A104, B101, B102, B103 and B104 also have private yard areas (Limited Common Element) of approximately 350-375 sq. ft. each.

- * Designates private lanai net and gross square footage
- ** An option is available for a hobby/media room to be built in place of the second bedroom and den.
- *** The Percentage Common Interest for Apartment B303 has been rounded up.

END OF EXHIBIT "A"

EXHIBIT "B"

RIGHTS RESERVED BY DEVELOPER

The Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

1. The right to add "Phase II" to the Project.
[Declaration, paragraph R.]
2. The right to file "as built" plans, thereby amending the Condominium Map. [Declaration, paragraph Q.1]
3. The right to amend the Declaration to assign and reassign parking stalls. [Declaration, paragraph C.3(a)]
4. The right to amend the Declaration and other Condominium Documents to comply with the requirements of any law, title insurance company, mortgage lender or government agency.
[Sales Contract, paragraph 15.b.]
5. The right, prior to the time any contract for an apartment in the Project becomes a binding contract, to change the Project and to modify the Condominium Map, Declaration, Bylaws or any condominium documents, in any way or for any reason, including the right to cancel or terminate the Project.
[Sales Contract, paragraph 15.a.]
6. The right to convert the stairway or hallway, or portions thereof, on certain floors which are Common Elements, into Limited Common Elements in those situations where a single owner owns all of the apartments served by a single stairway or hallway on that floor. [Declaration, paragraph C.2(c)]
7. The right to conduct sales activities on the Project until all apartments are sold, including the right to use one or more apartments as model apartments (regardless of whether such apartment is subject to a Sales Contract). [Declaration, paragraph E.4.]
8. The right to enter upon the Project pursuant to an easement as may be reasonably necessary for the completion of improvements to the correction of defects in the Project.
[Declaration, paragraph E.5.]

END OF EXHIBIT "B"

EXHIBIT "C"

BOUNDARIES OF EACH APARTMENT

An apartment space will not be deemed to include the perimeter or party walls or the interior load-bearing walls or the floors and ceilings surrounding the apartment space (except in each such case for the interior decorated or finished surfaces of such perimeter or party walls, load-bearing walls, floors and ceilings), or any pipes, wires, conduits or other utility or service lines running through such apartment space which are utilized for another apartment space or serve more than one apartment space, the same being deemed common elements. Each apartment space shall be deemed to include (i) all walls and partitions which are not load-bearing within its perimeter or party walls, (ii) the interior decorated or finished surfaces of all perimeter or party walls and load-bearing walls, floors and ceilings, the entry doors and door frames, including the exterior unfinished surfaces thereof and all floor coverings, (iii) any adjacent lanai to which an apartment space has direct and exclusive access, (iv) all windows, window glass and frames, and (v) all fixtures originally contained or installed in each apartment space.

END OF EXHIBIT "C"

EXHIBIT "D"

PERMITTED ALTERATIONS TO APARTMENTS

1. Non-Material Structural Addition To Common Elements.

"Non-material structural additions to the common elements" as such phrase is defined in Section 514A-89, Hawaii Revised Statutes, as amended, including, without limitation, the installation of solar energy devices as defined therein shall be undertaken by the Association or any apartment owner only pursuant to the written approval thereof by the Board and a majority of the apartment owners. Upon completion of such non-material structural additions to the common elements, the Association or the apartment owner shall duly record an amendment to the Declaration, together with the approved plans showing only such non-material structural addition.

2. Alterations or Additions Solely Within Apartment or Limited Common Element. Any alterations or additions solely within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall be undertaken by the apartment owner or owners only pursuant to the written approval thereof, including the plans therefor, by the holders of mortgages affecting such apartment, the Board, and all other apartment owners thereby directly affected (as determined by the Board). Upon completion of such alterations or additions the apartment owners directly affected shall duly record and file of record an amendment to the Declaration together with the approved plans showing only such alterations or additions within an apartment space or within a limited common element. Such amendment to the Declaration need only be executed by the apartment owners directly affected and their mortgagees.

3. Party Walls or Doors. An apartment owner owning two or more apartments, which apartments are separated only by common elements which are walls or doors, may alter or remove all or portions of such intervening walls or doors and make other alterations or additions solely within such apartments and convert such apartments into a single apartment or into two apartments with modified floor plans; provided that the structural integrity of the building or the soundness and safety of the Project shall not be thereby affected and such alteration, removal or restoration will not reduce the value of the Project or impair any easement or hereditament thereof, and the finish of the common element then remaining shall be restored to a condition substantially comparable to that common element prior to such alteration. All such alterations, removal or additions, including the plans thereof which shall be prepared by a licensed architect, shall be subject only to the approval of the holders of mortgages affecting such apartments, the Board, and all other apartment owners thereby directly affected (as determined by the

Board); and upon completion of such alteration, removal or addition, the apartment owners directly affected shall duly record and file of record an amendment to the Declaration, together with the approved plans showing only such alteration, removal or addition, which amendment need only be executed by the apartment owner or owners directly affected and their mortgagees. Prior to the termination of the common ownership of any such adjacent apartments, if the intervening wall shall have been altered or removed pursuant to this paragraph, and/or any entry to hallways sealed, the owner of such apartments shall be obligated to restore such intervening wall and/or hallway entries to substantially the same condition in which the same existed prior to such alteration or removal. To secure such owner's obligation to restore such intervening wall and/or hallway entries, such owner shall obtain a performance and lien payment bond, naming as obligees the Board, the Association, and the mortgagees of such apartments, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such restoration.

If the net living areas of the apartments resulting from such alteration, removal or additions (herein called the "modified apartments") shall not be the same as the net living areas of the original apartments to which such alterations, removal or additions were made (herein called the "original apartments"), then the common interests appurtenant to the original apartments shall be reallocated among the modified apartments in proportion to the ratio that the net living areas of the respective modified apartments bear to the sum of the net living areas of all of the original apartments, and such reallocation of the common interest shall be included in said amendment to the Declaration, and further, the apartment deeds for such original apartments shall be amended to reflect the aforesaid reallocation of the common interest. Notwithstanding the alterations or removals allowed by this paragraph, the total number of apartment spaces within the Project shall remain as provided in the Declaration, Paragraph C.1. for all purposes. In addition, all apartment spaces shall continue as separate apartment spaces irrespective of the alterations or removals allowed by this paragraph.

4. Window Coverings. In order that the buildings will have an attractive exterior appearance, a standard or consistent color as the Board may determine, will be used for all surfaces or interior drapes, curtains, mini-blinds or other window dressings visible from the exterior of the building. Apartment owners may use window coverings of any color of their choice; provided that if any color other than the standard color determined by the Board is used, a standard color lining or backing with adequate thickness shall be used to prevent the non-standard color of the window coverings from being viewed from the exterior. Apartment owners shall keep the windows clean and free

of film or paint.

5. Floor Coverings. Apartment owners may use any type of floor covering for their apartment; provided that no apartment owner shall install wood or hard tile floor covering in an apartment unless the plans therefor are first submitted to and approved by the Board. Such plans for wood or hard tile floor covering shall provide for the installation of adequate soundproofing material between the sub-floor and the floor covering in order to minimize, to the extent reasonably practicable, the noise and disturbance to the apartments on the floor below.

6. Air Conditioning. Air conditioning units may be installed in pre-cut areas that are in accordance with specifications approved by the Board of Directors.

END OF EXHIBIT "D"

EXHIBIT "E"

PARKING SPACE ALLOCATION

<u>Apt. Number</u>	<u>Assigned Parking Space</u>	<u>Apt. Number</u>	<u>Assigned Parking Space</u>
A101	A101	E101	E101
A102	A102	E102	E102
A103	A103	E103	E103
A104	A104	E104	E104
A201	A201	E201	E201
A202	A202	E202	E202
A203	A203	E203	E203
A204	A204	E204	E204
A301	A301	F101	F101
A302	A302	F102	F102
A303	A303	F103	F103
A304	A304	F104	F104
B101	B101	F201	F201
B102	B102	F202	F202
B103	B103	F203	F203
B104	B104	F204	F204, 400-412
B201	B201		
B202	B202		
B203	B203		
B204	B204		
B301	B301		
B302	B302		
B303	B303		
B304	B304		

END OF EXHIBIT "E"

EXHIBIT "F"

COMMON ELEMENTS

The common elements shall include, but are not limited to, the following:

1. The Land, as described in Section III, Paragraph B of this public report, in fee simple;

2. All foundations, beams, floors, slabs, supports, perimeter walls, party walls, load-bearing walls, floors and ceilings (except for the decorated or finished interior surfaces of such perimeter walls, party walls, load-bearing walls, floors and ceilings within each apartment space and except as expressly provided otherwise), and roofs and stairways of the buildings;

3. All areas, structures or facilities of the Project, within or outside of the building, which are for common use or which serve more than one apartment space, such as electrical rooms, machine, mechanical and equipment rooms and the equipment and facilities therein, corridors, walkways and common ways; landscaping; yards; mailbox areas; refuse collection areas; social, recreational areas and facilities; entrance wall and entrance gate; retaining walls; driveways, carports and the parking stalls therein, and the guest parking stalls;

PROVIDED, HOWEVER, the Owner hereby excepts and reserves unto itself, in any case where the Owner shall sell to a single buyer all of the apartments on any one floor served by a single corridor of the Project (except apartments on the ground floor), the right, power and authority to change such corridor from a common element to limited common element appurtenant to those apartments served by such single corridor, and the owner of said apartments shall have exclusive use of such corridor and will have all of the rights and obligations, including maintenance, repair and replacements, connected with limited common elements as provided for in the Declaration and the Act. The change in designation of the corridor from common element to limited common element shall be by written amendment to the Declaration and will be effective only upon recording the same in the Bureau of Conveyances. Such amendment need only be executed by the Owner and the apartment owner owning all of said apartments served by a single corridor on a single floor as aforesaid. If during the continuance of this Project as a condominium, an apartment owner shall become the owner of all of the apartments served by a single corridor on a single floor, the Board of Directors of the Association of Apartment Owners of WAI LANI may, upon request of such owner, and compliance with the provisions of Paragraph N.3 of the Declaration, change the corridor on such floor from a common element to a limited common element by an amendment to the Declaration and to the apartment deeds involved, which amendments

shall be in writing and be effective only upon recording of the same in the Bureau of Conveyances. Such amendments, including the amendment to the apartment deeds involved, need only be executed by said Board of Directors, the apartment owner owning all of said apartments served by a single corridor on a single floor as aforesaid and such apartment owner's mortgagee.

4. All central and appurtenant installations serving more than one apartment space for power, light, gas, water, ventilation, refuse, telephone, radio and television signal distributions and all pipes, wires, conduits, ducts, vents and other service utility lines, including the drain lines for air conditioning units (if any), which serve more than one apartment space;

5. All tanks, pumps, motors, fans and in general, all apparatus and installations for common use, and all other parts of the Project necessary or convenient to its existence, maintenance or safety and normally in common use;

6. All other parts of the Project or the buildings which are not included in the definition of an apartment space.

END OF EXHIBIT "F"

EXHIBIT "G"

LIMITED COMMON ELEMENTS

Certain of the common elements are hereby designated as "limited common elements" and are set aside and reserved for the use of certain apartment spaces, which apartment spaces shall have appurtenant thereto an exclusive easement for the use of such limited common elements. The limited common elements so set aside and so reserved are as set forth below.

1. Parking Stalls. The parking stalls and the apartment space to which the same appertain are set forth in Exhibit E to this public report and made a part hereof. The Owner hereby reserves the right to designate some of said parking stalls as common elements and/or to reassign parking stalls to other apartment spaces in the Project as and when sales of apartment spaces are effected to the intent and purpose that when such reassignment of parking stalls is completed, each apartment space will have one or more parking stalls for the exclusive use of such apartment space. Subject to the limitation that each apartment space shall at all times have at least one parking stall appurtenant to it, apartment space owners will have the right to change the assignment (but not the numbering) of parking stalls by amendment to the Declaration and the respective apartment deeds involved, such amendment to the Declaration and apartment deeds to be in writing and executed only by the owners of the apartment spaces seeking such change (and their respective mortgagees, if any) and to be effective only upon recording the same in the Bureau of Conveyances of the State of Hawaii (herein "Bureau of Conveyances").

2. Mailboxes. The mailbox assigned to an apartment space shall be limited to the use of such apartment space. Each residential apartment space shall at all times have at least one mailbox appurtenant to it.

3. Private Yards. The private yard areas as shown on the Condominium Map adjoining apartment spaces numbered A101, A102, A103, A104, B101, B102, B103 and B104 shall be for the exclusive use of the respective apartment spaces to which such private yard areas adjoin.

4. Storage Lockers. Each apartment shall have appurtenant thereto and reserved for its exclusive use the storage locker or lockers (if any) located within the covered parking stall(s) appurtenant to such apartment.

5. Other. All other common elements of the Project which are rationally related to less than all of the apartment spaces shall be limited to the use of such apartment space or apartment spaces to which the same are related.

END OF EXHIBIT "G"

EXHIBIT "H"

COMMON INTEREST

<u>Apt . Number</u>	<u>Common Interest</u>	<u>Apt . Number</u>	<u>Common Interest</u>
A101	2.7643%	E101	2.1769%
A102	2.7183%	E102	2.1193%
A103	2.6376%	E103	2.2000%
A104	2.7643%	E104	2.1769%
A201	2.7643%	E201	2.1769%
A202	2.7183%	E202	2.1193%
A203	2.6376%	E203	2.2000%
A204	2.7643%	E204	2.1769%
A301	2.7643%	F101	2.1769%
A302	2.7183%	F102	2.1193%
A303	2.6376%	F103	2.2000%
A304	2.7643%	F104	2.1769%
B101	2.7643%	F201	2.1769%
B102	2.7183%	F202	2.1193%
B103	2.6376%	F203	2.2000%
B104	2.7643%	F204	2.1769%
B201	2.7643%		
B202	2.7183%		
B203	2.6376%		
B204	2.7643%		
B301	2.7643%		
B302	2.7183%		
B303	2.9582%		
B304	2.7643%		

END OF EXHIBIT "H"

EXHIBIT "I"

ENCUMBRANCES AGAINST TITLE

1. Any lien for real property taxes not yet delinquent (Tax Map Key: Hawaii 2-6-007-005).
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. -AS TO PARCEL FIRST:-
 - (A) The free flowage of water in Wailuku River as shown on Tax Map.
 - (B) A perpetual easement (20 feet wide) for pipe and power line purposes, in favor of Hilo Electric Light Company, Limited, as set forth in Order dated July 24, 1940, filed in the Supreme Court of the State of Hawaii, Case No. 2451, affecting a portion of the land described herein.
 - (C) Terms, conditions and provisions contained in the Edmund C. Olson Trust No. 3 dated September 19, 1991.
4. -AS TO PARCEL SECOND:-
 - (A) Agreement dated October 21, 1923, recorded in Liber 739 at Page 498, by and between the COUNTY OF HAWAII, and HILO SUGAR COMPANY, a Hawaii corporation; re: construction and maintenance of pipe or ditch at intersection of Amaulu Road and Waimalino Lane.
 - (B) The effects, if any, of QUITCLAIM DEEDS dated September 4, 1990, recorded as Document No. 90-144191, dated September 6, 1990, recorded as Document No. 90-144193, and dated September 6, 1990, recorded as Document No. 90-144195.
5. Any facts which a correct boundary and improvement survey or archaeological study would disclose, including, without limitation, trails, rights of way, historic property and burial sites; and which are not shown by public records.
6. Possible mechanics' and/or materialmen's liens due to work presently in progress.

END OF EXHIBIT "I"

EXHIBIT "J"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

WAI LANI - PHASE I

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly x 12 months = Yearly Total</u>
A E101, E201, F101, F201	\$190.92 \$2,291.04
AR E104, E204, F104, F204	\$190.92 \$2,291.04
B E102, E202, F102, F202	\$185.87 \$2,230.44
BR E103, E203, F103, F203	\$192.94 \$2,315.28
C A101, A201, A301, B101, B201, B301	\$242.43 \$2,909.16
CR A104, A204, A304, B104, B204, B304	\$242.43 \$2,909.16
D A102, A202, A302, B102, B202, B302	\$238.39 \$2,860.68
DR A103, A203, A303, B103, B203, B303	\$231.32 \$2,775.84

[] Revised on _____

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

WAI LANI - PHASE I

Estimate of Maintenance Fee Disbursements:

	Monthly x 12 months =	<u>Yearly Total</u>
Utilities and Services		
Electricity	\$ 300	\$ 3,600
<input checked="" type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Refuse Collection	315	3,780
Telephone	50	600
Water and Sewer	1,160	13,920
Maintenance, Repairs and Supplies		
Building	350	4,200
Grounds	1,850	22,200
Management		
Management Fee	1,270	15,240
Payroll and Payroll Taxes	930	11,160
Office Expenses	100	1,200
Insurance	940	11,280
Reserves	1,200	14,400
Taxes and Government Assessments	10	120
Audit Fees	145	1,740
Other	150	1,800
TOTAL	\$8,770	\$105,240

We, Chaney, Brooks & Company, 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.


Vice President
Date: February 18, 1992

EXHIBIT "K"

SUMMARY OF THE CONDOMINIUM RESERVATION,
DEPOSIT RECEIPT, AND SALES CONTRACT

The unexecuted Sales Contract, filed with the Commission, provides for, among other things, a description of the apartment to be sold, the purchase price, the time, manner and place of payment, the Purchaser's obligations regarding mortgage financing, Developer's warranties and disclaimers regarding the construction, fixtures and appliances, and the remedies of Developer and of Purchaser in the event of a default under the Sales Contract.

Among other provisions, the specimen Sales Contract provides:

1. That said Sales Contract is only a reservation agreement until (i) a true copy of the Final Public Report (with all then issued Supplementary Public Reports, if any) is delivered to the Purchaser, the Purchaser has an opportunity to read the report(s) and executes and gives the Developer a receipt/notice for the report(s) waiving Purchaser's right to cancel, provided that if Purchaser does not execute and return the receipt/notice within thirty (30) days from the date of delivery of the report(s) and receipt/notice, or if Purchaser's apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have receipted for the report(s) and waived his right to cancel, and if (and only if) there is a material change affecting (i) Purchaser's apartment or appurtenant limited common elements, or (ii) amenities of the Project available for Purchaser's use, and Purchaser executes and returns to Developer the written approval or acceptance of material change, provided that if Purchaser does not execute and return such written approval or acceptance of material change within thirty (30) days of delivery of such written approval or acceptance, or if Purchaser's apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have accepted and approved such material change. Until the Sales Contract becomes binding and effective as described above, and in accordance with Chapter 514A, Hawaii Revised Statutes, the Sales Contract may be unconditionally cancelled at any time by either the Developer or the Purchaser.

The Sales Contract further provides that if the Purchaser is an Owner-Occupant, the Purchaser shall be required to execute and submit to Escrow a reaffirmation of the Affidavit of Intent to Purchase and Reside in an Owner-Occupant Designated Condominium Residential Unit (the "Affidavit"). If the Purchaser fails to execute a reaffirmation of the Affidavit, the Sales Contract shall be cancelled, and all deposits refunded without interest.

If the Sales Contract becomes binding and effective as described above, and the Purchaser fails to execute a reaffirmation of the Affidavit, the Seller shall retain the deposits up to an amount of not to exceed the greater of five percent (5%) of all deposits, or actual damages, and the parties shall then be released from all obligations and liability under the Sales Contract.

Upon such cancellation, Developer shall direct Escrow Agent to refund to Purchaser, with interest (if any), a full refund of all deposits paid, less any escrow cancellation fee and other costs associated with the purchase of Purchaser's apartment (if applicable). So long as the cancellation occurs prior to the time the Sales Contract becomes a binding contract, the escrow cancellation fee and other costs will not exceed a maximum of \$250.00.

2. The Sales Contract allows the Purchaser to assign Purchaser's rights under the Sales Contract, subject to Seller's prior written consent which may be granted or withheld in Seller's sole and absolute discretion.

3. Developer has made no representations and has not authorized any representations to be made by any sales agent concerning any services or arrangements relating to the rental or sale or management of the Purchaser's apartment.

4. Interest is payable on Purchaser's deposits except as follows: no interest where the Purchaser's deposit is retained by Developer based upon Purchaser's default under the Sales Contract; and no interest on any deposits where the Purchaser is an Owner-Occupant who terminates the Sales Contract pursuant to paragraph 4.e. of the Sales Contract, or who has failed to execute a reaffirmation of the Affidavit. The deposits shall be in a demand interest bearing account with a federally insured financial institution.

5. Prior to the time the Sales Contract becomes binding, the Developer has the right to increase the purchase price and reassign parking stalls from one apartment to another, provided that in order to exercise this right Developer must mail or deliver a notice of the price increase or the reassignment of parking stalls not later than the time of mailing or delivery of the Final Public Report. The Developer further has the right to modify any of the condominium documents and the right to modify the Project, including the right to terminate the Project.

6. In the event of enactment of new laws or other events beyond Developer's control which occur after the Sales Contract becomes binding, Developer will have the option to cancel the Project or increase the price of apartments (in which case the Purchaser will have thirty (30) days to agree to the price

increase or rescind the contract).

7. The Sales Contract is subject to the provisions of the Declaration, Bylaws and other condominium documents.

8. The purchase of an apartment in the Project is subject to ongoing sales and construction activity by the Developer with respect to completing the sales of the Project and construction of the apartments, which may result in noise, dust and other annoyance.

9. The Sales Contract (and also the Escrow Agreement) provides that Purchaser's deposits may be used (along with Developer's funds and construction lender's funds) to finance the construction of the Project. However, no Purchaser's funds may be disbursed from Escrow to finance construction prior to the time the Sales Contract becomes effective (see paragraph 1, above, for a discussion of when the Sales Contract becomes effective).

10. Purchaser shall pay for closing costs, including but not limited to all recording fees, all escrow fees, the acknowledgements of signatures on all documents, the cost of credit reports, the drafting of Purchaser's mortgage, mortgage insurance premiums (if any), financing and other fees in connection with Purchaser's mortgage and title insurance. Seller shall pay for the cost of drafting the Apartment Deed and the State of Hawaii Conveyance Tax.

11. The Purchaser agrees to inspect the Purchaser's apartment at such time set by the Developer or the Contractor, and after such inspection to sign a sheet listing all the defects. If Purchaser fails to make such inspection, Purchaser waives his right to inspect and his rights to the Developer's assistance with any contractor or other persons. Inspection of the apartment is not a requisite for closing to take place, and Purchaser agrees to close the sale of his apartment and accept possession even if there are defects, as long as the apartment is livable. Further, even if construction of certain parts of the common areas of the Project may still be going on, so long as a temporary or permanent certificate of occupancy is issued covering Purchaser's apartment, Purchaser will be required to close.

12. The Purchaser agrees that his rights under the Sales Contract are subordinated to a mortgagee who makes a construction loan for the Project. This does not mean that the Purchaser is or will be in any way responsible for the payment of such loan. It merely means that if Developer defaults under the construction loan mortgage before the apartment is conveyed to the Purchaser (i.e., before final closing of the Sales Contract) and the mortgagee forecloses the mortgage, the Sales Contract which the

Purchaser has signed for the purchase of an apartment may or may not be honored by the mortgagee. If the Developer defaults after the apartment is conveyed to the Purchaser (i.e., after final closing of the Sales Contract), Purchaser's interest in the apartment will not be affected at all.

13. The Purchaser is advised that the Developer intends to pre-close Sales Contracts by having all documents and funds necessary for final closing signed and deposited with Escrow prior to the date set for final closing and the Purchaser agrees to sign all necessary documents, including escrow instructions, and deposit all monies (except proceeds from Purchaser's first mortgage loan) required for final closing. If Purchaser does not sign all documents and deposit the necessary monies in escrow as aforesaid within five (5) days from the date of the notice to pre-close, the Developer will have the option to (i) assess the Purchaser for all costs and damages arising out of such delays; (ii) cancel the Sales Contract; or (iii) constitute such failure as a default of the Sales Contract and exercise its remedies pursuant to paragraph 27 of the Sales Contract.

14. Seller shall have and the Seller hereby reserves the right, in connection with, and only to the extent necessary for the creation of such additional apartments and common elements, as required for the construction, development, merger and sale of Phase Two of the Project, to amend or add common elements; to amend or add parking spaces; to enter upon the Project premises with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing said additional apartments and common elements according to plans and specifications or amended plans and specifications approved by the officer of the county having jurisdiction over the issuance of building permits; to connect the additional apartments and/or common elements to the Project and to alter the common elements of the Project to provide access for Phase Two through the parking areas and driveways within Phase One of the Project; to connect the additional apartments and/or common elements to utilities of the Project; to file amendments to the Declaration for the purposes of certifying condominium maps filed as reflecting the improvements shown therein to be "as built"; and to sell the additional apartments. Seller shall be in exercise of the rights reserved to it, make reasonable efforts consistent with maintaining the orderly progress of the design, development, construction, completion and sale of the apartments in Phase One and/or Phase Two of the Project to minimize interference with the normal use and enjoyment of the Project by the apartment owners.

IT IS INCUMBENT ON THE PURCHASER THAT HE READ THE FULL TEXT OF THE SALES CONTRACT.

END OF EXHIBIT "K"

EXHIBIT "L"

SUMMARY OF EXECUTED ESCROW AGREEMENT

A copy of the executed Condominium Escrow Agreement dated November 4, 1991, by and between Title Guaranty Escrow Services, Inc., a Hawaii corporation, as Escrow Agent, and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of Purchaser's funds pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement provides in part that any interest earned on money on deposit shall be paid to the parties in accordance with the terms of the Sales Contract. In the event that the Sales Contract or Hawaii Revised Statutes Chapter 514A entitle a Purchaser to a refund of Purchaser's deposits held by the Escrow Agent, then Escrow Agent, upon instruction from Developer, will refund Purchaser's deposits, and if applicable, will also refund such interest as is provided under the Sales Contract, less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, costs of credit reports, etc.) as provided in the Sales Contract and Chapter 514A, Hawaii Revised Statutes, as amended.

By law the total amount of such cancellation fees shall not exceed TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00) so long as the cancellation occurs prior to the time the Sales Contract becomes effective (following issuance of the Final Public Report). Under Escrow Agreement no disbursement of funds can be made to the Developer until the Sales Contract becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.

END OF EXHIBIT "L"

EXHIBIT "M"

DISCLAIMERS

The Developer makes the following disclaimers regarding the Project, which disclaimers do not relieve the Owner of his obligation to investigate the Project and the Condominium Documents and to determine whether the Project is suitable for the Owner:

1. Air Conditioning. Air conditioning units will not be provided; however, an area has been earmarked in each Apartment for the installation of a window-type air conditioning unit. All air conditioner units and their installation must be in accordance with specifications to be adopted by the Board of Directors. If the air conditioning is allowed to run continuously condensation is likely to form on the consoles and/or air ducts with the probable result of staining, corrosion or other damage. Such damage is chargeable under the Condominium Documents to the individual Apartment owner. It is the owner's responsibility to clean and/or change the filters and to clean the coils of the air conditioning unit.

2. Water Leakage from Washer Hoses and Sprinkler System. Water leakage from the rubber hoses leading to the washer will occur if such hoses fail due to age or continual pressure because water valves are left open after use. Accordingly, each owner should shut off the water valves leading to the washer during the time it is not in use and should arrange to have hoses replaced periodically.

3. Telephone and Television Wiring. Conduit is provided to telephone jacks in the living/dining room and master bedroom. Wiring is provided for television jacks in living/dining rooms and the master bedroom. Different types of apartments may have additional locations for telephone and/or television jacks. Pulling of wiring to other locations in the Apartment is the responsibility of owner.

4. Caution to Parents with Young Children. Parents are cautioned that the play of children in the Project must be supervised at all times. In addition to the risks normally associated with cars in the driveways and parking areas of the Project, the Project may contain foliage containing sharp spines or foliage that is poisonous when ingested.

5. Storage Lockers. Each apartment owner shall have a storage locker within his or her primary parking space for his or her exclusive use and benefit.

6. Estimate of Maintenance Fees. The Developer's estimate of monthly maintenance fees as set forth in this public

reports for the Project was prepared on information believed to be accurate and correct. However, the Developer makes no warranty or promise regarding the accuracy of these amounts.

7. Thermal Insulation (16 CFR Part 460). The plans and specifications for the Project do not call for the incorporation of thermal insulation materials in the structure.

8. Surrounding Lands. Owner is hereby advised of the effects on the Project resulting from the operation and development of adjacent lands. There is a nearby power plant in operation, which may cause some noise, and certain potentially dangerous conditions resulting from its operations. In addition, there is a sugar cane plantation adjacent to the Project, which may cause some noise, smoke and potentially dangerous conditions due to the operation of trucks. Owner is also advised that due to the potential development of adjacent lands the Developer cannot guarantee the view from any part of the Project.

9. The Wailuku River. The Project is located near the Wailuku River. Parents are cautioned that the play of children near the river must be supervised at all times since the banks of the river may be steep. Furthermore, owner is advised that the river's natural condition includes the existence of mosquitoes.

10. Security. The Project is surrounded by a perimeter gate; however, the Developer does not guarantee absolute security. Further, security cannot be guaranteed as there is public access to the Wailuku River.

11. Easement. The common elements of the Project is subject to a twenty-foot (20') wide easement for pipe and power line purposes that is owned by the Hilo Electric Light Company, Limited (the "Company").

END OF EXHIBIT "M"



Planning Department

County of Hawaii • 25 Aupuni Street, Room 109 • Hilo, Hawaii 96720 • (808) 961-8288

Lorraine R. Inouye
Mayor

Norman K. Hayashi
Director

Tad Nagasako
Deputy Director

September 22, 1992

Mr. Calvin Kimura
Executive Supervising Secretary
Real Estate Commission
250 S. King Street, Suite 702
Honolulu, HI 96813

Dear Mr. Kimura:

Condominium Public Report
Wailani - 24 Waimalino Lane
Tax Map Key 2-6-7:5 (PA-1175)

We have reviewed the subject report and accompanying documents and have the following comments to offer:

The revised plans for the subject development (40 units) has not received Final Plan Approval from this office. Copy of our Preliminary Comments are attached with this letter.

Should you have any further questions, please feel free to contact Masa Onuma of this office.

Sincerely,


NORMAN K. HAYASHI
Planning Director

MO:lm
6559D(3)

Enclosure

xc: Hyo-Jin Jeni Lee ✓

EXHIBIT "N"