CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Watt Hawaii, Inc.
Address 737 Bishop Street, Suite 1800, Honolulu, HI 96813

Project Name(*): MALANAI IKI
Address: 91-1059 thru 91-1081 Oaniani Street, Ewa Beach, Oahu,

Registration No. 2870

Effective date: November 30, 1993
Expiration date: December 30, 1994

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or o purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for th purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

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

X FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[ ] No prior reports have been issued.
[X] This report supersedes all prior public reports.
[ ] This report must be read together with _____

___ SUPPLEMENTARY: (pink) This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____
[ ] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] 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 developer.

[X] Changes made are as follows:

1. Exhibit A has been revised to correctly reflect the Developer's permitted amendments to the Declaration, By-Laws and Condominium Map pursuant to Section 15.2 of the Declaration. The rights of the Developer to make certain alterations to the Project pursuant to Section 14.3 of the Declaration, which were previously incorrectly reflected in Exhibit A, are summarized in Exhibit D.

2. Exhibit I has been revised to reflect additional encumbrances affecting title to the property as contained in the title insurance policy described therein.

3. Exhibit K dated May 17, 1993, has been replaced with a new Exhibit K dated August 25, 1993, which reflects a higher estimate of initial maintenance fees and estimate of maintenance fee disbursements.

4. Paragraph 5 of Section III C hereof has been revised to reflect that one dog, cat or any other household pet may be kept in an apartment, subject to certain restrictions and conditions as set forth in the By-Laws of the Association of Apartment Owners, as amended, and the Amended Rules and Regulations.

5. The numbers of the Buildings and the designation of apartments within the Buildings have been revised, and the revised numbers and apartment designations are shown in Exhibits E and E-1 and on the Condominium Map. The initial parking stall assignments have been revised, and the revised initial parking stall assignments are shown in Exhibits E and E-1 and on the Condominium Map. Exhibit E-1 also reflects the revisions to building numbers, apartment designations and initial parking stall numbers, as the original Building and apartment numbers, the new Building and apartment numbers, the original parking stalls assigned to each apartment and the new parking stalls assignment for apartments in Buildings 6 through 11.

6. Exhibit J has been revised to reflect that Seller is not the "Warrantor" under the HOW Multi-Family Limited Warranty, which will be issued by the Home Owners Warranty Corporation to buyer, and that a HOW Builder/Developer Limited Warranty and Major Structural Defect Coverage for each building within the Project will be issued by the Home Owners Warranty Corporation to the Association.

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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 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 project's 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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Watt Hawaii, Inc. Phone: 523-5896
Name (Business)
737 Bishop Street, Suite 1800
Business Address
Honolulu, Hawaii 96813

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

Charles Heitzman, President	Cynthia Iser, Secretary
James J. Maginn, Vice Pres.	Christopher Chase, Asst. Sec
J. Scott Watt, Vice Pres.	Mark S. Humphreys, Asst. Sec
Ryoko Takata, CFO	David Clymer, Asst. Sec.

Real Estate Broker: Watt Hawaii, Inc. dba Watt Hawaii Realty Phone: 672-3541
Name (Business)
737 Bishop Street, Suite 1800
Business Address
Honolulu, Hawaii 96813

Escrow: Title Guaranty Escrow Services, Inc Phone: 521-0211
Name (Business)
235 Queen Street, 1st Floor
Business Address
Honolulu, Hawaii 96813

General Contractor: JDH Construction, Ltd. Phone: 871-7333
Name (Business)
360 Hoohana Street, Suite 200
Business Address
Kahului, Maui, Hawaii 96732

Condominium Managing Agent: Chaney, Brooks & Company Phone: 544-1831
Name (Business)
606 Coral Street
Business Address
Honolulu, Hawaii 96813

Attorney for Developer: Bettina W. J. Lum, Esq. Phone: 538-1113
Name (Business)
707 Richards Street, Suite 728
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

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 _____
[X] Filed - Land Court: Document No. 2080681

The Declaration referred to above has been amended by the following instruments (state name of document, date 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 Conveyances Condo Map No. _____
[X] Filed - Land Court Condo Map No. 1004

The Condominium Map has been amended by the following instruments (state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed 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 _____
[X] Filed - Land Court: Document No. 2080682

The Bylaws referred to above have been amended by the following instruments (state name of document, date and recording/filing information):

N/A

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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 [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	67%
House Rules	---	majority vote of directors present at any meeting

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

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

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

See Exhibit A.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

N/A

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

For Subleaseholds:

N/A

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] 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 canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

N/A

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually
Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 91-1059 thru 91-1081 Oaniani Street Ewa Beach, Honolulu, Hawaii Tax Map Key: (1) 9-1-16: por. 23 (TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 5.169 [ ] square feet [X] acre(s) Zoning: A-1

Lessor
(Fee Owner): Watt Hawaii, Inc.

Name
737 Bishop Street, Suite 1800

Address
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. Number of Buildings: eleven Floors Per Building two

[X] Exhibit B contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other cement plaster, glass and allied construction materials

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	88	[X] Yes [ ] No	[ ] Ohana	___	[ ] Yes [ ] No
[ ] Commercial	___	[ ] Yes [ ] No	[ ] Industrial	___	[ ] Yes [ ] No
[ ] Mix Res/Comm	___	[ ] Yes [ ] No	[ ] Agricultural	___	[ ] Yes [ ] No
[ ] Hotel	___	[ ] Yes [ ] No	[ ] Recreational	___	[ ] Yes [ ] No
[ ] Timeshare	___	[ ] Yes [ ] No	[ ] Other:_____	___	[ ] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[X] Pets: One dog, cat or other household pet per apartment, subject to certain limitations and conditions as provided by the By-Laws, as amended, and the Amended Rules and Regulations.

[X] Number of Occupants: One bdrm (3); Two bdrm (5); Three bdrm (7)

[X] Other: See Exhibit "C". Also ask to see "Amended Rules and Regulations" for other restrictions.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Laundry Lanai (sf)

See Exhibit N.

Total Apartments: 88

*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 includes the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings located within or at the perimeter of such apartment; and all fixtures originally installed therein. The apartments shall not include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment.

Permitted Alterations to Apartments:

See Exhibit D.

7. Parking Stalls:

Total Parking Stalls: 189

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)		121*		55			176
Guest		7*		6			13
Unassigned							
Extra for Purchase							
Other:		0					0
Total Covered & Open	128		61		0		

*includes Handicap stalls

Each apartment will have the exclusive use of at least two parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

N/A
[ ] Commercial parking garage permitted in condominium project.

[x] 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

[x] Other: one Community Building

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

[x] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

N/A

11. Conformance to Present Zoning Code

a. [X] 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.

	Conforming	Non-Conforming	Illegal
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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[X] described in Exhibit F.

[ ] 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.

[X] The limited common elements and the apartments which use them, as described in the Declaration, are:

[X] 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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

[X] described in Exhibit H.

[ ] as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit I describes the encumbrances against the title contained in the title insurance policy dated October 21, 1993, and issued by TICOR Title Insurance Company.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

F. Construction Warranties:

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

1. Building and Other Improvements:

See Exhibit J.

2. Appliances:

See Exhibit J.

G. Status of Construction and Estimated Completion Date:

The construction of the Project was completed on or about August 17, 1993.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. 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 condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

[X] not affiliated with the Developer
[ ] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] other _____

B. 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.

Exhibit K___ contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. 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:

(Common elements only)

[ ] None [X] Electricity [ ] Gas [X] Water

[X] Sewer [ ] Television Cable [X] Other Refuse collection

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit L contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated May 18, 1993
Exhibit M contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:
   1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;
   AND
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
B) The buyer is given an opportunity to read the report(s); AND
C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) 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:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime.
C) Bylaws of the Association of Apartment Owners, as amended.
D) House Rules, as amended.
E) Condominium Map.
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
H) Other Declaration of Covenants, Conditions and Restrictions, Villages of Kapolei

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2870 filed with the Real Estate Commission on May 19, 1993.

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C. Additional Information Not Covered Above

None.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

WATT HAWAII, INC.

Name of Developer

By: Charles J. Heitzman

Duly Authorized Signatory

10/29/93

Date

Charles J. Heitzman, President

print name & title of person signing above

Distribution:

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

EXHIBIT A

Developer's Rights to Make Amendments

Pursuant to Section 15.2 of the Declaration, the Developer may amend the Declaration, Condominium Map and By-Laws at any time prior to the filing of apartment deeds covering all of the apartments in the Project, without the approval, consent or joinder of any purchaser or any persons then owning an apartment, as follows:

1. To make amendments as may be required by law, the Real Estate Commission of the State of Hawaii, any title insurance company issuing a title insurance policy on the Project or any of the apartments, any institutional lender lending funds on the security of the Project or any of the apartments, or by any governmental agency, as a condition precedent to the marketing or sale of apartments; provided, however, that no such amendment which would change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment or the building in which it is located shall be made without the consent to such amendment by all persons having an interest in such apartment.

2. To file the "as-built" verified statement of a registered architect (with plans, if applicable) certifying, among other things, that the final plans filed or being filed with the amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartment as built.

EXHIBIT B

Description of Buildings

The Project consists of eleven (11) separate two-story residential buildings without basements, designated as Buildings 1 through 11, inclusive, as shown on the Condominium Map, and a one-story building without basement, designated as the Community Building on the Condominium Map. There are two types of residential buildings. Buildings 2, 4, 5, 6, 8, 9, and 11 are Type A Buildings, and Buildings 1, 3, 7 and 10 are Type B Buildings. Each Type A Building contains a total of eight (8) apartments, with four (4) 2-bedroom apartments on the first floor and four (4) 2-bedroom apartments on the second floor. Each Type B Building contains a total of eight (8) apartments, with two (2) 1-bedroom apartments and two (2) 3-bedroom apartments on the first floor, and two (2) 1-bedroom apartments and two (2) 3-bedroom apartments on the second floor.

EXHIBIT C

SUMMARY OF SPECIAL USE RESTRICTIONS

1. Residential Use. The apartments shall be occupied and used only for residential purposes and no apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The apartments shall not be rented by the owners thereof for transient or hotel purposes.

2. Leasing. While the owners of apartments shall have the absolute right to lease their apartments, no apartment may be leased or rented for less than seven (7) consecutive days. The lease must be in writing and shall be subject to the Malanai Iki Declaration of Condominium Property Regimes ("Declaration") and By-Laws of the Association of Apartments Owners of Malanai Iki.

3. No Time Sharing. The apartments in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any rental pool or any time-sharing purpose or under any time-sharing plan, arrangement or program.

4. Protection of Project. No apartment shall be used for any purpose which will injure the reputation of the Project, jeopardize the soundness of any building, interfere with or unreasonably disturb the rights of other owners and occupants, obstruct any roadway or walkway to any improvements of the Project, increase the rate of property or liability insurance, or reduce the value of any improvements of the Project.

5. Alterations to Apartment. Except as provided in Section 14.2 of the Declaration, an apartment owner shall not, without the prior written consent of the Board, make any alterations in or additions to the apartment visible from the exterior of the apartment, or make any alterations in or additions to the exterior of the apartment or to the common elements.

EXHIBIT D

Summary of Permitted Alterations to Project/Apartments

Pursuant to Article 14 of the Declaration, which should be read if alterations may be of concern to a buyer, alterations to the Project and/or apartments are permitted as follows:

1. Alterations by Association. The Association may not (a) erect or place on the Project any building or structure, including fences and walls; (b) make additions or structural alterations to, or exterior changes of, any common elements of the Project; or (c) place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications prepared by a licensed architect, and approved by a majority of apartment owners (or such larger percentage as required by law or the Declaration) including all owners of apartments thereby directly affected, as determined by the Board.

Neither the Association nor any apartment owner may undertake certain work without first obtaining the consents and approvals required under the Declaration.

2. Alterations by Apartment Owner. The owner of an apartment may make any alterations or additions within such owner's apartment, at such owner's expense, subject to certain provisions in the Declaration.

3. Alterations By Developer. Prior to the time that all apartments in the Project have been sold and recorded or the filing by the Developer of the "as built" verified statement, the Developer may make alterations in and to the Project (and to amend the Declaration and the Condominium Map accordingly), as follows: (a) alterations which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) which is not sold and recorded, and (b) minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold or recorded.

/100993/WATT/IKI/APP-EXHD.CLN/

EXHIBIT E

INITIAL PARKING STALL ASSIGNMENT

Bldg.	Apt. No.	Apt. Type	Parking Stalls Nos.
1	1-A	3-BR/2-BA	3, 4
	1-B	1-BR/1-BA	84, 85
	1-C	1-BR/1-BA	86, 87
	1-D	3-BR/2-BA	6, 7
	1-E	3-BR/2-BA	1, 2
	1-F	1-BR/1-BA	82, 83
	1-G	1-BR/1-BA	80, 81
	1-H	3-BR/2-BA	8, 9
2	2-A	2-BR/1-BA	5HC, 21C
	2-B	2-BR/1-BA	10, 17C
	2-C	2-BR/1-BA	12, 15C
	2-D	2-BR/1-BA	20C, 23
	2-E	2-BR/1-BA	18C, 25
	2-F	2-BR/1-BA	11, 16C
	2-G	2-BR/1-BA	13, 14C
	2-H	2-BR/1-BA	19C, 22
3	3-A	3-BR/2-BA	32, 33
	3-B	1-BR/1-BA	26, 27
	3-C	1-BR/1-BA	74, 75
	3-D	3-BR/2-BA	28, 29HC
	3-E	3-BR/2-BA	30, 31
	3-F	1-BR/1-BA	78, 79
	3-G	1-BR/1-BA	76, 77
	3-H	3-BR/2-BA	72, 73
4	4-A	2-BR/1-BA	34, 35
	4-B	2-BR/1-BA	70, 71
	4-C	2-BR/1-BA	68, 69
	4-D	2-BR/1-BA	40, 41
	4-E	2-BR/1-BA	36, 37
	4-F	2-BR/1-BA	66, 67
	4-G	2-BR/1-BA	42, 43
	4-H	2-BR/1-BA	38, 39

C - compact stall

HC - handicap stall

Note: All parking stalls are uncovered.

INITIAL PARKING STALL ASSIGNMENT

Bldg.	Apt. No.	Apt. Type	Parking Stalls Nos.
5	5-A	2-BR/1-BA	44, 45
	5-B	2-BR/1-BA	64, 65
	5-C	2-BR/1-BA	58C, 59
	5-D	2-BR/1-BA	50, 51
	5-E	2-BR/1-BA	46, 47
	5-F	2-BR/1-BA	62, 63
	5-G	2-BR/1-BA	60, 61
	5-H	2-BR/1-BA	48, 49
6	6-A	2-BR/1-BA	180C, 181C
	6-B	2-BR/1-BA	162HC, 177C
	6-C	2-BR/1-BA	186C, 187C
	6-D	2-BR/1-BA	89C, 90C
	6-E	2-BR/1-BA	182C, 183C
	6-F	2-BR/1-BA	178C, 179C
	6-G	2-BR/1-BA	184C, 185C
	6-H	2-BR/1-BA	188C, 189C
7	7-A	3-BR/2-BA	164, 170C
	7-B	1-BR/1-BA	160, 176C
	7-C	1-BR/1-BA	169, 173C
	7-D	3-BR/2-BA	161HC, 167
	7-E	3-BR/2-BA	165, 171C
	7-F	1-BR/1-BA	163, 175C
	7-G	1-BR/1-BA	168, 174C
	7-H	3-BR/2-BA	166, 172C
8	8-A	2-BR/1-BA	148C, 156
	8-B	2-BR/1-BA	147C, 149
	8-C	2-BR/1-BA	145C, 158
	8-D	2-BR/1-BA	150, 151
	8-E	2-BR/1-BA	154, 155
	8-F	2-BR/1-BA	146C, 157
	8-G	2-BR/1-BA	144C, 159
	8-H	2-BR/1-BA	152, 153

C - compact stall

HC - handicap stall

Note: All parking stalls are uncovered.

INITIAL PARKING STALL ASSIGNMENT

Bldg.	Apt. No.	Apt. Type	Parking Stalls Nos.
9	9-A	2-BR/1-BA	130C, 135
	9-B	2-BR/1-BA	131C, 137
	9-C	2-BR/1-BA	141, 143C
	9-D	2-BR/1-BA	134C, 140
	9-E	2-BR/1-BA	132C, 138
	9-F	2-BR/1-BA	129C, 136
	9-G	2-BR/1-BA	128C, 142
	9-H	2-BR/1-BA	133C, 139
10	10-A	3-BR/2-BA	119, 122C
	10-B	1-BR/1-BA	118, 123C
	10-C	1-BR/1-BA	116, 125C
	10-D	3-BR/2-BA	115, 127C
	10-E	3-BR/2-BA	120, 121C
	10-F	1-BR/1-BA	117, 124C
	10-G	1-BR/1-BA	111C, 126C
	10-H	3-BR/2-BA	113, 114
11	11-A	2-BR/1-BA	110C, 112HC
	11-B	2-BR/1-BA	97C, 109
	11-C	2-BR/1-BA	103, 104
	11-D	2-BR/1-BA	105, 106
	11-E	2-BR/1-BA	99, 96
	11-F	2-BR/1-BA	98C, 100
	11-G	2-BR/1-BA	101, 102
	11-H	2-BR/1-BA	107, 108

The following thirteen (13) uncovered parking stalls are designated as guest parking stalls: 24, 52C, 53C, 54C, 55C, 56C, 57C, 88, 91HC, 92, 93, 94 and 95.

C - compact stall

HC - handicap stall

Note: All parking stalls are uncovered.

EXHIBIT E-1

NEW BUILDING, APARTMENT AND PARKING STALL NUMBERS

ORIGINAL BLDG-APT NOS.	NEW BLDG-APT NOS.	TYPE BR/BA	ORIGINAL STALL NOS.	NEW STALL NOS.
1-1A	4-A	2/1	34,35	
1-1B	4-B	2/1	70,71	no change
1-1C	4-C	2/1	68,69	
1-1D	4-D	2/1	40,41	
1-2A	4-E	2/1	36,37	
1-2B	4-F	2/1	66,67	no change
1-2C	4-G	2/1	42,43	
1-2D	4-H	2/1	38,39	
2-1A	3-A	3/2	32,33	
2-1B	3-B	1/1	26,27	no change
2-1C	3-C	1/1	74,75	
2-1D	3-D	3/2HC	28,29HC	
2-2A	3-E	3/2	30,31	
2-2B	3-F	1/1	78,79	no change
2-2C	3-G	1/1	76,77	
2-2D	3-H	3/2	72,73	
3-1A	2-A	2/1HC	5HC,21C	
3-1B	2-B	2/1	10,17C	no change
3-1C	2-C	2/1	12,15C	
3-1D	2-D	2/1	20C,23	
3-2A	2-E	2/1	18C,25	
3-2B	2-F	2/1	11,16C	no change
3-2C	2-G	2/1	13,14C	
3-2D	2-H	2/1	19C,22	
4-1A	1-A	3/2	3,4	
4-1B	1-B	1/1	84,85	no change
4-1C	1-C	1/1 V&H	86,87	
4-1D	1-D	3/2	6,7	
4-2A	1-E	3/2	1,2	
4-2B	1-F	1/1	82,83	no change
4-2C	1-G	1/1	80,81	
4-2D	1-H	3/2	8,9	

ORIGINAL BLDG-APT NOS.	NEW BLDG-APT NOS.	TYPE BR/BA	ORIGINAL STALL NOS.	NEW STALL NOS.
5-1A	5-A	2/1	44,45	
5-1B	5-B	2/1	64,65	no change
5-1C	5-C	2/1	58C,59	
5-1D	5-D	2/1	50,51	
5-2A	5-E	2/1	46,47	
5-2B	5-F	2/1	62,63	no change
5-2C	5-G	2/1	60,61	
5-2D	5-H	2/1	48,49	
6-1A	7-A	3/2	162,168C	164,170C
6-1B	7-B	1/1	158,174C	160,176C
6-1C	7-C	1/1	167,171C	169,173C
6-1D	7-D	3/2HC	159HC,165	161HC,167
6-2A	7-E	3/2	163,169C	165,171C
6-2B	7-F	1/1	161,173C	163,175C
6-2C	7-G	1/1	166,172C	168,174C
6-2D	7-H	3/2	164,170C	166,172C
7-1A	8-A	2/1	146C,154	148C,156
7-1B	8-B	2/1	145C,147	147C,149
7-1C	8-C	2/1	143C,156	145C,158
7-1D	8-D	2/1	148,149	150,151
7-2A	8-E	2/1	152,153	154,155
7-2B	8-F	2/1	144C,155	146C,157
7-2C	8-G	2/1	142C,157	144C,159
7-2D	8-H	2/1	150,151	152,153
8-1A	9-A	2/1 V&H	128C,133	130C,135
8-1B	9-B	2/1	129C,135	131C,137
8-1C	9-C	2/1	139,141C	141,143C
8-1D	9-D	2/1	132C,138	134C,140
8-2A	9-E	2/1	130C,136	132C,138
8-2B	9-F	2/1	127C,134	129C,136
8-2C	9-G	2/1	126C,140	128C,142
8-2D	9-H	2/1	131C,137	133C,139

ORIGINAL BLDG-APT NOS.	NEW BLDG-APT NOS.	TYPE BR/BA	ORIGINAL STALL NOS.	NEW STALL NOS.
9-1A	6-A	2/1	178C,179C	180C,181C
9-1B	6-B	2/1HC	160HC,175C	162HC,177C
9-1C	6-C	2/1	184C,185C	186C,187C
9-1D	6-D	2/1	188C,189C	89C,90C
9-2A	6-E	2/1	180C,181C	182C,183C
9-2B	6-F	2/1	176C,177C	178C,179C
9-2C	6-G	2/1	182C,183C	184C,185C
9-2D	6-H	2/1	186C,187C	188C,189C
10-1A	11-A	2/1HC	97C,108	110C,112HC
10-1B	11-B	2/1	96C,109HC	97C,109
10-1C	11-C	2/1	102,103	103,104
10-1D	11-D	2/1	104,105	105,106
10-2A	11-E	2/1	98,95C	99,96
10-2B	11-F	2/1	94C,99	98C,100
10-2C	11-G	2/1	100,101	101,102
10-2D	11-H	2/1	106,107	107,108
11-1A	10-A	3/2	117,120C	119,122C
11-1B	10-B	1/1	116,121C	118,123C
11-1C	10-C	1/1	114,123C	116,125C
11-1D	10-D	3/2	112,125C	115,127C
11-2A	10-E	3/2	118,119C	120,121C
11-2B	10-F	1/1	115,122C	117,124C
11-2C	10-G	1/1	113,124C	111C,126C
11-2D	10-H	3/2	110,111	113,114

EXHIBIT F

Description of Common Elements

The Common Elements include the following:

(1) The Land in fee simple;

(2) All yards, grounds and landscaping, roadways, walkways, retaining walls, loading zones, refuse areas, and mail boxes which are not located in any apartments;

(3) All undecorated or unfinished perimeter load bearing walls, foundations, floor slabs, columns, girders, supports, roofs, fences, party wall, ceilings, and external fascia of all residential buildings;

(4) All roads, driveways, driveway ramps and parking areas;

(5) All ducts, vents, shafts, sewer lines, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities, installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone, radio and television signal distribution, if any;

(6) The Community Building, including the maintenance room, meeting room, office, women's restroom and men's restroom located therein;

(7) The one-hundred seventy-six (176) uncovered parking stalls located in the uncovered parking areas of the Project which are hereinafter designated as limited common elements;

(8) Each of the thirteen (13) uncovered parking stalls designated as parking stalls nos. 24, 52C, 53C, 54C, 55C, 56C, 57C, 88, 91HC, 92, 93, 94 and 95, as shown on the Condominium Map are designated for guest parking; and

(9) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT G

Description of Limited Common Elements

The Limited Common Elements include the following:

(1) Each of the one hundred seventy-six (176) uncovered parking stalls in the Project other than those designated for guest parking, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned;

(2) The Entry Court providing access to each apartment shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it provides access; and

(3) Any entrance, exit, gateway, entry, patio, yard, driveway or steps which would normally be used only for purposes of ingress to and egress from a specific apartment, shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

EXHIBIT H

Description of Common Interest

Each of the eighty-eight (88) apartments shall have appurtenant thereto an undivided percentage interest in all the common elements of the Project including the land, and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting, as follows:

Type of Apartment	Percentage (each apt)		Number of Apts	Percentage (total)
1 Bedroom Apartments	0.81285%	x	16	13.0056%
2 Bedroom Apartments	1.1245%	x	56	62.9720%
3 Bedroom Apartments	1.5014%	x	16	24.0224%
				100.0000%

The interests derived from such calculations have been adjusted to provide that all 1-bedroom apartments have the same undivided interest in the common interest and likewise for 2 and 3 bedroom apartments, with minor differences, if any, to account for all one hundred percent (100%) of the common interest.

100993/WATT/IKI/APP-EXHH.FIN/

EXHIBIT I

Encumbrances Against Title

Encumbrances against title contained in the Policy of Title Insurance dated October 21, 1993, issued by TICOR Title Insurance Company, are as follows:

1. Reservations and Conditions in favor of the State of Hawaii of all mineral and metallic mines, all surface and ground waters appurtenant to the land, and all prehistoric and historic remains found in, on, or under the land as contained in Quitclaim Deed dated January 3, 1990 and January 4, 1990, filed as Land Court Document No. 1696820.

2. Covenants, conditions and restrictions set forth in Declaration of Conditions Imposed by the Land Use Commission dated June 6, 1990, filed as Land Court Document No. 1736622, as amended by instrument dated February 6, 1993, filed as Land Court Document No. 1888121. Among other things, buyers should be aware:

   (a) of possible odor, noise, and dust pollution resulting from the adjacent Barbers Point Access Road, Farrington Highway, and surrounding agricultural operations, and the Hawaii Right to Farm Act, Chapter 165, Hawaii Revised Statutes, as amended, which limits the circumstances under which pre-existing farming activities may be deemed a nuisance; and

   (b) of possible noise impact from Barbers Point Naval Air Station and Honolulu International Airport or other sources, and that covenants releasing and discharging the State of Hawaii and certain others from all liability, and waiving the occupants' right to file suit against the State of Hawaii and certain others on account of or resulting from any inconvenience, disturbance and/or injury due to noise under 65 Ldn in the area affecting such occupants or their property, are set forth in the specimen Apartment Deed, copies of which will be provided upon request.

3. Covenants, conditions and restrictions set forth in Declaration of Covenants, Conditions and Restrictions Villages of Kapolei, dated July 26, 1990, filed as Land Court Document No. 1752834, as amended by Annexation instrument dated December 21, 1992, filed as Land Court

Document No. 1997391 ("Kapolei CCRs"). Among other things, buyers should be aware that:

(a) the buyer automatically becomes a member of the Kapolei Association upon issuance of the Apartment Deed to buyer;

(b) the buyer is required to pay assessments to the Kapolei Association (including assessments for upkeep maintenance and repair of certain roadways providing access to the Project);

(c) the buyer is required to pay an initiation assessment;

(d) no construction or alteration of improvements on the property is permitted except in accordance with certain design rules and guidelines; and

(e) the property is subject to certain restrictions on use, all as more fully set forth in the Kapolei CCRs.

4. Designation of Easement "3738" (3 feet wide) for wall, footing and maintenance purposes, as shown on Map 637 filed in said Office of the Assistant Registrar of the Land Court ("Map 637") with Land Court Application No. 1069 of the Trustees under the Will and Estate of James Campbell, deceased, and as set forth by Land Court Order No. 111485, filed April 8, 1993.

5. Designation of Easement "3739" for water purposes, as shown on Map 637, and as set forth by Land Court Order No. 111485, filed April 8, 1993.

6. Designation of Easement "3740" for wall, footing and maintenance purposes, as shown on Map 637, and as set forth by Land Court Order No. 111485, filed April 8, 1993.

7. Grant of Easement made by said Housing Finance and Development Corporation, in favor of the Hawaiian Electric Company, Inc., and GTE Hawaiian Telephone Company Incorporated, acknowledged June 18, 1993, June 30, 1993 and June 29, 1993, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2041250, for a perpetual right and easement for electrical purposes, as more particularly described therein.

8. Grant of Easement dated August 25, 1993, made by Housing Finance and Development Corporation, a public body and body corporate and politic of the State of Hawaii, in favor of the City and County of Honolulu, and the Board of Water Supply of the City and County of Honolulu, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2069329, for an easement over said "Easement 3739", for water purposes, as more particularly described therein.

9. Grant of Easement dated August 11, 1993, made by said Watt Hawaii, Inc., in favor of said Housing Finance and Development Corporation, for wall, footing and maintenance purposes over, under, upon and across Easement "3738", together with a right of reasonable access thereto, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2079040.

10. Grant of Easement dated August 11, 1993, made by said Watt Hawaii, Inc., in favor of Housing Finance and Development Corporation, for wall, footing and maintenance purposes over, under, upon and across Easement "3740", together with a right of reasonable access thereto, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2079041.

11. Covenants, conditions and restrictions set forth in Malanai Iki Declaration of Condominium Property Regime dated October 25, 1993, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2080681, as the same has been or may hereafter be amended from time to time.

12. By-Laws of the Association of Apartment Owners of Malanai Iki dated October 25, 1993, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2080682, as amended by instrument dated November 19, 1993, recorded in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2089918, as the same have been further amended or may hereafter be further amended from time to time.

13. Grant of Easement dated _____, made by said Watt Hawaii, Inc., in favor of said Housing Finance and Development Corporation, for drainline purposes over, under and across a portion of Lot 7990, as more

particularly described therein, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. _____.*

* Note that said Grant of Easement will be or has been filed in said Office of the Assistant Registrar of the Land Court.

14. Unrecorded Development Agreement dated April 20, 1990, between said Housing Finance and Development Corporation, and said Watt Hawaii, Inc., as Developer, as amended and restated as of February 1, 1991, and as amended by unrecorded First Amendment to Amended and Restated Development Agreement dated October 16, 1991, all of which is set forth in that certain Memorandum of Development Agreement dated October 16, 1991, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 1858921, as further amended by unrecorded Second Amendment and Restated Development Agreement dated as of August 24, 1992, and as further amended by unrecorded Amendment of Second Amended and Restated Development Agreement, set forth in Memorandum of Amendment to Development Agreement dated October 8, 1993, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2078600.**

15. Collateral Assignment of Development Agreement, Mortgage, Security Agreement and Financing Statement, dated October 16, 1991, made by said Watt Hawaii, Inc., in favor of said Housing Finance and Development Corporation, filed as Land Court Document No. 1858923, as amended by Addendum to Collateral Assignment of Development Agreement, Mortgage, Security Agreement and Financing Statement dated October 16, 1991, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 1858924; and Additional Charge and Additional Security Collateral Assignment of Development Agreement, Mortgage, Security Agreement and Financing Statement (Village 3/Increment 2) Clarification of Mortgage Security dated December 7, 1992, filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2052335.**

16. Collateral Assignment of Development Agreement, Mortgage, Security Agreement and Financing Statement (Village 3 Multi-Family) dated October 8, 1993, made by said Watt Hawaii, Inc., in favor of said Housing Finance and Development Corp., filed in said Office of the Assistant Registrar of the Land Court as Land Court Document No. 2078602.**

17. Assignment of Seller's Interest Under Agreements of Sale, Sales Contracts and Escrow Agreement, Security Agreement dated October 8, 1993, made by said Watt Hawaii, Inc., in favor of said Housing Finance and Development Corporation, recorded as Document No. 93-173834.**

18. For information regarding real property taxes due and owing, reference is made to the Director of Finance, City and County of Honolulu.

** Note that these encumbrances will be partially released prior to the conveyance of each apartment in the Project.

EXHIBIT J

Warranties

1. Building and Other Improvements. A HOW Multi-Family Limited Warranty will be issued by the Home Owners Warranty Corporation to each buyer approximately sixty (60) days after the closing date for the apartment purchased by buyer. The term of the HOW Multi-Family Limited Warranty will commence on the closing date of the purchase of the first apartment in the building in which buyer's apartment is located, and will expire two (2) years thereafter. Different warranty terms apply during the first year and second year of coverage. A copy of the warranty is available upon request. The Reservation and Sales Agreement provides that the buyer acknowledges and agrees that Seller is not the "Warrantor" under the HOW Multi-Family Limited Warranty, that Seller is not adopting any such warranties, and that Seller has made no other warranties, express or implied, with respect to the Property.

A HOW Certificate of Enrollment and a Builder/Developer Limited Warranty and Major Structural Defect Coverage for each building within the Project, will also be issued by the Home Owners Warranty Corporation to the Association. Coverage for the "Builder/Developer Default on the Limited Warranty for the Unit(s)" becomes effective on the closing date of the purchase of the first apartment located within such building, and expires two (2) years thereafter. Coverage for the "Major Structural Defects for Common Elements" becomes effective on the expiration of the coverage for Building Developer/Default on the Limited Warranty, and expires eight (8) years thereafter. A copy of the warranty is available upon request.

2. Appliances. Seller makes no warranties itself, but agrees that the recordation of an Apartment Deed shall be deemed to constitute an assignment by Seller to Buyer of the unexpired term, if any, of any manufacturer's or dealer's warranties (which may by their terms be so assigned) covering any furnishings, fixtures, appliances and consumer products in the apartment.

The Reservation and Sales Agreement contains the following disclaimer:

> "THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING ALL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS), OR WITH

RESPECT TO ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR OTHER ITEMS WHATSOEVER INSTALLED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE."

EXHIBIT K

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

ESTIMATE OF INITIAL MAINTENANCE FEES:

	Monthly x 12 months =	**Yearly** Total
One-Bedroom	$112.56	$1,350.66
Two-Bedroom	$155.71	$1,868.52
Three-Bedroom	$207.90	$2,494.80

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		
Electricity (Common Elements Only)	$ 225.00	$ 2,700.00
Refuse Collection	720.00	8,640.00
Water/Sewer	2,900.00	34,800.00
Maintenance, Repairs & Supplies		
Buildings	200.00	2,400.00
Grounds	2,450.00	29,400.00
Management		
Management Fee	1,727.00	20,724.00
Payroll and Payroll Taxes	N/A	.00
Office Expenses	75.00	900.00
Insurance	2,785.00	33,420.00
Reserves *	2,390.00	28,680.00
Audit and Tax Preparation	200.00	2,400.00
Taxes and Government Assessments	75.00	900.00
Other	100.00	1,200.00
TOTAL	$13,847.00	$166,164.00

I, Mary Lou Nagi, as agent and employed by Chaney, Brooks & Company, the condominium managing agent or the developer, for the condominium project Malanai Iki, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Mary Lou Nagi

25 Aug 93

Date

*Mandatory Reserves in Effect
January 1, 1993

93-33124

EXHIBIT L

Summary of Reservation and Sales Agreement

The specimen Malanai Iki Reservation and Sales Agreement (the "Sales Agreement") sets forth the terms, provisions, conditions and covenants between the Seller and Buyer for the sale and purchase of an Apartment in the Project. In case of any conflict between the following summary and the Sales Agreement, the latter will control. The Sales Agreement contains:

1. A description of the Project and the Property.

2. An acknowledgement that the Buyer has received and has had a full opportunity to read and review, and has approved the Preliminary Public Report and/or Final Public Report of the Project issued by the Developer and certain other documents.

3. An agreement that if at the time of execution of the Sales Agreement by the Buyer and the Seller, a Final Public Report for the Project has not been issued by the Real Estate Commission of the State of Hawaii, the Sales Agreement shall not be legally binding upon either Buyer or Seller. In such event, the Sales Agreement shall constitute a "reservation," not a binding contract, and Seller shall have no obligation to sell and Buyer shall have no obligation to purchase the Apartment. In the event that the Sales Agreement is entered into after the issuance of a Final Public Report, the Sales Agreement shall be a fully binding contract upon Buyer and Seller upon Buyer's waiver of rescission rights as provided in the Agreement.

4. An authorization from Buyer to Escrow to disburse deposited funds in accordance with the terms of the Escrow Agreement.

5. An agreement that if any portion of the purchase price is to be financed, Buyer is required to deliver to Seller a "pre-commitment" letter from Buyer's Lender, indicating that Buyer has been prequalified for a mortgage loan in the amount Buyer intends to finance. At least thirty (30) days prior to the Scheduled Closing, Buyer is required to obtain and close the loan.

6. An agreement that the Seller has the right, subject to approval by the Housing Finance and Development Corporation of the State of Hawaii ("HFDC"), to increase the Total Purchase Price of Apartments only to the extent necessitated by increases

in the development and construction costs of the Project as a result of delays due to governmental restrictions or regulations, delays in the completion of construction of infrastructure improvements beyond the control of the Seller, or the occurrence of any other contingency which was not contemplated by the Sales Agreement.

7. An acknowledgement that Seller and HFDC have entered into a Development Agreement in which HFDC agrees, among other things, to complete certain infrastructure improvements, to obtain certain governmental permits for the development, use and occupancy of the Apartment, and prior to completion of the Apartment, to transfer title to Seller so that Seller can transfer title pursuant to the Sales Agreement.

8. An acknowledgement and agreement that the Apartment may be sold only to a "Qualified Resident", who is a Low-Moderate Income Purchaser" or "Moderate Income Purchaser" in accordance with HFDC's requirements.

9. An acknowledgement and agreement that pursuant to the Development Agreement, Seller is required to sell the Apartment to Buyer subject to the following restrictions on the use and transfer of the Apartment and subject to a shared appreciation equity program in favor of HFDC, as described hereinbelow, and as more particularly described in the Sales Agreement.

A. Restrictions on Use and Transfer of the Apartment. The transfer of the Apartment to Buyer will be made subject to (and the Apartment Deed will so provide) restrictions on use and transfer of the Apartment pursuant to Sections 201E-221, 222, 223 and 224 of the Hawaii Revised Statutes, as amended (the "HFDC Restrictions") which provide, among other things, for a first option in favor of HFDC to purchase the Apartment for a period of 10 years in the event Buyer desires to transfer or lease the Apartment or in the event Buyer violates a covenant requiring Buyer to occupy the Apartment.

B. Shared Appreciation Equity Program. The transfer of the Apartment to Buyer will also be made subject to a shared appreciation equity program (the "SAE Program") under which HFDC, upon transfer of the Apartment by Buyer, would be entitled to a pro rata portion of the Apartment's appreciation in value.

C. Home Ownership Counseling. As an express condition for purchasing the Apartment each Buyer agrees to complete the Home Ownership Counseling Program sponsored by HFDC, as described in the Sales Agreement, prior to Closing. If

Buyer fails to complete HFDC's Home Ownership Counseling Program, Buyer will be in default of the Sales Agreement, and Seller, in addition to any other remedies available to it, will, at HFDC's direction, cancel the Sales Agreement, in which event all deposits and all interest thereon shall be retained by Seller. Any such cancellation shall be effective immediately upon delivery of written notice to Buyer.

10. An acknowledgement that there are certain conditions which may affect and impair the Buyer's enjoyment, use and value of the Apartment and the Project, and an agreement to indemnify and hold harmless the Seller and certain other parties for certain types of claims.

11. An agreement that the Seller has the right to make changes to the Condominium Map of the Project, plans and specifications for the Project, the Project Documents and all other documents and contracts relating to the Project, without further consents from Buyer or Buyer's Lender under certain circumstances.

12. An acknowledgement that pursuant to the Development Agreement, Seller is obligated to offer one hundred percent (100%) of the Apartments in the Project for sale as Lower Cost Housing Units in accordance with HFDC requirements.

13. An agreement that Buyer may inspect the Apartment before closing at a date set by Seller ("Inspection Date"), and that Buyer will sign a Punch List listing all defects or damage to the Apartment (if there are any). Also, an agreement that if Buyer fails to inspect the Apartment on the Inspection Date, Seller's representative is thereby appointed to inspect the Apartment and prepare a Punch List on behalf of Buyer.

14. An acknowledgement that a HOW Multi-Family Limited Warranty will be issued by the Home Owners Warranty Corporation to Buyer, approximately sixty (60) days after Closing, and an acknowledgment and agreement that Seller is not the "Warrantor" under the HOW Multi-Family Limited Warranty. An acknowledgment that Seller makes no warranties itself, but that the recordation of the Apartment Deed is deemed to be an assignment by Seller to Buyer of the unexpired term, if any, of any manufacturer's or dealer's warranties (which may by their terms be so assigned) covering any furnishings, fixtures, appliances and consumer products in the Apartment. (See Exhibit J regarding disclaimers).

EXHIBIT M

Summary of Escrow Agreement

The Escrow Agreement dated May 18, 1993, by and between Title Guaranty Escrow Services, Inc. and Watt Hawaii, Inc., includes the following provisions:

1. An agreement that upon the execution of any Sales Agreement, Seller shall deliver an executed original of such Sales Agreement to Escrow, together with buyer's initial deposit required to be deposited under the Sales Agreement.

2. An agreement that unless directed otherwise in writing by Seller and the buyer depositing any funds, Escrow will deposit all monies which it receives from buyers in a trust fund in any Hawaii federally insured bank, savings and loan or other financial institution which pays interest on deposits. If Escrow is requested to establish a separate account for any buyer, such buyer shall pay Escrow a reasonable fee for each such separate account. Any interest earned on buyer's funds deposited with Escrow shall accrue to the credit of such buyers.

3. An agreement that Escrow shall disburse all funds deposited with Escrow only in accordance with the provisions of the Escrow Agreement and the Sales Agreement; provided, however, that no disbursements shall be made from buyers' funds on behalf of the Seller until the Sales Agreements become binding, and the requirements of Section 514A-40 and 514A-63 of the Hawaii Revised Statutes, as amended, have been met.

4. An agreement that Escrow will (a) accept for processing the loan documents from any buyer's lender such as promissory note and mortgage; (b) upon request of any such lender, will arrange for the buyer to execute the same; (c) will accept funds representing the loan amount; and (d) will record all mortgage documents in accordance with such lender's instructions.

5. An agreement that subject to the deductions which are required to be made under the Sales Agreement and payment of the Escrow Cancellation Fee, Escrow will return the funds of any buyer, together with any accrued interest buyer is entitled to receive under the Sales Agreement, upon the occurrence of any one of the following:

(a) Seller notifies Escrow in writing that buyer has timely exercised the buyer's right to rescind or

cancel the Sales Agreement in accordance with Section 514A-63 of the Hawaii Revised Statutes, as amended; or

(b) Seller notifies Escrow in writing that the buyer's Sales Agreement has been terminated or canceled pursuant to any right of termination or cancellation provided to buyer under the Sales Agreement; or

(c) Both Seller and buyer have requested Escrow in writing to return such funds.

6. An agreement that Escrow's compensation for services rendered under the Escrow Agreement is $250.00 for each apartment, payable upon Closing pursuant to each Sales Agreement.

7. An agreement that upon any buyer's rescission or cancellation of a Sales Agreement or upon Seller's termination of the Sales Agreement, Escrow shall be entitled to receive a fee ("Escrow Cancellation Fee") which is proportionate to the work and services provided by Escrow, but in no event in an amount more than $250.00.

8. Escrow will arrange for the issuance of a standard Hawaii owner's policy of title insurance, or a joint protection policy of title insurance if requested by buyer and buyer's lender covering each apartment, and its appurtenant undivided percentage common interest in the common elements of the Project. Buyer will pay the full cost of a standard Hawaii owner's policy of title insurance or the full cost of any joint protection policy of title insurance requested by buyer and buyer's lender.

EXHIBIT N

APARTMENT TYPES - INTERIOR

APT. TYPE	QUANTITY	BR/BA	NET LIVING AREA (SF)*	LANAI/ LAUNDRY (SF)
2-BR/1st Floor	24	2/2	704	154
2-BR/2nd Floor	28	2/2	704	96
2-BR/1st Floor Handicap	3	2/2	704	154
2-BR/1st Floor Visual and Hearing Impaired	1	2/2	704	154
1-BR/1st Floor	7	1/1	505	154
1-BR/2nd Floor	8	1/1	505	95
1-BR/1st Floor Visual and Hearing Impaired	1	1/1	505	154
3-BR/1st Floor	6	3/2	947	154
3-BR/2nd Floor	8	3/2	947	95
3-BR/1st Floor Handicap	2	3/2	947	154

Total Apartments: 88

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

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