



**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report       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.

Changes made are as follows:

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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: Schuler Homes, Inc. Phone: 521-5661  
Name (Business)  
828 Fort Street, 4th Floor  
Business Address  
Honolulu, Hawaii 96813

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

James K. Schuler - Chairman of the Board/President/CEO  
Michael T. Jones - Executive Vice-President of Real Estate Development a  
Pamela S. Jones - Vice-President of Finance, CEO/Treas/Secty Marketi

Real Estate Broker: Schuler Realty/Oahu, Inc. Phone: 677-8034  
Name (Business)  
828 Fort Street, 4th Floor  
Business Address  
Honolulu, Hawaii 96813

Escrow: Security Title Corporation Phone: 521-9511  
Name (Business)  
1001 Bishop St., 1200 Pacific Tower  
Business Address  
Honolulu, Hawaii 96813

General Contractor: Hawaiian Dredging & Construction Company Phone: 735-3211  
Name (Business)  
614 Kapahulu Avenue  
Business Address  
Honolulu, Hawaii 96816

Condominium Managing Agent: Chaney Brooks & Company Phone: 544-1600  
Name (Business)  
606 Coral Street  
Business Address  
Honolulu, Hawaii 96813

Attorney for Developer: James A. Stubenberg Phone: 526-0892  
Name (Business)  
1001 Bishop St., 1250 Pauahi Tower  
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. 93-191412  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

- 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. 1953  
 Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the 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. 93-191413  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

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                       Adopted                       Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

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

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

\* 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.

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

See attached pages 7a and 7b

2. Developer has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

A. The Developer hereby reserves the right to designate, establish, grant and convey to or in favor of any public or governmental authority or to or in favor of any adjoining condominium project such rights-of-way and easements, which are for the benefit of this Condominium and which do not materially and adversely interfere with or impair the use or value of the Condominium or any apartment therein, over, across, under and through the common elements and limited common elements of the Condominium for access and for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage, and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines, facilities and appurtenances and trimming any trees in the way thereof; provided, however, that the Association, through the Board, and with the consent and agreement of the holders of any then existing easements affecting thereby, shall be authorized to grant, convey, transfer, cancel, relocate and otherwise deal with any and all such easements without requiring any consideration therefor. To the extent that a joinder of any Owner or lien holder or other person who may have any interest in the Land or the Condominium or in any apartment may be required in order to validate any act or thing done pursuant to the foregoing reservation, such joinder shall be accomplished by power of attorney from each of the Owners, lien holders or other such parties, the acquiring or acceptance of ownership in an apartment or of a lien covering an apartment or any other interest in the Condominium or Land subject to this Declaration being a grant of such power and the grant being coupled with an interest, being irrevocable.

B. The Developer hereby reserves the right to conduct extensive sales activities within the Condominium including without limitation: (a) the use of any apartments owned by the Developer as model apartments and sales and management offices, and (b) the use of such apartments and the common elements (excluding limited common elements appurtenant to other apartments) for sales displays and related activities. Such sales activities shall be conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession, and aesthetic enjoyment of the Condominium by the other apartment Owners.

C. Said reserved rights of the Developer as set forth in paragraphs A and B above shall continue until two (2) years have elapsed from the date of recordation of the Declaration.

D. The Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over and upon the Condominium as may be reasonably necessary for the completion of improvements to and correction of defects in the Condominium. This easement shall terminate thirty (30) months after the later of: (a) the recording of the "as built" verified statement required by Section 514A-12 of the Condominium Property Act, or (b) the "date of completion" of the improvements as defined in Section 507-43(f), Hawaii Revised Statutes.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- 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.

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:

- 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.

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:**

94-600 thru 652 (even numbers only)  
Address: Lumiaina Street Tax Map Key: 9-4-007:17 and por. 32 (1)  
Waikele, Oahu, Hawaii (TMK)

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_

Land Area: 17.681 [ ] square feet [ x ] acre(s) Zoning: R-5

**LESSOR**

(Fee Owner): Schuler Homes, Inc.  
Name  
828 Fort Street, 4th Floor  
Address  
Honolulu, Hawaii 96813

Sublessor: N/A  
Name  
Address

**C. Buildings and Other Improvements:**

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

2. Number of Buildings: 27 Floors Per Building 2

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete     Hollow Tile     Wood

Other Metal frame

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>204</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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: No livestock, poultry, rabbits or other animals shall be allowed or kept in any part of the Project except for dogs,

[ x ] Pets: cats or other household pets in reasonable number.

[ x ] Number of Occupants: Limited to no more than 2 persons per bedroom in each Apartment not including children under the age of 5 yrs., but in no event

[ x ] Other: No time-sharing plan permitted, including "vacation" license, "travel club membership" or "time interval ownership".

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: \_\_\_\_\_ Stairways: \_\_\_\_\_ Trash Chutes: \_\_\_\_\_

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	See Exhibit A	attached for	further details	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 204

\*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:

Spaces within the perimeter walls, floors and ceilings of each of the 204 apartment units of the Project. Each apartment includes all the walls and partitions which are not loadbearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the fixtures originally installed in the apartments. These spaces, together with lanais are referred to as "apartments" and are designated on the Condominium Map.

Permitted Alterations to Apartments:

Any alterations to the interior of an apartment may be made except the type of alterations which would jeopardize the soundness of the common elements, reduce the apartment's value or impair any easement. Any alteration which would affect the exterior appearance of the Project must be approved by the Board of Directors.

\*shall the number of occupants per bedroom exceed 3 persons including children under 5 yrs.

7. Parking Stalls:

Total Parking Stalls: 465

	<u>Regular</u>		<u>Compact</u>		<u>Handicap</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>          </u>	<u>292</u>	<u>          </u>	<u>111</u>	<u>          </u>	<u>5</u>	<u>408</u>
Guest ..	<u>          </u>	<u>4</u>	<u>          </u>	<u>43</u>	<u>          </u>	<u>0</u>	<u>47</u>
Unassigned	<u>          </u>						
Extra for Purchase	<u>          </u>	<u>2</u>	<u>          </u>	<u>8</u>	<u>          </u>	<u>0</u>	<u>10</u>
Other:	<u>          </u>						
Total Covered & Open	<u>298</u>	<u>          </u>	<u>162</u>	<u>          </u>	<u>5</u>	<u>          </u>	<u>          </u>

Each apartment will have the exclusive use of at least 2 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 B 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: \_\_\_\_\_

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

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):

11. Conformance to Present Zoning Code

- a.  No variances to zoning code have been granted.
- Variance(s) to zoning code was/were granted as follows:

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

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

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

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

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

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

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:

described in Exhibit   C  .

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 use them, as described in the Declaration, are:

described in Exhibit D.

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:

described in Exhibit B.

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 E describes the encumbrances against the title contained in the title report dated 11/15/93 and issued by Security Title Corporation.

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.

- [ ] There are no blanket liens affecting title to the individual apartments.
- [ x] <sup>will be</sup> 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
The Developer has arranged construction financing through First Hawaiian Bank	Buyer's Interest will be terminated and Buyer is entitled to return of deposits without interest

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:

Developer warrants and will repair and remedy any structural, mechanical and/or electrical defect(s) in the apartment for a period of 365 days after the closing date of purchase, including materials and labor. The apartment purchaser must notify the Developer in writing of any defect(s) in a timely manner as soon as practicable after discovery. The Developer will not be responsible for any damage, defects, failures, or personal injuries resulting from the abuse, misuse, alteration, tampering, neglect or removal of any appliance, structure or other component of the apartment.

2. Appliances:

The Developer warrants that the appliances contained in each apartment as part of the purchase are in good working condition and shall assign any manufacturer's warranties to the Buyer.

G. Status of Construction and Estimated Completion Date:

The estimated date of completion of the project is October 30, 1994

H. Project Phases:

The developer  has  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:

- 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 F 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:

- None
- Electricity
- Gas
- Water
- Sewer
- Television Cable
- 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:

- Notice to Owner Occupants
- Specimen Sales Contract  
Exhibit G contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated June 24, 1993  
Exhibit H contains a summary of the pertinent provisions of the escrow agreement.
- Other Master Declaration of Covenants, Conditions and Restrictions and any amendments

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.
- D) House Rules.
- 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 \_\_\_\_\_

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. 3010 filed with the Real Estate Commission on 12/02/93.

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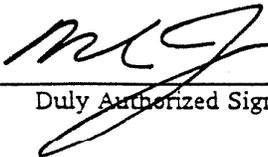
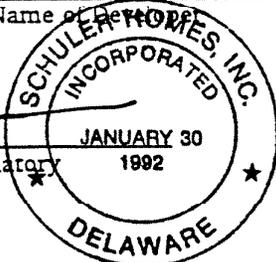
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C. Additional Information Not Covered Above

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.

Schuler Homes, Inc.

Name of Developer

By:   12/02/93  
Duly Authorized Signatory Date

Michael T. Jones, Executive Vice President, Schuler Homes, Inc.  
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**

### **APARTMENT DESCRIPTION/TYPE**

The Condominium Property Regime ("Project") has two hundred four (204) "Apartments", as that term (in the singular) is defined in Section 514A-3 of the Hawaii Revised Statutes. All of the Apartments are located in twenty-seven (27) two-story, metal-framed, multi-unit buildings. For convenience of reference these Apartments are referred to as "Apartment Units". The multi-unit buildings are all constructed principally of concrete, wood, glass and allied building materials. None of the multi-unit buildings has a basement.

There are four hundred eight (408) parking stalls assigned to Apartment Units (including five (5) handicap stalls) as hereafter set forth. Forty-seven (47) parking stalls are set aside and reserved for "Guest" or "Visitor" parking, eight (8) parking stalls are set aside for car wash and three (3) loading zones.

**APARTMENT UNIT TYPES.** There are six (6) basic types of apartment units: Types A, B, C, D, E and F.

1. **Type A:** One-story unit containing 2 bedrooms, 2 bathrooms, a combined living room/dining room, kitchen, hallway and lanai. Each Type A unit contains a net living area of 830 square feet, more or less, plus a lanai area of approximately 92 square feet. The configurations of Type A units located side by side in the same building are the reverse or mirror image of each other. There are fifty-six (56) apartment units of this type.
2. **Type B:** One-story unit containing 2 bedrooms, 2 bathrooms, a combined living room/dining room, kitchen, hallway and lanai. Each Type B unit contains a net living area of 796 square feet, more or less, plus a lanai area of approximately 71 square feet. The configurations of Type B units located side by side in the same building are the reverse or mirror image of each other. There are forty-eight (48) apartment units of this type.
3. **Type C:** One-story unit containing 2 bedrooms, 2 bathrooms, a combined living room/dining room, kitchen, hallway and lanai. Each Type C unit contains a net living area of 835 square feet, more or less, plus a lanai area of approximately 70 square feet. The

configurations of Type C units located either side by side or at one end of the same building are the reverse mirror image of each other. There are twenty-four (24) units of this type.

4. **Type D:** One-story unit containing 2 bedrooms, 2 bathrooms, a combined living room/dining room, kitchen, hallway and lanai. Each Type B unit contains a net living area of 863 square feet, more or less, plus a lanai area of approximately 95 square feet. The configurations of Type D units located side by side in the same building are the reverse or mirror image of each other. There are twenty-four (24) apartment units of this type.
5. **Type E:** One-story unit containing 2 bedrooms, 2 bathrooms, a combined living room/dining room, kitchen, hallway and lanai. Each Type E unit contains a net living area of 918 square feet, more or less, plus a lanai area of approximately 90 square feet. The configurations of Type E units located either side by side or at one end of the same building are the reserve mirror image of each other. There are thirty-two (32) units of this type.
6. **Type F:** One-story unit containing 2 bedrooms, 2 bathrooms, a combined living room/dining room, kitchen, hallway and lanai. Each Type F unit contains a net living area of 898 square feet, more or less, plus a lanai area of approximately 95 square feet. The configurations of Type F units located side by side in the same building are the reverse or mirror image of each other. There are twenty (20) apartment units of this type.

**EXHIBIT B**

**COMMON INTERESTS**

<u>Type and No. of Apartments</u>	<u>Apartment Numbers</u>	<u>% of Undivided Interest for Each Apartment</u>	<u>Total Percentage Interest For Each Apt. Type</u>
Type A (56)	CC-101, CC-102, CC-103, CC-104 CC-201, CC-202, CC-203, CC-204 J-101, J-102, J-103, J-104 J-201, J-202, J-203, J-204 M-101, M-102, M-103, M-104 M-201, M-202, M-203, M-204 P-101, P-102, P-103, P-104 P-201, P-202, P-203, P-204 Q-101, Q-102, Q-103, Q-104 Q-201, Q-202, Q-203, Q-204 R-101, R-102, R-103, R-104 R-201, R-202, R-203, R-204 T-101, T-102, T-103, T-104 T-201, T-202, T-203, T-204	.48040	26.90240
Type B (48)	AA-101, AA-102, AA-103, AA-104 AA-201, AA-202, AA-203, AA-204 K-101, K-102, K-103, K-104 K-201, K-202, K-203, K-204 N-101, N-102, N-103, N-104 N-201, N-202, N-203, N-204 S-101, S-102, S-103, S-104 S-201, S-202, S-203, S-204 U-101, U-102, U-103, U-104 U-201, U-202, U-203, U-204 Y-101, Y-102, Y-103, Y-104 Y-201, Y-202, Y-203, Y-204	.46071	22.11408
Type C (24)	BB-102, BB-103, BB-202, BB-203 G-102, G-103, G-202, G-203 V-102, V-103, V-202, V-203 W-103, W-103, W-202, W-203 X-102, X-103, X-202, X-203 Z-102, Z-103, Z-202, Z-203	.48328	11.59872

<u>Type and No. of Apartments</u>	<u>Apartment Numbers</u>	<u>% of Undivided Interest for Each Apartment</u>	<u>Total Percentage Interest For Each Apt. Type</u>
Type D (24)	BB-101, BB-104, BB-201, BB-204 G-101, B-104, G-201, G-204 V-101, V-104, V-201, V-204 W-101, W-104, W-201, W-204 X-101, X-104, X-201, X-204 Z-101, Z-104, Z-201, Z-204	.49949	11.98776
Type E (32)	A-102, A-103, A-202, A-203 B-102, B-103, B-202, B-203 C-102, C-103, C-202, C-203 D-102, D-103, D-202, D-203 E-102, E-103, E-202, E-203 F-102, F-103, F-202, F-203 H-102, H-103, H-202, H-203 L-102, L-103, L-202, L-203	.53132	17.00224
Type F (20)	A-101, A-104 B-101, B-104 C-101, C-104 D-101, D-104 E-101, E-104 F-101, F-104 H-101, H-104, H-201, H-204 L-104, L-104, L-201, L-204	.51974	10.39480
		<b>TOTAL:</b>	<b>100%</b>

**EXHIBIT B**  
**PARKING ASSIGNMENTS**

UNIT	MODEL	STALL 1	STALL 2
A101	F	393	392
A102	E	391	389
A103	E	386	385
A104	F	382	381
A202	E	387	388
A203	E	383	384
AA101	B	338	344
AA102	B	342	334
AA103	B	345C	330
AA104	B	326	343C
AA201	B	341C	340
AA202	B	336	339C
AA203	B	337C	332
AA204	B	328	335C
B101	F	395	396
B102	E	398	397
B103	E	400HC	404C
B104	F	408C	407C
B202	E	399	403C
B203	E	406C	405C
BB101	D	350	349
BB102	C	353HC	347
BB103	C	358	355
BB104	D	360	357
BB201	D	351	348
BB202	C	352	346
BB203	C	359	354
BB204	D	361	356
C101	F	410	412
C102	E	413	414
C103	E	417	421C
C104	F	418	423C
C202	E	411	415
C203	E	416	422C
CC101	A	362C	363
CC102	A	371	367
CC103	A	377	372C
CC104	A	379	374C
CC201	A	365	364C
CC202	A	369	366C
CC203	A	373	368C
CC204	A	375	370C
D101	F	424	425
D102	E	427	428
D103	E	430	429
D104	F	437	436
D202	E	433	426
D203	E	432	431
E101	F	439C	438C
E102	E	440C	465
E103	E	445C	444C
E104	F	451	450

UNIT	MODEL	STALL 1	STALL 2
E202	E	443C	452
E203	E	449	446
F101	F	455	454
F102	E	458	457
F103	E	461	464
F104	F	462	463
F202	E	459	456
F203	E	460	453
G101	D	217	224C
G102	C	221	230C
G103	C	225	234C
G104	D	229	233
G201	D	219	226C
G202	C	223	228C
G203	C	227	232C
G204	D	231	236C
H101	F	247	250
H102	E	245	248
H103	E	239	243
H104	F	237	241
H201	F	246	249
H202	E	244	263C
H203	E	238	242
H204	F	235	240
J101	A	254	270
J102	A	266	253C
J103	A	252	262
J104	A	251	258
J201	A	268	255C
J202	A	264	261C
J203	A	259C	260
J204	A	256	257C
K101	B	174	164
K102	B	178	166
K103	B	182	168
K104	B	184	175C
K201	B	172	162
K202	B	176	171C
K203	B	180	173C
K204	B	183	170
L101	F	192	193
L102	E	194	190
L103	E	195	188
L104	F	196	186
L201	F	191	198C
L202	E	189	181C
L203	E	187	177C
L204	F	185	179C
M101	A	215	210C
M102	A	211	204C
M103	A	205	197
M104	A	201	199

UNIT	MODEL	STALL 1	STALL 2
M201	A	213	208C
M202	A	209	202C
M203	A	207	206C
M204	A	203	200C
N101	B	108	126
N102	B	112	124
N103	B	116	123C
N104	B	122	121C
N201	B	110	156C
N202	B	114	117C
N203	B	118	119C
N204	B	120	115C
P101	A	137	140
P102	A	138HC	139
P103	A	129	130
P104	A	128	131
P201	A	134	135
P202	A	136	141
P203	A	132	127C
P204	A	133	125C
Q101	A	159	148C
Q102	A	157	150C
Q103	A	143	151
Q104	A	142	145
Q201	A	155	146C
Q202	A	153	152C
Q203	A	149	144C
Q204	A	147	154C
R101	A	56	64
R102	A	54	62
R103	A	58	72
R104	A	68	75
R201	A	66	63C
R202	A	60	61C
R203	A	70	65C
R204	A	74	67C
S101	B	84	82
S102	B	90C	80
S103	B	92C	79
S104	B	94C	76
S201	B	83	102C
S202	B	73C	81
S203	B	71C	78
S204	B	69C	77
T101	A	105	97
T102	A	103	93
T103	A	95	85
T104	A	91	86
T201	A	98C	101
T202	A	100C	99
T203	A	96C	87
T204	A	89	88

UNIT	MODEL	STALL 1	STALL 2
U101	B	38	35
U102	B	42	34
U103	B	46	33
U104	B	48	32
U201	B	43C	36
U202	B	45C	40
U203	B	49C	44
U204	B	47C	50
V101	D	31	37C
V102	C	28	39C
V103	C	27HC	41C
V104	D	25	23
V201	D	30	51C
V202	C	29	20C
V203	C	26	18C
V204	D	24	16C
W101	D	22	15
W102	C	19	13
W103	C	11	7
W104	D	9	1
W201	D	14C	21
W202	C	12C	17
W203	C	10C	5
W204	D	8C	3
X101	D	283	291
X102	C	281	288C
X103	C	275	285
X104	D	279	272
X201	D	289	286C
X202	C	287	284C
X203	C	277	282C
X204	D	273	280C
Y101	B	295	294
Y102	B	296	293
Y103	B	301	292C
Y104	B	299HC	300
Y201	B	297	290C
Y202	B	298	309C
Y203	B	302	307
Y204	B	303	306
Z101	D	304	310
Z102	C	308	312
Z103	C	318	321C
Z104	D	322	319C
Z201	D	311C	305
Z202	C	314	313C
Z203	C	316	315C
Z204	D	320	317C

UNIT            MODEL   STALL 1 STALL 2

FOR SALE:

2C  
 265C  
 169C  
 333C  
 409C  
 274C  
 4C  
 447  
 442  
 104C

GUEST STALLS:

434	267C	216C	6C	220C
435	269C	167C	394C	222C
441C	271C	165C	390	163C
218C	52C	376C	324C	53C
212C	378C	420C	57C	323C
448	109C	419C	106C	276C
214C	327C	402C	331C	278C
158C	329C	325C	380C	107C
160C	113C	55C	59C	111C
161C	401C			

## **EXHIBIT C**

### **COMMON ELEMENTS**

The common elements shall consist of all portions of the land and improvements, other than the apartments, including all elements of the Condominium generally described as common elements in the Condominium Property Act which are actually construed on the land. Without limitation to the generality of the foregoing, the common elements shall include:

(a) The land in fee simple, subject to easements and restrictions described in Exhibit A attached to the Declaration of Condominium Property Regime of Parkglen at Waikele.

(b) All foundations, floor slabs, columns, girders, beams, supports, load-bearing walls, main walls, interior walls separating adjacent apartments in the same building (except the inner decorated surfaces of such walls), and roofs of the building, all exterior stairs, stairways, landings, and railings (except lanai railings); and other building appurtenances, including but not limited to, the electrical cabinets and compartments for water heaters located on the exteriors of the buildings.

(c) All yards, grounds, landscaping, fences, and refuse collection areas, including twenty (20) trash enclosures located at various places throughout the Project as shown on the Condominium Map.

(d) All sidewalks, pathways, parking areas, parking stalls (including forty-seven (47) "guest" or "visitor" parking stalls, indicated as such on the Condominium Map by the letter "G" and identified in Exhibit B attached hereto, and three (3) parking stalls set aside for car wash use and indicated as such by the letters "CW", three (3) loading spaces and the driveways and roads within the Condominium.

(e) All ducts, electrical equipment, transformers, wiring and other central and appurtenant installations for power, light, water, sewer, cable television and telephone; all pipes, plumbing, wires, conduits or other utility or service lines which are utilized by or serve more than one apartment, including any such lines which run through any apartment; and central air conditioning and like utilities, if installed.

(f) All the benefits, if any, inuring to the Land or to the Condominium from all easements shown on the Condominium Map or listed in said Exhibit A.

(g) All other portions of the land and improvements that are not specifically designated for use by one or more specific apartments, but which are intended to common use, and all other devices and installations the use of which exists for, is rationally allocated to or is necessary to the existence, maintenance and upkeep and safety of more than one apartment or the Condominium Project as a whole.

## **EXHIBIT D**

### **LIMITED COMMON ELEMENTS**

The limited common elements are set aside and reserved for the exclusive use of certain Apartments are as follows:

(a) Each Apartment Unit has appurtenant to it at least two (2) parking stalls. The Condominium Map identifies each stall by a parking stall number. The Condominium Map also indicates compact size stalls with the letter "C" to distinguish them from regular size stalls. In the following list of parking stall assignments, the letter "C" is also used to indicate compact size stalls. The use of this letter is for information purposes only and not for identification purposes. Thus, the proper identification of each stall is by number only, and the letter "C" appearing in the following list does not constitute a part of the parking stall identification number. The particular parking stalls that initially will be appurtenant to the particular Apartment Unit are listed in Exhibit B hereof and as shown on the Condominium Map.

(b) Each private patio or yard area is a limited common element appurtenant to the first floor Apartment Unit which such area adjoins as shown on the site plan included as part of the Condominium Map. Each such area is deemed to be measured from the interior surface of the fence (i.e., the surface facing the apartment) around the area.

(c) The concrete pad outside the door of each ground floor Apartment Unit is a limited common element appurtenant to that Apartment Unit. Each stairway and second story landing providing access to a second story Apartment Unit is a limited common element appurtenant to that Apartment Unit; provided, that those stairways which lead to two second story Apartment Units shall be limited common elements appurtenant to both of the apartments so served, but the second story landing directly adjacent to the entrance of each such second story apartment is a limited common element appurtenant only to that Apartment Unit.

(d) Each mailbox bearing the same designation as an Apartment Unit is a limited common element appurtenant to that Apartment Unit.

## **EXHIBIT E**

### **ENCUMBRANCES AGAINST TITLE**

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

2. Grant to Hawaiian Electric Company, Inc., dated December 19, 1956, recorded in Liber 3234 at Page 260; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines, etc., for the transmission of electricity, etc., over, across, through and under a portion of said parcel, besides other lands, said easement being twenty-five (25) feet wide extending twelve and one-half (12½) feet on either side of the center line.

3. Grant to the United States of America, dated July 10, 1974, recorded in Liber 10141 at Page 511; granting a perpetual easement for the construction, installation, maintenance, operation, repair and replacement of a sewer line.

4. Grant to the City and County of Honolulu, dated October 28, 1982, recorded in Liber 16754 at Page 410; granting an easement to construct, reconstruct, install, maintain, operate, repair and remove an underground sewer pipe line or pipe lines, with manholes and other appurtenant equipment, as part of a sewer system.

5. Reservations and exceptions contained in Deed dated December 21, 1983, filed as Land Court Document No. 1209274, recorded in Liber 17537 at Page 36, which reservation and exception was modified by Partial Release of Encumbrance dated November 24, 1992, recorded as Document No. \_\_\_\_\_, said reservation and exception now being to-wit:

"Reserving and excepting to the Grantor, its successors and assigns forever, as appurtenant to the lands of the Grantor located in the district of the Premises now owned and used or hereafter acquired and used by the Grantor, its successors and assigns, in its sugar plantation operations, the perpetual right and easement over and upon the Premises to discharge, emit, or transmit surface water runoff, noise, smoke, soot, dust, lights, vapors, odors and other substances and phenomena of every description created by and resulting from the reasonable operations of the Grantor, its successors and assigns, in burning sugar cane and

bagasse, milling, generating power, trucking, hauling and all other activities incidental to the operation of a sugar cane plantation or alternative energy projects; and Grantee, its successors and assigns, does hereby waive any and all claims under any law whatsoever against Grantor arising therefrom".

6. Certificate dated March 31, 1986, recorded in Liber 19393 at Page 686, by Amfac Property Development Corp., a Hawaii corporation, re: reclassification of land from Agricultural district to Urban district, subject to the conditions set forth therein.

7. Certificate dated April 16, 1986, filed as Land Court Document No. 1366767, recorded in Liber 19447 at Page 217, by Amfac Property Investment Corp., a Hawaii corporation, re: reclassification of land from Agricultural district to Urban district, subject to the conditions set forth therein.

8. Unilateral Agreement and Declaration for Conditional Zoning dated November 14, 1986, filed as Land Court Document No. 1416018, recorded in Liber 20054 at page 522.

9. Designation of Easement "3" (20-ft. wide, area 6,295 sq. ft.) for sewer line purposes, as shown on File Plan No. 2086.

10. Designation of Easement "7" (10-ft. wide, area 24,695 sq. ft.) for landscaping purposes, as shown on File Plan No. 2086.

11. Designation of Easement "16" (10-ft. wide, area 230 sq. ft.) for drain line purposes, as shown on File Plan No. 2086.

12. Designation of Easement "17" (10-ft. wide, area 80 sq. ft.) for drain line purposes, as shown on File Plan No. 2086.

13. Designation of Easement "18" (10-ft. wide, area 357 sq. ft.) for drain line purposes, as shown on File Plan No. 2086.

14. Ninth Supplemental Declaration of Covenants, Conditions and Restrictions for the Waikele Community, dated December 1, 1992, by Amfac Property Development Corp., as Declarant, recorded in said Bureau as Document No. 92-197848, annexing property to that certain Master Declaration of Covenants, Conditions and Restrictions for the Waikele Community, dated December 28, 1990, filed as Land Court Document No. 1791991. Subordination Agreement dated December 3, 1993, filed in said Bureau as Document No. 92-197853, re: foregoing Master Declaration and Ninth Supplemental of Covenants, Conditions, and Restrictions for the Waikele Community is hereby subordinated to that certain Real Property Mortgage described in Item #17 herein.

15. Memorandum of Declaration of Development Covenants, Conditions, and Restrictions dated December 1, 1992, by and between Amfac Property Development Corp., as Amfac, and Schuler Homes, Inc., as Builder, a memorandum of which is recorded in said Bureau as Document No. 92-197849. Subordination Agreement dated December 3, 1992, recorded in said Bureau as Document No. 92-197853, re: foregoing Memorandum of Declaration of Development Covenants, Conditions, and Restrictions is hereby subordinated to that certain Real Property Mortgage described in Item #17 herein.

16. The terms and provisions of that certain unrecorded Option Agreement and Escrow Instructions of even date herewith ("Option Agreement") executed by Schuler Homes, Inc., a Delaware corporation, as "Builder", and Amfac Property Development Corp., a Hawaii corporation, as "Amfac", of which a Memorandum of Option Agreement and Escrow Instructions (Parcel 17) dated December 1, 1992, recorded in said Bureau as Document No. 92-197851, to which reference is hereby made. Subordination Agreement dated December 3, 1992, recorded in said Bureau as Document No. 92-197853, re: foregoing Option Agreement and Escrow Instructions (Parcel 17) is hereby subordinated to that certain Real Property Mortgage described in Item #17 herein.

17. Mortgage in favor of First Hawaiian Bank by instrument dated December 4, 1992, recorded in said Bureau as Document No. 92-197852.

18. For real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.

EXHIBIT F  
 ESTIMATE OF INTIAL MAINTENANCE FEES  
 AND  
 ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fees x 12 months</u>	=	<u>Yearly Total</u>
Type 1      48040	\$ 152.56		\$ 1,830.72
Type 2      46071	\$ 146.30		\$ 1,755.60
Type 3      48328	\$ 153.47		\$ 1,841.64
Type 4      49949	\$ 15		\$ 1,903.44
Type 5      53132	\$ 16		\$ 2,024.76
Type 6      51974	\$ 165.05		\$ 1,980.60

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

PARKGLEN AT WAIKELE  
(204 Units)

Estimated Annual Common Expense

	<u>Monthly</u>	<u>Annual</u>
<u>Utilities and Services:</u>		
Electricity (common elements only)	\$ 900.	\$ 10,800.
Refuse Collection	2,500.	30,000.
Water and Sewer	6,691.	80,292.
 <u>Maintenance, Repairs and Supplies:</u>		
Building	150.	1,800.
Grounds	4,050.	48,600.
Equipment	25.	300.
 <u>Management:</u>		
Management Fee	2,490.	29,880.
Payroll & Payroll Taxes	N/A	N/A
Office Expenses	277.	3,324.
 <u>Insurance</u>	11,667.	140,000.
 <u>Reserves</u>	2,671.	32,052.
 <u>Taxes &amp; Government Assessments</u>	20.	240.
 <u>Audit &amp; Tax Preparation</u>	190.	2,280.
 <u>Other</u>	<u>125.</u>	<u>1,500.</u>
 TOTAL DISBURSEMENTS	\$ 31,756.	\$381,068.
	=====	=====

We, Chaney, Brooks & Company, as managing agent for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and the monthly cash operating costs were prepared in accordance with generally accepted accounting principals. The information contained herein is based on the data available to us at this time.



Linda T. Alexander  
Vice President

7/23/92  
Date

## **EXHIBIT G**

### **SUMMARY OF SALES CONTRACT**

1. Seller has entered into an Escrow Agreement dated June 24, 1993, with Security Title Corporation.
2. Seller may terminate Sales Contract and refund to Buyer all money Buyer has paid without interest, if Seller determines that Buyer's ability to make payments or if the financial ability of Buyer has decreased at the time the credit report is updated.
3. Risk of loss to the apartment and percentage interest in the common elements will be born by Seller until the date of final closing at which time risk of loss will be borne by Buyer.
4. The contract will not be assignable without the prior written consent of Seller and any attempt to assign without this consent will be null and void.
5. Seller reserves the right to modify the Declaration, By-Laws, House Rules, Escrow Agreement and Apartment Deed, provided that these modifications do not increase the Buyer's share of common expenses, reduce the obligations of Seller for common expenses on unsold apartments, reduce the size of the apartments, increase the cost of the apartments, or impair or modify any obligations given or undertaken by Seller. Seller also reserves the right to make minor changes that may improve the apartment.
6. Seller anticipates BUT DOES NOT WARRANT that the construction contract with the general contractor shall contain a warranty clause.

SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OR MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

7. Seller may appoint the initial management agent for the Project.
8. Seller reserves the right to exercise all of the power of the Association until the election of the Board of Directors and officers of the Association of Apartment Owners and may vote and exercise all the powers of the Board and officers of the

Association including voting of owners of apartments remaining unsold.

9. Buyer may have the right to rescind the Sales Contract and obtain a refund of all money paid by Buyer without interest if there is any material change in the Condominium (other than any additions, deletions, modifications and reservations including, without limitation, the merger of increments accomplished pursuant to the terms of the Condominium Declaration) which directly, substantially, and adversely affects the use or value of the apartment or the limited common elements appurtenant thereto.
10. If the Buyer defaults when a payment is required, the Seller will notify the Buyer by registered mail of such default. If the default is not cured within seven (7) days after mailing the notice, the Sales Contract may be terminated by Seller with written notice to Buyer. If this occurs, the money paid by the Buyer will belong to the Seller as liquidated damages.
11. Seller agrees that it will erect the building containing the apartment within the period of two (2) years from the date of the issuance of the Final Public Report.
12. The Project will be subject to ongoing construction and sales activities which may result in certain annoyances to Buyer.
13. Seller has no program to offer a rental service of any kind to the owners of apartments in the Project.

## **EXHIBIT H**

### **SUMMARY OF ESCROW AGREEMENT**

The Escrow Agreement sets up an arrangement under which the deposits which a Buyer makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement the following will or may happen:

(a) Seller will require all payments due to be made to Escrow.

(b) All money received by Escrow will be deposited in an interest-bearing account in a federally-insured bank or savings and loan institution. All interest earned in the account will be credited to the account of the Seller.

(c) If the Buyer under a reservation as an owner-occupant is not offered an apartment or if the Buyer refuses to enter into a Sales Contract, Escrow will promptly refund the deposit made by Buyer without interest. If Buyer enters into Sales Contract but rescinds the Sales Contract because of hardship or because the Buyer no longer intends to be an owner-occupant, Seller will cancel Sales Contract and Escrow will promptly return all money to Buyer without interest and less the cancellation fee.

(d) Escrow will disburse Buyer's funds until Seller has notified Escrow that Buyer's Sales Contract has become effective and a Final Public Report has been issued by the Real Estate Commission and Escrow has received a copy of Buyer's receipt for the Final Public Report.

(e) Escrow will from time to time make disbursements from the Escrow fund to pay for construction costs, to other persons for architectural, engineering, financing, advertising, legal fees and other expenses, but not for selling expenses or brokerage fees relating to the sales of any apartment.

(f) If Buyer is in default under the Sales Contract, Escrow will promptly give to Buyer notice of the default.

(g) Escrow is relieved from all liability for acting in accordance with the terms of the Escrow Agreement.

(h) Escrow will be paid THREE HUNDRED TEN AND NO/100 DOLLARS (\$310.00) plus Hawaii general excise tax for each unit sold under a binding Sales Contract and of which a deed has been fully recorded in the Bureau of Conveyances of the State of Hawaii; provided, however, that if Escrow shall for any reason without fault on its part to be required to change, subsequent to the commencement of pre-closings for the Project, any closing statement or document previously approved as to form and figures by the Seller, Seller agrees to pay an additional charge for each such statement or document which is changed; provided that such additional charge shall not exceed \$10.00 per statement or document change. Escrow will also arrange for the issuance of a title insurance policy (standard owner's ALTA lender's policy) for the sum of ONE HUNDRED SEVENTY-FIVE AND 00/100 DOLLARS (\$175.00) for each unit in the Project and lender's title insurance policy upon recordation of documents for each closing for the sum of FIFTY AND NO/100 DOLLARS (\$50.00).

(i) In the event of the cancellation of any Sales Contract that has been submitted to Escrow, a cancellation fee of FIFTY AND 00/100 DOLLARS (\$50.00), plus all costs incurred by Escrow, shall be charged to Developer, unless otherwise agreed to by Developer and the Buyer.