CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Schuler Homes, Inc.
Address 828 Fort Street Mall, 4th Floor, Honolulu, Hawaii 96813

Project Name(*): Country Club Village (Building 3)
Address: 1090 Ala Napunani Street, Honolulu, Hawaii 96818

Registration No. 3047

Effective date: March 15, 1994
Expiration date: April 15, 1995

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes. 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 of 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 the 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:

X **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.

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

[ ] No prior reports have been issued.
[ ] 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.

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

[ ] Changes made are as follows:

SPECIAL NOTES:

The Developer intends to record a "Declaration of Covenants, Conditions and Restrictions for the Country Club Village Community Area" (the "Declaration Regarding Community Area") which will provide for certain common rights and obligations between the association of apartment owners of this project and the association(s) of apartment owners of other condominium project(s) in the vicinity of this project (collectively referred to as the "Community Facilities Association"). Basically, the Declaration Regarding Community Area will cover the following:

1. That the Developer will, no later than December 31, 2000, convey to the Community Facilities Association ownership of approximately 68,380 square feet of land (the "community area") located in the vicinity of this project. Upon the conveyance, the association of apartment owners of this project will be responsible for a proportionate share of the expenses of ownership, use, maintenance, repair and improvement of the community area, which will be a common expense of the project, and the maintenance fees to be paid by apartment owners will include payment for such expenses. The Developer makes no representations as to any improvements which may be constructed or placed upon the community area at the time of conveyance to the Community Facilities Association, and presently expects that the community area will only be improved with a minimum of landscaping and ground cover. However, the Developer has reserved the right (but without any obligation) in its discretion to improve the community area, which improvements may include recreational facilities and/or resident manager's dwelling. The Community Facilities Association also will have the right, subject to certain restrictions and approval requirements, to improve the community area. Although it is very difficult to estimate because the conveyance and any improvement of the community area may not occur for several years, and it is presently unknown what, if any, improvements may be made to the community area, the Developer presently estimates that upon the conveyance of the community area to the Community Facilities Association, each apartment owner's maintenance fees may increase by approximately $5.00 to $10.00 per month. This amount may vary substantially depending on numerous factors, including the extent of any improvements made to the community area by either the Developer or the Community Facilities Association.

2. That, pursuant to the requirements of a Declaration of Covenants Conditions and Restrictions (dated January 9, 1988) affecting the project land, the Community Facilities Association will be responsible, at its cost and expense, for the maintenance of a "passive park area" located in the vicinity of this project. The association of apartment owners of this project will be responsible for a proportionate share of the costs of such maintenance, which will be a common expense of the project. The schedules of estimated initial maintenance fees and maintenance fee disbursements, attached as Exhibits H, H-1 and H-2 to this public report, include the expected proportionate share of the costs of such maintenance.

Copies of the proposed Declaration Regarding Community Area and the Declaration of Covenants, Conditions and Restrictions referenced above are on file with the Real Estate Commission. Prospective purchasers should carefully review these documents before purchasing an apartment in the project.

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EXHIBIT A: Description of Building(s)
EXHIBIT B: Parking Stalls
EXHIBIT C: Common Elements
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EXHIBIT E: Common Interests (assuming no merger)
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EXHIBIT I: Summary of Sales Contract
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EXHIBIT K: Owner-Occupant Affidavit

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 owner/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 the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the 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 a 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 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: (808) 521-5661 (Business)
Name
828 Fort Street Mall, 4th Floor
Business Address
Honolulu, HI 96813

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

James K. Schuler, President, Secretary, Treasurer

Michael T. Jones, Executive Vice President

Pamela S. Jones, Vice President of Finance

Harvey L. Goth, Senior Vice President

Thomas A. Bevilacqua, Assistant Secretary

Real Estate Broker: Schuler Realty/Oahu, Inc. — Phone: (808) 526-3588 (Business)
Name
Suite 1060, Pacific Tower, 1001 Bishop Street
Business Address
Honolulu, HI 96813

Escrow: Title Guaranty Escrow Services, Inc. — Phone: (808) 521-0211 (Business)
Name
235 Queen Street
Business Address
Honolulu, HI 96813

General Contractor: Dillingham Construction Pacific, Ltd., dba, Hawaii Dredging and Construction Company — Phone: (808) 735-3211 (Business)
Name
614 Kapahulu Avenue
Business Address
Honolulu, Hawaii 96815

Condominium Managing Agent: Chaney Brooks & Company — Phone: (808) 544-1600 (Business)
Name
606 Coral Street; P.O. Box 212
Business Address
Honolulu, HI 96813

Attorney for Developer: Case & Lynch (Scott D. Radovich/ Dennis M. Lombardi) — Phone: (808) 547-5400 (Business)
Name
Grosvenor Center, Mauka Tower
737 Bishop Street, Suite 2600
Business Address
Honolulu, HI 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:

[X] Proposed

[ ] Recorded - Bureau of Conveyances Document No. _____
Book _____ Page _____

[ ] Filed - Land Court Document Number _____

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:

[X] Proposed

[ ] Recorded - Bureau of Conveyances Condo Map No. _____

[ ] 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:

[X] Proposed

[ ] Recorded - Bureau of Conveyances Document No. _____
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:

[X] 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.

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%	65%
House Rules	---	Majority Vote of Board of Directors

* 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:

A. Upon completion of the Project, the Developer may amend the Declaration and the Condominium Map (if necessary) to file the "as built" verified statement required by Section 514A-12 of the Condominium Property Act.

B. Until all of the apartments have been sold, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map to make such amendments as may be required by law, by the Real Estate Commission, by the title insurance company, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA and/or FHLMC), provided that no such amendments change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment.

C. Until all of the apartments have been sold and the "as built" verified statement is filed, the Developer may amend the Declaration and the Condominium Map to (i) reflect alterations in any apartment which has not been sold; and (ii) reflect minor changes in any apartment or in the common elements which do not affect the physical location, design or size of any apartment which has been sold.

D. The Developer may amend the Declaration to effect an ownership merger of this Project with other condominium projects adjacent to or in the vicinity of this Project. Such merger rights are more particularly described on page 16 of this Public Report.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

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

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which includes 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 cancelled 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 provisions.

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: 1090 Ala Napunani Street
Honolulu, Hawaii 96818

Tax Map Key: (1)1-1-65:40
(TMK)

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

Land Area: 85,410 [X] square feet [ ] acre(s) Zoning: A-2/A-3

Lessor
(Fee Owner): Schuler Homes, Inc.
Name

828 Fort Street Mall, 4th Floor
Address

Honolulu, HI 96813

Sublessor: _____
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: 1 Floors Per Building 4 (plus a basement)

   [X] Exhibit A contains further explanations.

3. Principal Construction Material:

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

   [X] Other metal, glass and other building materials

4. Permitted Uses by Zoning:

	No. of Apts.	Use Determined By Zoning			No. of Apts.	Use Determined By Zoning	
[X] Residential	80	[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: Reasonable number of common household pets, such as small dogs, cats, aquarium fish and birds. No livestock or poultry, and no animals classified as "pests" or prohibited from importation under state statutes.

[X] Number of Occupants: No more than 2 persons per bedroom, not including children under 5 years old; no more than 3 persons per bedroom including children under 5 years old; and otherwise only in accordance with any limitations imposed by state or municipal law or ordinance.

[X] Other: Apartments shall be used for residential purposes only; no "time-sharing" permitted.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 2 Stairways: 12 (exterior) Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area(sf)*	Lanai/Patio(sf)
A, Ar	48	2/2	825	67[1]/327[2]/181[3]/322[4]
B, Br	16	2/2	815	67[1]/458[5]/461[6]/467[7]
C, Cr	8	3/2	1033	87[1]/822[8]/702[9]
D, Dr	8	3/2	1108	79[1]/821[10]/702[11]

Total Apartments 80

LANAI AREAS

[1]All 2nd, 3rd and 4th floor apartments
[2]Apartment Nos. 102, 103, 109, 112, 113, 119
[3]Apartment Nos. 105, 106, 115, 116
[4]Apartment No. 108, 118
[5]Apartment No. 101
[6]Apartment No. 110, 111
[7]Apartment No. 120
[8]Apartment No. 104
[9]Apartment No. 107
[10]Apartment No. 114
[11]Apartment No. 117

**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 all walls, columns and partitions which are not load-bearing within the apartment's perimeter walls, the inner decorated or finished surfaces of all walls, floors, ceilings, doors, door frames and window frames along the perimeters, all windows along the perimeters, the air space within the perimeter, the lanais, if any, shown on the Condominium Map to the inner decorated or finished surfaces of the perimeter walls of such lanais and to the interior edge of the exterior railings or other boundaries of such lanais, all fixtures originally installed in the apartment, and all pipes, plumbing (including water heaters), wires, conduits and other utility or service lines and facilities servicing only the apartment. The apartments shall not include the undecorated or unfinished surfaces of the perimeter party or non-party walls, the undecorated or unfinished surfaces of the doors, door frames and window frames along the perimeters, the interior load-bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floors and ceiling surrounding each apartment, the exterior edge of the exterior railings or other exterior boundaries of the lanais, if any, shown on the Condominium Map, or any pipes, shafts, wires, conduits or other utility or service lines running through an apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as provided in the Declaration.

Permitted Alterations to Apartments: Alterations or additions solely within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment shall require the written approval of the Board of Directors and all apartment owners directly affected, as determined by the Board of Directors. Any alteration or addition different in any material respect from the Condominium Map shall be commenced only pursuant to an amendment to the Declaration, as provided in Section L of the Declaration.

7. Parking Stalls:

Total Parking Stalls: 172

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	86*	10	32		32**		160
Guest	2*	10					12
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	108*		32		32**		

Each apartment will have the exclusive use of at least 1 parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

* Parking Stall Nos. 14, 15, 72, 73, 137 and 138 are oversized for the handicapped. (72 and 73 are tandem stalls)

** Each tandem parking stall is located in conjunction with one compact stall, as shown on the condominium map.

[ ] Commercial parking garage permitted in condominium project.

[X] 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

[X] Other: Trash rooms; center courtyard; lobby areas

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):

(Not applicable)

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 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.

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

[X] 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. 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 Exhibits E and E-1*.

[ ] as follows:

*Exhibit E-1 contains a schedule of the common interests for the apartments in this project in the event this project is merged (for ownership purposes) with "Country Club Village (Building 1)" and "Country Club Village (Building 2)", pursuant to the Declaration of Merger referenced on page 16 of this Public Report. It is intended that this Project will be merged with the Building 1 and Building 2 projects; however, the Developer does not represent or warrant that this Project will be merged with Building 1, Building 2, or any other condominium project, or that any such merger will take the form of an "ownership merger" as provided in the Declaration of Merger.

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 F describes the encumbrances against the title contained in the title report dated January 20, 1994 and issued by Title Guaranty of Hawaii Incorporated.

The title report covers Lot 3866 (area 75,872 square feet). A consolidation of Lot 3866 with adjacent properties and a resubdivision to create the Project's land (Lot 3875 - area 85,410 square feet) has been approved by the City and County of Honolulu, and is presently pending before the Land Court of the State of Hawaii. A Land Court Order of Subdivision for such consolidation and resubdivision will be entered and recorded before recordation of the condominium declaration. A copy of the Land Court Petition for Consolidation and Resubdivision is on file with the Real Estate Commission.

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. [See below]

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

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults 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
Mortgage in favor of First Hawaiian Bank	The Buyer's contract will be subject to cancellation and the Buyer may not be able to purchase the apartment, but all deposits made by the Buyer will be refunded.

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:

The Developer's sole warranty will be provided in the forms attached to this Public Report as Exhibit G.

2. Appliances:

The Developer makes no warranty as to appliances or other consumer products installed in any apartment or in the common elements. If there are any applicable manufacturer's or dealer's warranties relating to such appliances or other consumer products, the Developer will endeavor to assign and pass on to each apartment owner the benefit of such warranties.

G. Status of Construction and Estimated Completion Date:

The Developer estimates that construction of the Project will commence in February, 1994, and that construction will be completed in August, 1994.

H. Project Phases:

The developer [X] 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):

Merger: The Developer has reserved the right, in its sole and absolute discretion, to merge this Project with other condominium projects for purposes of use, administration and ownership. However, the Developer does not represent or warrant that any such other condominium projects will be developed, or, if developed, will be merged with this Project. See the Declaration of Merger of Condominium Phases on file with the Real Estate Commission for the details of any such merger. The Buyer should also note Section O of the Declaration for easements reserved to the Developer with respect to the construction, maintenance, operation and merger of any such other condominium projects. Merger for ownership purposes may include a legal consolidation of the land underlying and included in this Project with any parcel(s) of land underlying and included in such other condominium projects to be merged.

This Project is the intended third phase of a multi-phase condominium development. The first phase is known as "Country Club Village (Building 1)", documents for which are on file with the Real Estate Commission as Condominium Registration No. 3036, and the second phase is known as "Country Club Village (Building 2)", documents for which are on file with the Real Estate Commission as Registration No. 3045. It is intended that this Project will be merged with the Building 1 and Building 2 projects; however, the Developer does not represent or warrant that this Project will be merged with Building 1 and Building 2, or that any such merger will take the form of an "ownership merger" as provided in the Declaration of Merger.

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.

Exhibits H, H-1 and H-2 contain schedules of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

NOTE: The developer intends to pay all of the actual common expenses for the project until OCTOBER 31, 1994. Accordingly, apartment owners shall not be obligated for the payment of their respective shares of the common expenses until NOVEMBER 1, 1994. From and after NOVEMBER 1, 1994, apartment owners will be obligated to pay their respective shares of the common expenses allocated to their apartments, beginning with the budgeted monthly maintenance fees for the month of December, 1994.

EXHIBIT H-1 contains a schedule of Estimated Maintenance Fee Disbursements for this project (Building 3 - 80 apartments) only.

EXHIBIT H-2 contains a schedule of Estimated Maintenance Fee Disbursements in the event the Developer merges the intended first and second phases of the project (Building 1 - 44 apartments and Building 2 - 80 apartments) with this project.

EXHIBIT H contains a schedule of Estimated Initial Maintenance Fees for apartments in this project based on each of the above assumptions (i.e. no merger; merger with Buildings 1 and 2). However, the Developer does not represent or warrant that either or both of Buildings 1 and 2 will be merged with this project.

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
[X] Electricity (common areas only)
[ ] 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:

[X] Notice to Owner Occupants

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

[X] Escrow Agreement dated ___October 22, 1993___
Exhibit ___J___ contains a summary of the pertinent provisions of the escrow contract.

[X] Other Exhibit K is a copy of the Affidavit of Intent to Purchase and Reside in an Owner-Occupant Designated Condominium Residential Unit, to be signed by "owner-occupant" purchasers.

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 buyers. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

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

A) The Developer delivers to the buyer a copy of:
   1) Either the Final 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 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: Proposed Declaration of Merger of Condominium Phases; Proposed Declaration Regarding Community Area.

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, Hawaii 96809, at a nominal cost.

This Public Report is a part of Registration No. 3047 filed with the Real Estate Commission on February 8, 1994.

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

[X] yellow paper stock [ ] white paper stock [ ] pink paper stock

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.

Schuler Homes, Inc.
Name of Developer

By: _____ 2/3/94
Duly Authorized Signatory Date

Michael T. Jones, Exexutive Vice 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"

DESCRIPTION OF BUILDING(S)

The Project shall contain one building containing a total of 80 apartments. The building shall have four floors, each containing twenty apartments, and a basement parking area. The building shall be constructed principally of wood, metal, glass and related building materials.

EXHIBIT "B"

PARKING STALLS

Each apartment shall have appurtenant to it the exclusive right to use the parking stall(s) designated below, located in the building in which the apartment is located as shown on the Condominium Map.

APT. NO.	STALL #1	STALL #2	APT. NO.	STALL #1	STALL #2	APT. NO.	STALL #1	STALL #2	APT. NO.	STALL #1	STALL #2
101	89C	88T	201	106C	135T	301	112C	65T	401	114C	63T
102	90C	151T	202	107C	134T	302	154	48	402	157	51
103	91C	86T	203	108C	133T	303	153	47	403	31	32
104	152	150	204	78	77	304	20	21	404	24	25
105	92C	149T	205	109C	132T	305	120C	57T	405	156	50
106	93C	84T	206	110C	131T	306	56	162	406	155	49
107	148	146	207	76	75	307	9	10	407	22	23
108	94C	147T	208	161	55	308	129	127	408	33	34
109	95C	82T	209	160	54	309	64	62	409	35	36
110	96C	145T	210	118C	59T	310	159	53	410	115C	126T
111	144	81	211	119C	122T	311	158	52	411	116C	61T
112	97C	80T	212	11	12	312	60	58	412	137HC	43
113	98C	143T	213	104C	73HC	313	125	123	413	37	38
114	87	85	214	19	18	314	3	4	414	17	16
115	99C	142T	215	13	74	315	121	30	415	105C	72HCT
116	100C	141T	216	71	70	316	26	27	416	39	40
117	83	79	217	1	2	317	5	6	417	7	8
118	101C	140T	218	69	68	318	136HC	44	418	41	42
119	102C	139T	219	67	66	319	28	29	419	45	46
120	103C	138T	220	111C	130T	320	113C	128T	420	117C	124T
Guest Stalls											
14HC	15HC	163	164	165	166	167	168	169	170	171	172

Note: A parking stall marked with a "C", as shown on the list above, indicates a parking stall that is "compact" in size. A parking stall marked with a "T", as shown on the list above, indicates a "tandem" parking stall. A parking stall marked with an "HC," as shown on the list above, indicates a parking stall that is oversized for the handicapped. The additional "C", "T" and "HC" or other markings appearing on the list above and/or the Condominium Map are for informational purposes only and do not constitute part of the legal identification

of a parking stall, the sole means of legal identification being the numerical designation of the parking stall.

The Project contains 12 "guest" parking stalls numbered 14HC, 15HC, 163, 164, 165, 166, 167, 168, 169, 170, 171, and 172.

EXHIBIT "C"

COMMON ELEMENTS

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

1. The land described in Exhibit "A" attached to the Condominium Declaration, in fee simple.

2. All structural components, such as foundations, girders, columns, beams, floor slabs, supports, main walls, load-bearing walls, floors, ceilings (except the inner or decorated surfaces of such walls, floors and ceilings), roofs, exterior stairs and stairways, landings, railings (except lanai railings), entrances and exits of the building and/or apartments, and other building appurtenances.

3. All grounds, gardens, planters, plants, landscaping, refuse facilities, barbecue areas, designated children's play areas and recreational facilities, if any.

4. All sidewalks, pathways, driveways, roads, parking areas and parking stalls (including, without limitation, the twelve guest parking stalls numbered 14HC, 15HC, 163, 164, 165, 166, 167, 168, 169, 170, 171, and 172) within the Project, all as shown on the Condominium Map.

5. All ducts, electrical equipment, transformers, wiring, pipes and other central and appurtenant transmissions facilities and installations over, under and across the Project which are utilized by or serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution, if any.

6. All areas, rooms, spaces, structures, housings, chutes, shafts or facilities of the Project within or outside of the building, which are for common use or which serve more than one apartment, such as lobbies and elevators, electrical, maintenance, service, security, machine, mechanical, trash and equipment rooms and the equipment, machinery and facilities therein.

7. All the benefits, if any, inuring to the land or to the Project from all easements shown on the Condominium Map or listed in Exhibit "A".

8. Any and all 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.

9. All of the interest of the Association of Apartment Owners of the Project in the "community facilities," as referenced in and pursuant to that certain Declaration of Covenants, Conditions and Restrictions for the Country Club Village Community Area described in this Declaration.

10. All other parts of the Project which are not included in the definition of an apartment.

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Certain apartments shall have appurtenant thereto easements for the exclusive use of certain limited common elements as follows:

1. Parking Stalls:

Each apartment shall have appurtenant to it, as a limited common element, the exclusive right to use such parking stall(s) as designated on Exhibit "B" to this public report.

2. Mailboxes:

Each mailbox bearing the same identification as an apartment is a limited common element appurtenant to that apartment.

EXHIBIT "E"

COMMON INTERESTS

Apartment Type	Apartment Number (Building 3)	Undivided Common Interest Of Each Apartment
A	103, 106, 109, 113, 116, 119, 203, 206, 209, 213, 216, 219, 303, 306, 309, 313, 316, 319, 403, 406, 409, 413, 416, 419	0.011879 (1.1879%)
Ar	102, 105, 108, 112, 115, 118, 202, 205, 208, 212, 215, 218, 302, 305, 308, 312, 315, 318, 402, 405, 408, 412, 415, 418	0.011879 (1.1879%)
B	101, 111, 201, 211, 301, 311, 401, 411	0.011797 (1.1797%)
Br	110, 120, 210, 220, 310, 320, 410, 420	0.011797 (1.1797%)
C	107, 207, 307, 407	0.014970 (1.4970%)
Cr	104, 204, 304, 404	0.014970 (1.4970%)
D	117, 217, 317, 417	0.015162 (1.5162%)
Dr	114, 214, 314, 414	0.015162 (1.5162%)

EXHIBIT "E-1"

COMMON INTERESTS

(assuming "ownership merger" with "Building 1" and "Building 2")

Apartment Type	Apartment Number (Building 3)	Undivided Common Interest Of Each Apartment
A	103, 106, 109, 113, 116, 119, 203, 206, 209, 213, 216, 219, 303, 306, 309, 313, 316, 319, 403, 406, 409, 413, 416, 419	0.00462 (0.462%)
Ar	102, 105, 108, 112, 115, 118, 202, 205, 208, 212, 215, 218, 302, 305, 308, 312, 315, 318, 402, 405, 408, 412, 415, 418	0.00462 (0.462%)
B	101, 111, 201, 211, 301, 311, 401, 411	0.00459 (0.459%)
Br	110, 120, 210, 220, 310, 320, 410, 420	0.00459 (0.459%)
C	107, 207, 307, 407	0.00582 (0.582%)
Cr	104, 204, 304, 404	0.00582 (0.582%)
D	117, 217, 317, 417	0.00600 (0.600%)
Dr	114, 214, 314, 414	0.00595 (0.595%)

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing, reference is made to the Director of Finance, City and County of Honoluulu.

2. Excepting and reserving therefrom unto the Trustees under the Will and of the Estate of Samuel M. Damon, deceased, all artesian and other underground water and rights thereto appurtenant to said premises, as reserved in Deed dated October 7, 1965, filed as Land Court Document No. 372554, recorded in Liber 5163 at Page 496; said Trustees released all right to enter upon surface of lands to exercise said exception and reservation in Land Court Document No. 372554, including any rights of ingress and egress upon said lands by Release dated October 12, 1965, filed as Land Court Document No. 372562, recorded in Liber 5163 at Page 572.

3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in Declaration dated January 8, 1988, filed as Land Court Document No. 1599284.

4. Agreement for Issuance of Conditional Use Permit Under Sections 4.40-21 of the Land Use Ordinance dated March 15, 1990, filed as Land Court Document No. 1731525, by Pan Pacific Corporation, a Hawaii corporation.

5. Designation of Easement "1090" (area 7,092 square feet) for access and utility purposes as shown on Map 686, as set forth by Land Court Order No. 113254, filed September 1, 1993.

6. Designation of Easement 1096 (area 7,178 square feet) for access and utility purposes as shown on Map _____, as set forth by Land Court Order No. _____, filed _____, 1994.

7. Real Property Mortgage, Security Agreement, Assignment of Rents and Financing Statement by Mortgagor SCHULER HOMES, INC., a Delaware corporation, and Mortgagee FIRST HAWAIIAN BANK, a Hawaii corporation, dated April 20, 1993, filed as Land Court Document No. 2016141.

EXHIBIT "G"

BUILDINGS AND COMMON ELEMENTS WARRANTY

[attached]

COUNTRY CLUB VILLAGE
LIMITED WARRANTY FOR MAJOR CONSTRUCTION DEFECTS, FAULTY WORKMANSHIP AND MATERIALS

Schuler Homes, Inc., a Delaware Corporation (sometimes the "Seller"), provides this Limited Warranty to you, and your heirs, devisees, successors and assigns (collectively the "Purchaser"), in connection with your purchase of Apartment No. _____ (the "Apartment") in the Country Club Village condominium project (the "Project").

Schuler Homes, Inc., warrants to the Purchaser that the Apartment shall be free from "faulty workmanship and material and major construction defects" for a period of one (1) year from the Recorded Notice of Completion, or otherwise as stated on the attached documents. For purposes of this Limited Warranty, "faulty workmanship and materials and major construction defects" shall mean and only include actual damages to the structural components of the Apartment resulting from: (a) negligent or faulty design and/or installation, (b) the installation of defective materials and/or (c) the failure to install the necessary materials.

To the extent that the Seller has the right and power to make such an assignment, the execution, delivery and recordation of your Apartment Deed will constitute Seller's assignment, without recourse, to the Purchaser of all contractor, manufacturer and dealer warranties, if any, covering any appliances or other consumer products included in the Apartment, or other aspect of or material incorporated into its construction, including but not limited to those covering roofing materials and exterior siding, for the unexpired term thereof. For your convenience we have attached a list of all the contractors who are directly providing a warranty for certain aspects of construction, and to the extent that a written warranty covering an appliance or consumer product exists, a copy of that warranty will be provided to you on your request. The Purchaser acknowledges and understands that the Seller is not stating that any such warranties exist, or that such an assignment will be effective, nor is the Seller adopting any such contractor's, manufacturer's or dealer's warranties or acting as a co-warrantor, but the Seller is merely attempting to pass through to the Purchaser the benefits of such warranties, if any exist.

This Limited Warranty shall not apply to the following situations:

1. Defective design or materials supplied by the Purchaser or installed under the Purchaser's direction.

2. Normal wear and tear or deterioration of the apartment such as, but not limited to, minor cracks in concrete or plaster resulting from the normal expansion or contraction of the material or underlying soil, weathering or discoloration of painted wood and stucco surfaces and normal shrinkage and expansion or wood components.

3. Dampness or condensation due to failure of the Purchaser to maintain adequate ventilation or reasonable and proper use of maintenance of the apartment.

4. Negligence, improper maintenance or operation or alteration by parties other than the Seller, or the Seller's subcontractors or agents, with respect to the apartment, its systems, appliances, equipment and fixtures.

5. Landscaping, if any, including plants, trees, and landscaping irrigation systems.

OTHER THAN A "WARRANTY OF COMPLETION OF CONSTRUCTION" (FORM HUD-92544), IF APPLICABLE, THIS LIMITED WARRANTY IS THE ONLY WARRANTY THAT WE ARE PROVIDING TO YOU GIVE IN CONNECTION WITH THE PURCHASE OF THE APARTMENT. THE SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT OR CONSUMER PRODUCTS OR OTHER THINGS WHICH MAY BE INSTALLED OR WHICH ARE CONTAINED IN THE APARTMENT OR THE PROJECT, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

SCHULER HOMES, INC.,

Dated: _____

By: _____
Seller

MY SIGNATURE BELOW INDICATES THAT I HAVE RECEIVED AND UNDERSTAND THIS LIMITED WARRANTY AND THAT I (WE) ACCEPT THIS LIMITED WARRANTY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING MARKETABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Dated: _____

By: _____

By: _____
Purchaser

Warranty of Completion of Construction

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0059 (exp. 3-

Lender's Name, Address & Phone No.:

FHA/VA Case Number:

Name(s) of Purchaser/Owner:

Property Address:

For good and valuable consideration, and in accordance with Section 801 of the Housing Act of 1954, and Public Law 85-857 (38 U.S.C. 37 the undersigned Warrantor hereby warrants to the Purchaser(s) or Owner(s) identified in the caption hereof, and to his/her successors transferees, that:

The dwelling located on the property identified in the caption hereof is constructed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variations therein) which have been approved in writing by the Federal Housing Commissioner or the Secretary of Veterans Affairs on which the Federal Housing Commissioner or the Secretary of Veterans Affairs based the valuation of the dwelling: Provided, however, That this warranty shall apply only to such instances of substantial nonconformity as to which the Purchaser(s)/Owner(s) or his/her (their) successors or transferees shall have given written notice to the Warrantor at any time or times within one year from the date of original conveyance of title to such Purchasers(s)/Owner(s) or the date of initial occupancy, whichever first occurs: Provided further, however, That in the event (1) the Purchaser(s)/Owner(s) acquired title to the captioned prope prior to the completion of construction of the dwelling thereon, s notice of nonconformity to the Warrantor may be given any time times within one year from the date of completion or initial occupa of such dwelling, whichever first occurs, or (2) where it has been n essary to postpone improvements such notice of nonconformity to Warrantor as to such incomplete items may be given at any time times within one year from the date of full completion of each of s items.

The term "dwelling" as used herein shall be deemed to include improvements or appurtenances set forth in the plans and specificati upon which the Federal Housing Commissioner or the Secretary Veterans Affairs has based the valuation of the property, except those constructed by a municipality or other government authority

The undersigned Warrantor further warrants to the Purchaser(s)/Owner(s) or his/her (their) successors or transferees, the property aga defects in equipment, material, or workmanship and materials supplied or performed by the Warrantor or any subcontractor or supplier at uer resulting in noncompliance with standards of quality as measured by acceptable trade practices. This warranty shall continue for a per of one year from the date of original conveyance of title to such Purchaser(s) or from the date of full completion of each of any items comple after conveyance of title. The Warrantor shall remedy, at the Warrantor's expense, any defect(s) of equipment, material, or workmans furnished by the Warrantor. Warrantor shall restore any work damaged in fulfilling the terms and conditions of this warranty.

If a manufactured (mobile) home was erected on this property, the Warrantor further warrants that (1) the property (other than the manuf tured unit itself) complies with the submitted construction exhibits; (2) the manufactured home sustained no hidden damage during transp tation and erection; and (3) if the home was manufactured in separate sections, the sections were properly joined and sealed.

Manufacturer's Name, Address & Phone No:

This warranty shall be in addition to, and not in derogation of, all other rights and privileges which such Purchaser(s)/Owner(s) or his (their) successors or transferees may have under any other law or instrument, and shall survive the conveyance of title, delivery of possess of the property, or other final settlement made by the Purchaser(s)/Owner(s), and shall be binding on the Warrantor notwithstanding any provis to the contrary contained in the contract of purchase or other writing executed by the Purchaser(s)/Owner(s) or his/her (their) successor transferees heretofore or contemporaneously with the execution of this agreement or prior to final settlement.

This warranty is executed for the purpose of inducing the Federal Housing Commissioner or the Secretary of Veterans Affairs to make guarantee or to insure a mortgage on the captioned property, and the person signing for the Warrantor represents and certifies that he/sh authorized to execute the same by the warrantor and by his/her signature the Warrantor is duly bound under the terms and conditions of s warranty. The FHA Commissioner or the Secretary of Veterans' Affairs reserves the right to make a final determination as to whether a de exists and whether the builder must remedy the defect.

Warrantor's Title, Signature & Date:

X

Builder's Name, Address & Phone No:

Purchaser(s)' acknowledgement:

Signature(s) of Purchaser(s) & Dates:

X

X

Purchaser Note: Any notice of nonconformity must be delivered to the warrantor within the period or periods set forth above.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729

EXHIBIT "H"

ESTIMATE OF INITIAL MAINTENANCE FEES

	Building 3 - (80 apartments)* (no merger)		Assuming Merger of Buildings 1, 2 & 3 (204 apartments)***	
Apartment Type	**Monthly Fee (per apt.)**	**Yearly Total (per apt.)**	**Monthly Fee (per apt.)**	**Yearly Total (per apt.)**
A/Ar	$ 220.39	$ 2,644.68	$ 162.01	$ 1,944.12
B/Br	$ 218.87	$ 2,626.44	$ 160.89	$ 1,930.68
C/Cr	$ 277.18	$ 3,326.16	$ 204.20	$ 2,450.40
D/Dr	$ 281.32	$ 3,375.84	$ 206.81	$ 2,481.72

*This column contains a schedule of estimated initial maintenance fees for apartments in this project (assuming no merger with other phases). The corresponding schedule of estimated maintenance fee disbursements is contained in Exhibit H-1.

**This column contains a schedule of estimated initial maintenance fees for apartments in this project in the event the Developer merges the intended first and second phases of the project (Building 1 - 44 apartments and Building 2 - 80 apartments) with this project. The corresponding schedule of estimated maintenance fee disbursements is contained in Exhibit H-2.

These alternative assumptions are provided for the purchaser's information only. The Developer does not represent or warrant that either or both of Buildings 1 and 2 will be merged with this project.

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

EXHIBIT H-1

COUNTRY CLUB VILLAGE
Building 3
80 Units

ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS:

	Monthly x 12 months	= Yearly Total
Utilities and Services		
Electricity (Common Elements Only)	364.00	4,368.00
Refuse Collection	450.00	5,400.00
Water/Sewer	2,040.00	24,480.00
Maintenance, Repairs & Supplies		
Buildings	2,160.00	25,920.00
Grounds	275.00	3,300.00
Management		
Management Fee	1,620.00	19,440.00
Payroll and Payroll Tax	8,243.00	98,916.00
Office Expenses	275.00	3,300.00
Insurance	1,472.00	17,664.00
Reserves	1,454.00	17,448.00
Audit and Tax Preparation	200.00	2,400.00
Taxes and Government Assessments	.00	.00
Other	.00	.00
Total	18,553.00	222,636.00

We, Chaney, Brooks & Company, as Managing Agents 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.

Mary Lou Nagi

Mary Lou Nagi
Vice President

2 February 1994

Date

S-94-38243/5
02-02-94

EXHIBIT H-2

COUNTRY CLUB VILLAGE
ASSUMING MERGER OF BUILDINGS 1, 2 and 3

ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS:

	Monthly x 12 months	= Yearly Total
Utilities and Services	–	
Electricity		
(Common Elements Only)	927.00	11,124.00
Refuse Collection	1,375.00	16,500.00
Water/Sewer	5,202.00	62,424.00
Maintenance, Repairs & Supplies		
Buildings	5,752.00	69,024.00
Grounds	400.00	4,800.00
Management		
Management Fee	2,532.00	30,384.00
Payroll and Payroll Tax	11,114.00	133,368.00
Office Expenses	500.00	6,000.00
Insurance	3,371.00	40,452.00
Reserves	3,709.00	44,508.00
Audit and Tax Preparation	165.00	1,980.00
Taxes and Government Assessments	.00	.00
Other	.00	.00
Total	35,047.00	420,564.00

We, Chaney, Brooks & Company, as Managing Agents 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.

Mary Lou Nagi

Mary Lou Nagi
Vice President

17 Jan 94

Date

S-94-38243/2
01-17/94/hy

EXHIBIT "I"

SUMMARY OF SALES CONTRACT

The Deposit Receipt, Reservation and Sales Agreement (the "Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.

(b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Sales Contract.

(c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

(d) That the Sales Contract may be subordinate to the lien of a construction lender.

(e) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(f) Requirements relating to the purchaser's financing of the purchase of an apartment.

(g) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(h) That, except to the extent of a limited warranty in form attached as Exhibit "G" to this Public Report, the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

(i) That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the purchaser.

(j) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(k) That the Developer has reserved certain rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.

(l) That except under certain circumstances, as set forth in the Sales Contract, all interest on deposits toward the purchase price shall be the property of the Developer.

The Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. Purchasers and prospective purchasers should carefully read the specimen Sales Contract on file with the Real Estate Commission.

EXHIBIT "J"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

(a) Escrow will let the purchaser know when payments are due.

(b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) Except under certain circumstances as set forth in the Sales Contract, all deposits toward the purchase price shall be the property of the Developer.

(d) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. Purchasers and prospective purchasers should carefully read the signed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT "K"

COUNTRY CLUB VILLAGE (Building 3)

a fee simple condominium project

FOR DEVELOPER'S USE (chronological system):

COMPLETED AFFIDAVIT SUBMITTED DATE : _____
TIME : _____
EARNEST MONEY DEPOSIT SUBMITTED DATE : _____
TIME : _____
RESERVATION # : _____
APARTMENT # : _____
CONDOMINIUM MAP # : _____
DECLARATION OF CONDOMINIUM PROPERTY
REGIME RECORDED AS DOCUMENT # : _____

NOTICE TO ALL PERSONS SIGNING THE AFFIDAVIT

This Affidavit is being provided to you pursuant to Part VI of the Condominium Property Act (Chapter 514A of the Hawaii Revised Statutes). Part VI is referred to as the "Owner-Occupant Law" in this Affidavit, and various Sections of Part VI are referenced in this Affidavit. This Affidavit is a legal document that contains promises which are binding on you. If these promises are broken you could be subject to various penalties that are described in the Owner-Occupant Law and in this Affidavit. Therefore, it is strongly recommended that you seek the advice of an attorney or the Developer's representatives if you do not understand anything contained in the Affidavit, or have questions about anything contained in the Affidavit, or do not understand the references to the Owner-Occupant Law or other provisions of the Condominium Property Act which are contained in this Affidavit.

SPECIMEN

AFFIDAVIT OF INTENT TO PURCHASE AND RESIDE IN AN OWNER-OCCUPANT DESIGNATED CONDOMINIUM RESIDENTIAL UNIT

We, the undersigned "owner-occupants," on this _____ day of _____, 19____, do hereby declare that it is our intention to purchase and reside in a condominium residential unit designated for an "owner-occupant" in the Country Club Village (Building 3) condominium project ("Project") proposed by Schuler Homes, Inc. ("the Developer").

We understand, affirm, represent and agree by signing this Affidavit that:

1. It is our intent to reserve and purchase an owner-occupant designated residential unit ("designated unit") pursuant to section 514A-103 of the Owner-Occupant Law, and upon closing escrow, to reside in the designated unit as our principal residence for 365 consecutive days.

2. The term "owner-occupant" as used herein is defined in section 514A-101 of the Owner-Occupant Law as:

> "...any individual in whose name sole or joint legal title is held in a residential unit which, simultaneous to such ownership, serves as the individual's principal residence, as defined by the state department of taxation, for a period of not less than three hundred and sixty-five consecutive days, provided that the individual retains complete possessory control of the premises of the residential unit during this period. An individual shall not be deemed to have complete possessory control of the premises if the individual rents, leases or assigns the premises for any period of time to any other person in whose name legal title is not held." (Emphasis added).

3. We understand that if two or more prospective owner-occupants intend to reside jointly in the same designated unit, only one owner-occupant's name shall be placed on the reservation list for either the chronological system or the lottery system.

4. Should we require financing from a financial institution to purchase the designated unit, the financing shall be an owner-occupant mortgage loan. The financial institution is required to take all reasonable steps necessary to determine whether the borrower intends to become an owner-occupant.

5. At any time after obtaining adequate financing or a commitment for adequate financing up until the expiration of this Affidavit (365 days after recordation of the instrument conveying the designated unit to us), we shall notify the Real Estate Commission immediately upon any decision to cease being an owner-occupant of the designated unit.

6. At closing of escrow, we shall file a claim for and secure an owner-occupant property tax exemption with the appropriate county office for the designated unit.

7. We have personally executed this Affidavit and we are all of the prospective owner-occupants for the designated unit. This Affidavit shall not be executed by an attorney-in-fact.

8. This Affidavit shall be reaffirmed by us no earlier than our receipt for the Project's Final Public Report and no later than the closing of escrow for the unit. The Developer shall cancel our sales contract or reservation if we fail to make the reaffirmation. If the sales contract has become binding pursuant to section 514A-62 of the Condominium Property Act, we may be considered to be in default under our sales

contract, and the Developer may exercise the default or other remedies provided for in the sales contract and any other remedies provided by law.

9. We shall not sell or offer to sell, lease or offer to lease, rent or offer to rent, assign or offer to assign, convey or otherwise transfer any interest in the designated unit until at least 365 consecutive days have elapsed since the recordation of the instrument conveying title to the designated unit to us. Furthermore, we understand that we have the burden of proving our compliance with the law.

10. We understand that it is the affirmative duty of any developer, employee or agent of a developer, and real estate licensee, to report immediately to the Real Estate Commission any person who violates or attempts to violate the Owner-Occupant Law. No developer, employee or agent of a developer, or real estate licensee shall violate or aid any person in violating the Owner-Occupant Law.

11. The Real Estate Commission may require verification of our owner-occupant status and if we fail to submit such verification, we may be subject to a fine in an amount equal to the profit made from the sale, assignment or transfer of the designated unit.

12. Any false statement in this Affidavit or violation of the Owner-Occupant Law shall subject us to a misdemeanor charge with a fine not to exceed $2,000, or by imprisonment of up to a year or both. We further understand that if we violate or fail to comply with the Owner-Occupant Law, we shall be subject to a civil penalty of up to $10,000, or fifty per cent of the net proceeds received or to be received from the sale, lease, rental, assignment or other transfer of the designated unit, whichever is greater.

13. When required by context, each pronoun reference shall include all numbers (singular or plural) and each gender shall include all genders.

By signing this affidavit we represent and affirm that we have read, understand and agree to the above statements.

1) _____ _____
Purchaser's signature Print Name date

2) _____ _____
Purchaser's signature Print Name date

3) _____ _____
Purchaser's signature Print Name date

STATE OF HAWAII)
) SS.
COUNTY OF _____)

On this _____ day of _____, 19 ___, before me personally appeared _____ and _____ and _____ to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed as owner-occupants.

_____
Notary Public, State of Hawaii
My commission expires: _____

REAFFIRMATION
(Leave Section Blank Until After Receipt for the Final Public Report)

We represent and affirm that we have received the Final Public Report for the condominium project identified on page one of the attached Affidavit.

By signing this Reaffirmation we represent, warrant and confirm that we have read, understand, agree to and reaffirm all the statements set forth in the attached Affidavit. We reaffirm that we are and will be the owner-occupants of the designated unit, and that the designated unit will be our principal residence for 365 consecutive days after recordation of the instrument conveying the designated unit to us.

REAFFIRMATION OF OWNER-OCCUPANTS:

1) _____ _____
Purchaser's signature Print Name date

2) _____ _____
Purchaser's signature Print Name date

3) _____ _____
Purchaser's signature Print Name date

STATE OF HAWAII)
) SS.
COUNTY OF _____)

On this _____ day of _____, 19 ___, before me personally appeared _____ and _____ and _____ to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed as owner-occupants.

_____
Notary Public, State of Hawaii
My commission expires: _____