

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Anna Aquada Gaston AND Amelito Aquada Cortez Mario Aquada Cortez
Address 1050-A Wong Lane Honolulu, Hawaii 96817 1050 Wong Lane Honolulu, Hawaii 96817
Project Name(*): 1050 WONG LANE
Address: 1050 Wong Lane, Honolulu, Hawaii 96817

Registration No. 3184 (Conversion) Effective date: February 7, 1995
Expiration date: March 7, 1996

Preparation of this Report:

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

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

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

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

SUPPLEMENTARY: This report updates information contained in the: (pink)
[] 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

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:

.....

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

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

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of 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.

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2117717

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

N/A

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 1018

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment of Condominium Map dated January 23, 1995, filed as Land Court Document No. 2214348 on January 25, 1995.

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2117718

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

N/A

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

The House Rules for this condominium are:

Proposed 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>100%</u>
Bylaws	65%	<u>100%</u>
House Rules	--	<u>N/A</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:

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:

Address: 1050 Wong Lane Tax Map Key (1) 1-6-7:17 and 110
Honolulu, Hawaii 96817 (TMK)

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

Land Area: 7,804 [X] square feet [] acre(s) Zoning: R5

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:

[] Pets: _____

[] Number of Occupants: _____

[X] Other: Homes shall be occupied and used for residential purposes only and shall not be rented by the owners thereof for transient or hotel purposes.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1050</u>	<u>1</u>	<u>5/3</u>	<u>1,435 s.f.</u>	<u>---</u>
<u>1050-A</u>	<u>1</u>	<u>5/2</u>	<u>2,356 s.f.</u>	<u>---</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

***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:

All areas set forth above were computed by measuring from the interior surface of the Home's perimeter walls. The approximate net living areas set forth above do not include other areas not fully enclosed, such as the carport and laundry area of Home 1050-A.

Permitted Alterations to Apartments:

See Paragraph M.1 of the Declaration.

7. Parking Stalls:

Total Parking Stalls: 2

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>0</u>	<u>0</u>	<u>2*</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Guest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Extra for Purchase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Total
Covered & Open 0 2* 0 * Home 1050-A carport

Each apartment will have the exclusive use of at least N/A parking stall(s). Home 1050-A has a carport for two (2) compact cars. Buyers are encouraged to find out which stall(s) will be available for their use. Home 1050 does not have a carport.

Commercial parking garage permitted in condominium project.

Exhibit _____ 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):

Home 1050 is in acceptable condition due to its age of approximately 40+ years, and can be considered in "good condition" in overall scope. The structural, mechanical, and electrical systems are adequate and in good working order. Home 1050-A is in excellent condition being that it is only 4 years old. The structural, mechanical, and electrical systems are adequate and in good working order. The Developer makes no representations with respect to the expected useful life.

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	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:

described in Exhibit _____.

as follows: The common elements shall consist of all portions of the Project other than the Homes, and shall specifically include, but not be limited to:

- a. The land in fee simple.
- b. All sidewalks, pipes, wires, conduits, and other utility and service lines which are utilized for or serve both Homes.
- c. The concrete driveway shown on the Condominium Map.
- d. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

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 A.

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 _____.

as follows: Each Home shall have appurtenant thereto an undivided fifty percent (50%) interest in the common elements for all purposes, including voting. Each Home is separately metered for electricity, water and sewer.

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 B describes the encumbrances against the title contained in the title report dated July 27, 1994 and issued by Title Guaranty of Hawaii, Inc. (revised August 2, 1994)

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] 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>
Mortgage dated February 26, 1986 by and between Mariano Sagun Gaston and Anna Aguada Gaston, husband and wife, Florencio Visaya Aguada, unmarried, Amelito Aguada Cortez, and Mario Aguada Cortez, unmarried, as Mortgagor, and Pioneer Federal Savings Bank, a federal savings bank, as Mortgagee.	If Developer defaults under the Mortgage prior to conveying the apartments to buyers, buyers' interests could be terminated. In the event of termination, buyers' deposits would be returned as set forth in their sales contract.

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:**
No warranties.

2. **Appliances:**
No warranties.

G. Status of Construction and Estimated Completion Date:

The dwelling located at 1050 Wong Lane was constructed prior to 1954.

The dwelling located at 1050-A Wong Lane was constructed in 1990.

H. Project Phases:

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

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

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 D contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated August 19, 1994
Exhibit E contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); AND
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

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

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime.
- C) Bylaws of the Association of Apartment Owners.
- 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. 3184 filed with the Real Estate Commission on Sept. 28, 199.

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

yellow paper stock white paper stock pink paper stock

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.

Name of Developer

By: _____
Duly Authorized Signatory

Date

print name & title of person signing above

DEVELOPERS:

Anna Aguada Gaston

ANNA AGUADA GASTON

Amelito Aguada Cortez

AMELITO AGUADA CORTEZ

Mario Aguada Cortez

MARIO AGUADA CORTEZ

Distribution:

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

Dated: September 9, 1994

EXHIBIT "A"

3. Limited Common Elements. Certain parts of the common elements are hereby set aside and reserved for the exclusive use of certain Homes and shall constitute limited common elements appurtenant thereto. Each Home shall have an exclusive easement for the use of the limited common elements appurtenant thereto, except as otherwise provided herein. The cost of maintenance, repair, upkeep, and replacement of each limited common element shall be assessed to the owner of the Home to which such limited common element is appurtenant. The limited common elements are as follows:

a. The site of each Home and the private yard area and driveway area adjacent thereto, as shown and delineated on Sheet No. 1 of the Condominium Map, which sheet is incorporated solely for the purpose of delineating each of said Homes and the boundaries of the private yard areas and driveway area thereof, shall be a limited common area for the exclusive use of the Home to which it is appurtenant; provided that each Home owner shall be responsible for and shall bear the expense of installing and maintaining all landscaping within such limited common element yard area, and of repairing, restoring or reinstating any walkways, fences, walls, pavement, water and sewer lines, and other improvements located within such designated limited common element yard area; provided, further that in the event of any sewer stoppage which affects an individual Home, the owner of such Home shall be responsible for and shall bear the expense of repairing and cleaning any sewer line which connects to any main sewer line running beneath the Project. The limited common element yard area appurtenant to each Home is indicated by the boundaries designated on the Condominium Map.

b. One (1) mailbox shall be appurtenant to and for the exclusive use of each Home.

c. All pipes, wires, conduits, and other utility and service lines not contained within a Home but used by and servicing both Homes, shall be appurtenant to and for the exclusive use of the Homes using and serviced by such pipes, wires, conduits, and other utility and service lines.

Notwithstanding anything to the contrary herein or in the By-Laws of the 1050 Wong Lane Homeowners' Association (hereinafter called the "By-Laws"), all costs of every kind pertaining to each limited common element, including but not limited to, costs of maintenance, repair, replacements, additions and improvements, shall be charged to and borne entirely by the owner(s) of the Home to which it is appurtenant. Any expense which cannot be separately identified or attributed to a limited common element shall be charged as a common expense.

EXHIBIT "B"

1. The terms and provisions, including the failure to comply with the covenants, conditions and reservations, contained in Declaration of Condominium Property Regime for "1050 WONG LANE" Condominium Project dated December 13, 1993, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2117717, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1018.)

2. The terms and provisions, including the failure to comply with the covenants, conditions and reservations, contained in the By-Laws of the Association of Apartment Owners of said Condominium Project dated December 13, 1993, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2117718, as the same may hereafter be amended.

3. **MORTGAGE**

MORTGAGOR : MARIANO SAGUN GASTON and ANNA AGUADA GASTON, husband and wife, FLORENCIO VISAYA AGUADA, unmarried, AMELITO AGUADA CORTEZ, unmarried, and MARIO AGUADA CORTEZ, unmarried

MORTGAGEE : PIONEER FEDERAL SAVINGS BANK, a federal savings bank which is organized and existing under that laws of the United States of America

DATED : February 26, 1986
FILED : Land Court Document No. 1356955
AMOUNT : \$120,000.00

4. For Real Property Taxes that may be due and owing, reference is hereby made to the Director of Finance, City and County of Honolulu.

EXHIBIT "C"

ESTIMATE OF ANNUAL AND MONTHLY MAINTENANCE FEES

Grounds maintenance; water; sewer; electricity *	\$ 0
Fire/liability insurance **	\$ 0
Management fees ***	\$ 0
Miscellaneous	\$ 0
TOTAL MONTHLY EXPENSES	\$ 0
TOTAL ANNUAL EXPENSES	\$ 0

-
- Notes:
- * All utilities are separately metered or charged, and the common elements will incur no separate utility or maintenance charges.
 - ** It is contemplated that each apartment owner will purchase and maintain his own fire and liability insurance naming the Association as an additional insured. If it is necessary for the Association to maintain its own liability insurance, this will become a common expense of the Association to be shared by the apartment owners based on their respective percentage interests in the common elements.
 - *** The Project will be self-managed.

EXHIBIT "D"

SUMMARY OF PERTINENT
PROVISIONS OF SALES CONTRACT

3. USE OF ESCROW FUNDS. Seller agrees and Buyer acknowledges that the funds deposited by Buyer with Escrow Agent for the Apartment shall not be released or disbursed by Escrow Agent until the conditions for such release set forth in the Condominium Escrow Agreement have been satisfied, including recordation of Buyer's Apartment Deed. Buyer agrees that any interest earned on Buyer's funds deposited in escrow shall accrue to the benefit of Seller, and Buyer and Seller hereby instruct Escrow Agent accordingly.

4. BUYER'S ACKNOWLEDGEMENTS. Buyer does hereby acknowledge that Buyer has examined and does hereby approve or has waived examination and approval of the form of the Apartment Deed, Declaration, Bylaws, Condominium Map, and any amendments thereto, Seller's Disclosure Abstract, Condominium Escrow Agreement, and Final Public Report issued by the Commission, as set forth above, true copies of these documents being on file in the office of the Commission. Buyer acknowledges that the Condominium Map is intended to show only the layout, location, apartment numbers and dimensions of the apartments and the same is not intended by Seller to contain or to be any other representation or warranty. Buyer acknowledges that Developer has encouraged Buyer to review or engage an attorney to review the foregoing documents before entering into this Agreement.

Seller disclaims any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the apartments or their contents. No representations are made by Seller with respect to the expected useful life of the structural components or the mechanical and electrical installations in the Project. Seller will not be liable for any construction or other defects, including any latent or hidden defects in the Project, the apartments or their contents. This means that no person will have the right to file any lawsuit for damages against Seller for any defects.

5. SELLER'S DISCLAIMER OF WARRANTIES.

(a) No Warranties of Seller. Buyer understands and agrees that Seller is disclaiming any warranties, either express or implied, including any implied warranties of habitability, merchantability or fitness for a particular purpose, with respect to the Project, the Apartment or anything installed or contained therein. Buyer should have the Apartment and the Project inspected by Buyer or Buyer's own experts to Buyer's complete satisfaction. Each apartment will be deemed to be transferred "AS IS" with "ALL FAULTS", and Seller will not be liable to Buyer for any construction or other defects, including

any latent or hidden defects in the Project, the Apartment or anything installed or contained therein. This means that Buyer will not have the right to file any lawsuit for damages against Seller for any defects later discovered by Buyer.

(b) Hazardous Materials and Condition of Project. Seller has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of hazardous materials laws. Buyer acknowledges that there may be asbestos or other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of asbestos and other hazardous substances, Buyer and the Association should have the Apartment and the Project inspected to determine the extent of such contamination and any necessary remedial action. This means that Seller will not correct any defects in the apartments or in the Project or anything installed or contained therein and that Buyer expressly releases Seller from any liability to Buyer if any hazardous materials are discovered.

7. CONDITION TO BINDING EFFECT OF AGREEMENT.

Anything herein to the contrary notwithstanding, this Agreement shall not be binding upon Buyer and any obligation to purchase the Apartment under this Agreement shall not be enforceable against Buyer until:

(a) The Commission has issued an effective date for a Final Public Report on the Project, and the Seller has delivered, or caused to be delivered, to the Buyer, either personally or by registered or certified mail with return receipt requested, a true copy of the Final Public Report together with a true copy of all prior public reports on the project, if any, which have not been previously delivered to such Buyer; except that such prior public reports need not be delivered to the Buyer if the Final Public Report supersedes such prior public reports. If, prior to the entering into of this Agreement, the Commission has, subsequent to its issuance of an effective date for the Final Public Report, issued an effective date for a Supplementary Public Report on the Project, then a true copy of such Supplementary Public Report shall also be delivered to such Buyer in the same manner as the Final Public Report, except that if the Supplementary Public Report supersedes all prior public reports on the project, then only the Supplementary Public Report need be delivered to the Buyer;

(b) Buyer has been given an opportunity to read the reports; and

(c) Two (2) copies of the form of the receipt and notice set forth in Section 514A-62 of the Hawaii Revised Statutes, as amended, have been delivered to Buyer and Buyer (i) executes the receipt and notice; and (ii) waives Buyer's right to cancel; provided, however, that if Buyer does not execute and return the receipt and notice within thirty (30) days from the date of delivery of such reports, or if the Apartment is conveyed to Buyer prior to the expiration of such thirty-day period, Buyer shall be deemed to have receipted for the reports and to have waived Buyer's right to cancel.

Unless such right has previously been waived pursuant to subparagraph (a) hereinabove, Buyer shall have the right to cancel this Agreement at any time prior to the earlier of (1) the conveyance of the Apartment to Buyer or (2) midnight of the thirtieth (30th) day following the date of delivery of said Final Public Report to Buyer, and, upon any such cancellation, shall be entitled to a prompt and full refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase.

9. RIGHT OF INSPECTION. Buyer shall inspect the Apartment at such time and on such date as shall be specified by Seller in a written notice to Buyer.

12. ACTUAL POSSESSION. Delivery of actual possession of the Apartment to Buyer under this Agreement shall be made on or after the Closing Date, subject to the right of Seller to delay Buyer's moving in for a reasonable time to promote the orderly occupation of the Project. Buyer acknowledges that Buyer has been informed that Buyer may not receive actual possession of the Apartment until Buyer has made all the aforementioned payments and until after Buyer has commenced to pay maintenance fees, real property taxes and monthly payments with respect to Buyer's mortgage, if any. The delivery of actual possession shall, at Seller's option, be made to apartment Buyers in the order of and according to the dates on which they executed their respective sales contracts. If Buyer fails to confirm the date of delivery of actual possession within five (5) days after notification thereof, Seller, at Seller's sole election, may assign the date for Buyer's taking actual possession to the Buyer next in order of preference. Notwithstanding anything herein to the contrary, Buyer agrees not to move furniture or belongings into Buyer's Apartment except in accordance with a moving-in schedule established by Seller, or the Managing Agent, to promote the orderly occupation of the Project.

17. BUYER'S RIGHT TO RESCIND.

(a) Except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration, if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Apartment or appurtenant limited common elements, or (2) those amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale made under this Agreement and to receive a prompt and full refund of any monies paid.

(b) Buyer's right of rescission under subparagraph (a) above shall be waived upon (1) delivery to Buyer, either personally or by registered or certified mail, return receipt requested, of a disclosure document which describes the material change and contains a provision for Buyer's written approval or acceptance of such change, and (2) Buyer's written approval or acceptance of the material change, or the lapse of ninety (90) days since Buyer has accepted the Apartment, or the occupancy of the Apartment by Buyer; provided, however, that if Buyer does not rescind this Agreement or execute and return the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document Buyer shall be deemed to have approved and accepted such change; provided, further, that the deemed approval and acceptance shall be effective only if at the time of delivery of the disclosure document, Buyer is notified in writing of the fact that Buyer will be deemed to have approved and accepted the change upon Buyer's failure to act within the thirty (30) day period; provided, further, that if, prior to delivery of such disclosure document, ninety (90) days have lapsed since Buyer has accepted the Apartment, or Buyer has occupied the Apartment, then Buyer's right of rescission under subparagraph (a) above shall not be waived unless Buyer shall execute the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document or Buyer is deemed to have approved and accepted such change as set forth above. A copy of the form of disclosure document shall be delivered to the Commission prior to delivery to Buyer.

18. DEFAULT.

(a) Time is of the essence of this Agreement, and if Buyer shall default in any payment when required or fail to perform any other obligations required of Buyer hereunder and shall fail to cure such default within ten (10) days after receipt of written notice thereof from Seller, this Agreement may, at Seller's option, be terminated and all sums paid by Buyer hereunder shall belong absolutely to Seller as liquidated

damages. In this regard, Buyer and Seller agree that in the event of any default by Buyer it is and will be extremely difficult and impractical to ascertain the extent of such damages caused by nonpayment of any sum when due or resulting from any other default by Buyer under the terms of this Agreement. Buyer, by Buyer's execution and delivery of this Agreement, agrees that in view of the uncertain nature of the real estate market in Hawaii, the delay occasioned to Seller in reselling the apartment by virtue of Buyer's default, the additional loan interest carrying charges to be incurred by Seller, additional escrow expenses, attorneys' fees and other costs incurred by Seller, and Seller's financial commitments with respect to the Project, the sums paid by Buyer hereunder constitute a reasonable estimate of Seller's fair compensation for any such damages arising from such default by Buyer, and said sums shall belong to Seller as and for liquidated damages. Further, Seller may, at Seller's option, pursue any remedy in law or equity for specific performance, or otherwise, and all costs, including court costs and reasonable attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

(b) If Seller shall default in the performance of any obligation required of Seller hereunder, Buyer shall be entitled to specific performance of this Agreement or Buyer shall have the right to cancel and terminate this Agreement. In the event of such cancellation and termination, Seller shall return to Buyer all sums deposited by Buyer to Seller or Escrow Agent pursuant to the provisions hereof, and, in addition, Seller shall pay Buyer ONE HUNDRED AND NO/100 DOLLARS (\$100.00) as liquidated damages for Seller's default. Buyer expressly waives any right or remedy against Seller which now exists or which hereafter may exist for the default of Seller under this Agreement, except for the foregoing right to specific performance or to cancel and terminate this Agreement, and to receive all sums paid to Seller and Escrow Agent and the sum of ONE HUNDRED AND NO/100 DOLLARS (\$100.00).

20. PRE-PAID ITEMS. Buyer acknowledges that Buyer will be required to prepay any insurance premiums and real property taxes to the extent required by any first mortgage lender. Real property taxes for the remainder of the tax year shall be prorated as of the Closing Date. Buyer further agrees that all maintenance, assessments and other expenses shall also be prorated between Seller and Buyer as of such proration date for real property taxes. Buyer understands and agrees that any amount to be paid by Buyer under this paragraph 20 is in addition to, and is not part of the total purchase price set forth hereinabove.

21. SELLER'S CANCELLATION RIGHTS. In addition to any other rights of cancellation or termination reserved to Seller herein, if (a) Buyer's initial deposit check is returned for

EXHIBIT "E"

SUMMARY OF PERTINENT
PROVISIONS OF ESCROW AGREEMENT

The Condominium Escrow Agreement dated August 19, 1994 (the "Escrow Agreement"), executed by and between Title Guaranty Escrow Services, Inc., as Escrow, and Anna Aguada Gaston, Amelito Aguada Cortez and Mario Aguada Cortez, as Owner, provides that:

"a purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Owner and the purchaser shall have requested Escrow in writing to return to purchaser the funds of the purchaser held hereunder by Escrow; or

(b) Owner shall have notified Escrow of Owner's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Owner; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised the purchaser's right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) The purchaser has exercised the purchaser's right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended; or

(e) ... Owner and the purchaser shall so request in writing and any one of the following events has occurred:

(i) No sales contract has been offered to the purchaser who has been placed on Owner's reservation list of owner-occupant applicants; or

(ii) The purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for the purchaser's reserved unit within thirty (30) calendar days following the end of the ten (10) calendar day period during which Owner is limited to selling to owner-occupants; or

(iii) The purchaser desires to cancel the contract on account of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit."

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE CONDOMINIUM ESCROW AGREEMENT. PROSPECTIVE BUYERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS CONTAINED IN THE AGREEMENT.

1050 WONG LANE CONDOMINIUM PROJECT
REGISTRATION NO. 3184
DISCLOSURE ABSTRACT AS OF September 9, 1994

1. Name and Address of Project:

1050 Wong Lane
1050 and 1050-A Wong Lane
Honolulu, Hawaii 96817

2. Name, Address and Telephone Number of Developer:

Amelito Aguada Cortez and Mario Aguada Cortez
1050 Wong Lane
Honolulu, Hawaii 96817
(808) 845-6915

Anna Aguada Gaston
1050-A Wong Lane
Honolulu, Hawaii 96817
(808) 689-7711

3. Name, Address and Telephone Number of Managing Agent of Project:

None

4. Maintenance Fees: The breakdown of the estimated annual maintenance fees and the estimated monthly fees for each apartment, representing the common expenses of the Project allocated to each apartment, which are hereby certified to be based on generally accepted accounting principles, are set forth in Exhibit "A" attached hereto and made a part hereof. The Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the Project and even if maintenance fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. The estimated maintenance fees and monthly fees for each apartment are based on the latest information available to the Developer and are subject to revision based on actual costs for items enumerated. Maintenance fees can vary depending on services desired by apartment owners. Each buyer should check the attached maintenance fee schedule to see what services are included therein.

5. Warranties: The Project consists of two (2) attached dwellings, each of which contains one (1) separate condominium apartment ("Home"). Home 1050 is a split-level home, which was built approximately forty (40) years ago. Home 1050-A is a two-story home, which was built approximately four (4) years ago. The Project, the Homes and anything installed or contained therein are being sold on an "AS IS" with "ALL FAULTS" basis, without any warranties whatsoever, express or implied. Paragraphs 4 and 5 of

the Deposit Receipt and Sales Contract used in connection with the Project provide as follows:

"4. BUYER'S ACKNOWLEDGEMENTS. Buyer does hereby acknowledge that Buyer has examined and does hereby approve or has waived examination and approval of the form of the Apartment Deed, Declaration, Bylaws, Condominium Map, and any amendments thereto, Seller's Disclosure Abstract, Condominium Escrow Agreement, and Final Public Report issued by the Commission, as set forth above, true copies of these documents being on file in the office of the Commission. Buyer acknowledges that the Condominium Map is intended to show only the layout, location, apartment numbers and dimensions of the apartments and the same is not intended by Seller to contain or to be any other representation or warranty. Buyer acknowledges that Developer has encouraged Buyer to review or engage an attorney to review the foregoing documents before entering into this Agreement.

Seller disclaims any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the apartments or their contents. No representations are made by Seller with respect to the expected useful life of the structural components or the mechanical and electrical installations in the Project. Seller will not be liable for any construction or other defects, including any latent or hidden defects in the Project, the apartments or their contents. This means that no person will have the right to file any lawsuit for damages against Seller for any defects.

5. SELLER'S DISCLAIMER OF WARRANTIES.

(a) No Warranties of Seller. Buyer understands and agrees that Seller is disclaiming any warranties, either express or implied, including any implied warranties of habitability, merchantability or fitness for a particular purpose, with respect to the Project, the Apartment or anything installed or contained therein. Buyer should have the Apartment and the Project inspected by Buyer or Buyer's own experts to Buyer's complete satisfaction. Each apartment will be deemed to be transferred "AS IS" with "ALL FAULTS", and Seller will not be liable to Buyer for any construction or other defects, including any latent or hidden defects in the Project, the Apartment or anything installed or contained therein. This means that Buyer will not have the right to file any lawsuit for damages against Seller for any defects later discovered by Buyer.

(b) Hazardous Materials and Condition of Project. Seller has made no independent investigation as to asbestos or

other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of hazardous materials laws. Buyer acknowledges that there may be asbestos or other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of asbestos and other hazardous substances, Buyer and the Association should have the Apartment and the Project inspected to determine the extent of such contamination and any necessary remedial action. This means that Seller will not correct any defects in the apartments or in the Project or anything installed or contained therein and that Buyer expressly releases Seller from any liability to Buyer if any hazardous materials are discovered."

6. Number of Residential Apartments; Use. The Project includes two (2) residential apartments. The apartments shall be occupied and used for residential purposes only, and no apartment shall be used in connection with the carrying on of any profession, trade, or business whatsoever which is incompatible with such use. The apartments shall not be rented by the owners thereof for transient or hotel purposes, nor shall the apartments be sold, transferred, conveyed, leased, occupied or rented or used for or in connection with any time-sharing plan, arrangement or program. Except for the foregoing restrictions, the owner of each apartment shall have the absolute right to rent or lease such apartment, or any portion thereof, for residential purposes, for periods of any duration, subject to all of the provisions of the Declaration and the By-Laws.

The Developer and all entities, persons and agents related to or affiliated with the Developer, have no program at this time, nor is any program planned or contemplated, to offer a rental service of any kind to the owners of apartments, either individually or in any form of pooling arrangement, nor have any representations been made by the Developer or its agents as to the feasibility of renting the apartments. Owners of apartments who desire to rent their apartments must therefore make their own rental arrangements. Each apartment owner hereby acknowledges that use of the apartments for time-sharing is specifically prohibited in the Project.

Neither the Developer nor its agents have made any representation regarding either economic benefits to be derived from rentals or tax treatment of any owner of an apartment. The

tax treatment and economic benefits may vary with individual circumstances and the Developer, and its agents, recommend that Buyer consult Buyer's own attorney, accountant or other tax counsel for advice regarding appropriate tax treatment.

Each apartment owner hereby acknowledges that the Developer has not authorized any agents, salesmen or brokers for the Project to make any representations as to rentals of an apartment, income from an apartment or any other economic benefit to be derived from the rental of an apartment in said Project, and if any such representations are made, they are hereby expressly disclaimed by the Developer.

7. Extent of Non-Residential Development. The Declaration of Condominium Property Regime for the Project does not authorize the commercial or non-residential use of the Project in any of the apartments.

8. Existing Structures. The condition of the Project and the structural, mechanical and electrical components of the Project are described in a report from an architect attached hereto as Exhibit "B". The Developer does not represent or warrant that the report is correct or complete. The report should not be relied upon as the opinion of the Developer. No representation is made by the Developer with respect to the current condition of the Project or expected useful life of the structural, mechanical or electrical components of the Project.

Developer disclaims any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the apartments or their contents. Developer will not be liable for any construction or other defects, including any latent or hidden defects in the Project, the apartments or their contents. This means that no person will have the right to file any lawsuit for damages against Developer for any defects.

Because the Project is being converted and the Apartment is being transferred by Developer in "AS IS" condition with "ALL FAULTS", Buyer should carefully review this Disclosure Abstract and Exhibit "B" hereto in their entirety. Furthermore, Buyer should inspect the Apartment and the Project or have the Apartment and Project inspected by Buyer's own experts to Buyer's complete satisfaction.

APARTMENT BEING TRANSFERRED "AS IS" WITH "ALL FAULTS". The Project is being converted and the Apartment is being transferred in "AS IS" condition with "ALL FAULTS". This means that Developer shall not correct any defects in the Project, the Apartment or anything installed or contained therein. The existence of any defect in the Project, the Apartment or anything

installed or contained therein shall not excuse Buyer's obligation to perform all of Buyer's obligations under this Agreement.

9. Notices. As of October 8, 1993, no outstanding notices of uncured violations of building code or other municipal regulations exist.

10. Compliance with Codes. To Developer's knowledge, information and belief, based upon a letter from the Building Department of the City and County of Honolulu attached hereto as Exhibit "C", Homes 1050 and 1050-A were in compliance with all zoning and building ordinances and codes of the City and County of Honolulu in force at the time of their construction and no variances or special permits were granted to allow deviations from any applicable codes. The Building Department cannot determine whether the Project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

Developer does not give any assurances that the apartments can be expanded and Developer does not give any assurances that variances are obtainable from the City and County of Honolulu to rebuild the Project or any of the apartments therein or for any proposed improvements.

Dated: Honolulu, Hawaii, September 9, 1994.


ANNA AGUADA GASTON


AMELITO AGUADA CORTEZ


MARIO AGUADA CORTEZ

Developer

EXHIBIT "A"

ESTIMATE OF ANNUAL AND MONTHLY MAINTENANCE FEES

Grounds maintenance; water; sewer; electricity *	\$ 0
Fire/liability insurance **	\$ 0
Management fees ***	\$ 0
Miscellaneous	\$ 0
TOTAL MONTHLY EXPENSES	\$ 0
TOTAL ANNUAL EXPENSES	\$ 0

Notes: * All utilities are separately metered or charged, and the common elements will incur no separate utility or maintenance charges.

** It is contemplated that each apartment owner will purchase and maintain his own fire and liability insurance naming the Association as an additional insured. If it is necessary for the Association to maintain its own liability insurance, this will become a common expense of the Association to be shared by the apartment owners based on their respective percentage interests in the common elements.

*** The Project will be self-managed.

INSPECTION REPORT

by: David K. Hoe
Registered Professional Architect No. 5031

JANUARY 26, 1994

Property Address:

Cortez Residence

1050 Wong Lane, Honolulu, Hawaii
TMK: 1-1-6-7:110
Lot- 28, (Lot-10-A)

Gaston Residence

1050-A Wong Lane, Honolulu, Hawaii
TMK: 1-1-6-7:17
Lot-11-A

Description of the Property: The two buildings are single family residences, situated on two properties which have been consolidated into one property for zoning purposes, but still maintain separate TMK numbers.

Cortez Residence: is approximately 1,435 square feet; elevated split level; single level; consisting of 5 bedrooms, 1 den, 1 living room, 1 common bathroom, 2 private bathrooms, 1 kitchen, 1 dining area, 1 hallway, 1 exterior covered laundry area.

Gaston Residence: is approximately 2,356 square feet; two levels; the lower level consists of 2 bedrooms, 1 den, 1 family room, 1 interior stairway , 1 common bathroom, 1 covered entryway, 2 car carport; the upper level consists of 3 bedrooms, 1 common bathroom, 1 kitchen, 1 living/dining room, 1 interior stairway, 1 hallway.

General:

A visual inspection of the property including structural, mechanical, and electrical components of the building was conducted on May 24, 1993.

The Cortez building is in acceptable condition due to its age of approximately 40+ years, and can be considered in "good condition" in overall scope. The structural, mechanical, and electrical systems is adequate and in good working order.

The Gaston building is in excellent condition being that it is only 4 years old. The structural, mechanical, and electrical systems is adequate and in good working order.

EXHIBIT B

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR



HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

WILLIAM F. REMULAR
DEPUTY

Ex93-119

October 8, 1993

Ms. Arlene S. Kishi
Foley Maehara Judge Nip & Chang
Attorneys At Law
2700 Grosvenor Center
737 Bishop Street
Honolulu, Hawaii 96813

Dear Ms. Kishi:

Subject: Condominium Conversion Project
1050 and 1050-A Wong Lane
Tax Map Key: 1-6-007: 017 and 110

This is in response to your letter dated September 9, 1993 requesting confirmation that the two-story, two-family detached dwelling located at 1050 and 1050-A Wong Lane met all code requirements at the time of construction.

Investigation revealed that the dwelling with at least four off-street parking spaces met the applicable code requirements when a two-story second dwelling unit addition was made to the existing one-story single-family dwelling in 1990.

In 1990 parcel 110 was consolidated with parcel 17.

For your information, the Building Department cannot determine whether this project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

No variances or special permits were granted to allow deviations from any applicable codes.

EXHIBIT "C"

Ms. Arlene S. Kishi
October 8, 1993
Page 2

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at telephone number 527-6341.

Very truly yours,


HERBERT K. MURAOKA
Director and Building
Superintendent

Subscribed and sworn to
before me this _____ 12th _____ day of
October _____, 1993.



Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1995