

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

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

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Waialua Palms Partnership* Phone: (808)949-2011
Name (Business)
1517 Kapiolani Blvd #200
Business Address
Honolulu, Hawaii 96814

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

<u>Carl E. Reinhardt</u>	<u>General Partner</u>
<u>Josephine V. Reinhardt</u>	<u>General Partner</u>
<u>Jack C. Lipman</u>	<u>General Partner</u>
<u>Shirley Ann Lipman</u>	<u>General Partner</u>

Real Estate: Carl E. Reinhardt Phone: (808)949-2011
Broker dba Reinhardt Realty (Business)
Name
1517 Kapiolani Blvd #200
Business Address
Honolulu, Hawaii 96814

Sykes & Sykes Properties Phone: (808)941-6672
1750 Kalakaua Ave., #2205
Honolulu, Hawaii 96826

Escrow: Guardian Escrow Services, Inc. Phone: (808)538-6991
Name (Business)
737 Bishop St. #2020
Business Address
Honolulu, Hawaii 96813

General Construction Concepts Phone: (808)848-8298
Contractor: Name (Business)
5 Sand Isl. Access Rd., Bldg. 929
Business Address
Honolulu, Hawaii 96819

Condominium Self Managed by AOA Phone:
Managing Name (Business)
Agent: Business Address

Attorney for David J. Mikonczyk, Esq. Phone: (808)533-0773
Developer: Name (Business)
1088 Bishop St., #1202
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

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

A. Declaration of Condominium Property Resume 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. 94-119368
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: (First) Amendment of Declaration and Condominium Map dated October 12, 1994 recorded on Doc. No. 94-173211 on October 21, 1994.

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. 2059
 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]: (First) Amendment of Declaration and Condominium Map dated October 12, 1994 recorded on Doc. No. 94-173211 on October 21, 1994.

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. 94-119369
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 of and operation of the common elements and limited common element 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:

	Minimum Set by Law	This Condominium
Declaration and Condo Map)	75%*	<u>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Majority vote by Board of Drectors</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: 68-037 Apuhihi Street Tax Map Key: (1) 6-8-11:15
Waialua, Hawaii 96791 (TMK)

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

Land Area: 10,914 [X] square feet [] acre(s) Zoning: A-1

Fee Owners: Jack C. Lipman & Shirley A. Lipman
 Name
840 Pueo Street
 Address
Honolulu, Hawaii 96816

Carl E. Reinhardt & Josephine V. Reinhardt
 Name
1456 Ihiloa Loop
 Address
Honolulu, Hawaii 96821

Sublessor: NA
 Name
 Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 2 Floors Per Building: 2
 Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other Plywood siding, glass and aluminum

4. Permitted Uses by Zoning:

	# of Apts	Use Permitted By Zoning	# of Apts	Use determined By Zoning
<input checked="" type="checkbox"/> Residential	<u>5</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Indus.	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Com	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ag	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Rec	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other:	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

5. Special Use Restrictions:

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

[X] Pets: As permitted by House Rules and the Laws of the State of Hawaii

[X] Number of Occupants: Two Persons per bedroom in each apartment

[] Other: _____

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: _____ Bldg A: 2,
Stairways: Bldg B: 3 Trash Chutes: _____

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	1	2/2.5	1048.5	183.00
B	1	2/2.5	1048.5	183.00
C	1	2/2.5	1048.5	183.00
D	1	2/2.5	1030.0	180.00
E	1	2/2.5	1048.5	183.00

Total Apartments: 5

*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:

External surface of the perimeter walls of each unit

Permitted Alterations to Apartments:

All alterations permitted provided it complies with building code.

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variances 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	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

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

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

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

D. Common Elements, Limited Common Elements, Common Interest

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

described in Exhibit _____.

as follows:

- A. The land
- B. The drive way as shown in condo map
- C. Guest parking
- D. Septic system area
- E. Garbage area
- F. All set back areas adjoining Apuhihi Street and Akule Street, 15 feet

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 _____.

as follows:

- A. Parking Stalls
- B. Apartments, Lanai/Patio

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:

20% to each apartment: A, B, C, D, and E

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 "D" describes the encumbrances against the title contained in the title report dated August 17, 1994 and issued by Hawaii Escrow and Title Inc. Developers represent that there were no further encumbrances after said date.

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>
Mortgages	Mortgage to be paid off at time of closing. If default occurs before closing, the mortgages may terminate buyer's interest, but buyer shall be entitled to a return of deposits. Less escrow cancellation fees

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 Owner Improvements:

None

2. Appliances:

No warranties on appliances except those provided by the manufacturer.

G. Status of Construction and Estimated Completion Date:

Building A and B were completed in December 1993. Building C, D, and E were completed in March 1994.

H. Project Phases:

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

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

IV. CONDOMINIUM MANAGEMENT

- A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. the Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developers affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

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

- B. Estimate of Initial Maintenance Fees

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

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

- C. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- None Electricity Gas Water
- Sewer Television Cable Other Septic System

3 Water meters; 1 meter for apartment A and B; Apartment C has own meter; 1 meter for apartments D and E
Condo also will apportion water via sub meter system
Water of common area via sprinkler system to be apportioned equally to five apartments.

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 "B" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated August 23, 1994.
Exhibit "A" 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, as amended.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map, as amended.
- 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. 3232 filed with the Real Estate Commission on 11/22/94.

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

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

C. Additional Information Not Covered Above

Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Carl E. Reinhardt (RB-8495), Josephine V. Reinhardt (RB-35430) and Shirley A. Lipman (RB-21197), General Partners of the Developer Waialua Partners and co-owners of the property, are current and active Hawaii real estate licensees associated with Carl E. Reinhardt dba Reinhardt Realty and Sykes & Sykes Properties, Inc., the sales agent for the project. Pursuant to Section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'.

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 conceding the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, the, correct and complete.

Carl E. Reinhardt, Josephine V. Reinhardt, Jack C. Lipman
and Shirley Ann Lipman
Name of Developers

By: Carl E. Reinhardt 7-5-94
Duly Authorized Signatory Date

CARL-E REINHARDT
print name & title of person signing above

Josephine V. Reinhardt 07-05-94
Duly Authorized Signatory Date

JOSEPHINE V. REINHARDT
print name & title of person signing above

Shirley Ann Lipman 5th July '94
Duly Authorized Signatory Date

SHIRLEY ANN LIPMAN
print name & title of person signing above

Jack C. Lipman 7-5-94
Duly Authorized Signatory Date

JACK C. LIPMAN
print name & title of person signing above

Distribution:

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

SUMMARY OF ESCROW AGREEMENT

COMPENSATION TO ESCROW:

For each sales contract processed through closing, Escrow will be compensated \$600.00. If a contract is not completed the charge will be \$25.00.

REFUNDS TO PURCHASERS; CONDITIONS:

Purchaser shall be entitled to a refund of his funds without interest and less Escrow's cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

(a) Escrow receives a written request from seller to return to purchaser the funds of such purchaser then held hereunder by Escrow; or

(b) If after the Final Report is issued Purchaser has within thirty (30) days exercised his right of refund and cancellation of obligation, upon refund of said funds to purchaser as aforesaid, Escrow shall return to Seller such Purchaser's sales contract and any conveyance document theretofore delivered to Escrow, and thereupon neither Purchaser nor Seller shall be deemed obligated thereunder.

TERMINATION OF SALES CONTRACT:

If at any time Seller shall certify in writing to Escrow that a Purchaser, whose funds are held hereunder by Escrow, has defaulted under the terms of the Sales Contract, Escrow will promptly give notice to Purchaser by registered mail of such default and shall thereafter treat all funds of such Purchaser paid under such contract, less FIFTY DOLLARS (\$50.00). If a Sales Contract is cancelled after Purchaser has received a commitment for financing, the cancellation fee shall be TWO HUNDRED FIFTY DOLLARS (\$250.00) as the escrowed funds of Seller and not of Purchaser.

EXHIBIT Aⁿ

SUMMARY OF SALES CONTRACT

The Sales Contract operates as an agreement to sell to a prospective purchaser fee simple property which has been submitted to the State of Hawaii, Department of Commerce and Consumer Affairs, Real Estate Commission for approval as a Condominium Project. Under the sales contract the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("ESCROW"). Pursuant to the sales contract the following items apply:

1. Seller will require all payments due by purchaser to be made to Escrow.

2. All money received by Escrow will be deposited in an interest-bearing account in a federally insured bank or savings and loan institution all interest earned in the account will be credited to the account of the Seller or Escrow Agent as agreed to inter those two parties.

3. If the Buyer refuses to enter into the sales contract but rescinds the sales contract before thirty (30) days after having received the Final Report or having waived the right to cancel, Seller will cancel the Sales Contract and Escrow will promptly return all money to Buyer without interest and less the cancelation fee and other costs, up to TWO HUNDRED FIFTY DOLLARS (\$250.00).

4. The sale of the property is subject to the property being approved as a condominium project. No disbursement of Buyer's funds will occur until Seller has notified Escrow that Buyer's Sales Contract has become effective and a Final Report has been issued by the Real Estate Commission and Escrow has received a copy of Buyer's receipt for the Final Public Report.

5. The sale is subject to all the requirements of Chapter 514A H.R.S. as amended.

6. Attached to and made apart of the Sales Contract is a Receipt and Notice of Right to Cancel as required by Hawaii State Law.

EXHIBIT "B"

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only

common elements and apartments

Elevator

Gas

Refuse Collection

Telephone

Water and Sewer \$120.00 a month/each unit

\$1,440.00 annually

Maintenance, Repairs and Supplies

Building \$10.00 a month/each unit

\$120.00 annually

Grounds-Landscaping \$30.00 a month/each unit

\$360.00 annually

Management

N/A

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance \$50.00 a month/each unit

\$600.00 annually

Reserves (*)

Taxes and Government Assessments: AppORTIONED equally

Audit Fees

Other

TOTAL

We, Carl E. Reinhardt, Josephine V. Reinhardt, Jack C. Lipman and Shirley Ann Lipman, as developers for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Date: 7-5-94

Josephine V. Reinhardt

Date: 07-05-94

Whitley A. Lipman

Date: 5th July '9

Jack C. Lipman

Date: 7-5-94

N/A

Date: _____

(*) Mandatory reserves in effect January 1, 1993

ENCUMBRANCES AGAINST TITLE

1. REAL PROPERTY TAXES, as may be due and owing. Refer to the City and County of Honolulu Director of Finance for further information.
2. ASSESSMENTS

ASSESSMENTS OR CHARGES LEVIED BY MUNICIPAL OR GOVERNMENTAL AUTHORITY OR IMPOSED BY ANY OTHER LAWFULLY CONSTITUTED BODY AUTHORIZED BY STATUTE TO ASSESS, LEVY AND COLLECT THE SAME, IF ANY.

3. TITLE TO ALL MINERALS AND METALLIC MINES RESERVED TO THE STATE OF HAWAII.
4. COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, AGREEMENTS, OBLIGATIONS AND OTHER PROVISIONS SET FORTH IN THE INSTRUMENT, DATED : AUGUST 2, 1963..
RECORDED: AUGUST 5, 1963, IN LIBER 4568, PAGE 346,
IN THE BUREAU OF CONVEYANCES.
5. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF,
DATED : JULY 15, 1993.
AMOUNT : \$250,000.00
MORTGAGOR : JACK C. LIPMAN AND SHIRLEY A. LIPMAN, HUSBAND
AND WIFE; AND CARL ERNST REINHARDT AND
JOSEPHINE VERONIKA REINHARDT, TRUSTEES UNDER
THAT CERTAIN UNRECORDED LIVING TRUST AGREEMENT
DATED DECEMBER 4, 1989 HAVING ALL POWERS UNDER
SAID TRUST AGREEMENT, INCLUDING FULL POWER TO
SELL, CONVEY, EXCHANGE, MORTGAGE, LEASE,
ASSIGN, ETC.
MORTGAGEE : RAINBOW FINANCIAL CORPORATION, A HAWAII
CORPORATION.
RECORDED : JULY 21, 1993, AS INSTRUMENT NO. 93-117319,
IN THE BUREAU OF CONVEYANCES.

LOAN NO. : NONE.

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS CONTAINED IN PARAGRAPH "14" ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:
841 BISHOP STREET, SUITE 142
DAVIES PACIFIC CENTER
HONOLULU, HAWAII 96813

SUBORDINATION AGREEMENT, SUBORDINATING THE SUBJECT MATTERS REFERRED TO IN THIS PARAGRAPH, BY THE PROVISIONS CONTAINED THEREIN,

DATED : DECEMBER 2, 1993.
EXECUTED BY : JACK C. LIPMAN AND SHIRLEY A. LIPMAN,
HUSBAND AND WIFE, AND RAINBOW FINANCIAL
CORPORATION, A HAWAII CORPORATION.
RECORDED : DECEMBER 8, 1993, AS INSTRUMENT NO.
93-202640, IN THE BUREAU OF CONVEYANCES.
SUBORDINATED TO: THE LIEN OF MORTGAGE SHOWN AS ITEM NO. 7.

6. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF,
DATED : DECEMBER 2, 1993.
AMOUNT : \$177,000.00
MORTGAGOR : JACK C. LIPMAN AND SHIRLEY A. LIPMAN, HUSBAND
AND WIFE; AND CARL ERNST REINHARDT AND
JOSEPHINE VERONIKA REINHARDT, TRUSTEES UNDER
THAT CERTAIN UNRECORDED LIVING TRUST AGREEMENT
DATED DECEMBER 4, 1989 HAVING ALL POWERS UNDER
SAID TRUST AGREEMENT, INCLUDING FULL POWER TO
SELL, CONVEY, EXCHANGE, MORTGAGE, LEASE,
ASSIGN, ETC.
MORTGAGEE : RAINBOW FINANCIAL CORPORATION, A HAWAII
CORPORATION.
RECORDED : DECEMBER 8, 1993, AS INSTRUMENT NO. 93-202639,
IN THE BUREAU OF CONVEYANCES.
LOAN NO. : NONE.

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS CONTAINED THEREIN ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:
SUITE 142, DAVIES PACIFIC CENTER
841 BISHOP STREET
HONOLULU, HAWAII 96813

7. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF, DATED : MAY 9, 1994.
AMOUNT : \$477,000.00
MORTGAGOR : JACK C. LIPMAN AND SHIRLEY A. LIPMAN, HUSBAND AND WIFE; AND CARL ERNST REINHARDT AND JOSEPHINE VERONIKA REINHARDT, TRUSTEES UNDER THAT CERTAIN UNRECORDED LIVING TRUST AGREEMENT DATED DECEMBER 4, 1989 HAVING ALL POWERS UNDER SAID TRUST AGREEMENT, INCLUDING FULL POWER TO SELL, CONVEY, EXCHANGE, MORTGAGE, LEASE, ASSIGN, ETC.
MORTGAGEE : RAINBOW FINANCIAL CORPORATION, A HAWAII CORPORATION.
RECORDED : MAY 12, 1994, AS INSTRUMENT NO. 94-78513, IN THE BUREAU OF CONVEYANCES.
LOAN NO. : NONE

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS CONTAINED IN PARAGRAPH "14" ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:
841 BISHOP STREET, SUITE 142
DAVIES PACIFIC CENTER
HONOLULU, HAWAII 96813

8. Declaration of Condominium Property Regime, Condominium Map and By-laws of the Association of Apartment Owners, as amended, as identified on page 6 of this public report.