

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Schuler Homes, Inc.
Address 828 Fort Street Mall, 4th Floor, Honolulu, Hawaii 96813

Project Name(*): The Tropics at Waikele Phase 2
Address: Paiwa Street, Waikele, Hawaii 96797

Registration No. 3507

Effective date: December 8, 1997

Expiration date: January 8, 1999

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

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

- No prior reports have been issued.
This report supersedes all prior public reports.
This report must be read together with

SECOND

X SUPPLEMENTARY: (pink) This report updates information contained in the:
Preliminary Public Report dated:
[X] Final Public Report dated: Effective Date March 18, 1996
[X] Supplementary Public Report dated: Effective Date April 29, 1996

And [] Supersedes all prior public reports
[X] Must be read together with Final Public Report & Supplementary Public Report
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration
FORM: RECO-30 286/986/189/1190/892/0197

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:

1. Revisions to model types were made to SEVEN (7) condominium homes located in the Community. The changes made are further described in Exhibit "A", attached hereto and are identified as follows:

<u>Condominium Home No.</u>	<u>From</u>	<u>To</u>
84	C-III	C-IR
85	C-IVR	C-V
89	C-III	C-VI
90	C-IV	C-V
98	C-IV	C-V
102	C-III	C-I
103	C-IV	C-V

2. The Developer has amended the common area percentages to conform with the model type revisions described above. Amended common area percentages are shown and described in Exhibit "D", attached hereto.

IMPORTANT NOTE:

Prospective buyers should be aware that due to the introduction of the new model types in the Community, the allocation of common expenses and interests among Condominium Homes have slightly changed. Although the Estimate of Initial Maintenance Fees prepared by Chaney Brooks & Company remains unchanged, the allocation of maintenance fees among the Condominium Homes have changed slightly. Prospective buyers are encouraged to review Exhibit "G" (page 1 of 3) Estimate of Initial Maintenance Fees. The provision of this estimate to prospective buyers, is made subject to the same limitations set forth in the Final Public Report dated January 31, 1996.

**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. 96-017157
Book _____ Page _____
 Filed - Land Court Document Number 2289034

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

First Amendment to Declaration of Condominium Property Regime of The Tropics at Waikele Phase 2, dated April 2, 1996, filed as Bureau of Conveyances Document No. 96-048016, and Land Court Document No. 2300828.

Second Amendment to Declaration of Condominium Property Regime of The Tropics at Waikele Phase 2, dated June 28, 1996, filed as Bureau of Conveyances Document No. 96-096163, and Land Court Document No. 2321071.

Third Amendment to Declaration of Condominium Property Regime of The Tropics at Waikele Phase 2, dated July 22, 1996, filed as Bureau of Conveyances Document No. 96-148347, and Land Court Document No. 2342308.

Amendment to Declaration of Condominium Property Regime of The Tropics at Waikele Phase 2, dated May 9, 1997, filed as Bureau of Conveyances Document No. 97-066499, and Land Court Document No. 2382046.

- 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. 2355
 Filed - Land Court Condo Map No. 1140

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

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances Document No. 96-017158
Book _____ Page _____
 Filed - Land Court Document No. 2289035

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

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: Reasonable number of common household pets, such as small dogs, cats, aquarium fish and birds. No livestock or poultry, and no animals classified as "pests" or prohibited from importation under state statutes.

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

Other: Condominium Homes shall be used for residential purposes only; no "time-sharing" permitted.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: <u>0</u>		Stairways: <u>C-II/III/IV/V/VI:1</u>			Trash Chutes: <u>0</u>	
Apt. Type	Quantity	BR/Bath	Net Living Area(s)*	Entry	Garage	Lanai/Patio(s)
<u>C-I</u>	<u>9</u>	<u>2/2</u>	<u>886</u>	<u>36</u>	<u>416</u>	<u>56</u>
<u>C-II</u>	<u>9</u>	<u>3/2- 1/2</u>	<u>1101</u>	<u>49</u>	<u>370</u>	<u>39</u>
<u>C-III</u>	<u>19</u>	<u>3/2-1/2</u>	<u>1122</u>	<u>41</u>	<u>409</u>	<u>40</u>
<u>C-IV</u>	<u>21</u>	<u>3/2-1/2</u>	<u>1309</u>	<u>35</u>	<u>371</u>	<u>N/A</u>
<u>C-V</u>	<u>11</u>	<u>4/2-1/2</u>	<u>1375</u>	<u>38</u>	<u>409</u>	<u>76</u>
<u>C-VI</u>	<u>4</u>	<u>4/2-1/2</u>	<u>1319</u>	<u>41</u>	<u>398</u>	<u>40</u>

Total Number of Apartments 73

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. Other documents and maps (including the Condominium Map) may give floor area figures which differ from those above because a different method of determining the floor area may have been used.*

Limits of Condominium Homes. Each Condominium Home includes all walls, columns and partitions (both load bearing and not load bearing) which are within the Condominium Home's perimeter walls including without limitation the Condominium Home's perimeter walls, the Condominium Home's foundation, all floors, ceilings, doors, windows, sliding glass doors, screen doors, door frames and window frames, the air space within the Condominium Home, the garage including its floor, foundation, ceiling, doors and perimeter walls, the lanais, if any, shown on the Condominium Map to the exterior edge of the exterior railings or other boundaries of such lanais, all rollers, locks, handles, tracks, and appurtenant hardware associated with all windows, doors and exterior automobile garage doors and all sliding or swinging screen doors and all glass window screens and all fixtures originally installed in the Condominium Home, and all pipes, plumbing (including water heaters), wires, conduits and other utility or service lines and facilities servicing only the Condominium Home. The Condominium Homes shall also include all load-bearing columns, girders, beams, building components and other elements included within each Condominium Home. The Condominium Home shall not include any pipes, shafts, wires, conduits or other utility or service lines running through a Condominium Home which are utilized for or serve more than one Condominium Home, all of which are deemed common elements as provided in the Declaration.

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

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, as amended.
 - D) House Rules, if any.
 - 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: Master Declaration of Covenants, Conditions and Restrictions of the Waikele Community dated December 28, 1990, recorded as Land Court Document No. 1791991, Eleventh Supplemental Master Declaration of Covenants, Conditions and Restrictions for the Waikele Community, dated April 20, 1993, Land Court Document No. 2016125 and Document No. 93-061696.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu, Hawaii 96809, at a nominal cost.

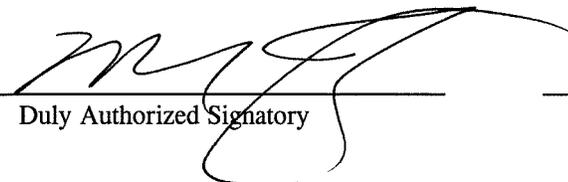
This Public Report is a part of Registration No. 3507 filed with the Real Estate Commission on 2/13/96.

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

Schuler Homes, Inc.
Name of Developer

By:  10/14/97
Duly Authorized Signatory Date

Executive Vice President
print name & title of person signing above

Distribution:

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

EXHIBIT "A"

DESCRIPTION OF BUILDING(S)

Description of Homes, Common Elements and Limited Common Elements

The Community shall contain seventy-three (73) single-family detached Condominium Homes (9 of which shall each contain two bedrooms, 49 of which shall each contain three bedrooms, and 15 of which shall each contain four bedrooms). None of the Condominium Homes have a basement. The Condominium Homes shall be constructed principally of metal, wood, glass and related building materials.

There shall be six (6) different model types in the Community, designated as Model Types C-I, C-II, C-III, C-IV, C-V, and C-VI. Each of the models include, without limitation, all components, roof, exterior walls and the foundation. A description of each model type is as follows:

Model Type C-I

Model Type C-I is a one story Condominium Home containing two bedrooms, two bathrooms, living/dining room, kitchen, nook, lanai, entry, attached two car garage and other improvements as shown on the Condominium Map. Each Model Type C-I contains a net living area of approximately 886 square feet, entry area of approximately 36 square feet, garage area of approximately 416 square feet, and lanai area of approximately 56 square feet. There are nine (9) Model Type C-1 Condominium Homes in the Community.

Model Type C-II

Model Type C-II is a two story Condominium Home containing three bedrooms, two and one half bathrooms, living/dining room, kitchen, lanai, entry, attached two car garage and other improvements as shown on the Condominium Map. Each Model Type C-II contains a net living area of approximately 1101 square feet, entry area of approximately 49 square feet, garage area of approximately 370 square feet, and lanai area of approximately 39 square feet. Model Type C-II has a den option. There are nine (9) Model Type C-II Condominium Homes in the Community.

Model Type C-III

Model Type C-III is a two story Condominium Home containing three bedrooms, two and one half bathrooms, living/dining room, kitchen, lanai, entry, attached two car garage and other improvements as shown on the Condominium Map. Each Model Type C-III contains a net living area of approximately 1122 square feet, entry area of approximately 41 square feet, garage area of approximately 409 square feet, and lanai area of approximately 40 square feet. Model Type C-III has a den option. There are nineteen (19) Model Type C-III Condominium Homes in the Community.

Model Type C-IV

Model Type C-IV is a two story Condominium Home containing three bedrooms, two and one half bathrooms, living/dining room, family room, kitchen, entry, attached two car garage and other improvements as shown on the Condominium Map. Each Model Type C-IV contains a net living area of approximately 1309 square feet, entry area of approximately 35 square feet, and garage area of approximately 371 square feet. Model Type C-IV has a den option. There are twenty-one (21) Model Type C-IV Condominium Homes in the Community.

Model Type C-V

Model Type C-V is a two story Condominium Home containing four bedrooms, two and one half bathrooms, living/dining room, family room, kitchen, lanai, entry, attached two car garage and other improvements as shown on the Condominium Map. Each Model Type C-V contains a net living area of approximately 1375 square feet, entry area of approximately 38 square feet, garage area of approximately 409 square feet, and lanai area of approximately 76 square feet. Model Type C-V has a den option. There are eleven (11) Model Type C-V Condominium Homes in the Community.

Model Type C-VI

Model Type C-VI is a two story Condominium Home containing four bedrooms, two and one half bathrooms, living/dining room, kitchen, lanai, entry, attached two car garage and other improvements as shown on the Condominium Map. Each Model Type C-VI contains a net living area of approximately 1319 square feet, entry area of approximately 41 square feet, garage area of approximately 398 square feet, and lanai area of approximately 40 square feet. There are four (4) Model Type C-VI Condominium Homes in the Community.

LOCATION AND NUMBERING OF HOMES:

Each Condominium Home shall be given a separate street address.

COMMON ELEMENTS

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

1. The land, in fee simple, described in Exhibit "A" attached to the Declaration of Condominium Property Regime.
2. All drainage facilities or swales, pipes, shafts, wires, conduits or other utilities or service lines running through a Condominium Home or Private Yard Area which are utilized for or serve more than one Condominium Home or Private Yard Area or other feature of the Community.
3. All sidewalks, pathways, driveways, roads, curbs, parking areas, and the seventeen (17) "guest" parking stalls numbered 10G, 11G, 12G, 13G, 14G, 15G, 16G, 17G, 18G, 19G, 20G, 21G, 22G, 23G, 24G, 25CG and 26G. Note: Parking stall numbered 25CG is a compact guest stall.
4. All ducts, electrical equipment, transformers, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the Community or individual Private Yard Areas which are utilized by or serve more than one Condominium Home for services such as power, light, water, gas, sewer, drainage, telephone and radio and television signal distribution, if any.
5. All areas, rooms, spaces, structures, housings, chutes, shafts or facilities of the Community within or outside of the buildings, which are for common use or which serve more than one Condominium Home, such as electrical, maintenance, service, security, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein.

6. All the benefits, if any, inuring to the land or to the Community from all easements, if any, shown on the Condominium Map or listed in Exhibit "A" attached to the Declaration of Condominium Property Regime.
7. Any and all apparatus and installations of common use and all other parts of the Community necessary or convenient to its existence, maintenance and safety, or normally in common use.
8. The private driveways i.e. the Common Driveways servicing groups of Condominium Homes, as identified in the Declaration of Condominium Property Regime of the Tropics at Waialeale Phase 2 ("Declaration") and as shown on the Condominium Map, provided however that the Board of Directors may treat such driveways as a limited common element appurtenant to those Condominium Homes for purposes of assessing costs and expenses associated with it.
9. All other parts of the Community which are not included in the definition of a Condominium Home.

LIMITED COMMON ELEMENTS

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

1. **Private Yard Area:**

The land area appurtenant to each Condominium Home as described in the Declaration and as shown on the Condominium Map and bearing the same Private Yard Area number as the unit number assigned to the Condominium Home, is a limited common element.

2. **Exterior Light Fixtures:**

Exterior Lighting Fixtures, electrical service in respect of which is provided by an individual Condominium Home, whether located within or without a Private Yard Area, are limited common element(s) associated with the Condominium Home providing such electrical service.

3. **Party Walls/Fences.**

The fences and walls or portion thereof that have been constructed within a Private Yard Area or on the common Lot Area line boundary between Lots as shown on the Condominium Map, including those fences and walls defined as "Party Walls" in the Declaration, are limited common elements.

EXHIBIT "D"

COMMON ELEMENTS

Building Type	Condominium Home (Unit) Number	Undivided Common Interest of Each Building
C-I (9)	34, 40, 47, 52, 57, 62, 71, 84, 102	0.011499 (1.1499%)
C-II (9)	44, 49, 54, 64, 81, 91, 96, 99, 104	0.012854 (1.2854%)
C-III (19)	46, 51, 56, 59, 61, 66, 67, 69, 70, 73, 74, 76, 78, 79, 83, 86, 88, 92, 106	0.013286 (1.3286%)
C-IV (21)	37, 41, 42, 45, 50, 55, 60, 65, 68, 75, 77, 80, 82, 87, 93, 94, 95, 97, 100, 101, 105	0.014138 (1.4138%)
C-V (11)	35, 43, 48, 53, 58, 63, 72, 85, 90, 98, 103	0.015649 (1.5649%)
C-VI (4)	36, 38, 39, 89	0.014838 (1.4838%)

EXHIBIT "G"

ESTIMATE OF INITIAL MAINTENANCE FEES

Apartment Type	Monthly Fee (per apt.) prior to model type revisions	Yearly Total (per apt.) prior to model type revisions	Monthly Fee (per apt.) after model type revisions	Yearly Total (per apt.) after model type revisions
C-I	\$50.24	\$602.88	\$44.85	\$538.20
C-II	\$56.15	\$673.80	\$50.13	\$601.56
C-III	\$58.04	\$696.48	\$51.82	\$621.84
C-IV	\$61.76	\$741.12	\$55.14	\$661.68
C-V	\$68.36	\$820.32	\$61.03	\$732.36
C-VI	\$64.81	\$777.72	\$57.87	\$694.44

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency. Buyer should be aware that a reserve study has not been conducted for this Project in estimating the reserve funds (if any are indicated) necessary to maintain the Condominium Community.

Current pre-revision monthly and annual maintenance fees are based on the budget prepared by Chaney Brooks & Company, a licensed property management company, dated and certified effective October 6, 1997, reflected on pages 2 and 3 of this exhibit. Revised fee estimates are based on the same budget estimate. The Developer has not reviewed the estimate for correctness or completeness and makes no warranty or representation concerning its sufficiency or accuracy of this estimate.

NOTE: The Estimated Maintenance Fee Disbursements for The Tropics at Waikale Phase 2 Association have been compiled by Chaney Brooks & Co., a licensed property management company. Although the property management company makes every effort to estimate the actual cost of operation, certain budget items, especially insurance in today's insurance market, may change. The Buyer is aware that such amounts are only estimates and may change for reasons beyond the control of Seller, and the Buyer hereby specifically accepts and approves any such changes. The Buyer is also aware that such estimates do not include the Buyer's obligation for payment of real property taxes. The Buyer understands that such estimates are not intended to be and do not constitute any representation or warranty by Seller, including but not limited to any representation or warranty as to the accuracy of such estimates. Buyer understands that Seller has not independently confirmed the accuracy or content of the estimates prepared by the licensed management company. Further, the Developer advises that costs and expenses of maintenance and operation of a condominium community are very difficult to estimate initially and even if such maintenance charges have been accurately estimated, such charges will tend to increase in an inflationary economy and as the improvements age. Maintenance charges can vary depending on the services desired by apartment owners and may increase significantly depending on the level of services eventually selected by the Association's Board of Directors. The Buyer should examine the maintenance charges schedule to see what services are included in the schedule and address these issues with its Board upon its formation. Buyers should also be aware that the estimates provided are as of the date reflected in the Managing Agent's certification and do not reflect the actual charges that may be incurred upon the formation of the Association and the actual contracting for such services such as insurance and maintenance, etc.

TROPICS AT WAIKELE
Phase 2
73 Units

Estimated Annual Common Expense

	<u>Monthly x 12</u>	<u>Annually</u>
<u>MAINTENANCE, REPAIR & SUPPLIES</u>		
Roads- Driveways	500	6,000
<u>MANAGEMENT</u>		
Management Fee	530	6,360
Office Expense	75	900
<u>INSURANCE</u>	2,265	27,180
<u>RESERVES (*)</u>	400	4,800
<u>TAXES AND GOVERNMENT ASSESSMENTS</u>	5	60
<u>AUDIT AND TAX PREPARATION</u>	<u>125</u>	<u>1,500</u>
TOTAL	\$3,900	\$46,800

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



Caroline Bell CMCA®
Senior Community Association Manager

Date: 10-6-97

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. Developer discloses that no reserve study has been conducted in accordance with Chapter 514A-83.6, HRS, and replacement reserves rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

TROPICS AT WAIKELE

Phase II
(73 Units)

BUDGET ASSUMPTIONS

Maintenance/Roads - Allowance for miscellaneous repairs based on square footage

Management Fee - Based on number of units in project. Includes coupon billing, semi-annual Board meetings and quarterly inspections.

Office Expense - Includes quarterly mailouts to all owners, coupons, condominium registration fee and miscellaneous expenses.

Insurance - Includes Property, Liability, excess hurricane \$21,944; Umbrella Liability \$1,045 and Hurricane \$4,184

Reserves - Includes painting, roof, paving. Reserve schedule will be re-evaluated and adjusted accordingly by the Board of Directors based on a Reserve Study.

Audit and Tax Preparation - Based on current prices for similar properties plus inflation factor.