# CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer GENTRY HOMES, LTD.
Address 560 North Nimitz Highway, Honolulu, Hawaii 96817-5315

Project Name (*): HU'ELANI, PHASE 6
Address: Lukini Place, Ewa Beach, Hawaii 96706
See page 2 for unit by unit breakdown of addresses

Registration No. 4746 Effective date: February 4, 2002
Expiration date: March 4, 2003

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.

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

____ SUPPLEMENTARY (pink) This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request*

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

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

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

**Summary of Changes from Earlier Public Reports:**

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

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

[X] Changes made are as follows:

- The net interior area figures and garage area figures changed for both Plan A and Plan B:
  - Plan A: Net interior area changed from 1,632.00 sq. ft. to 1607.57 sq. ft.
    Garage area changed from 388.25 to 387.49 sq. ft.
  - Plan B Net interior area changed from 1,572.13 sq. ft. to 1,550.88 sq. ft.
    Garage area changed from 407.67 to 406.68 sq. ft.
- The change in net interior area figures resulted in a change in percent of common interest:
  - Plan A changed from 33.75% to 33.73%
  - Plan B changed from 32.50% to 32.54%
- The condominium documents have been recorded.
- The tax map key number has changed.
- A new warranty program was implemented effective January 1, 2002.

**This resulted in the following changes to the Preliminary Public Report:**

- Pages 3 and 15 were revised and an Exhibit "G" was added to cover the new warranty program;
- Page 6 was revised to reflect the recordation of the condominium documents;
- Page 7 was revised to reflect the adoption of the House Rules;
- Page 9 was revised to reflect an updated tax map key number;
- Page 11 was revised to reflect the revised net interior area and garage figures for both Plans A and B and to list the optional floor plans;
- Page 14 was revised to reflect an updated title report;
- The second paragraph in Section 4(g) on Page 20A referencing possible special privileges at Coral Creek Golf Course and Hawaii Prince Golf Course was deleted;
- Exhibit "A" was revised to reflect the change in net interior square footage and the resulting change in percent of common interest;
- Exhibit "C" was revised to reflect the recordation of the condominium documents and the recordation of the Grant of Easement to Time Warner Entertainment Company, L.P. dba Oceanic Cable; and
- Page 2 of Exhibit "D" was revised to reflect the change in percent of common interest.

**STREET ADDRESSES BY UNIT NO.**

| Unit No. | Street Address | Unit No. | Street Address |
|---|---|---|---|
| 7 | 91-209 Lukini Place | 9 | 91-213 Lukini Place |
| 8 | 91-211 Lukini Place | | |

TABLE OF CONTENTS


| | | Page |
|---|---|---|
| Preparation of this Report | | 1 |
| Expiration Date of Reports | | 1 |
| Type of Report | | 1 |
| Disclosure Abstract | | 2 |
| Summary of Changes from Earlier Public Reports | | 2 |
| Table of Contents | | 3 |
| General Information on Condominiums | | 4 |
| Operation of the Condominium Project | | 4 |
| I. | PERSONS CONNECTED WITH THE PROJECT | |
| | Developer | 5 |
| | Attorney for Developer | |
| | General Contractor | |
| | Real Estate Broker | |
| | Escrow Company | |
| | Condominium Managing Agent | |
| II. | CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS | |
| | A. Declaration | 6 |
| | B. Condominium Map (File Plan) | 6 |
| | C. Bylaws | 6 |
| | D. House Rules | 7 |
| | E. Changes to Condominium Documents | 7 |
| III. | THE CONDOMINIUM PROJECT | |
| | A. Interest to be Conveyed to Buyer | 8 |
| | B. Underlying Land | 9 |
| | C. Buildings and Other Improvements | 10 |
| | D. Common Elements, Limited Common Elements, Common Interest | 13 |
| | E. Encumbrances Against Title | 14 |
| | F. Construction Warranties | 15 |
| | G. Status of Construction | 16 |
| | H. Project Phases | 16 |
| IV. | CONDOMINIUM MANAGEMENT | |
| | A. Management of the Common Elements | 17 |
| | B. Estimate of Initial Maintenance Fees | 17 |
| | C. Utility Charges for Apartments | 17 |
| V. | MISCELLANEOUS | |
| | A. Sales Documents Filed with the Real Estate Commission | 18 |
| | B. Buyer's Right to Cancel Sales Contract | 18 |
| | C. Additional Information Not Covered Above | 20 |
| | D. Signature of Developer | 21 |
| EXHIBIT A: | APARTMENT DESCRIPTION, PARKING STALL ASSIGNMENTS AND COMMON INTEREST | |
| EXHIBIT B: | COMMON ELEMENTS | |
| EXHIBIT C: | ENCUMBRANCES AGAINST TITLE | |
| EXHIBIT D: | ESTIMATE OF INITIAL MAINTENANCE FEES | |
| EXHIBIT E: | SUMMARY OF SALES CONTRACT | |
| EXHIBIT F | SUMMARY OF ESCROW AGREEMENT | |
| EXHIBIT G | SAMPLE HOME BUILDER'S LIMITED WARRANTY | |

## General Information on Condominiums

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

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

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

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

In some condominium projects, some common elements are reserved for the exclusive use of the owners of 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: GENTRY HOMES, LTD.
Name*
560 North Nimitz Highway
Business Address
Honolulu, Hawaii 96817

Phone: (808) 599-5558
(Business)

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

Robert W. Brant -- President/CEO
Randolph K. Ouye -- Senior Vice President/COO
Toshimasa Hosoda -- Senior Vice President - Planning
Dawn Suyenaga -- Vice President/Secretary
John Shaw -- Vice President - Architecture
Linda F.K. Nakata -- Vice President - Accounting/Treasurer

Real Estate Broker*: GENTRY HOMES, LTD.
Name
560 North Nimitz Highway, Suite 210
Business Address
Honolulu, Hawaii 96817

Phone: (808) 599-5558
(Business)

Escrow: ISLAND TITLE CORPORATION
Name
1132 Bishop Street, Suite 400
Business Address
Honolulu, Hawaii 96813

Phone: (808) 531-0261
(Business)

General Contractor*: GENTRY BUILDERS, LLC
Name
560 North Nimitz Highway, Suite 213
Business Address
Honolulu, Hawaii 96817

Phone: (808) 599-5558
(Business)

Condominium Managing Agent* HAWAIIANA MANAGEMENT COMPANY, LTD.
Name
711 Kapiolani Boulevard, Suite 700
Business Address
Honolulu, Hawaii 96813

Phone: (808) 593-9100
(Business)

Attorney for Developer Dawn Suyenaga
Name
560 North Nimitz Highway, Suite 210
Business Address
Honolulu, Hawaii 96817

Phone: (808) 599-5558
(Business)

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

## 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 _____
[X] Filed - Land Court Document No. 2772003

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

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

The Condominium Map for this condominium is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
Book _____ Page _____
[X] Filed - Land Court Document No. 1455

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 is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
Book _____ Page _____
[X] Filed - Land Court Document No. 2772004

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

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

The House Rules for this condominium are:

[ ] Proposed [X] 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% | 75% |
| Bylaws | 65% | 65% |
| House Rules | --- | 51% |

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

[ ] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

[X] Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules: The Developer has reserved the right to make any changes to said documents, and any other documents affecting this Project, as may be required by law, any title insurance company, or as Developer decides is necessary, all without the consent or approval of the Buyer, provided that the changes do not substantially impair the prospective use and enjoyment of the apartments; materially alter the arrangement of the rooms or reduce the usable space within the apartment; render unenforceable the Buyer's mortgage loan commitment; alter Buyer's share of common expenses or reduce the obligations of the Seller for common expenses on unsold apartments. Developer also reserves the right to file the as-built verified statement required by Section 514A-12, Hawaii Revised Statutes, as amended, and also to make any changes to the documents necessary in connection with the merger of this Project as set forth in paragraph H, page 16 of this report.

## III. THE CONDOMINIUM PROJECT

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

[X] 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 Subleasehold:

[ ] 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 Sub-leasehold:

**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: Lukini Place Tax Map Key (TMK): (1) 9-1-116-012
Ewa Beach, Hawaii 96706 (See page 2 for unit by unit breakdown of addresses.)
[ ] Address [ ] TMK is expected to change because _____

Land Area: 0.306 [ ] square feet [X] acre(s) Zoning: A-1

Fee Owner: GENTRY HOMES, LTD., a Hawaii corporation
Name
560 North Nimitz Highway
Address
Honolulu, Hawaii 96817

Lessor: Not Applicable
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 3 Floors Per Building 2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

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

   [X] Other composition siding; Monier tile

4. Uses Permitted by Zoning:

| | No. of Apts. | Use Permitted By Zoning | |
|---|---|---|---|
| [X] Residential | 3 | [X] Yes | [ ] No |
| [ ] Commercial | | [ ] Yes | [ ] No |
| [ ] Mix Res/Comm | | [ ] Yes | [ ] No |
| [ ] Hotel | | [ ] Yes | [ ] No |
| [ ] Timeshare | | [ ] Yes | [ ] No |
| [ ] Ohana | | [ ] Yes | [ ] No |
| [ ] Industrial | | [ ] Yes | [ ] No |
| [ ] Agricultural | | [ ] Yes | [ ] No |
| [ ] Recreational | | [ ] Yes | [ ] No |
| [ ] Other: | | [ ] Yes | [ ] No |

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

5. Special Use Restrictions:

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

[X] Pets: Dogs, cats and other household pets limited to two in number and subject to compliance with provisions of House Rules.

[ ] Number of Occupants: _____

[X] Other: Apartment cannot be used for transient or hotel use. The apartment cannot be sold, rented or used for "timeshare", "time interval", "vacation license" or "travel club membership".

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: one Trash Chutes: None

| Apt. Type | Quantity | Br/Bath | Net Living Area (sf)* | Net Other Area (sf) | (Identify) |
|---|---|---|---|---|---|
| A | 2 | 3 Bdrm/2 ½ Bath | 1,607.57 | 387.49 | garage |
| B | 1 | 3 Bdrm/2 ½ Bath | 1,550.88 | 406.68 | garage |

Total Number of Apartments: 3

** NOTE: Fenced courtyard configurations and sizes may vary due to job site conditions.

*** Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

**Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.**

Boundaries of Each Apartment: Each apartment includes the walls and partitions which are not load bearing within its perimeter or party walls; glass windows or panels; doors and any fixtures and appliances originally installed. The apartment does NOT include undecorated or unfinished surfaces of perimeter or party walls or interior load-bearing walls, floors, and ceilings or any pipes, wires or other utility lines running through the apartment and utilized for more than one apartment. The apartment also does not include the adjacent fenced yard which is a limited common element.

Permitted Alterations to Apartments: Additions, alterations or improvements solely within an apartment or within a limited common element appurtenant to and for the exclusive use of the apartment may be made by the apartment owner only with the approval of the Board of Directors of the Association of Apartment Owners.

For the **Plan A** apartment type, Buyer has the option of having a covered lanai built off of the dining room and living room with a deck built off of the master bedroom, as depicted on the Option 1 drawings of the Condominium Map. Buyer has the additional option of having a covered lanai built off of the dining room and living room as depicted on the Option 2 drawings of the Condominium Map.

For the **Plan B** apartment type, Buyer has the option of converting the third bedroom into a family room as depicted on the Option 1 drawing on the Condominium Map.

Apartments Designated for Owner-Occupants Only:
Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has_____ elected to provide the information in a published announcement or advertisement.

All of the apartments were designated for sale to prospective owner-occupants pursuant to Section 514A-103 of the Hawaii Revised Statutes.

7. Parking Stalls:

Total Parking Stalls: 6

| | Regular | | Compact | | Tandem | | |
|---|---|---|---|---|---|---|---|
| | covered | open | covered | open | covered | open | TOTAL |
| Assigned (for each unit) | 3* | --- | 3* | --- | --- | --- | 6 |
| Guest | --- | --- | --- | --- | --- | --- | --- |
| Unassigned | --- | --- | --- | --- | --- | --- | --- |
| Extra for Purchase | --- | --- | --- | --- | --- | --- | --- |
| Other: | --- | --- | --- | --- | --- | --- | --- |
| Total Covered & Open | -3- | | -3- | | -0- | | 6 |

Each apartment will have the exclusive use of at least two (2) parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

* **Note:** All apartments include a garage that meets City and County of Honolulu standards to accommodate one full sized and one compact sized parking stall. Buyers with oversized vehicles (a van, a truck) or whose cars are not a compact size, should inspect the garage thoroughly to ensure that the garage can accommodate their vehicles. Guest parking on driveway is permitted as long as the vehicle does not extend into the roadway.

[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit A contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[X] Swimming pool [ ] Storage Area [X] Recreational Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosures(s)

[ ] Other: _____

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____ (Date)

10. Conditions and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years): NOT APPLICABLE.

11. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

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

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

| | Conforming | Non-Conforming | Illegal |
|---|---|---|---|
| Uses | X | | |
| Structures | X | | |
| Lot | X | | |

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

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

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

D. **Common Elements, Limited Common Elements, Common Interest:**

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

[X] described in Exhibit B

[ ] as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[ ] There are no limited common elements in this project.

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

[ ] described in Exhibit _____ .

[X] as follows:

(a) Mailbox bearing the same designations as the apartment;
(b) Yard areas and adjoining concrete driveway and walkway as shown on the Condominium Map;
(c) All other common elements which are rationally related to less then all of the apartments in the Project.

**NOTE: Each apartment and the limited common elements referenced above do not comprise a legally subdivided individual lot.**

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 interest for the apartments in this project as described in the Declaration, are:

[X] described in Exhibit __A__

[ ] as follows:

E. **Encumbrance 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 __C__ describes the encumbrances against the title contained in the title report dated January 24, 2002 and issued by Island Title Corporation .

Blanket Liens:
A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] 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.

| Type of Lien | Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance** |
|---|---|
| Mortgage | Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should the lender terminate Buyer's sales contract, Buyer shall be entitled to a refund of all deposits, less escrow cancellation fee. |

F. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: The apartment and related common elements will be covered by a Limited Warranty. The Limited Warranty will be for a ten (10) year period which will commence on the recording date of the deed to the Buyer. The coverage amount will be the base sales price of the Unit. A sample of the Limited Warranty is attached as Exhibit "G". Developer's obligations under the Limited Warranty are expressly conditioned on prompt notification by Buyer or the Association to Developer of any defects in the Unit. In addition, Developer will not be responsible for damage to the Unit or common elements arising out of the failure of Buyer or the Association to take reasonable and prudent steps to maintain the property or to prevent damage or further damage to the Property. ROUTINE MAINTENANCE WORK IS NOT COVERED BY ANY WARRANTY.

2. Appliances: Warranties on appliances furnished with an apartment are not provided by the Developer. The execution and delivery of the apartment deed will operate as an assignment from the Developer to the Buyer of the respective manufacturers' or dealers' warranties , if any.

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

Construction commenced in October, 2001. The estimated date of completion is February, 2002.

H. **Project Phases:**

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

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

Should Developer develop more than one phase of HU'ELANI, each phase will be a separate condominium community. Developer may decide to "merge" some or all of the phases. Developer may also merge some or all of the phases of HU'ELANI with other condominium communities on the property covered by the same Joint Development Agreement(see page 20B, paragraph 5) for the purposes of sharing common area costs shared by the various communities (such as roadways, street lighting and landscaping). This means that the owners and occupants of the merged phases will share the use of the common elements and the common expenses of those phases. Upon merger Buyer will have a new percentage interest for voting and maintenance fee purposes only. Buyer's ownership interest will not be affected. Developer will record a certificate of administrative merger which will state the effective date of the new percentage interest. Developer is not obligated to merge all phases of HU'ELANI. Developer may merge other phases into already merged phases of HU'ELANI at a later time.

## IV. CONDOMINIUM MANAGEMENT

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

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

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

[X] not affiliated with the Developer
[ ] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] Other _____

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be 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 D 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 [X] Electricity ( X Common Elements only ____ Common Elements & Apartments)

[ ] Gas (____ Common Elements only ____ Common Elements & Apartments)

[X] Water [X] Sewer [ ] Television Cable

[ ] Other _____

## 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

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

[X] Escrow Agreement dated __October 22, 1999__
Exhibit __F__ 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 issued 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 Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restrictions (See Paragraph 7 on page 20B)

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. 4746 filed with the Real Estate Commission on October 1, 2001.

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

**1.** Developer must report certain information to the City and County of Honolulu (the "City") pursuant to affordable housing requirements imposed by the City. We will require information from you regarding income and household size to provide to the City for information purposes.

**2.** Construction of HU'ELANI, PHASE 6 and other phases of HU'ELANI (together "HU'ELANI") will be ongoing for several months while units are being occupied. This ongoing construction will create dust, noise and increased traffic in the vicinity of occupied units. Certain hazardous conditions relating to the construction may also exist for a period of time. Additionally development of the areas around HU'ELANI will cause dust in and around the Project for several years as development in Ewa by Gentry continues. Buyer understands that Developer will make efforts to minimize the dust but that it is an inevitable result of the ongoing construction.

**3.** Sales activities for HU'ELANI and neighboring communities will be ongoing for several months. This may result in increased traffic and noise in the vicinity of the sales office. Portions of the common areas may be used for signage and other sales activities for a period of time while sales are ongoing.

**4.** Buyer understands and acknowledges that certain activities will occur on and about HU'ELANI ("Activities Affecting HU'ELANI") as follows:

**(a)** HU'ELANI is bordered on the Diamond Head side by Kapolei Parkway, which will be a public roadway. The ewa side of HU'ELANI is bordered by the Coral Creek Golf Course. The makai side borders on a future single family development and the mauka side borders on Geiger Road, a public roadway. Because the makai area is undeveloped, there may also be pests such as cockroaches and other insects for a period of time.

**(b)** HU'ELANI is located in the vicinity of the West Loch Branch of the Lualualei Naval Magazine ("West Loch") which in the event of military action may be a sensitive area. The Navy has denoted an area east of HU'ELANI as an Explosive Safety Hazard Zone in connection with munitions which may be loaded onto ships at West Loch. The Navy has represented that the boundary of said area represents the probable limit of any impact on the adjacent community. This area, which extends to West Loch, will have restricted development required by the Navy. The Navy has leased portions of this area for agricultural use, which may create dust and noise. Because this area is undeveloped, there may also be pests such as cockroaches and other insects for a period of time.

**(c)** HU'ELANI is located upon land previously used for the cultivation of sugar cane. Land near or adjacent to HU'ELANI may continue to be used for the cultivation and harvesting of agricultural products, which may cause dust and noise. Crops may be burned when seasonally appropriate. The Hawaii Right-to-Farm Act (H.R.S. Ch. 165) and Hawaii law limit the types of farm activities that may be deemed a nuisance.

**(d)** HU'ELANI is located in the vicinity of a commercial airport (Honolulu International Airport) and a possible future airport at the former Barber's Point Naval Air Station and Buyer is aware that there is a likelihood of noise from planes passing overhead or nearby. The 1987 Noise Contour Map of the Honolulu International Airport Master Plan shows HU'ELANI located in an area subject to the noise levels of 55 Ldn.

**(e)** HU'ELANI is located near the Honouliuli Wastewater Treatment Plant, which generates odors and which will be expanded in the future to accommodate increased usage.

**(f)** The Federal Emergency Management Agency ("FEMA") has not yet reviewed HU'ELANI area to determine whether the Property is within a flood hazard zone. If FEMA later determines that the Property is within a flood hazard area, then your lender may require you to obtain flood insurance.

**(g)** Coral Creek Golf Course is located on the ewa side of HU'ELANI. The property is also a designated flowage easement for drainage purposes which will be dedicated to the City and County of Honolulu.

There will be hazards such as errant golf balls; periodic spraying or other treatment of the area with pesticides, insecticides, herbicides, fungicides and fertilizers. Irrigation of the golf course may be with water from storm retention basins or reclaimed water from the Honouliuli Wastewater Treatment Plant (used in accordance with Department of Health guidelines). There may also be noise from the golf course in connection with play, irrigation, mowing and other maintenance and operation. Tournaments and other special events held on the golf course may also impact the community.

All apartment owners shall also have an easement to use portions of the adjacent Coral Creek Golf Course for landscaping and incidental hardscape purposes (the "Golf Course Easement"). Portions of the Golf Course Easement may be allocated to individual apartments as part of their limited common element enclosed yard area. This interest is dependent on obtaining the easement from Coral Creek (See paragraph (h) below).

The Association of Apartment Owners shall further have a non-exclusive right of entry over and across other areas of the Golf Course (the "Landscape Area") for the purposes of maintaining landscaping and irrigation systems adjacent to Hu'elani. This right of entry shall be restricted to maintenance only and shall not extend to any other use. This interest is dependent on obtaining a right of entry from Coral Creek (see paragraph (h) below).

**(h)** Developer has reserved the right to add the Golf Course Easement and the Landscape Area to the common elements of the Project and is working with Coral Creek to effect such addition of land. Developer makes no assurances or representations that the Golf Course Easement and Landscape Area will in fact become part of the common area of the Project. An agreement between the Developer and Coral Creek has been executed and preparation of the necessary paperwork to effect the addition of such land is underway.

**(i)** Water used to irrigate the common area landscaping in the community will come from either a nonpotable well service or may be from reclaimed water from the Honouliuli Wastewater Treatment Plant. Any reclaimed water has been treated according to Department of Health guidelines.

**(j)** Coronado and Palm Villas multi-family communities have been developed as a combination of sale/rental units to meet the City affordable housing requirements. At this time, the locations of additional affordable housing communities have not been finally determined.

These Activities Affecting HU'ELANI may cause some unpleasant odors, surface water runoff, noise, dust, smoke and other unpleasant effects that may bother or be a nuisance to Buyer and other occupants and invitees of the Project. In the Apartment Deed, each Buyer, for himself, his heirs, personal and legal representatives and assigns, will release, indemnify, defend and hold harmless Developer, the Thomas H. Gentry Trust, a California Trust dated February 11, 1986, as amended, and related entities, the Trustees of the Estate of James Campbell, Deceased, and Oahu Sugar Company, Limited, Coral Creek Golf, Inc. and any future owner and/or operator of the areas planned for golf course use, and their respective officers, directors, employees, agents, successors, successors-in-trust, and assigns from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from any such impairment of the use and enjoyment of

the Property, loss of market value of the Property, or property damage or personal injury to the property or person of Buyer, or Buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, or other persons who may use the Property. However, the person or entity whose actions or omissions are the direct cause of any damage to Buyer shall be responsible for the consequences or results of its own gross negligence, willful misconduct or violation of applicable law. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incident to the Activities affecting HU'ELANI described above.

**5.** HU'ELANI, PHASE 6 is part of an area covered by the Agreement for Issuance of Conditional Use Permit Under Section 4.40-21 of the Land Use Ordinance (LUO) dated December 2, 1999 and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2593887 (the "Joint Development Agreement"). Should Developer develop other condominium communities within the Joint Development Area, each of the communities shall be a separate and distinct condominium project as defined in Chapter 514A of the Hawaii Revised Statutes, as amended. Developer reserves the right to administratively merge some or all of the condominium communities within the area covered by the Joint Development Agreement for the purposes of sharing common area costs shared by the various communities (such as roadways, street lighting and landscaping).

**6.** Lot 13415, Map 1018, Land Court Application No. 1069 has been set aside for the development of a Recreation Center ("Recreation Center") for the use of all residents living in the Joint Development Area. Developer intends to convey the Recreation Center to the several associations of apartment owners within the Joint Development Area as tenants in common or it may be added to a future phase of development in the Joint Development Area. Each association's share of the Recreation Center shall be based upon the association's proportionate share of the total number of apartments in the Joint Development Area. The several associations of apartment owners within the Joint Development Area shall have the duty and obligation to accept and maintain the Recreation Center at the common expense of all of the owners of apartments within the Joint Development Area.

**7.** All apartment owners in HU'ELANI are automatically members of the Ewa by Gentry Community Association, a non-profit Hawaii corporation. All owners are therefore subject to the restrictions, covenants and conditions of the Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restrictions which govern the entire Ewa by Gentry community. The Community Association enforces the provisions of the Declaration of Covenants, Conditions and Restrictions to ensure a well maintained, safe and aesthetically pleasing community. Each owner pays dues to the Community Association in the amount of approximately $45 per quarter for a total of $180 a year. The maintenance fees reflected in Exhibit "D" of this public report <u>do not</u> include the dues payable to the Ewa by Gentry Community Association.

**8.** The sizes and configurations of the limited common areas and common areas reflected on the Condominium Map are approximations only. Actual sizes and configurations may vary due to the placement and location of utilities and due to varying terrain surrounding each building.

**9.** Not all homes in HU'ELANI will have curbside trash collection. If an owner's home is located on a street ending in a cul de sac, the owner must take his trash cans to the designated trash collection areas. Trash cans can be taken to the trash collection the night before trash is collected and must be removed by the end of the day.

**10.** Each HU'ELANI home includes a garage. The garage meets City and County of Honolulu standards to accommodate one full sized and one compact sized parking stall. Buyers who have an oversized vehicle (a van, a truck) or who have more than one full sized vehicle should inspect the garage thoroughly to ensure that the garage can accommodate their vehicles. Vehicles may be parked on the driveways so long as

the vehicle does not extend into the roadway. The driveways are for guest vehicles only. Two of the apartment owners' cars must be parked within the garage.

**11.** Parking on the common area roadways is strictly prohibited for safety reasons. Violators will be towed. Owners may park in their limited common element area driveways.

**12.** The maintenance fees reflected in Exhibit "D" of this public report reflect the Developer's decision to pay for portion of the cost of administering the Association until enough units have been closed to independently support all costs associated with the Project. The maintenance fees do not include the dues payable to the Ewa by Gentry Community Association. At the present time those dues are $45 per quarter for a total of $180 a year.

**13.** The control center for the entry gate will be based in the recreation center. After the gate is operational, the entry gate will be kept open during the hours or operation of the sales center (approximately 10:00 a.m. to 5:00 p.m. daily). Depending on the traffic flow, the gate may also be left open during selected peak usage hours.

**14.** An apartment for a resident manager is planned in the recreation center building. However, the HU'ELANI sales center will be located in the resident manager's unit until such time as substantially all sales activities have ceased.

D. The developer declares subject to the penalties set forth in section 514A-49(b) that his project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A- ] (The developer is required to make this declaration for issuance of an effective date for a final public report.)

E. 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.

GENTRY HOMES, LTD.
Printed Name of Developer

By _____ January 24, 2002
Duly Authorized Signatory* Date

DAWN SUYENAGA, Vice President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City & County of Honolulu

Planning Department, City & County of Honolulu

***Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.***

## EXHIBIT "A"

## DESCRIPTION OF APARTMENT TYPES AND DESIGNATIONS

| Bldg. and Apt. | Apt. Plan | Net Living Area (sq. ft.)* | Garage Area (sq. ft.) |
|---|---|---|---|
| 7 | A | 1,607.57 sq. ft. | 387.49 |
| 8 | B | 1,550.88 sq. ft. | 406.68 |
| 9 | A | 1,607.57 sq. ft. | 387.49 |

* Excludes area of stair at second floor. Square footage is approximate.

Owners in HU'ELANI, PHASE 6 will have access to visitor parking stalls within other condominium communities in the Joint Development Area merged with HU'ELANI, PHASE 6.

**Plan A (3 Bedroom, 2 ½ Bath with optional floor plans) (1,607.57 sq. ft.)**

Two story three bedroom, two and one-half bath apartment with the kitchen, dining room, living room, and half bathroom on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, master bathroom, two additional bedrooms, another bathroom and a laundry room. All apartments have limited common element yard areas and an adjoining full sized two car garage. All apartments also have an adjoining porch. Buyer has the option of having a covered lanai built off of the dining room and living room with a deck built off of the master bedroom, all as depicted on the Option 1 drawings on the Condominium Map. Buyer has the additional option of having a covered lanai built off of the dining room and living room, as depicted on the Option 2 drawings on the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 23.3, which apartments were built according to the standard floor plan and which were built according to an alternate floor plan.

**Plan B (3 Bedroom, 2 ½ Bath with optional floor plan) (1,550.88 sq. ft.)**

Two story three bedroom, two and one-half bath apartment with the master bedroom, master bathroom, kitchen, dining room, living room, laundry room and half bathroom on the ground floor, connected by an interior stairway to the second floor which has two additional bedrooms and an additional bathroom. All apartments have limited common element yard areas and an adjoining full sized two car garage. All apartments also have an adjoining porch. Buyer has the option of converting the third bedroom into a family room as depicted on the Option 1 drawing on the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 23.3, which apartments were built according to the standard floor plan and which were built according to an alternate floor plan.

NOTE: The sizes and configurations of the fenced yard reflected on the Condominium Map are approximations only. Actual sizes and configurations may vary due to the placement and location of utilities and due to varying terrain surrounding each building.

## BREAKDOWN OF PLANS
## AND COMMON INTEREST FOR HU'ELANI, PHASE 6

| Plan | Common Interest | Number in Project | Total Common Interest |
|---|---|---|---|
| A | 33.73% | 2 | 67.46% |
| B | 32.54% | 1 | 32.54% |
| | | 3 | 100.00% |

As nearly as practicable, the common interest for each residential apartment was determined by dividing the net floor area of the particular apartment by the total net interior floor area of all apartments in the Project and multiplying that amount by 100%.

## ADMINISTRATIVE MERGER ADMINISTRATIVE MERGER

The Developer may administratively merge phases of HU'ELANI with other condominium communities within the Joint Development Area. The Developer may also merge other condominium communities within the Joint Development Area into the already merged phases of HU'ELANI at a later date. Upon administrative merger, the apartment owners in each of the merged condominium communities will have a new common interest which will be the apartment owners' new interest for voting and maintenance fee allocation purposes only in the merged project. The apartment owners' ownership interest will not be altered or affected in any way. The Developer will record a certificate of administrative merger which will state the new administrative common interest and its effective date. Each apartment owner's new administrative common interest will be computed by dividing the square footage for each apartment by the total square footage of the sum of all apartments in the entire merged project.

END OF EXHIBIT "A"

## EXHIBIT "B"

## COMMON ELEMENTS

1. The land described in Exhibit "A" of the Declaration;
2. All structural components, such as foundations, girders, beams, supports, unfinished perimeter walls and load-bearing walls (except for the inner decorated surfaces within each apartment), all siding and roofing materials;
3. All yards, gardens, planting areas, fences, trash collection areas, walkways and building exterior lights;
4. All access lanes, roads, curbs, sidewalks, privacy fences and street lights;
5. Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central appurtenant transmission facilities and installations over, under or across the Project which serve more than one apartment for services such as power, light, gas, hot water, cold water, sewage, drainage, telephone, radio and television signal distribution, if any;
6. Any apparatus and installations existing for common use, such as tanks, pumps, irrigation lines, motors, fans, compressors, ducts, vents and other such installations and apparatus; and
7. All other parts of the Project necessary or convenient to its existence, maintenance and safety or normally in common use.

END OF EXHIBIT "B"

## EXHIBIT "C"

## ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. Restrictions, covenants and conditions as contained in that certain Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restrictions dated July 21, 1988, recorded in said Office of the Assistant Registrar as Document No. 1568352, as amended by instrument dated May 30, 1989, recorded in the Office of said Assistant Registrar as Document No. 1652869, as further amended by instrument dated June 21, 1991, recorded in the Office of the Assistant Registrar as Document No. 1888053, and as may be further amended from time to time.

3. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions as set forth in the Declaration of Land Use Commission Conditions, dated July 12, 1991, recorded in said Office of the Assistant as Document No. 1836142.

4. Terms and provisions of that certain Unilateral Agreement and Declaration of Conditional Zoning dated July 12, 1994 and recorded in said Office of the Assistant Registrar as Document No. 2163448.

5. Mortgage made by Gentry Homes, Ltd. and Gentry Development Company in favor of Bank of Hawaii dated August 24, 1995 and recorded in said Office of the Assistant Registrar as Document No. 2258188. *(Developer intends to record a document to release this encumbrance prior to conveyance of apartment to buyer.)*

6. Financing Statement made by Gentry Homes, Ltd. and Gentry Development Company in favor of Bank of Hawaii recorded September 1, 1995 in the Bureau of Conveyances of the State of Hawaii as Document No. 95-113317. Said Financing Statement was amended by instrument recorded on May 17, 1996 in said Bureau as Document No. 96-079398. Continuation of said Financing Statement recorded June 22, 2000 in said Bureau as Document No. 2000-085684. *(Developer intends to record a document to release this encumbrance prior to conveyance of apartment to buyer.)*

7. Assignment of Sales Contracts and Sales Proceeds made by Gentry Homes, Ltd. in favor of Bank of Hawaii recorded September 1, 1995 in the Bureau of Conveyances of the State of Hawaii as Document No. 95-113318. Said Assignment was amended by instrument dated January 3, 1996 and recorded in said Bureau of Conveyances as Document No. 96-005441. *(Developer intends to record a document to release this encumbrance prior to conveyance of apartment to buyer.)*

8. Terms and provisions of that certain Agreement for Issuance of Conditional Use Permit Under Section 4.40-21 of the Land Use Ordinance (LUO) dated December 2, 1999 and recorded in said Office of the Assistant Registrar as Document No. 2593887.

9. Designation of restriction of vehicular access rights, as shown on Map 992 of said Land Court Application No. 1069, as set forth by Land Court Order No. 136838, recorded on November 5, 1999.

10. Easement 7061, for landscaping purposes, as shown on Map 1018, filed with said Land Court Application No. 1069 and as set forth by Land Court Order 138691 recorded on June 8 2000.

11. Grant of Easement in favor of Hawaiian Electric Company, Inc., a Hawaii corporation dated July 3, 2000, recorded in said Office of the Assistant Registrar as Land Court Document No. 2637355.

**12.** Covenants, conditions, restrictions and reservations set forth in the Declaration of Confirmation of Restrictions, Reservations, Conditions and Covenants dated August 8, 2000 and recorded in said Office of the Assistant Registrar as Land Court Document No. 2651404.

**13.** Grant of Easement in favor of Time Warner Entertainment Company, L.P. dba Oceanic Cable, a Delaware limited partnership, dated August 31, 2001 and recorded in said Office of the Assistant Registrar as Document No. 2741562.

**14.** The covenants, agreements, obligations, conditions, easements and other provisions as contained in the Declaration of Condominium Property Regime of HU'ELANI, PHASE 6 dated January 18, 2002, recorded in said Office of the Assistant Registrar as Document No. 2772003 and Condominium Map No. 1455, to which reference is hereby made.

**15.** By-Laws of the Association of Apartment Owners of HU'ELANI, PHASE 6 dated January 18, 2002, and recorded in said Office of the Assistant Registrar as Document No. 2772004.

**16.** Real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.

**Note:** The name of Gentry Development Company, a Hawaii limited partnership has been legally changed to Gentry Investment Properties, a Hawaii limited partnership, as set forth by Land Court Order No. 123770, recorded March 25, 1996.

END OF EXHIBIT "C"

EXHIBIT "D"

## Hu'elani Phases 1,2,6**,7B and 10 (18 units)
## Fee Disbursements (9-24-01)

| | *Without Subsidy* | *Without Subsidy* | *With Subsidy* | *With Subsidy* |
|---|---|---|---|---|
| | **Monthly** | **Annually** | **Monthly** | **Annually** |
| **Administration** | | | | |
| Tax Preparation/Audit | $50 | $600 | $50 | $600 |
| Legal Fees | $50 | $600 | $50 | $600 |
| Office Expenses | $300 | $3,600 | $300 | $3,600 |
| Design Review | $300 | $3,600 | $300 | $3,600 |
| Property Mgmt/Acctg. | $521 | $6,252 | $521 | $6,252 |
| **Maintenance, Repair, Supplies** | | | | |
| Building (*) | $500 | $6,000 | $0 | $0 |
| Equipment | $150 | $1,800 | $150 | $1,800 |
| Electrical/Lighting | $50 | $600 | $50 | $600 |
| Pest Control (*) | $167 | $2,004 | $0 | $0 |
| Pool/Spa | $500 | $6,000 | $500 | $6,000 |
| Landscaping (*) | $1,855 | $22,260 | $0 | $0 |
| Landscaping Extras (*) | $250 | $3,000 | $0 | $0 |
| **Utilities** | | | | |
| Electricity | $800 | $9,600 | $800 | $9,600 |
| Cable | $100 | $1,200 | $100 | $1,200 |
| Water (*) | $1,050 | $12,600 | $0 | $0 |
| Sewer (*) | $479 | $5,748 | $0 | $0 |
| Telephone | $200 | $2,400 | $200 | $2,400 |
| **Insurance** | | | | |
| Master Policy (*) | $2,000 | $24,000 | $0 | $0 |
| **Taxes & Government Assessments** | | | | |
| GET | $1 | $12 | $1 | $12 |
| RPT | $6 | $72 | $6 | $72 |
| **Reserves** | $1,200 | $14,400 | $1,200 | $14,400 |
| **TOTAL DISBURSEMENTS** | $10,529 | $126,348 | $4,228 | $50,736 |

(*) For the period from October 1, 2001 to September 30, 2002, the developer will pay 100% of the actual cost of these line items.

(**) Hu'elani Phase 6- At this time, it is assumed that owners in Phase 6 will not be assessed maintenance fees until Phase 6 is merged with Phase 1, 2, 7B and 10. At this time, it is assumed that upon merger, owners in Phase 6 will be assessed the monthly amounts listed under "with subsidy".

**Hu'elani**
**Phases 1,2,6, 7B and 10**
**(18 units)**
**Estimated Maintenance Fees Per Unit**
**(1-18-02)**

| | | *Without Subsidy* | *Without Subsidy* | *With Subsidy* | *With Subsidy* |
|---|---|---|---|---|---|
| Plan | Common Interest | Monthly Maint. Fees | Annual Maint. Fees | Monthly Maint. Fees | Annual Maint. Fees |
| 2 | 5.88% | $619.11 | $7,429.26 | $248.61 | $2,983.28 |
| 2 | 5.88% | $619.11 | $7,429.26 | $248.61 | $2,983.28 |
| 2 | 5.88% | $619.11 | $7,429.26 | $248.61 | $2,983.28 |
| 3 | 5.93% | $624.37 | $7,492.44 | $250.72 | $3,008.64 |
| 3 | 5.93% | $624.37 | $7,492.44 | $250.72 | $3,008.64 |
| 3 | 5.93% | $624.37 | $7,492.44 | $250.72 | $3,008.64 |
| 3 | 5.93% | $624.37 | $7,492.44 | $250.72 | $3,008.64 |
| 3 | 5.93% | $624.37 | $7,492.44 | $250.72 | $3,008.64 |
| 3 | 5.93% | $624.37 | $7,492.44 | $250.72 | $3,008.64 |
| 6 | 5.23% | $550.67 | $6,608.00 | $221.12 | $2,653.49 |
| 6 | 5.23% | $550.67 | $6,608.00 | $221.12 | $2,653.49 |
| 6 | 5.23% | $550.67 | $6,608.00 | $221.12 | $2,653.49 |
| 6 | 5.23% | $550.67 | $6,608.00 | $221.12 | $2,653.49 |
| 5 | 3.65% | $384.31 | $4,611.70 | $154.32 | $1,851.86 |
| 8 | 6.22% | $654.90 | $7,858.85 | $262.98 | $3,155.78 |
| Plan A | 5.39% | $567.51 | $6,810.16 | $227.89 | $2,734.67 |
| Plan A | 5.39% | $567.51 | $6,810.16 | $227.89 | $2,734.67 |
| Plan B | 5.21% | $548.56 | $6,582.73 | $220.28 | $2,643.35 |
| TOTALS | 100.00% | $10,529.00 | $126,348.00 | $4,228.00 | $50,736.00 |

Note: The foregoing maintenance fees do not include the dues payable to the Ewa by Gentry Community Association. At the present time those dues are $45 per quarter for a total of $180 a year.

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

## EXHIBIT "E"

## SUMMARY OF SALES CONTRACT

The Sales Contract contains the price and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the Sales Contract states the following:

1. Seller is selling HU'ELANI pursuant to affordable housing requirements imposed by the City and County of Honolulu (the "City"). Seller will require information from Buyer regarding income and household size to provide to the City for information purposes.

2. Buyer must live in the apartment for at least 365 consecutive days.

3. Buyer has certain obligations if Buyer wants a mortgage loan to cover part of the purchase price.

4. Buyer's money will be held in escrow, under the terms of the Escrow Agreement.

5. Buyer will not receive interest on deposits made under the Sales Contract.

6. The apartment will be subject to various other legal documents which Buyer should examine.

7. The Project will be subject to ongoing construction and sales activities which may result in certain annoyances to Buyer.

8. Seller has no control over certain activities on adjacent property owned by others including agriculture, military, utility and aviation. These activities may cause some inconveniences to Buyer. Buyer will indemnify Seller and the owners of the properties involved except in cases of negligence or willful misconduct.

9. Under certain circumstances where the apartment is ready for occupancy and Buyer has not completed his financing arrangements for the purchase of the apartment, Buyer will be responsible for all of Seller's expenses as a result of Buyer's delay.

10. Seller has reserved the right to merge some or all of the phases of HU'ELANI. If such merger takes place, the percentage common interests for the apartments will change.

11. In the event of default under the sales contract:

By Buyer:

a. Seller may cancel the sales contract and retain Buyer's initial deposit;

b. Seller may file a lawsuit for damages;

c. Seller may file a lawsuit for "specific performance"; and

d. Buyer shall be responsible for expenses incurred.

By Seller:

a. Buyer may file a lawsuit for "specific performance";

b. Buyer may cancel the sales contract and Seller will return all deposits, without interest;

c. Buyer has all remedies available at law and in equity.

END OF EXHIBIT "E"

## EXHIBIT "F"

## SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement describes the arrangement under which the deposits a buyer makes under a Sales Contract will be held by a neutral party ("Escrow"). The following are relevant terms stated in the agreement:

1. Interest on Buyer's deposits will accrue in favor of the Seller and not the Buyer unless the parties specifically provide otherwise.

2. Escrow will arrange for Buyer to sign all necessary documents.

3. The Escrow Agreement describes the conditions upon which a refund will be made to a buyer.

4. The Escrow Agreement describes what will happen to a buyer's funds if a party defaults under the Sales Contract.

5. The Escrow Agreement contains various other provisions and establishes certain charges with which the Buyer should become acquainted.

END OF EXHIBIT "F"

EXHIBIT "G"

# HOME BUILDER'S LIMITED WARRANTY

Administered by Professional Warranty Service Corporation

Throughout this **HOME BUILDER'S LIMITED WARRANTY**, referred to hereinafter as the "**LIMITED WARRANTY**", the words "**YOU**" and "**YOUR**" refer to the **HOMEOWNER**, or as concerns the **COMMON ELEMENTS**, the condominium association through its designated representative(s). The words "**WE**", "**US**" and "**OUR**" refer to the **BUILDER**. The other words and phrases which appear in boldface uppercase type also have special meaning. Refer to the Section **X. Definitions**, so that **YOU** will understand the terminology applicable to this **LIMITED WARRANTY**.

This **LIMITED WARRANTY** is provided to **YOU** in order to establish an agreed method for determining when a **CONSTRUCTION DEFECT** exists and a clear understanding of **OUR** responsibilities for remedying any such **CONSTRUCTION DEFECT**. This **LIMITED WARRANTY** also helps distinguish a **CONSTRUCTION DEFECT** that is **OUR** responsibility from those minor imperfections that can reasonably be expected in a **HOME** or result from normal wear and tear or are routine **HOMEOWNER** maintenance responsibilities.

This **LIMITED WARRANTY** contains the procedures **YOU** must use to notify **US** of a condition in **YOUR HOME** which **YOU** believe may constitute a **CONSTRUCTION DEFECT**. In the event a condition occurs in **YOUR HOME** that **YOU** believe may constitute a **CONSTRUCTION DEFECT**, **YOU** have the right to submit a request for warranty performance under this **LIMITED WARRANTY**. Based on the information **YOU** provide and where **WE** deem it necessary information obtained from an onsite inspection of the **HOME**, **WE** will determine whether **WE** agree with **YOU** that the condition constitutes a **CONSTRUCTION DEFECT**. If **WE** determine that the condition reported by **YOU** is a **CONSTRUCTION DEFECT**, **WE** will remedy the condition in accordance with the remedies prescribed in this **LIMITED WARRANTY**. **WE** will make this determination in accordance with Section **III. OUR Coverage Obligations**, contained in this **LIMITED WARRANTY**.

SAMPLE

If **WE** determine that a condition does not constitute a **CONSTRUCTION DEFECT** that is **OUR** responsibility and therefore deny **YOUR** request for warranty performance, **YOU** have the right to initiate binding arbitration that will irrevocably determine whether the condition constitutes a **CONSTRUCTION DEFECT** that is **OUR** responsibility. If this binding arbitration determines that the condition does constitute a **CONSTRUCTION DEFECT** that is **OUR** responsibility, **WE** will remedy the problem in accordance with the remedies prescribed in this **LIMITED WARRANTY**. The arbitrator will make a determination based on the language contained in Section **III, Our Coverage Obligations.**

By accepting this **LIMITED WARRANTY**, **YOU** agree with **US** that all allegations of **CONSTRUCTION DEFECTS** in **YOUR HOME** will be handled under, and in accordance with, this **LIMITED WARRANTY**. Further, **YOU** agree with **US** that binding arbitration is the sole remedy for resolving disputes involving alleged **CONSTRUCTION DEFECTS.**

Enclosed with this **LIMITED WARRANTY** is a Limited Warranty Validation Form. The Limited Warranty Validation Form provides the dates on which the warranty coverage period begins and expires. It is important that this form is retained with the **LIMITED WARRANTY**.

This **LIMITED WARRANTY** does not cover **"CONSEQUENTIAL OR INCIDENTAL DAMAGES"**. Liability under this **LIMITED WARRANTY** is limited to the amount shown on the Limited Warranty Validation Form. This **LIMITED WARRANTY** does not cover any economic damages due to the **HOME'S** failure to meet consumer expectations.

All other express or implied warranties other than this **LIMITED WARRANTY**, including any oral or written statement or representation made by **US** or any other person, and any implied warranty of habitability, merchantability or fitness, are hereby disclaimed by **US** and are waived by **YOU**. In addition **YOU** agree to waive the right to seek damages or other legal or equitable remedies from **US**, **OUR** subcontractors, agents, vendors,

suppliers, design professionals and materialmen, under any other common law or statutory theory of liability, including but not limited to negligence and strict liability. **YOUR** only remedy in the event of a **CONSTRUCTION DEFECT** in or to **YOUR HOME** or to the real property on which **YOUR HOME** is situated is the coverage provided to **YOU** under this **LIMITED WARRANTY.** There may be instances where an additional **PWC** administered Builder's Limited Warranty is issued together with this **LIMITED WARRANTY.** If both of these warranties are issued to **YOU, YOU** have the right to request warranty performance under either warranty relative to warrantable issues on **YOUR HOME. YOU** may not collect twice relative to the same defect and amounts paid or expended by **US** for warranty performance under either warranty will reduce the limit of liability remaining under both warranties simultaneously.

**WE** have contracted with **PWC** for certain administrative services relative to this **LIMITED WARRANTY. PWC's** sole responsibility is to provide administrative services. Under no circumstances or conditions is **PWC** responsible for fulfilling **OUR** obligations under this **LIMITED WARRANTY.**

# I. Coverage Limit

The amount shown on the Limited Warranty Validation Form is **OUR** limit of liability. It is the most **WE** will pay or expend for all covered **CONSTRUCTION DEFECTS** regardless of the number of requests for warranty performance made against this **LIMITED WARRANTY.** Once **OUR** limit of liability has been paid, no further requests for warranty performance can be made against this **LIMITED WARRANTY** or any other **PWC** administered Builder's Limited Warranty issued for **YOUR HOME.**

# II. Warranty Coverage

SAMPLE

Coverage under this **LIMITED WARRANTY** is expressly limited to **CONSTRUCTION DEFECTS** which occur during the **WARRANTY PERIOD** indicated on the Limited Warranty Validation Form and are reported by **YOU** in accordance with the notification requirements of Section **VII. Procedure to Request US To Perform Under This LIMITED WARRANTY.**

**Coverage** During the **WARRANTY PERIOD** indicated on the Limited Warranty Validation Form that is attached to and made part of this **LIMITED WARRANTY, WE** warrant **YOUR HOME** will be free of **CONSTRUCTION DEFECTS.** To be eligible for coverage **WE** must receive written notice of the alleged **CONSTRUCTION DEFECT** within thirty (30) days after the expiration of the coverage.

# III. OUR Coverage Obligations

All notices of alleged **CONSTRUCTION DEFECTS**, and complaints under this **LIMITED WARRANTY** must be made by **YOU** in writing. Telephonic or face-to-face discussion will not protect **YOUR** rights under this **LIMITED WARRANTY** (see Section **VII, Procedure to Request US To Perform Under This LIMITED WARRANTY).**

In the event **YOU** allege a **CONSTRUCTION DEFECT** occurs during the **WARRANTY PERIOD**, upon receiving written notice from **YOU WE**, or a third party designated by **US** or acting on **OUR** behalf, will test or inspect the alleged **CONSTRUCTION DEFECT** to determine if a **CONSTRUCTION DEFECT** exists. Upon confirmation of a **CONSTRUCTION DEFECT, WE,** or a third party designated by **US** or acting on **OUR** behalf, will repair, replace or pay **YOU** the actual amount it would cost **US** to repair or replace the **CONSTRUCTION DEFECT.** The decision to repair, replace, or to make payment to **YOU** is at **OUR** or **OUR** authorized representative's sole option.

**WE** will have been considered to have breached this **LIMITED WARRANTY** only if **WE** fail to correct a **CONSTRUCTION DEFECT** in accordance with the terms and conditions of this **LIMITED WARRANTY.**

**A. Standards By Which the Presence of a CONSTRUCTION DEFECT Will Be Determined**

In the event **YOU** believe that a flaw or imperfection in **YOUR HOME** constitutes a **CONSTRUCTION DEFECT**, the following factors will be considered by **US** in determining whether the condition constitutes a **CONSTRUCTION DEFECT**. Should either **YOU** or **WE** elect to initiate binding arbitration, these factors will be considered by the arbitrator in rendering a decision:

1. Any performance standards or guidelines or other documents or manuals that contain **OUR** building standards, that were provided to **YOU** at or prior to closing on **YOUR HOME**. Absent such standards, the Residential Construction Performance Guidelines published by the National Association of Home Builders, in effect at the time of closing on the **HOME** shall apply. Absent a specific standard in the documents identified above, normal building practices and standards in use in the region of the country in which the **HOME** is located shall apply;

2. Consideration as to whether the magnitude of the flaw or imperfection has a negative impact on either the structural integrity, the functionality or the appearance of the **HOME** (minor imperfections that do not affect function and have a minimal impact on appearance will not be considered **CONSTRUCTION DEFECTS**);

3. Consideration as to whether a condition is the result of normal wear and tear (conditions that are normal wear and tear, or are caused by normal wear and tear are not **CONSTRUCTION DEFECTS**);

4. Consideration as to whether the condition was caused by, or in any way resulted from, the failure of the **HOMEOWNER** to perform normal or routine maintenance (any condition that is determined to be a **HOMEOWNER** maintenance issue, or any condition that results from improper or inadequate **HOMEOWNER** maintenance, is not a **CONSTRUCTION DEFECT**);

5. Consideration as to whether the condition was caused by the **HOMEOWNER** or his representatives, other than **US**, after the **HOMEOWNER** took possession of the **HOME**. **WE** and **YOU** conducted a walk through inspection just prior to closing on the **HOME**. Damage that was caused by **YOU** or **YOUR** representatives is not a **CONSTRUCTION DEFECT**, for example, a large, visible scratch on marble tile in the entry foyer that was not noted in the walk through inspection, but was reported after furniture was moved into the **HOME**, will not be considered a **CONSTRUCTION DEFECT**);

6. Recognition that any condition resulting directly or indirectly from or worsened by changes, additions, alterations or other actions by the **HOMEOWNER** or his agents, other than **US**, will not be considered a **CONSTRUCTION DEFECT** (this includes changes to the topography, drainage or grade of the property);

7. Any **Exclusions** contained in this **LIMITED WARRANTY**.

SAMPLE

# IV. Homeowner Maintenance Obligations

Maintenance of the **HOME** is **YOUR** responsibility. Every home requires periodic maintenance to prevent premature deterioration, water intrusion and to ensure adequate performance of the **SYSTEMS**. **WE** will make a "Homeowner Maintenance Manual" or similar publication available to **YOU** upon request. Whether from this document or others that are readily available to **YOU**, **YOU** must understand and perform the maintenance that **YOUR HOME** requires. As stated in other sections of this **LIMITED WARRANTY**, **WE** are not responsible for **HOME** maintenance issues or for damage that results from **YOUR** failure to maintain **YOUR HOME**.

# V. Coverage Limitations

When **WE** or a third party designated by **US** or acting on **OUR** behalf, repair a **CONSTRUCTION DEFECT** the

repair will include the correction or replacement of only those surfaces, finishes and coverings that were damaged by the **CONSTRUCTION DEFECT** that were part of the **HOME** when title was first transferred by **US**. Surfaces, finishes and coverings that require removal or replacement in order for **US** or a third party designated by **US** to repair or replace **CONSTRUCTION DEFECTS** will be repaired or replaced. The extent of the repair and replacement of these surfaces, finishes or coverings will be to approximately the same condition they were in prior to the **CONSTRUCTION DEFECT**, but not necessarily to a like new condition.

When repairing surfaces, finishes and coverings, the repair will attempt to achieve as close a match with the original surrounding areas as is reasonably possible, but an exact match cannot be guaranteed due to such factors as fading, aging and unavailability of the same materials.

In the case where a **CONSTRUCTION DEFECT** exists and the **HOME** is rendered uninhabitable, the repair of the **CONSTRUCTION DEFECT** shall include the reasonable cost of the **HOMEOWNER'S** alternative shelter until the **HOME** is made habitable.

## VI. Exclusions

A. This **LIMITED WARRANTY** does not cover:

1. Any **CONSTRUCTION DEFECTS** or other damages resulting, either directly or indirectly, from the following causes or occurring in the following situations:

SAMPLE

a. Fire;
b. Lightning;
c. Explosion;
d. Riot and Civil Commotion;
e. Smoke;
f. Hail;
g. Aircraft;
h. Falling Objects;
i. Vehicles;
j. Floods;
k. Earthquake;
l. Landslide or mudslide originating on property other than the site of the **HOME** or property developed by the **BUILDER**;
m. Mine subsidence or sinkholes;
n. Changes in the underground water table not reasonably foreseeable by the **BUILDER**;
o. Volcanic eruption; explosion or effusion;
p. Wind including:
   (i). Gale force winds;
   (ii). Hurricanes;
   (iii). Tropical storms;
   (iv). Tornadoes;
q. Insects, animals or vermin;
r. Changes of the grading of the ground by anyone other than **US** or **OUR** agents, or subcontractors which results in surface drainage towards the **HOME** or permits water to pond or become trapped in localized areas against the foundation;
s. Changes, additions, or alterations made to the **HOME** by anyone after the **WARRANTY PERIOD** begins, except those made or authorized by **US**;
t. Any defect in material or workmanship supplied by anyone other than **US** or **OUR** agents, or subcontractors;
u. Improper maintenance, negligence or improper use of the **HOME** by **YOU** or anyone else that results in rot, dry rot, moisture, rust, mildew or any other damage;
v. Dampness or condensation due to **YOUR** failure to maintain adequate ventilation;

w. Damage resulting from the weight and/or performance of any type of waterbed or other furnishings which exceeds the load-bearing design of the **HOME**;

x. Damage which results from normal wear and tear or normal deterioration of materials;

2. Any costs arising from, or any **CONSTRUCTION DEFECT** resulting from the actual, alleged or threatened discharge, dispersal, release or escape of **POLLUTANTS**. **WE** will not cover costs or expenses arising from the uninhabitability of the **HOME** or health risk due to the proximity of **POLLUTANTS**. **WE** will not cover costs, or expenses resulting from the direction of any governmental entity to test, clean-up, remove, treat, contain or monitor **POLLUTANTS**;

3. Any costs arising from, or any **CONSTRUCTION DEFECT** resulting from the effects of electromagnetic fields (EMF's) or radiation;

4. Any damage to personal property that does not result from a **CONSTRUCTION DEFECT**;

5. Any **"CONSEQUENTIAL OR INCIDENTIAL DAMAGES"**;

6. Any damage to **CONSUMER PRODUCTS**;

7. Any **CONSTRUCTION DEFECT** which **YOU** have not taken timely and reasonable steps to protect and minimize damage after **WE** or **OUR** authorized representative have provided **YOU** with authorization to prevent further damage;

8. Any non-conformity with local building codes, regulations or requirements that has not resulted in a **CONSTRUCTION DEFECT**. While **WE** acknowledge **OUR** responsibility to build in accordance with applicable building codes, this **LIMITED WARRANTY** does not cover building code violations in the absence of a **CONSTRUCTION DEFECT**. This exclusion in no way mitigates or relieves **US** of **OUR** obligation to build in accordance with applicable building codes, but this obligation is not a warranty.

9. Any deviation from plans and specifications that has not resulted in a **CONSTRUCTION DEFECT**.

SAMPLE

B. **OUR LIMITED WARRANTY** does not cover any **CONSTRUCTION DEFECT** which would not have occurred in the absence of one or more of the excluded events or conditions listed in Exclusions, Section VI. A.1 a. – A.1.q., A.2. or A.3. above, regardless of:

1. the cause of the excluded event or condition; or

2. other causes of the loss or damage; or

3. whether other causes acted concurrently or in any sequence with the excluded event or condition to produce the loss or damage.

# VII. Procedure to Request US To Perform Under This LIMITED WARRANTY

If **YOU** become aware of a condition that **YOU** believe is a **CONSTRUCTION DEFECT** under this **LIMITED WARRANTY, YOU** have the following responsibilities:

### A. Notification

Notify **US** in writing as soon as it is reasonably possible, but in no event may **YOUR** written notice of a request for warranty performance be postmarked or received by **US** later than thirty (30) days after this **LIMITED WARRANTY**

has expired.

If the written notice is postmarked or received by **US** more than thirty (30) days after the expiration of this **LIMITED WARRANTY, WE** shall have no obligation to remedy the **CONSTRUCTION DEFECT**. In order to establish a record of timely notification, written notice should always be sent by Certified Mail, return receipt requested.

**B. Cooperate With US**

**YOU** must give **US** and any third parties acting on **OUR** behalf reasonable help in investigating, monitoring or correcting alleged **CONSTRUCTION DEFECTS**. Help includes, but is not limited to, granting reasonable access to **YOUR HOME**. If **YOU** fail to cooperate or provide reasonable access to **YOUR HOME, WE** will have no obligation to remedy the **CONSTRUCTION DEFECTS**.

**C. Do Not Make Voluntary Payments**

**YOU** agree not to make any voluntary payments or assume any obligations or incur any expenses for the remedy of a condition **YOU** believe is a **CONSTRUCTION DEFECT** without prior written approval from **US,** or other parties authorized to act on **OUR** behalf. **WE** will not reimburse **YOU** for costs incurred where **YOU** did not obtain prior written approval.

However, **YOU** may incur reasonable expenses in making repairs in an **EMERGENCY CONDITION** without prior written approval, provided the repairs are solely for the protection of the **HOME** from further damage, and provided **YOU** notify **US** as soon as is reasonably possible after the repairs were undertaken. To obtain reimbursement for repairs made during an **EMERGENCY CONDITION, YOU** must provide **US** with an accurate written record of the repair costs.

SAMPLE

**D. Sign A Release**

When **WE** or a third party designated by **US** or acting on **OUR** behalf have completed repairing, replacing or paying **YOU** the cost of repairing or replacing **CONSTRUCTION DEFECTS, YOU** must sign a full release of **OUR** obligation for the **CONSTRUCTION DEFECTS**. The release shall be applicable to the correction of the **CONSTRUCTION DEFECT** and shall not prevent **YOU** from notifying **US** should **YOU** become aware of a subsequent **CONSTRUCTION DEFECT**.

**E. If YOU Disagree With US**

If **YOU** believe **WE** have not responded to **YOUR** request for warranty performance to **YOUR** satisfaction or in a manner that **YOU** believe this **LIMITED WARRANTY** requires, **YOU** may provide written notice to **PWC** requesting Mediation. Upon **PWC's** receipt of written notice from **YOU, PWC** may review and mediate **YOUR** request by communicating with **YOU, US**, and any other individuals or entities that **PWC** believes may possess relevant information. If after forty-five (45) days, **PWC** is unable to successfully mediate **YOUR** request for warranty performance, or at any earlier time when **PWC** determines that **YOU** and **WE** are at an impasse, **PWC** will notify **YOU** that **YOUR** request for warranty performance remains unresolved and that **YOU** may elect to initiate Binding Arbitration. Binding Arbitration is the sole remedy for the settlement of unresolved disputes between **YOU** and **US** that arise from or relate to this **LIMITED WARRANTY**. The binding arbitration procedure is described in the following section.

## VIII. Binding Arbitration Procedure

Any disputes between **YOU** and **US,** or parties acting on **OUR** behalf, including **PWC,** related to or arising from this **LIMITED WARRANTY,** the construction of the **HOME** or the sale of the **HOME** will be resolved by binding arbitration. Binding arbitration shall be the sole remedy for resolving disputes between **YOU** and **US,** or **OUR** representatives. Disputes subject to binding arbitration include but are not limited to:

A. Disagreements that a condition in the **HOME** is a **CONSTRUCTION DEFECT** and is therefore covered by this **LIMITED WARRANTY**;

B. Disagreements as to whether a **CONSTRUCTION DEFECT** has been corrected in compliance with this **LIMITED WARRANTY**;

C. Alleged breach of this **LIMITED WARRANTY**;

D. Alleged violations of consumer protection, unfair trade practice, or other statutes;

E. Allegations of fraud, breach of duty or good faith, and all other claims arising from common law;

F. Disputes concerning the issues that should be submitted to binding arbitration;

G. Disputes concerning the timeliness of performance requests;

H. Disputes as to the payment or reimbursement of the arbitration filing fee.

The arbitration shall be conducted by Construction Arbitration Services, Inc., or such other reputable arbitration service that **PWC** shall select, at its sole discretion, at the time the request for arbitration is submitted. The rules and procedures of the designated arbitration organization, that are in effect at the time the request for arbitration is submitted, will be followed. A copy of the applicable rules and procedures will be delivered to **YOU** upon request.

This arbitration agreement shall be governed by the United States Arbitration Act (9 U.S.C.§§ 1 – 16) to the exclusion of any inconsistent state law, regulation or judicial decision. The award of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction.

Each party shall bear its own expenses for the arbitration, including the remittance of an arbitration filing fee which will be paid by the party initiating arbitration. This filing fee shall be no more than the amount charged by the arbitration service to **PWC** for each arbitration. Contact **PWC** to determine the arbitration filing fee in effect at the time an arbitration is being requested. If **YOU** initiate the arbitration process by filing a Binding Arbitration Request Form and remitting the arbitration filing fee and the arbitrator(s) finds in **YOUR** favor, the amount **YOU** advance for the arbitration filing fee will be reimbursed by **US**.

SAMPLE

The process for **YOU** to initiate arbitration is described below.

**Step 1** <u>**YOU** complete a Binding Arbitration Request Form and mail it to **PWC** along with the appropriate arbitration filing fee.</u> A Binding Arbitration Request Form is attached to this **LIMITED WARRANTY. YOUR** Binding Arbitration Request Form must be received no later than 90 days after the coverage for the disputed item expires. Please Note that while **YOU** have 90 days to file for arbitration, this time period does not extend the **WARRANTY PERIOD** for **CONSTRUCTION DEFECTS. YOU** must still notify **US** of an alleged **CONSTRUCTION DEFECT** no later than 30 days after expiration of this **LIMITED WARRANTY**.

**Step 2** <u>**PWC** Will Arrange the Arbitration Proceeding</u>. The arbitrator or arbitration organization will notify **YOU** of the time, date and location of the arbitration hearing. Most often the hearing will be conducted at **YOUR HOME** or some other location that is agreeable to all the parties of the dispute. In scheduling the hearing the arbitrator will set a time and date that is reasonably convenient to all the parties.

**Step 3** <u>The Arbitration Hearing</u>. The parties at the arbitration hearing will include the arbitrator, **YOU**, **US** and/or a third party designated by **US** or acting on **OUR** behalf. Any party to the proceeding may be represented at the hearing. All persons who are parties to the arbitration, as well as representatives and witnesses, are entitled to attend hearings.

After evidence is presented by **YOU**, **US** or **OUR** representatives, an award will be rendered by the arbitrator. The award is final and binding on **YOU** and **US**. The award will include a ruling on the existence of any claimed or alleged **CONSTRUCTION DEFECTS** as well as any other disputed matters or issues related to this **LIMITED WARRANTY**.

**Step 4** OUR Arbitration Performance Obligations. **WE** will comply with the arbitrator's award no later than 60 days from the date of the award or other such date as may be specified or allowed in the award. However, delays caused by circumstances beyond **OUR** or **OUR** representative's control shall be excused.

**Step 5.** If **YOU** believe **WE** Have Failed To Comply With The Award. **YOU** should contact **PWC** at its mailing address specified in this **LIMITED WARRANTY** if **YOU** believe **WE** have not complied with the arbitrator's award. **PWC** will mediate this dispute and if it cannot be resolved, will advise **YOU** that a compliance inspection arbitration is available to determine whether **WE** have performed adequately under the original arbitration award. **PWC** will communicate these findings to both **US** and **YOU**. If it is determined that **WE** have not properly performed, **WE** will be obligated to immediately comply.

**PWC's** sole responsibility is to administer this **LIMITED WARRANTY** on **OUR** behalf and as such **PWC** assumes no other liabilities in connection with this **LIMITED WARRANTY**. Under no condition or circumstance is **PWC** responsible for fulfilling any of **OUR** obligations under this **LIMITED WARRANTY**.

# IX. General Conditions

SAMPLE

**A. Separation of This LIMITED WARRANTY From The Contract Of Sale**

This **LIMITED WARRANTY** is separate and independent of the contract between **YOU** and **US** for the construction and/or sale of **YOUR HOME**. The provisions of this **LIMITED WARRANTY** shall in no way be restricted or expanded by anything contained in the construction and/or sales contract between **YOU** and **US**.

**B. Transfer to Subsequent HOMEOWNERS**

This **LIMITED WARRANTY** will transfer to new owners of the **HOME** for the remainder of the **WARRANTY PERIOD**. **YOU** agree to provide this **LIMITED WARRANTY** to any subsequent purchaser of the **HOME** as a part of the contract of sale of the **HOME**. **OUR** duties under this **LIMITED WARRANTY** to the new **HOMEOWNER** will not exceed the limit of liability then remaining, if any.

**C. Transfer of Manufacturer's Warranties**

**WE** assign to **YOU** all the manufacturer's warranties on all appliances, fixtures and items of equipment that **WE** installed in **YOUR HOME**. Should an appliance or item of equipment malfunction **YOU** must follow the procedures set forth in that manufacturer's warranty to correct the problem. **OUR** obligation under this **LIMITED WARRANTY** is limited to the workmanlike installation of such appliances and equipment. **WE** have no obligation for appliances and equipment defined as **CONSUMER PRODUCTS**.

**D. Recovery Rights**

If **WE** or a third party designated by **US** or acting on **OUR** behalf repairs, replaces or pays **YOU** the cost to repair or replace a **CONSTRUCTION DEFECT**, or other related damage to **YOUR HOME** covered by this **LIMITED WARRANTY**, **WE** are entitled, to the extent of **OUR** payment, to take over **YOUR** related rights of recovery from other people and organizations, including but not limited to, other warranties and insurance. **YOU** have an obligation not to make it harder for **US** to enforce these rights. **YOU** agree to sign any papers, deliver them to **US**, and do anything else that is necessary to help **US** exercise **OUR** rights.

E. **General Provisions**

1. If any of the terms or provisions of this **LIMITED WARRANTY** conflict with the statutes of the state in which this **LIMITED WARRANTY** is issued the warranty is amended to conform to such statute, except insofar as the terms and provisions are governed by the United States Arbitration Act.

2. If a court of competent jurisdiction deems any provision of this **LIMITED WARRANTY** unenforceable, that determination will not effect the remaining provisions.

3. This **LIMITED WARRANTY** and the binding arbitration process are binding on **YOU** and **US**. It is also binding on **YOUR** and **OUR** heirs, executors, administrators, successors, and assigns, subject to paragraph B of the **General Conditions**.

4. As may be appropriate, the use of the plural in this **LIMITED WARRANTY** includes the singular, and the use of one gender includes all genders.

# X. Definitions

**BUILDER** means the individual, partnership, corporation or other entity which participates in the Warranty Program administered by the Professional Warranty Service Corporation and provides **YOU** with this **LIMITED WARRANTY**. Throughout this document the **BUILDER** is also referred to as **"WE"**, **"US"** and **"OUR"**.

**COMMON ELEMENTS** means the structure, components of enclosure, and any part of the **HOME**, as specified in the condominium documents as a **COMMON ELEMENT**. This may include, but is not limited to, corridors, lobbies, vertical transportation elements, rooms, balconies, clubhouses or other spaces that are for the common use of the residents of the **HOME**. **SYSTEMS** serving two or more **HOMES**, and the outbuildings that contain parts of such **SYSTEMS** are also included in this definition.

SAMPLE

**CONSEQUENTIAL OR INCIDENTAL DAMAGES** means any loss or injury other than:

A. **OUR** cost to correct a **CONSTRUCTION DEFECT** including the correction of those surfaces, finishes and coverings damaged by the **CONSTRUCTION DEFECT**;

B. **OUR** cost of repair or replacement of furniture, carpet or personal property damaged by the **CONSTRUCTION DEFECT**. Should replacement be necessary, **OUR** obligation is limited to replacement with items providing the same function and quality and that are readily available at the time the item is being replaced.

C. **OUR** costs of removal or replacement in order to repair or replace a **CONSTRUCTION DEFECT**;

D. The reasonable cost of the **HOMEOWNER'S** alternative shelter where the **HOME** is unhabitable due to a **CONSTRUCTION DEFECT** or where the **HOME** is rendered unhabitable by the repair of the **CONSTRUCTION DEFECT**.

Diminished market value of the **HOME** is considered **"CONSEQUENTIAL OR INCIDENTAL DAMAGE"** and is excluded under this **LIMITED WARRANTY**.

**CONSTRUCTION DEFECT(S)** means a flaw in the materials or workmanship used in constructing the **HOME** that:

- materially affects the structural integrity of the **HOME**; or
- has an obvious and substantial negative impact on the appearance of the **HOME**; or
- jeopardizes the life or safety of the occupants; or
- results in the inability of the **HOME** to provide the functions that can reasonably be expected in a residential dwelling.

**WE** and any arbitrator assigned to rule relative to a **CONSTRUCTION DEFECT** will consider both this definition and Section **III – A. (Standards By Which the Presence of a CONSTRUCTION DEFECT Will Be Determined)** in determining the existence of a **CONSTRUCTION DEFECT**. A flaw is a **CONSTRUCTION DEFECT** if either **WE** or an arbitrator conducting a binding arbitration hearing declares the flaw to be a **CONSTRUCTION DEFECT**. **OUR** obvious and visible failure to complete the construction of the **HOME**, or any portion of the **HOME**, is not a **CONSTRUCTION DEFECT**.

**CONSUMER PRODUCT** means any item of equipment, appliance or other item defined as a **CONSUMER PRODUCT** in the Magnuson-Moss Warranty Act (15 U.S.C.§. 2301, **et seq.**) Examples of Consumer Products include, but are not limited to dishwasher, garbage disposal, gas or electric cook-top, range, range hood, refrigerator or refrigerator/freezer combination, gas oven, electric oven, microwave oven, trash compactor, garage door opener, clothes washer and dryer, hot water heater and thermostat.

**EMERGENCY CONDITION** means an event or situation that creates the imminent threat of damage to the **HOME**, or results in an unsafe living condition due to a **CONSTRUCTION DEFECT** that **YOU** (or as applicable, the condominium association) become aware of at a point in time other than **OUR** normal business hours and **YOU** were unable to obtain **OUR** or **OUR** authorized representative's prior written approval to initiate repairs to stabilize the condition or prevent further damage.

**HOME** means a single family residence either attached or detached covered by this **LIMITED WARRANTY** or a condominium or cooperative unit in a multi-unit residential structure/building and **COMMON ELEMENTS** covered by this **LIMITED WARRANTY.**

**HOME BUILDER'S LIMITED WARRANTY** means only this express warranty document provided to **YOU** by **US.**

**HOMEOWNER** means the first person to whom a **HOME** (or a unit in a multi-unit residential structure/building) is sold, or for whom such **HOME** is constructed, for occupancy by such person or such person's family, and such person's successors in title to the **HOME** and/or mortgagee in possession.

**POLLUTANTS** means all solid, liquid, or gaseous irritants or contaminants. The term includes, but is not limited to, petroleum products, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, radon gas, and waste materials, including materials to be recycled.

SAMPLE

**PWC** means Professional Warranty Service Corporation which administers the warranty program in which **WE** participate. As such, **PWC** assumes no other liabilities in connection with this **LIMITED WARRANTY**. The **PWC** mailing address is:

**Professional Warranty Service Corporation**
**P.O. Box 800 Annandale, VA 22003-0800**

**SYSTEMS** means the following:

(a) Plumbing system - gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; and water, gas and sewer services piping and their extensions to the tie-in of a public utility connection or on-site well and sewage disposal system.

(b) Electrical system - all wiring, electrical boxes, switches, outlets, and connections up to the public utility connection.

(c) Heating, Cooling, and Ventilation system - all duct-work; steam, water and refrigerant lines; and registers, connectors, radiation elements and dampers.

**WARRANTY PERIOD** shall commence on the date the title for the **HOME** (unit) is transferred to the first **HOMEOWNER.** Notwithstanding anything to the contrary set forth in this **LIMITED WARRANTY**, the **WARRANTY PERIOD** for the **COMMON ELEMENTS** of an individual structure/building commences on the date the title for the first **HOME** in the structure/building is transferred to the first **HOMEOWNER** or as concerns clubhouses or outbuildings the date these structures are completed for use. The dates the **WARRANTY PERIOD** begins and ends are indicated on the Limited Warranty Validation Form which is attached to and made part of this **LIMITED WARRANTY.**

**WE, US, OUR** means the **BUILDER.**

**YOU, YOUR** means the **HOMEOWNER** and as concerns the **COMMON ELEMENTS**, the condominium association. Where this **LIMITED WARRANTY** refers to actions or notices required of the **HOMEOWNER** relative to **COMMON ELEMENTS** the responsible party shall be the designated representative(s) of the condominium association.

## BINDING ARBITRATION REQUEST FORM

Dear Homeowner:

Prior to requesting binding arbitration under the terms of the HOME BUILDER'S LIMITED WARRANTY, you should have sent your builder a clear and specific written request outlining the situation or condition that you are herein submitting to binding arbitration. If you have taken this step and believe the builder has not properly responded in accordance with the HOME BUILDER'S LIMITED WARRANTY, fill out this form and send it to PWC along with the arbitration filing fee. Be sure to attach a copy of all pertinent correspondence between you and your builder relative to the issue.

The information you need to fill out this form can be found on the Limited Warranty Validation Form. However, if you do not know the answers to any questions, write "Don't Know." Please do not leave any item blank.

**Your name:**_____

**Address:** _____

_____
CITY STATE ZIP

**Home Phone:(_____)**_____ **Business Phone:(_____)**_____

**LIMITED WARRANTY #:**_____ **Date Warranty Period begins:**_____

**Builder's Name:**_____

**Address:** _____

_____

**Describe the dispute that you wish to submit to binding arbitration under the terms of the HOME BUILDER'S LIMITED WARRANTY. If the dispute is relative to a construction defect please include information on when the construction defect(s) first occurred or when you first noticed the construction defect. (Attach additional sheets, if necessary).**

SAMPLE

**I/we are hereby requesting PWC to initiate a binding arbitration to resolve the dispute described herein above.**

_____ _____
**Signature** **Date** **Signature** **Date**

INSTRUCTIONS: Photo-copy this form and complete the fields.

Obtain the required arbitration filing fee by contacting PWC at 1-800/850-2799.

Send this Binding Arbitration Request Form and the arbitration filing fee to:

**PROFESSIONAL WARRANTY SERVICE CORPORATION**
**P. O. BOX 800**
**ANNANDALE, VIRGINIA 22003-0800**

PWC Form No. 301
05/01

# SUBSEQUENT HOME BUYER ACKNOWLEDGMENT AND TRANSFER

Any coverage remaining under the HOME BUILDER'S LIMITED WARRANTY applicable to the home specified on the Limited Warranty Validation Form is transferred to the subsequent homeowner. Any obligations under the HOME BUILDER'S LIMITED WARRANTY to any subsequent homeowner shall not exceed the limit of liability remaining at the time of transfer, if any.

**The undersigned home buyer(s) hereby acknowledge and agree:**

**I/we acknowledge that I have reviewed and understand the HOME BUILDER'S LIMITED WARRANTY document (PWC Form No. 117)**

**I/we understand and acknowledge that Professional Warranty Service Corporation ("PWC") is not the warrantor of the HOME BUILDER'S LIMITED WARRANTY.**

**I/we understand that I/we am responsible for the maintenance of the home including maintenance of the grade of the land surrounding the home, and that the builder shall not be responsible for any damage to the home which is the result of my/our failure to maintain the home.**

**I/we acknowledge and agree to the Binding Arbitration Procedure contained in the HOME BUILDER'S LIMITED WARRANTY.**

**Signature(s) of Subsequent Home Buyer(s):** _____ Date: _____

_____ Date: _____

Print above name(s): _____

SAMPLE

**Re-issuance of the Limited Warranty Validation Form with the name(s) of the new Home Buyer(s) is not necessary for you to receive the coverage remaining under the HOME BUILDER'S LIMITED WARRANTY. Upon receipt of this signed form, PWC will update its records to reflect the name(s) of the new homeowner(s). If you want PWC to issue another Limited Warranty Validation Form with your name(s) on the form, please check the box below and send a check in the amount of $20.00 made payable to "PWC" with your submission of this form.**

YES, re-issue the Limited Warranty Validation Form in the above name(s) ☐ (check box) Initial _____

Address of Home: _____

Limited Warranty No.: _____

INSTRUCTIONS: Photo-copy this form. Provide information requested, sign, fill in Limited Warranty # in the space provided (this number is provided on the Limited Warranty Validation Form), and provide a telephone number where you can be reached (_____) _____. If you want the Limited Warranty Validation Form reissued in your name, enclose your check to PWC in the amount of $20.00 (check box above and initial). To reach PWC by phone, call: 1-800/850-2799.

Mail this form and a photocopy of applicable settlement/closing documents indicating transfer of title, to:

PROFESSIONAL WARRANTY SERVICE CORPORATION P.O. BOX 800 ANNANDALE, VA 22003-0800