

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
PHASE IV, COLLEGE GARDENS
Waiawa Road
Pearl City, Hawaii

REGISTRATION NO. 1540

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: April 16, 1984
Expires: May 16, 1985

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 21, 1983 AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 4, 1984. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report of April 21, 1983 on PHASE IV, COLLEGE GARDENS, the Developer has filed additional information as part of the registration on the project.
2. The Developer of the project has submitted to the Commission for examination all documents and exhibits

deemed necessary for the issuance of this Final Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and approved floor plans) for the project have been recorded in the office of the recording officer. The Declaration dated August 3, 1983, has been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17752 at Page 602, and the By-Laws also dated August 3, 1983, has been recorded in said Bureau in Liber 17752 at Page 630. Condominium Map No. 896 has been assigned to the project.

The Regulatory Agreement between Developer and the Federal Housing Commissioner dated September 15, 1983, has been recorded in said Bureau in Liber 17752 at Page 655.

4. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. This Final Public Report is made a part of the registration on PHASE IV, COLLEGE GARDENS condominium project. The Developer has the responsibility of placing a true copy of the Final Public Report (white paper stock) along with the Preliminary Public Report (yellow paper stock) and latest Disclosure Abstract (dated November 7, 1983) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor.
7. This Final Public Report automatically expires thirteen (13) months from the date of issuance, April 16, 1984, unless a Supplementary Public Report is published, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information under the topical headings of the Preliminary Public Report of April 21, 1983 remains unchanged, except for the following:

COMMON ELEMENTS: Paragraph (c) under this topical heading in the Preliminary Public Report has been amended as follows:

(c) All yards, grounds and landscaping, roads, walkways, loading zone, parking areas, driveways and all trash enclosures.

Paragraph (f) under this topical heading in the Preliminary Public Report has been amended as follows:

(f) An easement for park and recreational purposes in common with owners of apartments in the condominium

projects developed or proposed to be developed as Phases I, II and III, College Gardens, on Lots 1, 2 and 3, respectively, of File Plan 1785, in the park area of approximately 21,502 square feet located in Lots 1 and 2, File Plan 1785, of Phases I and II; subject, however, to all of the terms and conditions of the Declaration of Restrictive Covenants (Private Park) dated March 22, 1983, recorded in said Bureau of Conveyances in Liber 17069 at Page 261, including without limitation, the obligation to contribute proportionately to the perpetual maintenance thereof.

LIMITED COMMON ELEMENTS: The attached Exhibit "A-1" amends and supersedes Exhibit "A-1" attached to and made a part of the Preliminary Report of April 21, 1983.

INTEREST TO BE CONVEYED TO PURCHASER: The following is added to the information reported in the Preliminary Public Report:

The common interest is based upon the total area in square feet of each apartment divided by the total area of all apartments in each phase. As phases are merged, the common interest is based upon the area of each apartment divided by the total area of all apartments in the phases merged.

ENCUMBRANCES AGAINST TITLE: The Developer has filed with the Commission an updated Preliminary Report dated March 30, 1984 by Security Title Corporation. Said Preliminary Report indicates that title to the land is subject to the following:

1. Real property taxes that may be due and owing: Reference is made to the Office of Finance Director, City and County of Honolulu.
2. Reservation in favor of the State of Hawai of all mineral and metallic mines as reserved in Royal Patent No. 4475.
3. Easement N-31 for transmission of energy, as shown on File Plan No. 1785 (also affects other property).
4. The terms and provisions of that certain unrecorded Agreement dated December 31, 1970, as disclosed by the instrument described in the following Item 5.
5. Right-of-Entry Agreement dated January 13, 1972, recorded in Liber 8074 at Page 30. Re: Energy Corridor, Easement N-31, subject to an undated financing statement, continuation thereof, and a final order of condemnation.
6. Terms and provisions of that certain unrecorded Agreement, dated August 29, 1960, as amended, as disclosed by Agreement dated October 14, 1980, recorded in Liber 15086 at Page 583.
7. Unilateral Agreement and Declaration for Conditional Zoning dated April 14, 1982, recorded in Liber 16277 at Page 651.
8. Terms, provisions and agreements of that certain Declaration (College Gardens) dated December 29, 1982, recorded in Liber 16780 at Page 407.

9. Terms and provisions of that certain Master Lease No. 27,210, dated April 22, 1983, recorded in Liber 17062 at Page 624, as amended by instrument dated August 15, 1983, recorded in Liber 17276 at Page 447.

10. Terms and provisions of that certain Development Sublease No. 27,210-A, dated February 18, 1983, recorded in Liber 17062 at Page 647.

11. Declaration of Restrictive Covenants (Private Park) (being Lease No. 27,204) dated March 22, 1983, recorded in Liber 17069 at Page 261.

12. Conditions and agreements contained in that certain "Agreement for Issuance of Special Use Permit Under Ordinance No. 4451, Bill No. 40 (1975)" dated May 13, 1983, recorded in Liber 17135 at Page 596.

13. Grant dated August 10, 1983, recorded in Liber 17357 at Page 480, in favor of Hawaiian Electric Company, Inc.

14. Covenants, agreements, obligations, conditions and other provisions set forth in that certain Phase IV, College Gardens Declaration of Horizontal Property Regime under the Horizontal Property Act dated August 3, 1983, recorded in Liber 17752 at Page 602, and By-Laws of the Association of Apartment Owners of Phase IV, College Gardens dated August 3, 1983, recorded in Liber 17752 at Page 630.

15. Condominium Map No. 896, filed in said Bureau of Conveyances on March 28, 1984.

16. Terms and provisions of that certain U.S. Department of Housing and Urban Development Federal Housing Administration Regulatory Agreement for Condominium Leasehold-Hawaii dated September 15, 1983, recorded in Liber 17752 at Page 655.

MERGER OF ADDITIONAL INCREMENTS: The land on which the project is located has been subdivided into Lots 1 through 4, as shown on File Plan 1785. Phase I will be developed on Lot 1, Phase II on Lot 2, Phase III on Lot 3, and Phase IV on Lot 4. Phase IV may be merged with the three (3) prior increments (at any time up to but not later than December 1, 1988), by the addition of said Phase IV to the previous Phase I which consists of thirty-two (32) apartments on Lot 1, containing an area of approximately 104,007 square feet, as described in that certain Declaration of Horizontal Property Regime for Phase I, College Gardens dated August 3, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17422 at Page 430, in accordance with plans filed in said Bureau as Condominium Map No. 887; the previous Phase II which consists of twenty-eight (28) apartments on Lot 2, containing an area of approximately 56,246 square feet, as described in that certain Declaration of Horizontal Property Regime for Phase II, College Gardens dated August 3, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17568 at Page 269, in accordance with plans filed in said Bureau as Condominium Map No. 892; and the previous Phase III which consists of thirty-six (36) apartments on Lot 3, containing an area of approximately 80,306 square feet, as described in that certain Declaration of Horizontal Property Regime for Phase III,

College Gardens dated August 3, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17684 at Page 17, in accordance with plans filed in said Bureau as Condominium Map No. 894.

Phase IV is the fourth phase of a proposed four (4) phase project, which may be developed in two or more phases, all at the option of the Lessor and Developer. The purpose of the merger provisions, as more fully set forth in Paragraph 18 of the Declaration for Phase IV, is to provide for a merger of all phases just as if the phases involved had been developed as one single project. A merger may occur with respect to Phase IV with the first, second and third phase, or any one of them, at the same or different times and merger with respect to one of said phases shall not affect the right of the Lessor and Developer to merge another phase or phases at a later date subject to all of the provisions of the Declaration for Phase IV.

Merger shall take effect with respect to a particular additional phase upon the happening of all of the following conditions with respect thereto:

(1) Recordation in the Bureau of Conveyances of the State of Hawaii by the Lessor and Developer of a Declaration of Horizontal Property Regime and By-Laws covering the additional phase in a form substantially identical hereto (except for the descriptions of apartments and the common elements and the percentage of common interest therein) and a Condominium File Plan depicting the plot and floor plans of the additional phase, both complying with the requirements of Chapter 514A, Hawaii Revised Statutes, as amended.

(2) Recordation in the Bureau of Conveyances of the State of Hawaii by the Lessor and Developer of a "Certificate of Merger" which certificate shall contain:

(i) A certificate by a Hawaii registered architect or professional engineer depicting fully the layout, location, apartment numbers and dimensions of the apartments as built;

(ii) A certification by Developer that the increment has been substantially completed, that a notice of completion has been filed and that the period for filing of mechanics' and materialmen's liens has expired and that there are no tax liens;

(iii) The common interest of each apartment of the project after completion of the subject merger; and

(iv) A revised plot plan showing the location of the buildings of the project after completion of the subject merger.

(3) Prior written consent of the Secretary of the U. S. Department of Housing and Urban Development.

SALES PRICES OF APARTMENTS: Twelve (12) apartments in Phase IV will be sold under a program sponsored by the Hawaii Housing

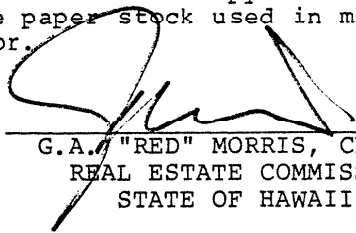
Authority (the "HHA") and the City and County of Honolulu (the "City"), whereby \$12,400.00 of the sales price will be deferred until the earlier of the sale, assignment, rental or other transfer of possession by the Buyer or ten (10) years from the recordation of the Deferred Sales Price Agreement. Each purchaser under this program must sign a "Deferred Sales Price Agreement" with the HHA. A copy of the Deferred Sales Price Agreement is on file with the Real Estate Commission and will also be attached to the Subscription and Sale Agreement for the applicable apartment.

STATUS OF PROJECT: The project will be completed on or about July 15, 1984.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted March 21, 1983 and information subsequently filed as of April 4, 1984.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1540.

This report when reproduced shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be white in color.



G.A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Finance, City and
County of Honolulu
Bureau of Conveyances
Department of Planning, City and
County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1540

Dated: April 16, 1984

PHASE IV, COLLEGE GARDENS
INITIAL PARKING STALL ASSIGNMENT

<u>APARTMENT NO.</u>	<u>*PARKING STALL(S) NO(S).</u>
97	35 & 72
98	34
99	21
100	20
101	19
102	18
103	17
104	16
105	15
106	14
107	23
108	22 & 73
109	12
110	13 & 76
111	9
112	10
113	8
114	7
115	6 & 70
116	5 & 71
117	4
118	3
119	2 & 78
120	1 & 77

*NOTE: All of the parking stalls noted above are presently assigned to Apartment No. 61 in Phase III, College Gardens. Developer has reserved the right to transfer the above parking stalls from said Apartment No. 61 to the apartments noted above by way of an amendment to the Declaration for Phase III.

PHASE IV
COLLEGE GARDENS

DISCLOSURE ABSTRACT
NOVEMBER 7, 1983

1. NAME OF PROJECT PHASE IV, COLLEGE GARDENS
Waiawa Road
Pearl City, Hawaii
2. DEVELOPER LEAR SIEGLER PROPERTIES, INC.
Suite 1112, Amfac Building
700 Bishop Street
Honolulu, Hawaii 96813
Ph. No. 521-8781
3. MANAGING AGENT: HAWAII MANAGEMENT CORPORATION
1221 Kapiolani Boulevard
Honolulu, Hawaii 96814
Ph. No. 531-9941
4. WARRANTIES: Apartments - one-year warranty
per attached FHA/VA forms.

Appliances - none, but
Developer will assign to
purchasers the manufacturers'
warranties.
5. RESIDENTIAL USE: All 24 apartments are to be for
residential purposes.
6. COMMERCIAL USE: There will be no commercial use
within the project.
7. MAINTENANCE FEES:

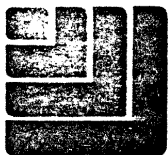
The Developer advises that costs and expenses of maintenance and operation of a condominium project are difficult to estimate initially and even if such maintenance fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. Maintenance fees can vary depending on services desired by apartment owners. The buyers should check the attached maintenance fee schedule to see what services are included therein. The initial estimate has been made well in advance of the completion of the project and may be subject to substantial revision upon completion.

PHASE IV
COLLEGE GARDENS

ESTIMATED MONTHLY MAINTENANCE FEES

In accordance with the attached annual operating budget dated November 22, 1982, the estimated monthly maintenance fees for each apartment in the PHASE IV, COLLEGE GARDENS condominium project are as follows:

<u>Model Type</u>	<u>Estimated Monthly Maintenance Fee</u>
Ae (2 bedroom, 1 bath) (except Apt. 120)	\$75.53
Apt. 120 (Model Ae)	\$75.49
Ai (2 bedroom, 1 bath)	\$66.50
Be (2 bedroom, 2 bath)	\$84.24
Bi (2 bedroom, 2 bath)	\$81.65



**HAWAII
MANAGEMENT
CORPORATION**

1221 KAPIOLANI BOULEVARD
SUITE 700
HONOLULU, HAWAII 96814
(808) 531-9941

The undersigned hereby certifies that the estimate set forth in the annual operating budget dated 11/22/82 were based on Generally Accepted Accounting Principles, and that there is no change as of 11/7/83.

HAWAII MANAGEMENT CORPORATION

By Frank Haskew

Date 11-8-83

ANNUAL OPERATING BUDGET FOR COOPERATIVE HOUSING CORPORATIONS

PROJECT NO.(S) _____

PROJECT NAME College Gardens Phases I, II, III & IV ADDRESS Waipahu, Hawaii

COVERING PERIOD FROM Start-up TO _____

EXPENSES	ACCT. NO.	1 Prior Year Budget	2 Prior Year Actual	3 Over (Under)	4 Adjustments Incr. (Decr.)	5 New Annual Budget	6 Adjustments By HUD
1. Vacancy & Collection Loss	6370						
2. Employee Apartment Rent	6330						
3. Apartment Resale Expense	6200						
4. Management Fee	6320					12,720.00	
5. Legal Expense	6340						
6. Audit Expense	6350						
7. Telephone	6360						
8. Office & Adm. Salaries	6310					180.00	
9. Office Expenses	6311					6,000.00	
10. Misc. Administrative Exp.	6390					600.00	
11.						400.00	
12.							
13.							
14.							
15. Fuel	6420						
16. Electricity	6450					1,800.00	
17. Water & Sewer	6451					22,440.00	
18. Veh. & Equip. Oper. Exp.	6441						
19. Janitor's Payroll	6430						
20. Janitor's Supplies	6431						
21. Exterminating	6462						
22. Rubbish Removal	6470						
23. Parking Area Expense	6480					4,600.00	
24.							
25.							
26.							
27. Grounds Maintenance	6520						
28. Painting & Decorating	6560					13,236.00	
29. Structural Repairs	6540						
30. Heating & Air Cond. Maint.	6510						
31. Plumbing Maintenance	6511						
32. Electrical Maintenance	6512						
33. Elevator Maintenance	6550					240.00	
34. Pool Maintenance	6521						
35. Maintenance Supplies	6515						
36. Maintenance Payroll	6585					400.00	
37. Misc. Maintenance Repair	6590						
38.							
39. Real Estate Taxes	6710						
40. Employer's Payroll Taxes	6711						
41. Miscellaneous Taxes	6719					2,040.00	
42. Property & Liability Insurance	6720						
43. Workmen's Compensation	6721					9,600.00	
44. Fidelity Bonds	6723					660.00	
45. Miscellaneous Insurance	6729						
46.						600.00	
47.							
48.							
49. Ground Rent	6815						
50. Mortgage Ins. Premium	6850						
51. Mortgage Interest	6820						
52. Mortgage Principal	2320						
53. Replacement Reserve	1320						
54. General Operating Reserve	1365					27,120.00	
55. Painting Reserve	1330					3,340.00	
56. Project Equipment Purch.	1470					5,408.00	
57. Capital Improvements	1400						
58. TOTAL EXPENSE						111,384.00	

Column #4 reflects necessary or desirable increases and decreases over prior year's budget (Col. #1) to arrive at New Annual Budget (Col. #5). Carrying Charges and other budgeted income (line #68) must at least equal the total expenses on line #58. Lines 52-57 provide for capital contributions by members, in excess of their downpayments, and should be entered in the books thru Account #3241 (Paid-in Surplus). Surcharges received from over-income occupants in Section 201(d)(4) shall be entered in the books thru Account #3241 (Paid-in Surplus).

INCOME	ACCT. NO.	1 Prior Year Budget	2 Prior Year Actual	3 Over (Under)	4 Adjustments Incr. (Decr.)	5 New Annual Budget	6 Adjustments By HUD
59. Carrying Charges	5110					111,506.00	
60. Late Charges	5910	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXX
61. Interest Income	5410						
62.							
63.							
64.							
65.							
66.							
67.							
68. TOTAL INCOME							
69. TOTAL EXPENSE (Line 58)						111,384.00	
70. INCOME OVER (UNDER) EXPENSE						122.00	

STATUS OF FUNDED RESERVES

	ACCT. NO.	Required to Date	Actual on Deposit	Excess (Deficiency)	PROVISION FOR REPATMENT OF ANY DEFICIENCIES SHOULD BE INCLUDED IN LINES 53, 54 AND 55.
A. Replacement Reserve	1320				
B. Gen. Opr. Reserve	1365				
C. Painting Reserve	3230				
D.					
E.					
F.					

SCHEDULE OF CARRYING CHARGES

DESCRIPTION OF UNIT	No. of Units of this Type	MONTHLY CARRYING CHGS.		ANNUAL CARRYING CHG.	
		Prior Year	New Year	Prior Year	New
2 Bdr, 1 Bath - Model Ae - 0.8137%	15		1,132.95		13,595.4
2 Bdr, 1 Bath - Model Ai - 0.7164%	27		1,795.50		21,546.00
2 Bdr, 2 Bath - Model Be - 0.9076%	32		2,695.68		32,348.1
2 Bdr, 2 Bath - Model Bi - 0.8797%	44		3,592.60		43,111.2
Apr 120 - Model - Ae - 0.8133%	1		75.49		905.8
TOTALS	119		9,292.22		111,506.6

Unless otherwise indicated it is assumed that all utilities, maintenance and replacements are provided by the cooperative and are included in the above carrying charges. If any of these items are paid for directly by the member check below. (Specify any other items not listed)

Utilities: Fuel Electricity Water _____

Replacements: Range Refrigerator Air Cond. Garb. Disp. Dishwasher

Maintenance: Range Refrigerator Air Cond. Garb. Disp. Dishwasher

Explanatory comments, including management agents opinion as to adequacy of proposed new budget:

The proposed budget is adequate to operate the Association and accumulate monthly reserves.

Prepared By: Frank Hinshaw
 Managing Agent: _____
 Date: 11-22-82

Approved: _____
 Title: (On behalf of Cooperative)
 Date: _____

Approved: Michael S. Lee
 ACTING DIRECTOR
 HOUSING MANAGEMENT DIVISION
 Approved as indicated in column 6:
 (Signature and Title of Authorized Official)

WARRANTY OF CONSTRUCTION OF CONSTRUCTION IN SUBSTANTIAL CONFORMITY WITH APPROVED PLANS AND SPECIFICATIONS

Property Location:

Purchaser(s)/Owner(s):

For good and valuable consideration, and in accordance with section 801 of the Housing Act of 1954, and Public Law 85-857 (38 U.S.C. 1805), the undersigned Warrantor hereby warrants to the Purchaser(s) or Owner(s) identified in the caption hereof, and to his (their) successors or transferees, that:

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

The term "dwelling" as used herein shall be deemed to include all improvements or appurtenances set forth in the plans and specifications upon which the Federal Housing Commissioner or the Administrator of Veterans Affairs has based his valuation of the property, excepting those constructed by a municipality or other governmental authority.

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

IN TESTIMONY WHEREOF, the Warrantor has signed and sealed this warranty this _____ day of _____, 196_____.

(Warrantor's Address) By _____ (SEAL)
Warrantor (Signature and Title)

This warranty is executed for the purpose of inducing the Federal Housing Commissioner or the Administrator of Veterans Affairs to make, to guarantee or to insure a mortgage on the captioned property, and the person signing for the Warrantor represents and certifies that he is authorized to execute the same by the Warrantor and by his signature the Warrantor is duly bound under the terms and conditions of said warranty.

WARNING

Section 1010 of Title 18, U. S. C., "Federal Housing Administration transactions," provides: "Whoever, for the purpose of influencing in any way the action of such Administration—makes, passes, utters, or publishes any statement, knowing the same to be false—shall be fined not more than \$5,000 or imprisoned not more than two years, or both." Other Federal Statutes provide severe penalties for any fraud or intentional misrepresentation made for the purpose of influencing the issuance of any guaranty or insurance or the making of any loan by the Administrator of Veterans Affairs.

NOTICE TO PURCHASER: ANY NOTICE OF NONCONFORMITY MUST BE DELIVERED TO THE WARRANTOR NO LATER THAN _____ (Warrantor shall insert date 1 year from initial occupancy, date of conveyance of title or date of completion, whichever event is applicable.)

Receipt of this warranty is acknowledged this _____ day of _____, 196_____

PURCHASER(S)/OWNER(S)

Property Location:

Purchaser(s)/Owner(s):

For good and valuable consideration, and in accordance with section 801 of the Housing Act of 1954, and Public Law 85-857 (38 U.S.C. 1805), the undersigned Warrantor hereby warrants to the Purchaser(s) or Owner(s) identified in the caption hereof, and to his (their) successors or transferees, that:

The dwelling located on the property identified in the caption hereof is constructed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variations therein) which have been approved in writing by the Federal Housing Commissioner or the Administrator of Veterans Affairs on which the Federal Housing Commissioner or the Administrator of Veterans Affairs based his valuation of the dwelling: Provided, however, that this warranty shall apply only to structural defects and such instances of substantial nonconformity as to which the Purchaser(s)/Owner(s) or his (their) successors or transferees shall have given written notice to the Warrantor at any time or times within 1 year from the date of original conveyance of title to such Purchaser(s)/Owner(s) or the date of initial occupancy of the dwelling, whichever first occurs: Provided further, however, that in the event the Purchaser(s)/Owner(s) acquired title to the captioned property prior to the completion of construction of the dwelling thereon, such notice of nonconformity to the Warrantor may be given at any time or times within 1 year from the date of completion or initial occupancy of such dwelling, whichever occurs first. Warranty on all of the common elements is for 1 year from such time as units to which 60 percent of the votes in the unit owners association appertain have been transferred to unit owners other than the Warrantor.

The term "dwelling" as used herein shall be deemed to include all improvements or appurtenances set forth in the plans and specifications upon which the Federal Housing Commissioner or the Administrator of Veterans Affairs has based his valuation of the property, excepting those constructed by a municipality or other governmental authority.

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

IN TESTIMONY WHEREOF, the Warrantor has signed and sealed this warranty this

_____ day of _____, 197__.

(Warrantor's Address)

BY _____ (seal)
Warrantor (Signature & Title)

This warranty is executed for the purpose of inducing the Federal Housing Commissioner or the Administrator of Veterans Affairs to make, to guarantee or to insure a mortgage on the captioned property, and the person signing for the Warrantor represents and certifies that he is authorized to execute the same by the Warrantor and by his signature the Warrantor is duly bound under the terms and conditions of said warranty.

WARNING

Section 1010 of Title 18, U.S.C., "Federal Housing Administration transactions," provides: "Whoever, for the purpose of influencing in any way the action of such Administration--makes, passes, utters, or publishes any statement, knowing the same to be false--shall be fined not more than \$5,000 or imprisoned not more than two years, or both." Other Federal Statutes provide severe penalties for any fraud as intentional misrepresentation made for the purpose of influencing the issuance of any guaranty or insurance or the making of any loan by the Administrator of Veterans Affairs.

NOTICE TO PURCHASER: Any notice of nonconformity must be delivered to the Warrantor no later than _____ (Warrantor shall insert date 1 year from initial occupancy, date of conveyance of title or date of completion, whichever event is applicable.)

Receipt of this warranty is acknowledged this _____ day of _____, 197__.

Purchaser(s)/O