

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

PRELIMINARY 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 but may only take reservations therefore after

- (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 21, 1983
Expires: May 21, 1984

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. 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. PHASE IV, COLLEGE GARDENS is a proposed leasehold condominium project consisting of 2 two-story buildings, containing a total of 24 residential apartments, and other improvements. There are no parking stalls within Phase IV; however, each apartment will be assigned a parking stall (regular size) located in the previous Phase III.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Preliminary 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 not been recorded in the office of the recording officer.
4. The Developer intends for the Federal Housing Administration (the "FHA") to endorse notes for mortgage insurance, pursuant to Section 234 of the National Housing Act, of individual mortgages by qualified purchasers of apartments in the project. As a condition to its endorsement of notes for mortgage insurance, the FHA requires that the Association of Apartment Owners may be regulated and restricted by that agency. Purchasers should familiarize themselves with the provisions of the Regulatory Agreement between the Developer and the Federal Housing Commissioner, which Regulatory Agreement shall be recorded concurrently with the Declaration and By-Laws for the project.
5. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.
6. 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.
7. This Preliminary 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 Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor.
8. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, April 21, 1983, unless a Supplementary or Final Public Report is published, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: PHASE IV, COLLEGE GARDENS

LOCATION: The project is located on a portion of those certain two parcels of land at Walawa Road, Pearl City, Hawaii, containing a total area of 7.194 acres. The approximate area in Phase IV is estimated at 35,650 square feet.

TAX KEY: First Division, 9-6-3-40 and portion 39

ZONING: A-2

DEVELOPER: The Notice of Intention reveals the Developer to be Lear Sieglar Properties, Inc., a Delaware corporation authorized to do business in Hawaii, whose principal place of business and post office address is Suite 1112, 700 Bishop Street, Honolulu, Hawaii 96813, Ph. No. 521-8781. The officers of the corporation are: Robert T. Campion, President; Charles F. Pitts, Vice President; Charles K. Hamane, Vice President; Henry F. Alves, Vice President; and James N. Thayer, Secretary-Treasurer.

ATTORNEY REPRESENTING DEVELOPER: OKUMURA TAKUSHI FUNAKI & WEE, ATTORNEYS AT LAW, A LAW CORPORATION (Alfred M. K. Wong), Suite 1400 Grosvenor Center, 733 Bishop Street, Honolulu, Hawaii 96813, Tel. No. 543-9800.

DESCRIPTION OF PROJECT: The two (2) buildings to be constructed on said land, as shown on the proposed Condominium Map and designated thereon by the numbers Building 10 and Building 11 will be two-story structures without basements constructed principally of double wall construction, with drywall interiors and masonite exteriors, on concrete and wooden floors.

The 2 buildings will contain a total of twenty-four (24) freehold estates in the spaces within the perimeter walls, floors and ceilings of the 24 apartments in said buildings. The 24 apartments shall not include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided in the Declaration. Each apartment shall include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; lanai and lanai air spaces, if any; and all fixtures originally installed therein. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment is measured from undecorated or unfinished surfaces of the interior face of perimeter walls, which measurement is referred to herein and shown in Exhibit "A", attached hereto and made a part hereof, as the "net living area", and from the exterior face of exterior walls and the center line of party walls, which measurement is referred to herein and shown in said Exhibit "A" as the "gross apartment area", and no reduction is made to account for interior load bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

All apartments will be numbered and located as shown on the proposed Condominium Map.

Each of the 24 apartments will have immediate access or through a hall and stairway to a walkway on the grounds of the project.

Each of the 24 apartments will be one of two (2) types, designated Models Ae and Ai, as enumerated in said Exhibit "A".

The number of rooms, approximate area and total number of each model in the project are enumerated in said Exhibit "A".

COMMON ELEMENTS: One freehold estate is designated in all of the remaining portions and appurtenances of the project (the "common elements") including specifically, but not limited to:

- (a) Said land in fee simple.
- (b) All foundations, floor supports, columns, girders, beams, supports, unfinished perimeter walls and loadbearing walls and roofs of the residential buildings.
- (c) All yards, grounds and landscaping, roads, walkways, loading areas, parking areas, driveways and all refuse facilities.
- (d) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities, installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.
- (e) Any and all apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.
- (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, in the park area of approximately 21,502 square feet located in Phases I and II; subject, however, to all of the terms and conditions of the Declaration of Restrictive Covenants (Private Park) to be recorded in the Bureau of Conveyances of Hawaii, including without limitation, the obligation to contribute proportionately to the perpetual maintenance thereof.

LIMITED COMMON ELEMENTS: Certain parts of the common elements ("limited common elements") are set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (a) One (1) or more automobile parking spaces shall be assigned to each apartment upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of such apartment. The initial parking space assignment for each apartment is shown on Exhibit "A-1" attached hereto and made a part hereof. Each apartment shall always have at least one parking space appurtenant to it but otherwise any automobile parking space easement may be transferred from apartment to apartment in the project.

(b) Privacy yard areas as shown on the proposed Condominium Map.

(c) Common entry ways outside of each main entrance to each building shall be appurtenant to the apartments located in that building.

(d) All other common elements of the project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

INTEREST TO BE CONVEYED TO PURCHASER: Each of the twenty-four (24) apartments in Phase IV shall have appurtenant thereto an undivided percentage interest ("common interest") in all the common elements of the project as shown on Exhibit "B" attached hereto and made a part hereof, and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting. Each purchaser of an apartment will be issued an Apartment Lease by the Trustees of Bishop Estate ("Owners") and Central-Hawaiian ("Tenant") as Lessors.

NOTE: Upon merger of additional increments, the common interest for each apartment shall change in accordance with said Exhibit "B" and paragraph 18 of the proposed Declaration.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The purposes for which said building and other improvements and each of the apartments are intended and shall be restricted as to use are as follows:

a. The apartments shall be occupied and used only for residential purposes.

b. The apartments in the project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement.

c. Among other provisions, the House Rules provide that water beds are not permitted in the apartment without the approval of the Board of Directors; no fireworks of any sort shall be set off on the project; and only certain animals, such as cats, dogs or other household pets, are permitted, provided that they are first registered with the Manager.

OWNERSHIP OF TITLE: The Preliminary Report dated March 2, 1983 by Security Title Corporation indicates that title to the land is vested in the Trustees of the Estate of Bernice Pauahi Bishop. The Developer has filed with the Commission a Declaration dated December 29, 1982, wherein the various parties having an interest in the property have assigned the development rights to the property to the Developer. Pursuant to said Declaration, Bishop Estate will issue a Master Lease in

favor of Central-Hawaiian, a joint venture composed of Central Oahu Land Corporation and Lone Star Hawaii Properties, Inc. (formerly known as Lone Star Hawaii, Inc.), both Hawaii corporations, who will in turn issue a Development Sublease in favor of Developer.

ENCUMBRANCES AGAINST TITLE: 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 Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 4475.
3. The terms and provisions of that certain Lease No. 6500 dated July 1, 1940, recorded in the Bureau of Conveyances of Hawaii in Liber 1599 at Page 208; and the terms and provisions of that certain Sublease dated January 17, 1941, recorded in Liber 1627 at Page 467.
4. 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.
6. Terms and provisions of that certain unrecorded Agreement, as amended, dated August 29, 1960, as disclosed by the instrument described in the following Item 7.
7. Agreement dated October 14, 1980, recorded in Liber 15086 at Page 583.
8. Unilateral Agreement and Declaration for Conditional Zoning dated April 14, 1982, recorded in Liber 16277 at Page 651.
9. Terms, provisions and agreements of that certain Declaration (College Gardens) dated December 29, 1982, recorded in Liber 16780 at Page 407.

NOTE: In addition, the Developer proposes to record the Declaration of Restrictive Covenants (Private Park), mentioned in paragraph f. on page 4 of this Report.

MERGER OF ADDITIONAL INCREMENTS: The Developer is in the process of subdividing the land on which the project is located. After subdivision, the land will consist of Lots 1 through 4. 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 up to three (3) additional increments (at any time up to but not later than December 1, 1988), by the addition of said Phase IV to the proposed Phase I which will consist of thirty-two (32) apartments on Lot 1, containing an area of approximately 104,007 square feet; the proposed

Phase II which will consist of twenty-eight (28) apartments on Lot 2, containing an area of approximately 56,246 square feet; and the proposed Phase III which will consist of approximately thirty-six (36) apartments on Lot 3, containing an area of approximately 80,306 square feet. 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 proposed 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;

(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.

PURCHASE MONEY HANDLING. A copy of the Specimen Sales Contract and the executed Escrow Agreement dated October 21, 1982 have been submitted as part of the registration. The Escrow Agreement identifies Security Title Corporation as the Escrow. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement.

The Escrow Agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said Purchaser, without interest and less \$25.00 cancellation fee and costs, if one of the following has happened:

- (a) Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser; or
- (b) If a Purchaser's funds were obtained prior to the issuance of a final public report and if there is any change in the condominium building plans, subsequent to the execution of Purchaser's Sales Contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the Purchaser has given written approval or acceptance of the specific change; or
- (c) If a Purchaser's funds were obtained prior to the issuance of a final public report and the request is prior to the time the final public report is issued; or
- (d) If the final public report differs in any material respect from the preliminary public report, unless the Purchaser has given written approval or acceptance of the difference; or
- (e) If the final public report is not issued within one year from the date of issuance of the preliminary public report.

MANAGEMENT AND OPERATIONS: Administration of the project shall be vested in the Association of Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws except that the initial Managing Agent shall be appointed by the Developer. Hawaii Management Corporation, whose principal place of business and post office address is 1221 Kapiolani Boulevard, Honolulu, Hawaii 96813, has been named as the initial Managing Agent. Any officer of the Developer is designated as the agent to receive service of process until such time as the Board of Directors of the Association is elected.

REGULATORY AGREEMENT: The Developer intends to qualify this project for home mortgage insurance under Section 234 of the National Housing Act. As a condition for qualification, the Developer shall enter into a Regulatory Agreement with the Federal Housing Commissioner which governs the management,


operation and maintenance of the project in accordance with standards required by the Federal Housing Commissioner. The project shall be subject to the Regulatory Agreement, a copy of which has been filed with the Commission.

STATUS OF PROJECT: Construction of the project will commence on or about August 27, 1983 and will be completed on or about August 27, 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.

This PRELIMINARY 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 yellow 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 21, 1983

PHASE IV
COLLEGE GARDENS

DISCLOSURE ABSTRACT
November 22, 1982

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

PHASE IV
COLLEGE GARDENS

LOCATION, UNIT NUMBER AND MODEL TYPE

<u>Building No.</u>	<u>Apartment No.</u>	<u>Model</u>
10	97	Ae
	98	Ae
	99	Ai
	100	Ai
	101	Ai
	102	Ai
	103	Ai
	104	Ai
	105	Ai
	106	Ai
	107	Ae
108	Ae	
11	109	Ae
	110	Ae
	111	Ai
	112	Ai
	113	Ai
	114	Ai
	115	Ai
	116	Ai
	117	Ai
	118	Ai
	119	Ae
	120	Ae

NOTE: All odd numbered apartments are located on the first floor of its building and all even numbered apartments are located on the second floor of its building.

DESCRIPTION OF MODELS IN PHASES I THROUGH IV

Model Ae 2 Bedroom, 1 Bath Townhouse, containing a living/dining room, kitchen, 2 bedrooms, 1 bathroom, and lanai with storage area; NET LIVING AREA approximately 727 square feet; GROSS APARTMENT AREA approximately 858 square feet (including lanai of approximately 72 square feet which includes a storage area of approximately 15.9 square feet).

Model Ai 2 Bedroom, 1 Bath Townhouse, containing a living/dining room, kitchen, 2 bedrooms, 1 bathroom, and lanai with storage area; NET LIVING AREA approximately 640 square feet; GROSS APARTMENT AREA approximately 840 square feet (including lanai of approximately 72 square feet which includes a storage area of approximately 15.9 square feet).

Model Be 2 Bedroom, 2 Bath Townhouse, containing a living/dining room, kitchen, 2 bedrooms, 2 bathrooms, and lanai with storage area; NET LIVING AREA approximately 811 square feet; GROSS APARTMENT AREA approximately 1013 square feet (including lanai of approximately 72 square feet which includes a storage area of approximately 15.9 square feet).

Model Bi 2 Bedroom, 2 Bath Townhouse, containing a living/dining room, kitchen, 2 bedrooms, 2 bathrooms, and lanai with storage area; NET LIVING AREA approximately 786 square feet; GROSS APARTMENT AREA approximately 984 square feet (including lanai of approximately 72 square feet which includes a storage area of approximately 15.9 square feet).

TOTAL NUMBER OF EACH MODEL IN PHASE IV

<u>Model</u>	<u>Total No.</u>		<u>Common Interest as shown in Exhibit "B"</u>		<u>Total Common Interests</u>
Ae	8	x	4.5280%	=	36.2240%
Ai	<u>16</u>	x	3.9860%	=	<u>63.7760%</u>
	24				100.0000%

NOTE: There are no Model Be and Model Bi apartments in Phase IV.

PHASE IV, COLLEGE GARDENS
INITIAL PARKING STALL ASSIGNMENT

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

*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

SCHEDULE OF COMMON INTERESTS

<u>Model</u>	<u>Phase IV</u>	<u>*Upon Merger of Phases I, II, III & IV</u>
Ae (2 Bedrooms, 1 Bath) (except Apt. No. 120)	4.5280%	0.8137%
Apt. No. 120 (Model Ae)	--	0.8133%
Ai (2 Bedrooms, 1 Bath)	3.9860%	0.7164%
Be (2 Bedrooms, 2 Baths)	--	0.9076%
Bi (2 Bedrooms, 2 Baths)	--	0.8797%

*One apartment in Phase II will be the Manager's apartment and will be a common element.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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					180.00	
8. Office & Adm. Salaries	6310					6,000.00	
9. Office Expenses	6311					600.00	
10. Misc. Administrative Exp.	6390					400.00	
11.							
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					4,600.00	
23. Parking Area Expense	6480						
24.							
25.							
26.							
27. Grounds Maintenance	6520					13,236.00	
28. Painting & Decorating	6560						
29. Structural Repairs	6540						
30. Heating & Air Cond. Maint.	6510						
31. Plumbing Maintenance	6511						
32. Electrical Maintenance	6512					240.00	
33. Elevator Maintenance	6550						
34. Pool Maintenance	6521						
35. Maintenance Supplies	6515					400.00	
36. Maintenance Payroll	6585						
37. Misc. Maintenance Repair	6590						
38.							
39. Real Estate Taxes	6710						
40. Employer's Payroll Taxes	6711					2,040.00	
41. Miscellaneous Taxes	6719						
42. Property & Liability Insurance	6720					9,600.00	
43. Workmen's Compensation	6721					660.00	
44. Fidelity Bonds	6723						
45. Miscellaneous Insurance	6729					600.00	
46.							
47.							
48.							
49. Ground Rent	6815						
50. Mortgage Ins. Premium	6850						
51. Mortgage Interest	6820						
52. Mortgage Principal	2320						
53. Replacement Reserve	1320					27,120.00	
54. General Operating Reserve	1365					3,340.00	
55. Painting Reserve	1330					5,408.00	
56. Project Equipment Purch.	1470						
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. #3) for operating charges and other budgeted items.

INCOME	ACCT. NO.	1 Prior Year Budget	2 Prior Year Actual	3 Over (Under)	4 Adjustments Incr. (Deer.)	5 New Annual Budget	6 Adjustments By HUD
59. Carrying Charges	5110					111,506.00	
60. Late Charges	5910	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
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)
A. Replacement Reserve	1320			
B. Gen. Opr. Reserve	1365			
C. Painting Reserve	3230			
D.				
E.				
F.				

PROVISION FOR REPAYMENT OF ANY DEFICIENCIES SHOULD BE INCLUDED IN LINES 53, 54 AND 55.

SCHEDULE OF CARRYING CHARGES

DESCRIPTION OF UNIT	No. of Units of this Type	MONTHLY CARRYING CHGS.		ANNUAL CARRYING CHARGES	
		Prior Year	New Year	Prior Year	New Year
2 Bdr, 1 Bath - Model Ae - 0.8137%	15		1,132.95		13,595.40
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		32,348.16
2 Bdr, 2 Bath - Model Bi - 0.8797%	44		3,592.60		43,111.20
Apt 170 - Model - Ae - 0.8133%	1		75.49		905.88
TOTALS	119		9,292.22		111,506.64

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
 Hawaii Management Corporation
 Date: 11-22-82
 Approved:

Approved:
 Title: _____
 (In Behalf of Cooperative)
 Date: _____
 Approved as indicated in column 6:

 (Signature and Title of Authorized Official)

 (Signature and Title of Authorized Official)

**WARRANTY OF COMPLETION 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_____

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 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)/Owner(s)