

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

KUPONO I
Waipio Uka Street
Waipio, Ewa District, Hawaii

Registration No. 1725

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: December 27, 1985
Expires: January 27, 1987

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 26, 1985, AND INFORMATION SUBSEQUENTLY FILED AS OF DECEMBER 18, 1985. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. KUPONO I is the first phase of a proposed two-phase fee simple condominium development. Kuponono I (Phase I) shall be comprised of sixty-four (64) residential apartment units in eight (8) buildings, together with eighty-six (86) open parking stalls all of which are assigned.

2. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and 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 yet been filed with the Assistant Registrar of the Land Court of the State of Hawaii.
4. No advertising or promotional matter has been submitted 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 the Horizontal Property Regime.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, December 27, 1985, unless a Supplementary or Final Public Report is issued, or the Commission, upon review of the registration, issues an order extending the effective period of this Report.
7. This Preliminary Public Report is made a part of the registration of the KUPONO I condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and attached Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

NAME OF PROJECT: KUPONO I.

LOCATION: The Project is located at Waipio, Island of Oahu, State of Hawaii. The land consists of 112,604 square feet comprising a portion of Lot 10790, as shown on Map 651 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1000.

TAX KEY: First Division, 9-4-06-por.13.

DEVELOPER: Gentry-Pacific, Ltd., a Hawaii corporation, 94-539 Puahi Street, Waipahu, Hawaii 96797. Telephone Number: 671-6411. The officers and directors of GENTRY-PACIFIC, LTD., are as follows: Thomas Henry Gentry, President and Director; Joseph J. Ramia, Vice President and Director; Norman Hal Gentry, Vice President; A. J. Fadrowsky, III, Vice President and Director; Harry D. Huffman, Treasurer and Assistant Secretary; Harvey Jay Migdal, Secretary.

ATTORNEY REPRESENTING DEVELOPER: Harvey Jay Migdal, 94-539 Puahi Street, Waipahu, Hawaii 96797, Telephone No. 671-6411.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime describes the Project as follows:

The Project shall consist of eight (8) one- and two-story buildings with no basements designated as Buildings 1, 2, 3, 4, 5, 6, 7, and 8. Construction of the buildings shall be wood frame on concrete

slab foundations with interior walls constructed of wood studding and gypsum board, exterior walls covered with siding, and roofs constructed of wood and wood shakes. Buildings "1," "2," "3," "4," "5" and "7" will be two stories in height and contain eight (8) apartments. Building "6" will be two stories in height and contain twelve (12) apartments. Building "8" will be one story in height and contain four (4) apartments. There will be eighty-six (86) uncovered parking stalls in the Project, all as more fully described in the Declaration of Horizontal Property Regime for the Project and as shown on the proposed Condominium Map.

Description of Apartments: Sixty-four (64) freehold estates will be established within the perimeter and party walls, floors and ceilings of each of the sixty-four (64) apartment units of the Project, which apartments are distributed among the eight (8) apartment buildings of the Project, as shown on the proposed Condominium Map and as set forth in Exhibit "A" attached hereto and incorporated herein by reference.

1. Apartment Numbers and Locations. The apartments will be located within the respective buildings of the Project as shown on the proposed Condominium Map with apartment designations in each Residential Building being composed of the respective building number followed by an alphabetic designation. Whether a particular Residential Building is one or two stories, the apartment designation sequence always begins with apartments located on the first floor. Beginning with the apartment designated by the number and letter combination of the building and number followed by the letter "A" and progressing in a clockwise direction, first floor apartments in a particular Residential Building are consecutively designated by changing the letter designation in alphabetic order. The designation sequence for second story apartments begins with the apartment located directly over apartment "A" on the first floor and always begins with the alphabetic designation "W," except for Building 6 where the designation sequence for second story apartments begins with the alphabetic designation of "U." Thus, for example, Building 2 is numbered as follows: Starting at the northeasterly corner of the first floor with Apartment 2-A and progressing in a clockwise fashion to 2-B, 2-C and 2-D, all on the first floor of the building; on the second floor of the building, the number designations begin with 2-W in the northeasterly corner progressing clockwise to 2-Z so that Apartment 2-W is directly over 2-A, Apartment 2-X is directly over 2-B, Apartment 2-Y is directly over 2-C and Apartment 2-Z is directly over 2-D.

2. Layout and Area of Individual Apartments. As shown on the proposed Condominium Map, there are five (5) apartment unit types: Type 414, 484, 485, 716 and 717. Type 414 is a studio apartment; Types 484 and 485 are one bedroom apartments; and Types 716 and 717 are two bedroom apartments. The location, unit numbers, model types, net apartment interior floor area and number of rooms for each of the apartments are as shown on Exhibit "A" hereto.

3. Access to Common Elements. Each first story apartment has immediate access to the grounds of the Project and each second story apartment has access to the grounds of the Project by means of an exterior stairway.

4. Limits of Apartments. The proposed Declaration states that the respective apartments shall not be deemed to include (a) the undecorated or unfinished surfaces of the perimeter or party walls or the interior load bearing walls; (b) the exterior surfaces of all perimeter doors, door frames and window frames; (c) the undecorated

or unfinished surfaces of the floors and ceilings surrounding each apartment; or (d) any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment; all of the same being deemed common elements as are hereinafter provided. The respective apartments shall also not be deemed to include the adjacent lanai, the same being deemed a limited common element as provided below. Subject to the foregoing, each apartment shall be deemed to include (i) all of the walls and partitions which are not load-bearing within its perimeter or party walls; (ii) glass windows or panels; (iii) doors (except for the exterior surface of any door located on perimeter walls); (iv) the inner decorated or finished surfaces of all walls, floors and ceilings, door frames and window frames; (v) the air space within the perimeters; and (vi) any fixtures and appliances originally installed therein.

5. Should the descriptions and divisions set forth in the proposed Declaration conflict with the depictions and division shown on the proposed Condominium Map, the Condominium Map shall control; and provided, further, that the Condominium Map is intended only to show the layout, location, apartment numbers and dimensions of the apartments and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

COMMON ELEMENTS: The proposed Declaration states that one freehold estate is designated in all of the remaining portions of the Project, called the "common elements", including specifically, but not limited to:

1. The land described in Exhibit "A" attached hereto, in fee simple;
2. All structural components, such as foundations, girders, beams, supports, main walls, roofs, entrances, exits, floor slabs, unfinished perimeter, party and load-bearing walls, and walkways of said buildings;
3. All common spaces such as yards, gardens, planting areas, trash collection areas, and all parking areas, loading zones, driveways and access lanes.
4. 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, telephone, radio and television signal distribution, if any;
5. Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents and other such installations and apparatus;
6. The fences which surround the fenced yard areas;
7. All other parts of the Project necessary or convenient to its existence, maintenance and safety or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements herein called and designated the "limited common elements," are set aside and reserved for the exclusive use of certain

apartments, and such apartment 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:

1. There will be eighty-six (86) parking stalls in the Project, all of which will be considered limited common elements. One (1) or more automobile parking stalls 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 stall assignment for each apartment is shown on Exhibit "A" attached hereto and incorporated herein by reference. Each apartment shall always have at least one parking stall appurtenant to it, but otherwise any automobile parking stall may be transferred from apartment to apartment in the Project in the manner as designated in the Declaration.

2. Each apartment shall have for its exclusive use the mailbox bearing the same designation as such apartment;

3. Each ground floor apartment shall have for its exclusive use and enjoyment the fenced yard area which adjoins it;

4. Each second floor apartment shall have for its exclusive use and enjoyment the lanai immediately adjacent to such apartment;

5. Those portions of the concrete walkways and pads which are adjacent to and provide immediate access to the various apartments shall be limited common elements respectively appurtenant to the apartments to which they are adjacent and for which they provide access;

6. The exterior stairways and railings which serve the various second story apartments shall be limited common elements respectively appurtenant to and for the exclusive use of the apartment which they serve.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all of the common elements of the Project, which percentage interest shall determine the proportionate share of the owner of the apartment in all of the common profits and expenses of the Project and the interest of such owner in all other matters relating to the Project, including voting. The apartments shall be conveyed to purchasers by means of an apartment deed. The common interest appurtenant to each apartment is shown on Exhibit "A" attached hereto and incorporated by reference.

PURPOSES OF AND RESTRICTIONS ON USE OF BUILDINGS AND INDIVIDUAL APARTMENTS: The proposed Declaration provides, among other things, that the purposes for which said buildings and other improvements and each of the apartments (other than the parking apartment) are intended and shall be restricted as to use are as follows:

1. A residential apartment shall be occupied and used only for residential purposes.

2. The residential 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.

3. Among other provisions, the House Rules provide that: (1) no livestock, poultry, rabbits or other animals shall be allowed on the premises except that dogs, cats and other household pets limited to a total of two (2) in number may be kept by the owners and occupants of residential apartments, but shall not be kept, bred, or used therein for any commercial purpose; (2) all pets must be registered immediately with the Managing Agent; and (3) occupancy is limited to no more than two persons per bedroom in each apartment, excluding children under the age of five, except that in no event shall the number of occupants per bedroom contained in each apartment exceed three (3) per bedroom, inclusive of children under the age of five.

NOTE: Purchasers and prospective purchasers of apartments are hereby specifically informed that all apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the Project, shall be bound by and strictly comply with the provisions of the Declaration of Horizontal Property Regime, the By-Laws of the Association, and all agreements, decisions and determinations of the Association (including the House Rules for the Project). Purchasers and prospective purchasers are therefore advised to read and fully understand the Declaration of Horizontal Property Regime, the By-Laws of the Association of Apartment Owners, and the House Rules for the Project, prior to executing any Sales Contract for the Project.

EASEMENTS: The proposed Declaration of Horizontal Property Regime provides that the apartments and common elements, including the limited common elements, shall have and be subject to the following elements:

1. Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes as ingress to, egress from, utility services for and support, maintenance and repair of such apartment, and shall also have an easement in the other common elements (subject, however, to the exclusive or limited use of the limited common elements) in accordance with the purpose for which they are intended without hindering or encroaching upon the lawful rights of the other apartment owners.

2. In the case of encroachments of common elements upon any apartment or limited common elements, or in the case of encroachments of limited common elements or any apartment upon the common elements or any other apartments or limited common elements, a valid easement for such encroachments and the maintenance thereof shall and does exist for so long as such encroachment continues. In the event any building of the Project shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the Project, encroachments upon any part of the common elements or apartment or limited common elements due to the same shall be permitted, and a valid easement for such encroachment and the maintenance thereof shall and does exist for so long as such encroachment continues.

3. The apartment owners shall have the irrevocable right, to be exercised by the Board of Directors of the Association of Apartment Owners of Kupo I to have access to each apartment and any limited common elements from time to time during reasonable hours as may be necessary for the operation or maintenance of the Project, including any apartment, or at any time for making emergency repairs therein necessary to prevent damage to the common elements or to another apartment or apartments.

4. Each apartment shall have appurtenant thereto non-exclusive easements in the other apartments in the building in which such apartment is located for support.

5. The Declarant shall have the right to conduct extensive sales activities on the Project, including the use of model apartments, sales and management offices, and extensive sales displays and activities until the earlier to occur of (a) forty-eight (48) months from the date of filing in the Office of the Assistant Registrar of the Land Court of the State of Hawaii of the first apartment deed conveying an interest in an apartment in the project; or (b) the closing of the sale of the last unsold apartment in the project. In the event that the Declarant is unable to sell all of the apartments within the forty-eight (48) month period, the Declarant shall have the right to conduct sales activities on the Project until the closing of the sale of the last unsold apartment in the Project provided that such sales activities are conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession and aesthetic enjoyment of the Project by the other apartment owners. Notwithstanding the foregoing, in the event that the Declarant's mortgage lender or any successor to or assignee of the Declarant's mortgage lender shall acquire any portion of the Project in the course of any foreclosure or other legal proceedings or in the exercise of the mortgage remedies or by an assignment in lieu of foreclosure, such mortgage lender, its successors and assigns, shall have the right to conduct such extensive sales activities on the Project until at least ninety-five percent (95%) of all of the apartments have been sold and deeds conveying title to those apartments have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii ("Office of the Assistant Registrar").

6. The Declarant, its agents, employees, contractors, licensees, successors and assigns shall have an easement over and upon the Project as may be reasonably necessary for the completion of improvements to and corrections of defects in the Project. Such easement shall terminate twenty-four (24) months after the later of (i) the date of the filing in the Office of the Assistant Registrar of the first apartment deed; or (ii) the "date of completion" (as that term is defined in Section 507-43(f), Hawaii Revised Statutes, as amended) of the improvements to be completed or corrected.

7. The apartment owners shall have a non-exclusive easement shared with all members of the Gentry-Waipio Community Area Association to use those certain common areas of the Gentry-Waipio community areas as such areas shall be designated from time to time pursuant to Article III of the Declaration of Covenants, Conditions and Restrictions for the Gentry-Waipio Community Area more fully described in the Declaration and

hereinbelow; subject, however, to those certain Specific Uses and Restrictions set forth in Section 3.03 thereof and to those certain Specific Conditions, Limitations and Restrictions on Improvements set forth in Section 4.03 thereof. As presently planned, the Common Areas are scheduled to consist of (1) those areas ("buffer areas") situate between Kamehameha Highway and the Community Area, consisting of grassy areas, shrubbery and trees; and (2) that certain "pedestrian pathway" centrally located in the Community Area.

PHASING OF DEVELOPMENT AND MERGER OF INCREMENTS.

This Project, Kuponu I, is the first phase of a project to be developed in two (2) phases, the second phase of which will be named Kuponu II, each of which phases shall be a separate and distinct condominium project, as defined in Chapter 514A of the Hawaii Revised Statutes, as amended. The Kuponu Project has been planned to consist of fifteen (15) apartment buildings (eight (8) of which are in Kuponu I), each containing either four, eight or twelve apartment units for a total of one hundred twenty (120) apartments. All buildings and the apartments therein are planned to be substantially the same in terms of design, layout, architectural style, size and quality of construction. The common elements of the Kuponu II project will be substantially the same in nature as those described herein for Kuponu I. There are no special recreational amenities planned for either phase of the Kuponu Project.

The Developer intends to place on record a Declaration Providing for Merger of Phases in a Condominium Project ("Merger Declaration") which, along with the Declaration of Horizontal Property Regime, will provide that Kuponu I may be administratively merged with the proposed Kuponu II project such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the projects so merged will be shared, and such that the administration of the merged projects will be unified under one association of apartment owners. In the event of an administrative merger of projects, the ownership interests of the apartment owners in the respective condominium projects (including appurtenant common interests) will not be altered or affected.

Prospective purchasers are advised to carefully examine both the proposed Declaration of Horizontal Property Regime and Merger Declaration, copies of both of which are available for inspection at the sales office of Developer and copies of which are filed with the Real Estate Commission, so that they may familiarize themselves with the provisions pertaining to the proposed merger contained therein.

OWNERSHIP OF TITLE: A Preliminary Title Report dated October 30, 1985, issued by Security Title Corporation reports that title to the land is vested in GENTRY-PACIFIC, LTD., a Hawaii corporation, the Developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report issued by Security Title Corporation reflects that the land is subject to the following encumbrances:

1. Real Property Taxes as may be due and owing, reference is made to the Office of the Finance Director, City and County of Honolulu.

2. Declaration of Covenants, Conditions and Restrictions dated November 17, 1978, filed in said Office of the Assistant Registrar as Document No. 909239, which instrument was amended on November 17, 1980, by instrument filed in said Office of the Assistant Registrar as Document No. 1042252 and by instrument dated November 4, 1980, filed in said Office of the Assistant Registrar as Document No. 1042710.

3. The terms and provisions of that certain Unilateral Agreement and Declaration for Conditional Zoning dated August 26, 1977, filed in said Office of the Assistant Registrar as Document No. 832326.

4. Easement 4274, as shown on Map 651, as set forth by Land Court Order No. 73345, filed April 12, 1985.

GENTRY-WAIPIO COMMUNITY AREA ASSOCIATION: Each apartment owner, upon acquiring his apartment, shall become a member of the Gentry-Waipio Community Area Association, a non-profit Hawaii corporation which is separate from the Association of Apartment Owners of Kupono I. All apartment owners and any other persons or entities acquiring any right, title or interest in the property, including contract purchasers, are subject to, bound by, and shall comply strictly with the provisions of that certain Declaration of Covenants, Conditions and Restrictions for the Gentry-Waipio Community Area. The Community Area Association is authorized to assess a maintenance fee to cover expenses incurred in providing for the maintenance, restoration and repair of any improvements located upon common areas. All such assessments shall be separate and distinct from maintenance assessments for the KUPONO I condominium project.

The apartment owners shall have a non-exclusive easement shared with all members of the Gentry-Waipio Community Association to use those certain common areas of the Gentry-Waipio Community Areas as such areas shall be designated from time to time pursuant to Article III of the Declaration of Covenants, Conditions and Restrictions for the Gentry-Waipio Community Area filed in the Office of said Assistant Registrar as Document No. 909239, as amended; subject, however, to those certain Specific Uses and Restrictions set forth in Section 3.03 thereof and to those certain Specific Conditions, Limitations and Restrictions on Improvements set forth in Section 4.03 thereof. As presently planned, the Common Areas are scheduled to consist of (1) those areas ("buffer areas") situate between Kamehameha Highway and the Community Area, consisting of grassy areas, shrubbery and trees; and (2) that certain "pedestrian pathway" centrally located in the Community Area.

PURCHASE MONEY HANDLING: A copy of the Specimen Sales Contract and the executed Escrow Agreement dated November 1, 1985, with Security Title Corporation have been submitted to the Commission as a part of this registration. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

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 if one of the following occurs:

1. the Developer asks Escrow to refund the purchaser's funds;

2. the Developer notifies Escrow of Developer's exercise of option to rescind the Reservation and Sales Agreement;

3. the conditions provided in Sections 514A-62 or 514A-63 of the Horizontal Property Act, as amended, have been met and written notice thereof has been provided to the Developer.

In addition, the specimen sales contract provides, in part, that:

A. A purchaser may elect to cancel his contract to purchase a unit by giving written notice of such election to Developer at any time prior to the earlier of (1) the conveyance of the apartment to the Purchaser; or (2) midnight of the thirtieth (30th) day following the date of delivery of the final public report to the Purchaser. Upon such cancellation, purchaser shall be entitled to a prompt and full refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

B. The seller may cancel the Reservation and Sales Agreement and hold the purchaser in default if any material discrepancies are discovered between the financial information furnished by the purchaser and the purchaser's actual financial status. Seller may also cancel if the purchaser's application or eligibility for a mortgage loan is rejected or not given unqualified approval within sixty (60) days after application.

C. The seller's mortgage loan (interim, renewals and extensions used for acquiring the land, constructing the Project, and associated costs) shall be and remain at all times a lien prior to and superior to any and all other liens or charges on the Project, and purchasers intentionally waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest they may have under the Reservation and Sales Agreement in favor of the lien or charge on the Project of the security interest of the lender.

D. Seller and its agent have no program at this time nor is any program planned or contemplated to offer a rental service of any kind to the owners of apartments in the Project, either individually or in any form of pooling arrangement, or by a third party designated or arranged for by seller or its agent as to the feasibility of renting the apartment, or otherwise generating income or deriving any other economic benefit from ownership of the apartment.

E. The purchaser will pay the following closing costs: (1) one-half of all escrow fees; (2) acknowledgment fees for purchaser; (3) appraisal fees; (4) recording fees; (5) fees for purchaser's credit report; (6) costs for drafting of the mortgage and note and any assignment thereof; and (7) costs of any title insurance. All applicable mortgage costs shall be paid by purchaser, and purchaser shall pay the nonrefundable start-up fee for commencement of the operations of the Project by the Managing Agent and the Association of Apartments Owners.

Notwithstanding the provisions of paragraph E hereinabove, a purchaser whose mortgage is guaranteed by the Veterans Administration shall only be responsible for the following closing costs: (1) costs of title insurance; (2) credit report fees; and (3) recording fees for the purchaser's mortgage.

It is incumbent upon prospective purchasers that they read with care the specimen Reservation and Sales Agreement and the Executed Escrow Agreement since the Escrow Agreement establishes the procedures for receiving and disbursing purchaser's funds, and the Reservation and Sales Agreement specifically provides that the Purchaser approves the Escrow Agreement and assumes the benefit and obligations therein provided.

MANAGEMENT AND OPERATION: The proposed By-Laws provide that the operation of the Project shall be conducted for the Association of Apartment Owners by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws. The developer intends to designate Chaney, Brooks & Company as the initial managing agent for the Project.

STATUS OF THE PROJECT: Construction of the Project is expected to commence in January, 1986, and the Developer estimates the Project will be completed in May, 1986.

The purchaser or prospective purchaser should be cognizant of the fact that this published Preliminary Public Report represents information disclosed by the Developer in the Notice of Intention submitted on November 26, 1985, and information subsequently filed as of December 18, 1985.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1725 filed with the Commission on November 26, 1985.

This Report, when reproduced, shall be a true copy of the Commission's Public Report. Paper stock 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
Office of the Assistant Registrar of
the Land Court
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1725

December 27, 1985

EXHIBIT "A"

<u>Bldg. and Apt.</u>	<u>Apt. Type</u>	<u>Net Living Area</u>	<u>Initial Parking Stall Assignment</u>
1-A	717	717	6
1-B	716	716	12
1-C	717	717	13
1-D	716	716	4
1-W	717	717	5
1-X	716	716	11
1-Y	717	717	14
1-Z	716	716	3
2-A	717	717	17
2-B	716	716	21
2-C	717	717	23
2-D	716	716	2
2-W	717	717	18
2-X	716	716	22
2-Y	717	717	24
2-Z	716	716	1
3-A	717	717	28
3-B	716	716	19
3-C	717	717	30
3-D	716	716	26
3-W	717	717	27
3-X	716	716	20
3-Y	717	717	29
3-Z	716	716	25
4-A	717	717	15
4-B	716	716	36
4-C	717	717	32
4-D	716	716	34
4-W	717	717	16
4-X	716	716	35
4-Y	717	717	31
4-Z	716	716	33
5-A	717	717	153
5-B	716	716	42
5-C	717	717	38
5-D	716	716	40
5-W	717	717	152
5-X	716	716	41
5-Y	717	717	37
5-Z	716	716	39
6-A	484	484	45
6-B	485	485	50
6-C	414	414	47
6-D	484	484	44
6-E	485	485	149
6-F	414	414	148

<u>Bldg. and Apt.</u>	<u>Apt. Type</u>	<u>Net Living Area</u>	<u>Initial Parking Stall Assignment</u>
6-U	484	484	46
6-V	485	485	48
6-W	414	414	49
6-X	484	484	43
6-Y	485	485	151
6-Z	414	414	150
7-A	717	717	55
7-B	716	716	58
7-C	717	717	52
7-D	716	716	54
7-W	717	717	56
7-X	716	716	57
7-Y	717	717	51
7-Z	716	716	53
8-A	717	717	61
8-B	716	716	62
8-C	717	717	59
8-D	716	716	60

DESCRIPTION OF APARTMENT TYPES:

Type 414 (Studio) (414 sq. ft.)

Studio apartment containing a separate kitchen and bathroom and a living room/dining room combined with a sleeping area. All Type 414 apartments contain 414 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element courtyard with a privacy fence and second story apartments have a limited common element lanai.

Type 484 (1 Bedroom/1 Bath) (484 sq. ft.)

One bedroom, one bath apartment containing a living room/dining room, kitchen, bathroom and one bedroom. All Type 484 apartments contain 484 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element courtyard of enclosed with a privacy fence and second story apartments have a limited common element lanai.

Type 485 (1 Bedroom/1 Bath) (485 sq. ft.)

One Bedroom, one bath apartment containing a living room/dining room, kitchen, bathroom and one bedroom. All Type 485 apartments contain 485 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element courtyard of enclosed with a privacy fence and second story apartments have a limited common element lanai.

Type 716 (2 Bedroom/1 Bath) (716 sq. ft.)

Two bedroom, one bath apartment containing a living room/dining room, kitchen, bathroom and two bedrooms. All Type 716 apartments contain 716 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element courtyard enclosed with a privacy fence and second story apartments have a limited common element lanai.

Type 717 (2 Bedroom/1 Bath) (717 sq. ft.)

Two bedroom, one bath apartment containing a living room/dining room, kitchen, bathroom and two bedrooms. All Type 717 apartments contain 717 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element courtyard enclosed with a privacy fence and second story apartments have a limited common element lanai.

BREAKDOWN OF MODEL TYPES
AND PERCENTAGE INTEREST FOR KUPONO I

<u>Model</u>	<u>Percentage Common Interest</u>		<u>Number in Project</u>	<u>Total Percentage of Common Interest</u>
414	.97%	x	4	1.94%
(except Apartments 7W and 7Z which have percentage interests of .96%)				1.92
484	1.13	x	4	4.52
485	1.13	x	4	4.52
716	1.67	x	26	43.42
717	1.68	x	26	<u>43.68</u>
				100.00%

As nearly as practicable, the percentage of common interest for each residential apartment is determined by calculating what percentage of the total interior net floor area of all of the residential apartments is represented by the net floor area of the particular apartment and multiplying the percentage thus obtained by one hundred percent (100%).

KUPONO I
DISCLOSURE ABSTRACT
as of November 20, 1985
Registration No. 1725

1. NAME AND ADDRESS OF PROJECT: KUPONO I, Waipio Uka Street, Waipahu, Hawaii.

2. NAME AND ADDRESS OF DEVELOPER: Gentry-Pacific, Ltd., a Hawaii corporation, 94-539 Puahi Street, Waipahu, Hawaii 96797. TELEPHONE: (808) 671-6411.

3. MANAGING AGENT OF PROJECT. Chaney, Brooks & Company, 606 Coral Street, Honolulu, Hawaii 96813. TELEPHONE: (808) 544-1600.

4. MAINTENANCE FEES. The breakdown of the annual maintenance fees and the monthly estimated costs for each dwelling, which is hereby certified to be based on generally accepted accounting principles, is more particularly set forth in Exhibit "A" attached hereto and made a part hereof. The Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the project, and even if maintenance fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. The estimated maintenance fees and monthly fees for each apartment are based on the latest information available to the Developer and Managing Agent and are subject to revision based on actual costs for items enumerated. Maintenance fees can vary depending on services desired by apartment owners. Each Buyer should check the attached maintenance fee schedule to see what services are included therein.

5. WARRANTIES. Except for defects in any appliance or other consumer product (for which no warranty, express or implied, is given by the Developer and which shall be covered only by the respective manufacturers' or dealers' warranties, if any), Developer shall remedy all defects in in the apartment due to faulty material or workmanship which are discovered and brought to the attention of Developer within one (1) year from the date of closing of purchaser's loan to purchase the apartment or the date of occupancy whichever shall first occur; Developer also warrants and shall remedy all defects in the common elements of the Project for a period of two (2) years from the date of completion of the common elements or two (2) years from the date the first apartment is conveyed to a purchaser other than the Developer, whichever is later. For purposes of the foregoing apartment warranty and common elements warranty, Seller agrees to repair, renovate, restore or replace any defective material or workmanship within the respective warranty periods. Routine maintenance work is not covered by any warranty. Except for the foregoing warranties, THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT, OR CONSUMER PRODUCTS CONTAINED IN THE APARTMENT OR THE PROJECT, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION. The execution and delivery of the deed conveying the apartment from the Developer to purchaser shall operate as an assignment from the Developer to purchaser of manufacturers' or dealers' warranties, if any,

covering any appliance and other consumer products for the unexpired term thereof, to the extent that Developer has the right and power to make such an assignment. Purchaser acknowledges and agrees that Developer is not stating that any such warranties exist, or that such an assignment will be effective, is not adopting any such manufacturers' or dealers' warranties, and is not acting as a co-warrantor, but is merely attempting to pass through to the purchaser the benefits of such warranties, if any. The terms of the manufacturers' or dealers' written warranties, if any, are available for purchaser's examination at Developer's office.

6. USE. The Project shall consist of sixty-four (64) studio, one and two bedroom apartments which shall be utilized for residential purposes only.

7. EXTENT OF NON-RESIDENTIAL DEVELOPMENT. The Declaration and By-Laws do not authorize any commercial or non-residential use of the Project.

GENTRY-PACIFIC, LTD.

By Honey Jay Nigral
Its Secretary

EXHIBIT "A"

Monthly Estimated Maintenance Cost for Each Apartment

1. Total Estimated Monthly Cost
See Exhibit "A-1" attached \$ 3,906.00
2. Estimated Monthly Cost Per Apartment: See Breakdown Below

<u>Apartment Type</u>	<u>Percentage Common Interest</u>	<u>Maintenance Fee</u>
414 (except Apts. 7-W and 7-Z which have percentage interests of .96%)	.97	\$38.00
484	1.13	44.15
485	1.13	44.15
716	1.67	65.25
717	1.68	65.60

The above breakdown of maintenance fees for apartments does not include the purchaser's obligation for the payment of Gentry-Waipio Community Association dues (which are currently \$50.00 per year) or for real property taxes. An estimate of real property taxes will be provided by the Developer upon request by the purchaser.

PROPOSED OPERATING BUDGET

KUPONO

Phase I (64 Units)

<u>RECEIPTS</u>	<u>Monthly</u>	<u>Annually</u>	<u>Remarks</u>
Maintenance	\$3,906	\$46,872	
TOTAL RECEIPTS	\$3,906	\$46,872	
<u>DISBURSEMENTS</u>			
Audit & Tax Fees	\$ 150	\$ 1,800	2 Audits & Tax Preparation
Insurance Package	709.	8,508	
Insurance - Liability	84	1,008	
Management & Accounting Services	655	7,860	Fiscal Service
Misc. Project Expense	50	600	
Refuse Service	150	1,800	2 Dumpsters
Maintenance & Repair - Equipment	50	600	
Supplies, Building & Other	50	600	
Maintenance/Repair Grounds	700	8,400	
Taxes, Gross Income	1	12	
Electricity	250	3,000	
Water/Sewer	702	8,424	
Transfer to Reserve	355	4,260	
TOTAL DISBURSEMENTS	3,906	46,872	

The operating budget (prorated on a monthly basis) and the estimated monthly cost for each unit is for one year commencing January 1986. The information contained herein is based on data available to us at this time.

We certify that the monthly maintenance fee and the monthly operating costs have been based on generally accepted accounting principles.

Phyllis A. Okada

Phyllis A. Okada
Vice President
Chaney, Brooks & Company

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EXHIBIT "A-1"