

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer WCW CORPORATION
Address 1821 Keeaumoku Street, #501, Honolulu, HI 96822
Project Name(*): BIRCH & ELM CONDOMINIUM
Address: 907 Birch Street, Honolulu, Hawaii

Registration No. 2681

Effective date: September 29, 1993

Expiration date: October 29, 1994

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

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

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

SUPPLEMENTARY: This report updates information contained in the:
[] Preliminary Public Report dated:
[X] Final Public Report dated: September 10, 1992
[] Supplementary Public Report dated:

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. The number of condominium apartments has been increased from 15 units to 16 units. Unit PH has been eliminated and replaced by Units PH-1 and PH-2. The common interest appurtenant to the units have been revised to reflect the fact that all of the Condominium apartments now are of the same square footage.
2. The number of parking stalls has been reduced from 39 stalls to 38 stalls. Former Stall No. 23 has been eliminated. The parking stalls appurtenant to Unit Nos. 501, 502 and PH have been re-allocated among Unit Nos. 501, 502, PH-1 and PH-2 to reflect the additional condominium apartment and the one less parking stall.
3. Condominium Map No. 1666 has been amended to reflect the foregoing.
4. Estimated completion date has changed.

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General Information On Condominiums

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

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

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

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

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: WCW CORPORATION Phone: 536-6046
Name
1821 Keeaumoku St., #501 (Business)
Business Address
Honolulu, HI 96822

Names of officers or general partners of developers who are corporations or partnerships:

Wellington C. Wong - President/Treasurer
Choi Yuk Wong - Vice-President/Secretary

Real Estate
Broker: Wong's Enterprises, Ltd. Phone: 955-7585
Name (Business)
1507 S. King St., #301A
Business Address
Honolulu, HI 96814

Escrow: Long & Melone Escrow Phone: 531-3189
Name (Business)
810 Richards St., #644
Business Address
Honolulu, HI 96813

General
Contractor: RH Construction, Inc. Phone: 682-7234
Name (Business)
91-280 Hanua Street
Business Address
Ewa Beach, Hawaii 96707

Condominium
Managing
Agent: Self-managed by the Association Phone: _____
Name of Apartment Owners (Business)
Business Address

Attorney for
Developer: George T. Okamura, Esq. Phone: 524-4423
Name (Business)
733 Bishop St., #2530
Business Address
Honolulu, HI 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 92-077728
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amended and Restated Declaration of Condominium Property Regime dated July 8, 1993, recorded as Document No. 93-114664 on July 16, 1993.

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

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. 1666
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: First Amended and Restated Declaration of Condominium Property Regime dated July 8, 1993, recorded as Document No. 93-114664 on July 16, 1993.

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

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 92-077729
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>-0- 1/</u>

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

2. Developer:

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

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

Refer to Exhibit "A"

1/ By-Laws Article VI, Section 2 allows the Board of Directors to amend, repeal, adopt supplemental By-Laws, on proper notice and subject to certain conditions.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 907 Birch Street Tax Map Key: (1) 2-3-13:24
Honolulu, Hawaii (TMK)

[] Address [] TMK is expected to change because _____

Land Area: 14,385 [X] square feet [] acre(s) Zoning: A-2

Lessor
 (Fee Owner): WCW Corporation
Name
1821 Keeaumoku Street, #501
Address
Honolulu, Hawaii 96822

Sublessor:
Name
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 1 Floors Per Building 9

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Glass and masonry

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>	No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>16</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

5. Special Use Restrictions:

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

Pets: (1) cat or small bird, and fish are permitted. No dogs are permitted. Refer to Exhibit "B".

Number of Occupants: _____

Other: No rentals shall be for a period less than ninety (90) days. Refer to Exhibit "B".

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 1 Stairways: 1 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	8	3/2	1,036	137/16
B	8	3/2	1,036	137/16
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 16

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

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

Boundaries of Each Apartment:

Refer to Exhibit "C"

Permitted Alterations to Apartments:

Refer to Exhibit "D"

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X	_____	_____
Structures	X	_____	_____
Lot	X	_____	_____

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

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

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

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

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

described in Exhibit "F".

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit "G".

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit "H".

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit "I" describes the encumbrances against the title contained in the title report dated July 14, 1993 and issued by Long & Melone, Ltd.

Blanket Liens:

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

- [] There are no blanket liens affecting title to the individual apartments.
- [X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Construction Mortgage	Buyer's interest may be terminated and Buyer may be entitled to a refund of deposit.

F. Construction Warranties:

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

1. Building and Other Improvements:

The contract with the construction contractor provides for a one-year limited warranty. It begins on the date of "Substantial Completion" of the project and expires one year after that. For a discussion of when the date of "Substantial Completion" is, and other discussion, refer to Exhibit "K".

2. Appliances:

Various appliance manufacturers have given various limited warranties for various periods of time, as discussed in Exhibit "K".

G. Status of Construction and Estimated Completion Date:

Estimated construction start August 1992.
Estimated completion by September 30, 1993.

H. Project Phases:

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

- not affiliated with the Developer the Developer or the Developer's affiliate.
 self-managed by the Association of Apartment Owners other _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit "J" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- None Electricity (Common Elements Only) Gas Water
 Sewer Television Cable Other Refuse collection; Telephone (elevator and enterphone)

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit "I" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated April 23, 1992

Exhibit "M" contains a summary of the pertinent provisions of the escrow agreement.

Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

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

This Public Report is a part of Registration No. 2681 filed with the Real Estate Commission on June 26, 199

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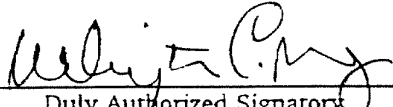
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C. Additional Information Not Covered Above

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

WCW CORPORATION

Name of Developer

By: 
Duly Authorized Signatory

8/26/93

Date

WELLINGTON C. WONG, PRESIDENT

print name & title of person signing above

Distribution:

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

EXHIBIT "A"

DEVELOPER RIGHTS TO CHANGE DECLARATION,
CONDOMINIUM MAP, BY-LAWS, HOUSE RULES

The Developer has reserved the following rights to change the Declaration, Condominium Map, By-Laws and/or House Rules:

The Developer may amend the Declaration without the consent or joinder of any Apartment owner(s) or any mortgagee by filing an amendment to the Declaration pursuant to the provisions of Chapter 514A, Hawaii Revised Statutes, after completion of construction of the Project by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the Apartments, as built.

The Developer has reserved the right to designate, locate, grant, convey, lease, modify, transfer, cancel, relocate, and otherwise deal with any and all utility and other easements (now or hereafter located) over, across and under the common elements, including, without limitation, for lines and other transmission facilities and appurtenances for electricity, gas, t.v., telephone, hot and cold water, sewer, drainage, and other services and utilities, and the right to enter any Apartment and Common Elements for purposes of the foregoing until the Association shall have been formed.

EXHIBIT "B"

SPECIAL USE RESTRICTIONS

NOTE: The following are only some of the special use restrictions contained in the By-Laws and House Rules for the project. The following are only "special" use restrictions. The By-Laws and House Rules contain other use restrictions reasonably appropriate for the common enjoyment of the project. The following is not an exhaustive or exclusive list of restrictions. For the exact nature of the restrictions, the buyer should read the By-Laws and House Rules in their entirety.

The House Rules contain the following special use restrictions regarding pets, number of occupants, and short term rentals.

Pets.

Not more than one (1) pet may be kept in any apartment except that such limitation shall not apply to fish.

Only cats, fish and small birds may be kept as pets in the apartment. The keeping of dogs is not allowed.

Pets shall be confined to their respective apartments except while in transit.

Pets shall not be kept, bred or used for any commercial purpose.

Pets are to be carried or on a leash while in common areas.

No pets belonging to visitors shall be allowed on the premises.

Pets shall be walked only off the premises of the project.

Pet owners shall be responsible for cleaning up after their animals.

Pet owners shall indemnify the Association and hold it harmless against any loss or liability of any kind arising from their pet(s).

Any pet which is a nuisance or causes unreasonable disturbance to any occupant or causes damage to any part of the project and/or grounds shall be removed from the premises by the Owner promptly upon written request by the Board.

Rentals.

Owner-occupants, non-resident owners, or agents who rent, loan or otherwise permit occupancy of their apartments, shall furnish a copy of the House Rules to their occupants. The Owner shall assume responsibility for the actions or omissions of his agent or the occupant of the apartment.

In no case shall an apartment be leased or rented for a period of less than ninety (90) days.

The Owner must notify the Manager of the names and anticipated length of occupancy of lessees or renters prior to permitting such occupancy, and license number(s) of their vehicles.

An Apartment Owner shall be responsible for the conduct of his or her lessee(s), renter(s) or guest(s). An Owner shall, upon request of the Board or Managing Agent, immediately abate and remove, at his or her expense, any person, structure, thing or condition that may exist with regard to the occupancy of his or her apartment by his or her lessee(s), renter(s) or guest(s) contrary to the interest and meaning of the provisions hereof; or if the Apartment Owner is unable to control the conduct of the lessee(s), renter(s) or guest(s) to conform with the interest and meaning of the provisions hereof, he or she shall, upon request of the Board or Managing Agent immediately remove such lessee(s), renter(s) or guest(s) from the premises, without any compensation for lost rentals or any other damage resulting therefrom. In-house guests must register with the Manager as soon as possible.

Signs, including "For Sale," "For Rent," or "Open House" will be strictly regulated, on policy approved by the Board and administered by the Manager.

Owners shall be responsible for designating a local agent to represent their interest if their residence is off island or (in the case of Owner-Occupants) if they will be absent from the apartment for more than 3 days. Such Owners shall file with the Board their out-of-town address and telephone number and the name and telephone number of their agent.

EXHIBIT "C"

BOUNDARIES OF EACH APARTMENT (UNIT).

Each Apartment consists of that portion of the building containing the Apartment which lies within the boundaries of the Apartment as shown on said Condominium Map, exclusive of any stairways, interior or exterior loadbearing walls and pillars, and any existing and future pipes, wires, conduits, ducts, vents and other service and utility lines, spaces or equipment which are utilized for or serve more than one Apartment or the common areas. The Apartment shall be considered to include any door, window, or other closure therein, and the boundary shall be the unfinished surface of the walls on the side of the Apartment, to the effect that the Apartment shall include the paint, enamel, stain, wallpaper, carpet, tile or other finishings on such surface(s). The respective Apartments shall not be deemed to include the unfinished surfaces of the perimeter or party walls and interior load-bearing walls, the floors and ceilings surrounding each Apartment or any pipes, wires, conduits or other utility or service lines, spaces or equipment running through or located in such Apartment, which are utilized for or serve more than one Apartment or the common elements, the same being deemed common elements as hereinafter provided. Each Apartment shall be deemed to include all the walls and partitions that are not load-bearing within its perimeter or party walls, and all fixtures installed therein. The horizontal boundaries of each Apartment shall be the unfinished surface of the top of the concrete floor and the unfinished surface of the bottom of the concrete ceiling. Each Apartment shall be deemed to include the lanais, provided that the boundary of the lanais shall be the unfinished surface of each lanai floor on the side of the lanai, and the finished surface of the walls, ceiling and rails of the lanai, to the effect that the Apartment shall include the tile, carpet, or other finishing on each lanai floor (but not the paint or other finishings on the walls, ceiling or rails), and shall not be deemed to include the perimeter or party walls (full or partial height), rails, load-bearing walls, or floors and ceiling surrounding each lanai, or any pipes, wires, conduits or other utility or service lines, spaces or equipment running through or located in the lanai which are utilized for or serve more than one Apartment or the common elements, the same being deemed common elements as hereinafter provided. Where an Apartment consists in whole or in part of unenclosed space, the boundary defining such space is the boundary as shown on said Condominium Map.

EXHIBIT "D"

PERMITTED ALTERATIONS TO APARTMENTS

Alterations or additions of a non-structural nature within an Apartment (as long as such alteration or addition is not visible from the exterior of the building or the Apartment, does not affect the elevation drawings of the building, does not increase or decrease the area of the Apartment, and does not affect the structural integrity of the building) shall require only the vote or consent thereto, by the owner(s) owning not less than seventy-five percent (75%) of the interest in each Apartment affected thereby, provided further, however, that in the event and to the extent the layout or description of the Apartment is changed from that described in this Declaration or as depicted on the Condominium Map, an amendment to this Declaration, or Condominium Map, or both, shall be duly executed and filed or recorded. The owner(s) desiring to make such change(s) shall provide plans and specifications to the Association so the Association may approve it if it does not endanger or affect any other Apartment or common element, and meets the aforesaid conditions. Owners who do any of the foregoing shall do so entirely at their own risk, cost and expense and shall be solely responsible for all permits, governmental approvals and other requirements of such alteration.

EXHIBIT "E"

ADDITIONAL INFORMATION REGARDING PARKING STALLS

The Parking Stalls are identified by numbering from 1 to 22 and from 24 to 39. (There is no stall No. 23.) Parking Stall Nos. 1, 2, 37 (Guest), 38 (Guest) and 39 (Guest) are "compact" parking stalls, as defined by the Land Use Ordinance presently in effect for the City & County of Honolulu, and are designated on the Condominium Map by the letter "c" adjacent to the number of the Parking Stall. Parking Stall Nos. 14 & 15c, 16 & 17c, 18 & 19c, 20 & 21c, 24 & 25, 26 & 27, 28 & 29c, 30 & 31c, and 32 & 33c are "tandem" parking stalls, the letter "c" following a Parking Stall number also designating such stall as being a "compact" parking stall as noted above. Certain of the Parking Stalls are covered, certain of the Parking Stalls are partially covered, and certain of the Parking Stalls are uncovered. The dimensions for the Parking Stalls contained on the Condominium Map include areas which may be used by pillars or walls. Therefore, the full width of some parking stalls may not be as wide (at the places where the pillar(s) or wall(s) intrude into the parking stalls) as shown on the Condominium Map. Buyers are urged to physically inspect each parking stall to determine if any pillar(s) or wall(s) intrude therein, whether such stall is covered, partially covered or uncovered (and if partially covered, how much of the stall is covered), whether the parking stall is a "compact" stall and/or one of a set of "tandem" stalls, and if the parking stall is otherwise suitable for the vehicle(s) of the buyers. The letter "c" does not appear on the actual Parking Stalls themselves, such that the fact that the actual Parking Stalls do not contain the letter "c" after the stall number should not be taken to imply that the stall is not a "compact" stall if it is stated herein or on the Condominium Map as being a "compact" stall.

EXHIBIT "F"

COMMON ELEMENTS

A. The land submitted to the condominium property regime;

B. The foundations, pillars, columns, girders, beams, supports, main walls, load-bearing walls and pillars, and floors;

C. The corridors, hallways, walkways, driveways, stairs and stairways, ramps and Parking Stalls;

D. Foyer and lobby, entrances and exits to the building, walkways and sidewalks on or adjacent to the Project;

E. Electrical equipment, elevator equipment, common water heater, all of which serve the building as a whole;

F. Lines, pipes, ducts, wires, vents, equipment, fixtures and appurtenant installations for services such as air conditioning, electricity, t.v., telephone, light, hot and cold water, sewage, and utilities which serve the building as a whole;

G. Landscaped areas, exterior gate(s) or door(s), intercom, mailboxes, trash enclosure and chutes and appurtenant equipment, yard area(s);

H. The roof and appurtenant installations;

I. All other parts of the Property existing for the common use or necessary to the existence, maintenance, or safety of the building or the Project.

EXHIBIT "G"

LIMITED COMMON ELEMENTS

A. Each Apartment shall have appurtenant thereto the exclusive right to use, occupy and enjoy one or more Parking Stall(s). The Parking Stalls which are limited common elements and the respective Apartments to which they are appurtenant are as follows:

<u>Parking Stall No.</u>	<u>Apt. No.</u>	<u>Parking Stall No.</u>	<u>Apt. No.</u>
1	502	20	801
2	501	21	801
3	501	22	502
4	702		
5	702	24	PH-2
6	PH-1	25	PH-2
7	PH-1	26	401
8	701	27	401
9	701	28	402
10	601	29	402
11	601	30	302
12	602	31	302
13	602	32	301
14	201	33	301
15	201		
16	202		
17	202		
18	802		
19	802		

B. Each Apartment shall have appurtenant thereto the exclusive right to use the mailbox assigned to said Apartment.

EXHIBIT "H"

COMMON INTERESTS

The percentage of undivided interest in the common elements appertaining to each Apartment is as follows:

<u>APARTMENT NUMBER</u>	<u>APPROXIMATE AREA</u>	<u>PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS</u>
201	1,036 square feet	6.25%
202	1,036 square feet	6.25%
301	1,036 square feet	6.25%
302	1,036 square feet	6.25%
401	1,036 square feet	6.25%
402	1,036 square feet	6.25%
501	1,036 square feet	6.25%
502	1,036 square feet	6.25%
601	1,036 square feet	6.25%
602	1,036 square feet	6.25%
701	1,036 square feet	6.25%
702	1,036 square feet	6.25%
801	1,036 square feet	6.25%
802	1,036 square feet	6.25%
PH-1	1,036 square feet	6.25%
PH-2	1,036 square feet	6.25%

100.00%

For purposes of voting on all matters requiring action by the owners and for purposes of allocation of common expenses, the above percentages shall govern. (Provided, that, notwithstanding the foregoing, in the case of limited common elements, the cost of all utilities, maintenance, repairs and replacement and/or improvements to limited common elements and all costs associated therewith shall be charged to and assessed against the owner(s) of the Apartment(s) to which they are appurtenant.)

The method or formula used in computing the percentage of common interest appurtenant to each Apartment was to derive a fraction, the numerator of which was the approximate interior square footage of each Apartment as set forth above (inclusive of the square footage occupied by sill-vent windows but exclusive of the square footages of lanais/patios), the denominator of which was the total approximate interior square footages (as above described) of all Apartments.

EXHIBIT "I"

ENCUMBRANCES ON TITLE

1. For real property taxes as may be due and owing, reference is made to the Director of Finance, City and County of Honolulu.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT
Mortgagor(s) : WCW Corporation, a Hawaii corporation
Mortgagee(s) : First Interstate Bank of Hawaii, a Hawaii corporation (now First Hawaiian Bank)
Dated: : August 20, 1991
Recorded in the Bureau of Conveyances as Document No. 91-116907
To Secure : \$833,763.44

Note: The above mentioned mortgage has been paid off but the Release of Mortgage has not yet been recorded.

4. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers, of attorney, limitations on title, and all other provisions contained in or incorporated by reference in the Declaration of Condominium Property Regime dated May 6, 1992, recorded in the Bureau of Conveyances as Document No. 92-077728 (By-Laws thereto dated May 6, 1992, recorded in the Bureau of Conveyances as Document No. 92-077729), as amended by First Amended and Restated Declaration of Condominium Property Regime dated July 8, 1993, recorded in said Bureau as Document No. 93-114664, Condominium Map No. 1666; any instrument creating the estate or interest therein set forth; and in any other allied instrument referred to in any of the instruments aforesaid.
5. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT
Mortgagor(s) : WCW Corporation, a Hawaii corporation
Mortgagee(s) : American Savings Bank, F.S.B.
Dated : November 24, 1992
Recorded in the Bureau of Conveyances as Document No. 92-198070.
To Secure : \$4,180,000.00
6. ASSIGNMENT OF LESSOR'S INTEREST IN LEASES AND RENTS
Assignor(s) : WCW Corporation, a Hawaii corporation
Assignee(s) : American Savings Bank, F.S.B.
Dated : November 24, 1992
Recorded in the Bureau of Conveyances as Document No. 92-198071.

7. SECURITY AGREEMENT AND FINANCING STATEMENT

(ASSIGNMENT OF SALES AGREEMENTS AND ESCROW DEPOSITS)

Assignor(s) : WCV Corporation, a Hawaii corporation

Assignee(s) : American Savings Bank, F.S.B.

Dated : November 24, 1992

Recorded in the Bureau of Conveyances as Document No. 92-198072.

8. FINANCING STATEMENT

Debtor(s) : WCV Corporation, a Hawaii corporation

Secured Party : American Savings Bank, F.S.B.

Recorded December 4, 1992 in the Bureau of Conveyances as Document
No. 92-098074

9. FINANCING STATEMENT

Debtor(s) : WCV Corporation, a Hawaii corporation

Secured Party : American Savings Bank, F.S.B.

Recorded December 4, 1992 in the Bureau of Conveyances as Document
No. 92-098075

EXHIBIT "J"
ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

<u>Unit Type</u>	<u>Monthly Fee</u> x 12 Months =	<u>Yearly Total</u>
A ("01" Units)	\$ 150.00 x 12	\$ 1,800.00
B ("02" Units)	\$ 150.00 x 12	\$ 1,800.00

[X] Revised on August 4, 1993

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning			
Electricity			
<input checked="" type="checkbox"/> common elements only	\$	400.00 x 12 =	\$ 4,800.00
<input type="checkbox"/> common elements and apartments			
Elevator		300.00 x 12 =	3,600.00
Gas (Water heater only)		100.00 x 12 =	1,200.00
Refuse Collection		200.00 x 12 =	2,400.00
Telephone (Elevator, Enterphone)		100.00 x 12 =	1,200.00
Water and Sewer		200.00 x 12 =	2,400.00

Maintenance, Repairs and Supplies

Building		100.00 x 12 =	1,200.00
Grounds		200.00 x 12 =	2,400.00

Management

Management Fee		500.00 x 12 =	6,000.00
Payroll and Payroll Taxes			
Office Expenses			

Insurance		100.00 x 12 =	1,200.00
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Reserves(*)		100.00 x 12 =	1,200.00
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Taxes and Government Assessments

Audit Fees

Other		100.00 x 12 =	1,200.00
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TOTAL 2,400.00 x 12 = 28,800.00

I, WCW CORPORATION, ~~as agent and employed by~~ the condominium managing agent
~~for the developer, for the condominium project~~ BIRCH & ELM CONDOMINIUM, hereby certify that the
 above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in
 accordance with generally accepted accounting principles.

WCW CORPORATION

By 
 Its President

Date: 8/26/93

(*) Mandatory reserves in effect January 1, 1993

EXHIBIT "K"

DEVELOPER'S DISCLAIMER OF WARRANTIES

The construction contract which the Developer has with the contractor for the Project contains in the "General Conditions of the Contract for Construction" the following provisions regarding warranties which the contractor makes to the Developer:

"3.5.1. The Contractor warrants to the Owner and the Architect that all materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the work will be free from defects not inherent in the quality required or permitted, and that the Work will conform with the requirements of the Contract Documents. Work not conforming to these requirements including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modification not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment."

"12.2.2. If, within one year after the Date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Subparagraph 9.9.1, or by items of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This period of one year shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work. This obligation under this Subparagraph 12.2.2 shall survive acceptance of the Work under the Contract and termination of the Contract. The Owner shall give such notice promptly after discovery of the condition."

"9.8.1. Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use."

"9.8.2. When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and

submit to the Architect a comprehensive list of items to be completed or corrected. The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not in accordance with the requirements of the Contract Documents, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. The Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion. When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibility assigned to them in such Certificate."

The Developer (who is identified in the construction contract as the Owner) shall endeavor to assign to purchasers of units in the project the benefit of the foregoing warranties of the contractor, to the extent assignable.

The appliances installed in the Units in the Project carry limited warranties from the manufacturers of the respective appliances that the appliances are free of defects in materials and workmanship for specified time(s) from the date of purchase or installation. The limited warranties are made by each manufacturer in favor of the Developer. The limited warranty materials with respect to each appliance are available for inspection at the office of the Developer. The Developer will endeavor to assign what right and interest it has in the limited manufacturers' warranties described above to the buyer(s) of each respective Unit in the Project, to the extent assignable. Because the appliance warranties commence from date of installation, not the date a buyer purchases the apartment, a substantial portion of the warranty period for some or all of the appliances may have been expired when buyer purchases the apartment.

NOTICE: Developer does not adopt the contractor's or appliance manufacturers' warranties and Developer is not acting

as warrantor or co-warrantor. Except to assign (to the extent assignable) the benefit of the contractor's and appliance manufacturers' warranty as set forth above, THE DEVELOPER ITSELF MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, DOES NOT UNDERTAKE, MAKE OR GIVE ANY OF THE CONTRACTOR'S OR APPLIANCE MANUFACTURERS' WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF WORKMANSHIP, MATERIALS OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR USE.

EXHIBIT "L"

SUMMARY OF SALES CONTRACT

The following sections (paragraphs of the Sales Contract) generally cover the topics described below:

A. The terms "Seller", "Purchaser", "Unit", "Project", "Closing Date", and "Escrow" are defined in this section of the Sales Contract.

B. The Purchaser agrees to buy the Unit, and the price and terms of the Sales Contract are specified in this section.

C. This section of the Sales Contract specifies that Purchaser will pay the Total Purchase Price in accordance with a schedule established in the Sales Contract, and that Purchaser will pay other costs, for various items and services, as specified in the Sales Contract, in connection with the purchase.

D. This section of the Sales Contract establishes the type of tenancy that title will be taken by Purchaser, and contains other information on the Purchaser.

E. This section of the Sales Contract establishes that Seller and Purchaser agree that the additional terms, conditions, and agreements which are attached to the Sales Contract are incorporated into the Sales Contract.

F. This section of the Sales Contract establishes that Purchaser acknowledges the receipt, reading, and understanding of the preliminary, final or supplemental public report, as the case may be, for the Project, issued by the Hawaii Real Estate Commission.

ADDITIONAL TERMS, CONDITIONS, AND AGREEMENTS

1. This section specifies that all interest earned from any deposits made by Purchaser under this Contract shall be credited to, and belong to, Seller.

2. This section establishes that Purchaser is responsible for Purchaser's financing, if any, that the Seller will not arrange for financing, that if Purchaser's financing is not approved within 90 days Seller may cancel the Sales Contract, and that if Purchaser is an "owner-occupant" under Hawaii statute, the Sales Contract can be cancelled if Purchaser does not obtain financing as described in the statute.

3. This section establishes that if Purchaser elects to purchase in cash (without financing) Seller may make credit inquiries about Purchaser and Seller may cancel the Sales Contract if there are discrepancies or if Seller is not satisfied that Purchaser has the ability to purchase.

4. This section establishes that moneys will be handled by escrow and that the Purchaser has inspected and approves of the escrow arrangement. This section also establishes that the Purchaser approves of the disbursements of Purchaser's funds from escrow for construction and other purposes in connection with the project.

5. This section provides that if Seller elects to preclose, Purchaser will sign all necessary documents, but that Purchaser will have no duties, obligations, or interest in the Unit until Seller gives Purchaser possession of the Unit.

6. This section establishes that Purchaser has inspected and accepts the plans and specifications for the Project, and other documents, and that Purchaser has read and understands the Public Report for this Project. Additionally, this section establishes that Purchaser agrees that the sale is subject to all of the Contract documents, and that Purchaser agrees to observe and perform all of the terms and conditions of those and other documents and materials.

This section also establishes that Seller reserves the right to make minor changes that may improve the Project, and it specifies the limitations of such changes.

This section also establishes that the maintenance budget contained in the Developer's Disclosure Abstract is only an estimate, that Purchaser acknowledges such, that no representation or warranty of accuracy is made, and that Purchaser specifically authorizes and agrees to increases in those amounts.

This section also authorizes Seller to make changes to the documents and Project, as may be required by law, by unforeseen circumstances, any title insurance company, mortgage lender or governmental agency, and provides the limitations of any such modifications.

7. This section establishes that Seller is the owner of the Unit and any other property interest covered by the Contract until such time that risk of loss passes to Purchaser.

8. This section establishes that time is of the essence in this Contract, and specifies procedures, deadlines for action by Purchaser, and remedies available to Seller if Purchaser fails to pay or perform any obligations. If Purchaser fails to make any payment when required or fails to perform any

other obligation required of Purchaser, on 10 days written notice, this Contract may, at the option of Seller, be cancelled, and any amounts paid to date by Purchaser may be retained by Seller as liquidated damages. Seller may, in addition, pursue any other remedy at law or equity, including enforcement of this Contract, and shall be entitled to all costs and attorneys' fees incurred by reason of such default.

9. This section specifies the parties responsible for payment of closing, escrow and conveyance expenses.

10. This section establishes that Seller may employ the first managing agent of the Project, in accordance with State law.

11. This section specifies that Seller shall designate the Closing Date, and notification of Purchaser for closing.

12. This section specifies the provisions of possession, occupancy and release of the Unit keys to Purchaser.

13. This section establishes that Seller may exercise all powers of the Association of Owners, the Board of Directors, and officers of the Association of Owners, until the election of the Board and officers.

14. This section establishes that if a Final Public Report has not been issued by the Real Estate Commission at the time that this Contract is signed by Purchaser, Purchaser shall have the option to terminate this Contract as is allowed by State law, and establishes the procedures and rights of the parties.

15. This section establishes that until the Unit Deed in favor of Purchaser is recorded, all of the rights of Purchaser under the Contract are and shall be junior to any mortgages and other contracts for construction of the Project.

16. This section establishes the manner in which effective notice may be given to Seller or Purchaser.

17. This section provides that the Seller will try to transfer (to the extent possible) any contractor's or appliance manufacturers' warranties to the Purchaser but that the Seller does not make any warranties of its own and contains a disclaimer (denial) of warranty by the Seller. This section also provides that, if Seller provides an inspection checklist to Purchaser, Purchaser must list all claimed defects in or damage to the Unit or contents, and that Purchaser waives (gives up and releases) any claim for any defect or damage if Purchaser fails to complete the inspection checklist, and that Purchaser waives (gives up and releases) any claim for any defect or damage not listed on the inspection checklist.

18. This section provides that the Total Purchase Price may be increased by Seller, and establishes the terms and procedures by which the Contract can be amended or cancelled.

19. This section provides that the Declaration for the Project contains reservations of certain rights and certain other conditions to which Purchaser consents.

20. This section provides that the Contract constitutes the entire agreement between Purchaser and Seller, that all prior representations are not valid, and that no modification of the Contract shall be valid unless approved in writing by Purchaser and Seller.

21. This section provides that Purchaser agrees to pay reasonable attorney's fees and costs incurred by Seller to enforce the Sales Contract.

22. This section provides that Purchaser's interests under the Contract are not assignable except through survivorship or inheritance.

23. This section establishes that the terms and conditions of the Contract can be separated so if some are not enforceable, the remainder will be.

24. This section provides general definitions and provisions of the Contract.

25. This section provides that if completion of the Project is determined by Seller not to be feasible for certain reasons, Seller may elect not to complete the Project and may cancel the Contract. This section also establishes the procedures and rights of parties in this situation.

26. This section makes certain disclosures as to the real state agents or brokers.

27. This section advises the Buyer that a Declaration of Restrictive Covenants (Private Park) is required by the City and County and will be recorded affecting the project.

EXHIBIT "M"

SUMMARY OF ESCROW AGREEMENT

The parties to the Escrow Agreement are Long & Melone Escrow, Ltd., ("Escrow"), and WCW Corporation ("Seller").

1. This section of the Escrow Agreement specifies that all monies received by Seller from Purchasers shall be transmitted to escrow.

2. This section of the Escrow Agreement specifies that all monies received by Escrow shall be held under the terms of the Escrow Agreement in a financial institution in Honolulu, Hawaii, with all interest on monies to be credited to the account of the Seller.

3. This section of the Escrow Agreement provides that Escrow will notify Purchasers of payments and documents as they become due.

4. This section of the Escrow Agreement establishes the requirements prior to disbursement of purchasers' funds and those things for which funds (including purchasers' funds) may be disbursed by Escrow.

5. This section of the Escrow Agreement specifies that disbursement of purchasers' funds for construction costs and other costs connected with the project can be made without certain requirements being met.

6. This section of the Escrow Agreement describes the circumstances under which a purchaser may be entitled to a refund, and the costs, terms and conditions of such a refund.

7. This section of the Escrow Agreement provides that upon notification by Seller that a Purchaser is in default and that Seller has terminated the Sales Contract, the purchaser's funds belong to Seller and will be disbursed to Seller and the transaction cancelled.

8. This section of the Escrow Agreement describes the manner in which the costs of the closing will be allocated between Seller and Purchaser.

9. This section of the Escrow Agreement provides that Escrow will periodically provide reports regarding various escrow accounts to the Seller.

10. This section of the Escrow Agreement sets for the various duties of Escrow.

11. This section of the Escrow Agreement specifies that Escrow shall be relieved from liability for a variety of specified actions under certain conditions, and establishes procedures to resolve disputes which may arise.

12. This section of the Escrow Agreement establishes the compensation to Escrow for its services.

13. This section of the Escrow Agreement sets forth the persons who are bound by the Escrow Agreement.

14. This section of the Escrow Agreement specifies the way in which the Escrow Agreement can be terminated.

15. This section of the Escrow Agreement provides that it will be interpreted consistently with any law that may apply to the Escrow Agreement or the transaction covered by it.