

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

## FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

THE LEILEHUA  
112-114 South School Street  
Honolulu, Hawaii

REGISTRATION NO. 1491

### **IMPORTANT — Read This Report Before Buying**

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

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

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

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

Issued: July 7, 1982

Expires: August 7, 1983

#### **SPECIAL ATTENTION**

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 19, 1982, AND INFORMATION SUBSEQUENTLY FILED AS OF JUNE 18, 1982. DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. THE LEILEHUA is a fee simple condominium project consisting of sixty-four (64) residential apartments and sixty-four (64) parking stalls located in one (1) building with four (4) levels of apartments and two (2) levels of parking.
2. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of this Condominium Project and the issuance of this Final Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved floor plans) have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii and also recorded in the Bureau of Conveyances of the State of Hawaii. The Declaration with By-Laws attached thereto is filed as aforesaid as Document No. 1109600 and recorded as aforesaid in Liber 16224, Page 718. The approved floor plans showing the layout, location, apartment numbers, etc. have been designated as Condominium Map No. 473 and Condominium Map No. 844, respectively. The Declaration has been amended in its entirety by instrument filed as aforesaid as Document No. 1119921, and recorded as aforesaid in Liber 16404, Page 320, and the floor plans have also been amended by said amendment to the Declaration.
4. Advertising or promotional materials have 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 Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after date of issuance, July 7, 1982, unless a Supplementary Public Report issues or the Commission upon review of the registration issues an order extending the effective period of this report.
7. This Final Public Report is made a part of the registration of THE LEILEHUA Condominium Project. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

**NAME OF PROJECT:** THE LEILEHUA

**LOCATION:** The Project is located at 112-114 South School Street, Honolulu, Hawaii, on 25,796 square feet of land.

**TAX MAP KEY:** 2-2-02-91 & 98 (1st Division).

**ZONING:** A-2 (Apartment - Medium Density).

**DEVELOPER:** LEILEHUA PARTNERS, a Hawaii limited partnership, whose business address is 915 Fort Street Mall, Suite 605, Honolulu, Hawaii 96813 (telephone: 531-6444). The general partner is Douglas M. Carty, whose business address is 915 Fort Street Mall, Suite 605, Honolulu, Hawaii, and the limited partners are Nicholas C. Lindahl and

American Trust Co. of Hawaii, Inc., as Trustee for Carnazzo Court Reporting Company, Ltd. Profit Sharing Plan.

**ATTORNEY REPRESENTING DEVELOPER:** LINDAHL & LINDAHL, 190 South King Street, Suite 1710, Honolulu, Hawaii 96813 (Attention: Carrie L. Lindahl); telephone 531-1602.

**DESCRIPTION OF PROJECT:** The Project consists of one (1) building with four (4) levels of apartments and two (2) levels of parking constructed of hollow tile and reinforced concrete and consisting of sixty-four (64) separately designed and described freehold spaces described as follows:

(a) The apartments will be in one (1) building with four (4) dwelling levels designated as floors one (1) through four (4), plus two (2) covered parking levels designated as ground floor and lower level parking, consisting of sixty-four (64) regular size parking stalls.

(b) Apartments 101 through 116, inclusive, are located on the first floor; Apartments 201 through 216, inclusive, are located on the second floor; Apartments 301 through 316, inclusive, are located on the third floor; Apartments 401 through 416, inclusive, are located on the fourth floor. The apartments are constructed according to five (5) different floor plans, and each floor plan contains the number of rooms and the approximate floor area, according to its respective floor plan, as follows:

(1) **Typical Two Bedroom** - Each of Apartments 101, 201, 301 and 401 consists of a living/dining room, kitchen, one (1) bathroom and two (2) bedrooms and contains a total floor area of approximately 690.74 square feet with a lanai which contains an area of approximately 23.12 square feet.

(2) **One Bedroom B** - Each of Apartments 102, 202, 302, 402, 114, 214, 314 and 414 consists of a living/dining room, kitchen, one (1) bathroom and one (1) bedroom and contains a total floor area of approximately 530.42 square feet.

(3) **Typical One Bedroom** - Each of Apartments 103-113, 203-213, 303-313 and 403-413, inclusive, consists of a living/dining room, kitchen, one (1) bathroom and one (1) bedroom and contains a total floor area of approximately 522.50 square feet.

(4) **One Bedroom A** - Each of Apartments 116, 216, 316 and 416 consists of a living/dining room, kitchen, one (1) bathroom and one (1) bedroom and contains a total floor area of approximately 515.26 square feet.

(5) **Studio** - Each of Apartments 115, 215, 315 and 415 consists of a living/dining room, kitchen and one (1) bathroom and contains a total floor area of approximately 401.00 square feet.

The floor area of each apartment is measured from the interior surface of the apartment perimeter walls.

The apartments are numbered and located in the manner shown on the Condominium Map.

Each apartment has immediate access to the upper and ground floors, the stairways, the elevator and/or the walkways and other common elements. The stairways, elevator and/or walkways provide immediate access to the parking levels and the street entrance.

(c) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, floors and ceilings surrounding each apartment or any pipes, wires, conduits, or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, windows and window frames, door and door frames, floor and ceilings, and the built-in fixtures within the apartment.

**COMMON ELEMENTS:** An estate consisting of all remaining portions of the Project other than the apartments is hereby designated and referred to herein as the "common elements", which definition includes the limited common elements set forth hereinbelow and all other common elements mentioned in the Horizontal Property Act which are actually constructed in the Project, and specifically includes, but is not limited to:

- (a) Said land in fee simple;
- (b) All foundations, columns, beams, supports, load-bearing walls, roofs, chases, corridors, entry halls, stairs, stairways, walkways, elevators, entrances and exits of said building;
- (c) All yards, grounds, landscaping, refuse areas, planted areas and mailboxes;
- (d) All parking areas, driveways, ramps and parking stalls;
- (e) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, sewer, telephone and television signal distribution, if any;
- (f) The trash room, storage room and electrical room; and
- (g) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

**LIMITED COMMON ELEMENTS:** Certain parts of the common elements, herein referred to as the "limited common elements", are set aside and reserved for the exclusive use of certain apartments. Such apartments shall respectively have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

(a) One (1) covered parking stall shall be assigned to each apartment as set forth in Exhibit "A" attached hereto and incorporated herein by reference and shall be appurtenant to and for the exclusive use of such apartment. An Apartment Owner shall have the right to change the designation of such Apartment Owner's parking stall in accordance with the provisions of the Horizontal Property Act; PROVIDED, HOWEVER, that each apartment shall at all times have appurtenant to it one (1) covered parking stall located on one (1) of the parking levels in the Project. The parking stalls are numbered and located as shown on the Condominium Map.

(b) All other common elements of the Project which are rationally related to less than all the apartments shall be limited common elements appurtenant to the apartments to which they are so related.

**INTEREST TO BE CONVEYED TO PURCHASER:** Each apartment to be conveyed shall have appurtenant thereto an undivided percentage interest in the common elements of the Project as follows:

	<u>Apartments</u>	<u>Percentage (each apartment)</u>
1.	101, 201, 301 & 401	2.115%
2.	102, 202, 302, 402, 114, 214, 314 & 414	1.571%
3.	103-113, 203-213, 303-313 & 403-413	1.548%
4.	116, 216, 316 & 416	1.527%
5.	115, 215, 315 & 415	1.188%

Such interest is hereby defined and referred to herein as the "common interest". The proportionate share of the profits and common expenses of the Project and the proportionate representations for voting purposes in the Association of Apartment Owners of the Project shall be in said percentage for each apartment. The aggregate common interest in the common elements of the apartments is allocated between them on the basis of their interior floor area. The undivided interest in the common areas and facilities and the title to the respective apartments to be conveyed shall not be separated or separately conveyed and each said undivided interest shall be deemed to be conveyed or encumbered with its respective apartment even though the description in the instrument of conveyance may refer only to one or other of the interests.

**PURPOSE OF BUILDING AND RESTRICTIONS ON USE AND TRANSFER:** The apartments shall be used as private dwellings at all times and for no other purpose. Developer hereby requires that the apartments shall be owner-occupied and used as private dwellings at all times by the respective initial owners thereof for a period of one (1) year from the date of recordation of the respective Apartment Deed; PROVIDED, HOWEVER, that the expiration of the respective one-year period shall automatically terminate this restriction and each apartment shall remain subject only to the limitations, restrictions, covenants and conditions contained in the Declaration and the By-Laws; PROVIDED FURTHER that HHA requires that an apartment and its proportionate common interest shall not be sold, assigned, transferred or rented until the apartment owner pays to HHA the applicable deferred cost set forth in the Apartment Deed of such apartment owner. These restrictions are separate and distinct from any mortgage restrictions which mortgage lenders may impose, such as under the Hula Mae Program.

The By-Laws attached to the Declaration and the proposed House Rules provide in part:

1. No dogs, cats, livestock, poultry, rabbits or other animals or household pets shall be allowed in the Project.
2. Cooking over an open flame with charcoal grills and hibachis is not permissible within the apartment or on common areas, unless designated or designed for such activities.

**OWNERSHIP OF TITLE:** The Preliminary Title Report issued by Security Title Corporation, dated April 2, 1982, reflects that the ownership of the property is vested in Hawaii Housing Authority, a public body and a body corporate and politic of the State of

Hawaii. Developer is the holder of development rights from Hawaii Housing Authority pursuant to that certain Development and Sales Agreement dated February 11, 1982, as amended by instrument dated June 14, 1982. Ownership of the property will be transferred to Developer prior to the recordation of the first Apartment Deed.

**ENCUMBRANCES:** Said Preliminary Title Report dated April 2, 1982, issued by Security Title Corporation, and documents submitted to the Commission, show that title to the property is subject to the following encumbrances:

As to both Parcels -98 & -91:

(a) For any taxes that may be due and owing and a lien on the land, reference is made to the Office of the Tax Assessor of the First Division, City and County of Honolulu, State of Hawaii.

(b) Reservations in favor of the State of Hawaii of all minerals and metallic mines as reserved on Royal Patent 1233, Royal Patent 1118, Royal Patent 601 and Royal Patent Grant No. 156.

(c) Conditions, covenants and agreements contained in that certain instrument entitled "First Mortgage, Security Agreement and Financing Statement" dated February 11, 1982, recorded on February 16, 1982, in said Bureau in Liber 16163, Page 308, executed by LEILEHUA PARTNERS, a Hawaii limited partnership, as "Mortgagor", and HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic of the State of Hawaii, as "Mortgagee".

(d) Declaration of Horizontal Property Regime dated March 15, 1982, filed in said Office as Document No. 1109600, with Condominium Map No. 473, and also recorded in said Bureau in Liber 16224, Page 718, with Condominium Map No. 844, as amended by instrument dated June 14, 1982, filed in said Office as Document No. 1119921, and also recorded in said Bureau in Liber 16404, Page 320.

As to Parcel -98:

(a) Reserving to the State of Hawaii, its successors and assigns, all minerals, all surface and ground waters appurtenant to the premises, all prehistoric and historic remains found in or under the premises, as reserved in that certain Quitclaim Deed dated September 9, 1981, filed in said Office as Document No. 1084511, and also recorded on September 15, 1981, in said Bureau in Liber 15820, Page 616.

(b) Covenants, conditions and restrictions as set forth in that certain Quitclaim Deed dated September 9, 1981, filed in said Office as Document No. 1085411, and also recorded on September 15, 1981, in said Bureau in Liber 15820, Page 616.

As to Parcel -91:

(a) That certain unrecorded Sales Agreement dated February 5, 1982, made by and between HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic of the State of Hawaii, and LEILEHUA PARTNERS, a Hawaii limited partnership, and any amendments from time to time to said Sales Agreement, as disclosed by that certain Limited Warranty Deed dated January 18, 1982, recorded on February 9, 1982, in said Bureau in Liber 16153, Page 551.

Note: The Developer has informed the Commission that the land subject to The Leilehua Declaration of Horizontal Property Regime will be consolidated in accordance with the ordinances of the City and County of Honolulu, which consolidation will be completed prior to recordation of the first apartment deed for the project.

**PURCHASE MONEY HANDLING:** A copy of the executed Escrow Agreement, dated March 15, 1982, between SECURITY TITLE CORPORATION, as Escrow Agent, and Developer, has been filed with the Commission. On examination, the executed Escrow Agreement and specimen Sales Contract filed with the Commission are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and the sharing of closing costs, as well as the manner in which funds held in escrow may be disbursed. The documents provide that such purchaser's funds may, from time to time, be used to pay for construction and other costs of the Project.

Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a refund of such purchaser's funds, and Escrow shall pay said funds to said purchaser, without interest and less Escrow's cancellation fee, any mortgagee's cancellation fee and all other costs which have been incurred in connection with Escrow's processing, closing and legal documentation, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

(a) Developer shall have requested in writing that Escrow return to purchaser the funds of purchaser held by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; provided that if such cancellation or rescission is due to purchaser's (i) failure to timely apply or complete his application for loan funds or (ii) failure to timely correct his application or provide any requested information, Developer shall have the right to retain all funds previously paid by purchaser, and purchaser shall not be entitled to a refund of his funds.

Upon any such return of funds to a purchaser, Escrow will return to Developer the purchaser's Sales Contract and any conveyancing documents theretofore delivered to Escrow; and thereupon the purchaser shall no longer be obligated under the Sales Contract; provided, however, that no refund shall be made to a purchaser at such purchaser's request until Escrow has received written approval of such refund from Developer.

Further, the executed Escrow Agreement and the form of Sales Contract provide in part what sums of money, if any, the purchaser is entitled to as refunds if the purchaser is in default in any payment when required or fails to perform any other obligation required by the purchaser.

The Escrow Agreement also contains the provision, among others, that Escrow shall make no disbursements of purchaser's funds unless Developer has complied with all the provisions of the Escrow Agreement.

Among other provisions, the specimen Sales Contract provides that:

(a) The purchaser agrees to purchase the apartment, including new appliances, carpets and drapes;

(b) The purchaser agrees that all rights of the purchaser are subject and subordinate to the lien of any mortgage(s) made to finance the cost of the Project by Developer and to any and all sums which may become a lien pursuant to the terms of such mortgage(s);

(c) Developer is selling units in the Project pursuant to Developer's rights under that certain Development and Sales Agreement, dated February 11, 1982, with Hawaii Housing Authority, as amended by instrument dated June 14, 1982; and

(d) Purchasers of units in the Project will be bound by the provisions required by HHA concerning each purchaser's eligibility.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust funds. The specimen Sales Contract specifically provides that the purchaser approves the Escrow Agreement and assumes the benefits and obligations therein provided and that such contract is subordinate to the lien of any construction loan.

**MANAGEMENT OF THE PROJECT:** The Declaration provides that the management of the Project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. HAWAIIAN CERTIFIED PROPERTY MANAGEMENT, INC., a Hawaii corporation, whose business address is 900 Fort Street Mall, Suite 1250, Honolulu, Hawaii, has been selected as the initial managing agent for the Project.

**STATUS OF PROJECT:** Construction of the Project commenced in March of 1982, and will be completed approximately twelve (12) months thereafter.

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The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by Developer in the required Notice of Intention filed on March 19, 1982, and information subsequently submitted as of June 18, 1982.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1491, filed with the Commission on March 19, 1982.

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



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G. A. "RED" MORRIS, Chairman  
Real Estate Commission  
State of Hawaii

**DISTRIBUTION:**

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

REGISTRATION NO. 1491

July 7, 1982

## DEVELOPER'S DISCLOSURE ABSTRACT

**Name of Project:** THE LEILEHUA  
112-114 South School Street  
Honolulu, Hawaii 96813

**Developer:** LEILEHUA PARTNERS  
915 Fort Street Mall, Suite 605  
Honolulu, Hawaii 96813  
Telephone: 531-6444

**Project Manager:** HAWAIIAN CERTIFIED PROPERTY  
MANAGEMENT, INC.  
900 Fort Street Mall, Suite 1250  
Honolulu, Hawaii 96813  
Telephone: 524-0722

### RESTRICTIONS ON USE AND TRANSFER OF APARTMENTS:

The apartments shall be used as private dwellings at all times and for no other purpose. Developer hereby requires that the apartments shall be owner-occupied and used as private dwellings at all times by the respective initial Owners thereof for a period of one (1) year from the date of recordation of the respective Apartment Deed; PROVIDED, HOWEVER, that the expiration of the respective one-year period shall automatically terminate this restriction and each apartment shall remain subject only to the limitations, restrictions, covenants and conditions contained in the Declaration of Horizontal Property Regime of The Leilehua and the By-Laws attached thereto; PROVIDED FURTHER that HAWAII HOUSING AUTHORITY ("HHA"), a public body and a body corporate and politic of the State of Hawaii, requires that an apartment and its proportionate common interest shall not be sold, assigned, transferred or rented until the Apartment Owner pays to HHA the applicable deferred cost set forth in Exhibit "A" attached hereto and incorporated herein by reference. Developer's restrictions on use and occupancy and HHA's restrictions on use and occupancy are separate restrictions, each surviving the termination of the other, and are further subject to other governmental restrictions on use and occupancy, as in the Hula Mae Program. The apartments are subject to additional restrictions on the use as set forth in (i) said Declaration, (ii) said By-Laws, (iii) the Apartment Deed, (iv) the Sales Contracts for the individual apartments and (v) the House Rules of The Leilehua. Copies of the foregoing documents are on file with and available for inspection in Developer's office.

**WARRANTIES:**

The specimen Sales Contract provides that the construction contract with the general contractor for the Project contains a warranty clause which generally provides as follows:

If, within one year after the date of final acceptance by Hawaii Housing Authority, any of the work or materials is found to be defective or not in accordance with the contract documents, the contractor, after receipt of a written notice from the Developer, shall remedy such defects and pay for any damage to other work resulting therefrom. The Developer shall give notice of such defects with reasonable promptness after discovery of the condition, a copy of which notice shall be forwarded to Hawaii Housing Authority.

Developer makes no warranties, but Developer hereby agrees that if Purchaser shall give Developer written notice of any such condition promptly after discovery thereof, and during the unexpired term of such contractor's warranty, Developer shall forward such notice together with a written notice to the contractor to correct such condition, a copy of which written notice shall also be forwarded to Hawaii Housing Authority. THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROPERTY, THE PROJECT, OR ANYTHING INSTALLED THEREIN, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE. Developer shall attempt to assign to Purchaser the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances in the apartment. Purchaser acknowledges that Developer is only passing through to Purchaser any such manufacturer's and dealer's warranties; Developer is not undertaking to adopt any such warranties or to act as co-warrantor with respect to any furnishings, fixtures and appliances covered by any such manufacturer's or dealer's warranties. The terms of the manufacturer's or dealer's written warranties are available for Purchaser's examination at Developer's office.

THE ATTENTION OF PURCHASER IS DIRECTED TO PARAGRAPH 19 OF THE SALES CONTRACT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY AND THE PROJECT.

**BREAKDOWN OF MONTHLY MAINTENANCE FEES AND ESTIMATED COSTS FOR EACH APARTMENT:**

A breakdown of the monthly maintenance fees and estimated costs for each apartment is set forth in Exhibit "B" attached hereto and incorporated herein by reference, which fees and costs are based on the latest information available to Developer or Managing Agent and subject to revision based on actual costs for the items enumerated. In addition to the foregoing costs, the initial Purchasers shall pay a one-time start-up fee as set forth and detailed in Exhibit "C" attached hereto and incorporated herein by reference.

DATED:         June 14        , 1982.

**LEILEHUA PARTNERS**

By *Douglas M. Carthy*  
Its General Partner



EXHIBIT "A"

SCHEDULE OF DEFERRED COSTS  
TO BE PAID TO HAWAII HOUSING AUTHORITY  
PRIOR TO SALE, ASSIGNMENT, TRANSFER OR RENTAL

<u>Unit Number</u>	<u>Deferred Cost</u>
101	\$6,036.00
102	\$5,022.00
103-113(inclusive)	\$4,993.00
114	\$5,022.00
115	\$3,918.00
116	\$5,002.00
201	\$6,036.00
202	\$5,022.00
203-213(inclusive)	\$4,993.00
214	\$5,022.00
215	\$3,918.00
216	\$5,002.00
301	\$6,036.00
302	\$5,022.00
303-313(inclusive)	\$4,993.00
314	\$5,022.00
315	\$3,918.00
316	\$5,002.00
401	\$6,036.00
402	\$5,022.00
403-413(inclusive)	\$4,993.00
414	\$5,022.00
415	\$3,918.00
416	\$5,002.00

END OF EXHIBIT "A"



THE LEILEHUA  
CASH OPERATING BUDGET  
FEBRUARY 1, 1982 TO JANUARY 31, 1983

<u>RECEIPTS</u>	<u>Monthly</u>
4010 Maintenance Fees	\$3,355.00
 <u>DISBURSEMENTS</u>	
6311 Office & Administrative Expenses	\$ 15.00
6320 Management Fee	416.00
6350 Audit & Tax Preparation	85.00
6360 Telephone	32.00
6450 Electricity	1,600.00
6462 Pest Control	25.00
6470 Refuse Removal (private haul)	180.00
6515 Maintenance Supplies	45.00
6540 Building Repair	25.00
6550 Elevator Maintenance	175.00
6714 Gross Income Tax (State)	2.00
6717 Income Tax (Federal)	5.00
6720 Insurance	400.00
6729 Employee Medical	25.00
6896 Miscellaneous Expense	<u>25.00</u>
	\$3,055.00
Transfer to Reserves	\$ 300.00

The cash operating budget (prorated on a monthly basis) and the estimated monthly cost for each apartment is for one year commencing February 1, 1982. The information contained herein is based on data available to us at this time.

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

HAWAIIAN CERTIFIED PROPERTY MANAGEMENT

By   
Its President

MONTHLY PAYMENTS SCHEDULE

	<u>Maintenance Fee</u>
Studio	\$39.85
Typical 1 BR	\$51.94
One BR "A"	\$51.23
One BR "B"	\$52.71
Two BR	\$70.96

THE LEILEHUA  
SUMMARY OF BUDGET - 1982

6311	Office Expense	\$15.00 per month. Every effort will be made to minimize.
6320	Management Fee	\$416.00 per month.
6350	Audit	\$85.00 per month, or \$1,000 for certified audit.
6360	Telephone	\$32.00 per month.
6450	Electricity	\$1,600.00 per month. Hawaiian Electric will be burning "high sulfur" fuel beginning February 2, 1982.
6462	Pest Control	\$25.00 per month
6470	Refuse Removal	\$180.00 per month.
6515	Maintenance Supplies	\$45.00 per month.
6540	Building Repair	\$25.00 per month. This expenditure should be reviewed regularly.
6550	Elevator Maintenance	\$175.00 per month.
6714	Gross Income Tax	\$2.00 per month. Interest and other income tax paid to State.
6717	Income Tax (Federal)	\$5.00 per month. At year end filing, required with IRS.
6720	Insurance	\$400.00 per month. <ol style="list-style-type: none"> <li>1. Special Multi-Peril Policy - includes: fire, liability, contractual liability, glass and non-owned auto.</li> <li>2. T.D.I.</li> <li>3. Workmen's Compensation</li> <li>4. Umbrella (\$1,000,000)</li> </ol>
6896	Miscellaneous Expense	\$25.00 to cover expense other than those listed above.
General Operating Reserve		\$300.00 per month.

	<u>% Int.</u>	<u>Maint. Fee</u>
Studio	1.188	\$39.85
Typical 1 BR	1.548	\$51.94
One BR "A"	1.527	\$51.23
One BR "B"	1.571	\$52.71
Two BR	2.115	\$70.96

THE LEILEHUA  
START-UP EXPENSES

Inherent to the commencement of any new condominium project are identifiable expenses for which provision for payment should be recognized:

1. To purchase insurance.
2. To provide initial operating capital.
3. Advance payment is required at closing of escrow.

Inasmuch as the funds required cannot be accumulated, experience has indicated the need of a "start-up fund", which when spread over the base of ownership is nominal. Front-end requirements are identified as follows:

1. INSURANCE

By purchasing a three-year policy, payable annually, a substantial savings can be realized. Basic insurance will include fire, extended coverage, special extended coverage and inflation guard coverage, and comprehensive general liability and property damage coverage.

2. INITIAL OPERATING EXPENSES

Costs applied to these items are as follows:

Insurance (1st year premium estimate).....\$4,800.00

"START-UP FEE" for each purchaser:

Studio	\$ 86.00
Typical 1 BR	111.00
1 BR "A"	110.00
1 BR "B"	113.00
2 BR	152.00

The respective start-up fee is a one-time front-end charge and should be collected at escrow closing. Each of the initial owners should pay this amount to ensure financial solvency of the project. This analysis is based on the assumption there will be sixty four (64) condominium apartments.

