

REAL ESTATE COMMISSION

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
KOOLAU VISTA
350 Aoloa Street
Kailua, Oahu, Hawaii

REGISTRATION NO. 1560

IMPORTANT — Read This Report Before Buying

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

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

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

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

Issued: September 9, 1983

Expires: October 9, 1984

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 17, 1983 AND INFORMATION SUBSEQUENTLY FILED AS OF SEPTEMBER 8, 1983. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. KOOLAU VISTA is a proposed leasehold condominium project consisting of two hundred one (201) residential apartment units plus one resident manager's apartment (which is a common element) in three - four (4) story buildings without basement, a total of Two Hundred Fifty-Five (255) parking stalls, eighty (80) uncovered and one hundred seventy-five (175) covered, all are on grade.

2. The Developer has submitted to the Commission for examination all documents necessary for the issuance of this Preliminary Public Report.
3. Pursuant to Chapter 514A of the Hawaii Revised Statutes and the Rules and Regulations promulgated thereunder by the Real Estate Commission of the State of Hawaii, no advertising material has yet been submitted.
4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the proposed Condominium Map) have not been recorded as of this date in the office of the recording officer.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, September 9, 1983, unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Preliminary Public Report is made a part of the registration on KOOLAU VISTA condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and attached Disclosure Abstract, in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt therefor.

NAME OF PROJECT: KOOLAU VISTA

LOCATION: The land submitted to the Regime, approximately 151,774 square feet, is located within the master planned Kailua Gardens Community at 350 Aoloa Street in Kailua, Oahu, Hawaii.

TAX MAP KEY: FIRST DIVISION 4-2-01: Parcel 45

ZONING: A-2

DEVELOPER: KAIKOO DEVELOPMENT, INC., a Hawaii corporation, whose principal place of business and post office address is Room 6, 1507 Kapiolani Boulevard, Honolulu, Hawaii. Telephone 946-8033. The officers are Ken Nobuta, President/Treasurer; and D. Zane Schlemmer, Vice-President/Secretary.

ATTORNEY FOR DEVELOPER: John J. Hulten, Jr., Attorney at Law, A Law Corporation, Suite 310, Financial Plaza of the Pacific, Honolulu, Hawaii 96813 (Attention: John J. Hulten, Jr.). Telephone 536-2316.

DESCRIPTION: The land will be improved, according to the Developer's plans and intention to sell, with the construction of three apartment buildings containing two hundred one (201) residential apartments plus one resident manager's apartment, recreational areas and a total of 255 parking stalls on grade. The specimen Sales Contract states that the Developer intends to sell the apartments therein to third persons, causing the Estate, the Master Lessee, and the Sublessee (as said terms are defined in the Apartment Lease) to issue to each purchaser of a condominium unit a lease of such condominium unit and an undivided interest in the common elements of the Project.

1. Description of the Building.

(a) General Description. The Project consists of three - four (4) story apartment buildings and various areas hereinafter designated and described as common elements. In addition to the written description of the Project in the Declaration, the Project will also be depicted on the Condominium Map for the Project to be recorded in the Bureau. The apartment buildings each have four (4) levels with no basement. The levels are designated "floors". The first level is called the "ground floor", the second level is called the "first floor" the third level is called the "second floor" and the fourth level is called the "third floor". Each of the three buildings is rectangular, but of different size and each is connected to the other by common walkways.

(b) Access. Each apartment has immediate access to the common elements. The first floor apartments open onto a mall and the second and third floor apartments open onto walkways which lead to stairwells and an elevator.

(c) Number of Apartments. The apartment building contains 201 residential apartments plus one Resident Manager's Apartment. The Resident Manager's Apartment No. C102 is for the use of the Resident Manager of the Project and is a common element of the Project. Each residential apartment (except the Resident Manager's apartment), constitutes an "apartment", as defined and used in Chapter 514A of the Hawaii Revised Statutes, and constitutes a separate estate. Eleven (11) apartments are studios, seventy (70) apartments are one-bedroom units, one hundred nineteen (119) apartments are two-bedroom, and one (1) apartment is a two-bedroom paraplegic unit.

(d) Construction Materials. The apartment building shall be constructed principally of concrete foundations, wood frame, glass, and allied building materials.

(e) Ground Floor Level. The ground floor of each building contains parking stalls, storage lockers, an elevator lobby and mailroom, stairwells and an electrical room.

2. Location and Description of Apartments.

(a) Location of Apartments. Floor 1 of each building contains studio and one-bedroom units (except that Apartment B121 is a two-bedroom paraplegic unit), an elevator shaft, a utility room, stairwells and a landscaped mall, on to which the apartments on Floor 1 open. Floor 2 of each building contains the first floor of two-bedroom units (the "Maisonette apartments"), an elevator shaft, a utility room, stairwells and single loaded

corridors, on to which the Maisonette apartments open. Floor 3 of each building contains the second floor of the Maisonette apartments.

Each apartment has been given an alphabetical/numerical designation by which the building in which it is located and its location in the building can be determined. The alphabetical letter preceding the three numerals of each apartment designation corresponds to the building in which it is located, the first numeral of each apartment corresponds to the floor upon which it opens and the next two numerals correspond to the location of the apartment.

Each of the three buildings has been given a numerical number on the condominium map which corresponds with an alphabetical designation as follows: Building 1 = A, Building 2 = B and Building 3 = C. The building closest to the northern boundary of the property is Building 1 and is given the alphabetical designation A. The building closest to the western boundary of the property is Building 2 and is given the alphabetical designation B. The building closest to the southern boundary of the property is Building 3 and is given the alphabetical designation C.

Building 1 or A contains 70 parking stalls, 77 storage lockers and 77 apartments. Building 2 or B contains 75 parking stalls, 81 storage lockers and 81 apartments. Building 3 or C contains 51 parking stalls, 43 storage lockers and 43 apartments. In addition, Building 3 or C contains the resident manager's apartment (C102) and storage locker (22) and parking stall (C-30) which are common elements.

In Building 1 or A the apartment on the northeast corner of each floor is given a numerical designation of 01. The apartment on the southeast corner of each floor is given the numerical designation of 02. On Floor 1 the apartments on the northern side of the building bear the numerical designation 01, 03, 05, 07, 09, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 30, 31, and 32 running from east to west, and the apartments on the southern side of the building bear the numerical designation 02, 04, 06, 08, 10, 12, 14, 16, 18, 20, 22, 24, 26, and 28 running from east to west.

On Floors 2 and 3 the apartments on the northern side of the building bear the numerical designation 01, 03, 05, 07, 09, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, 39, 40, 41, 42, 43, 44, and 45 running from east to west, and the apartments on the southern side of the building

bear the numerical designation 02, 04, 06, 08, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36 and 38 running from east to west.

In Building 2 or B the apartment on the northwest corner of each floor is given a numerical designation of 01. The apartment on the northeast corner of each floor is given a numerical designation of 02.

On Floor 1 the apartments on the western side of the building bear the numerical designation 01, 03, 05, 07, 09, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 32 and 33 running from north to south, and the apartments on the eastern side of the building bear the numerical designation 02, 04, 06, 08, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, and 30 running from north to south.

On Floors 2 and 3 the apartments on the western side of the building bear the numerical designation 01, 03, 05, 07, 09, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, 39, 41, 43, 45, 46, 47, and 48 running from north to south, and the apartments on the eastern side of the building bear the numerical designation 02, 04, 06, 08, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, and 44 running from north to south.

In Building 3 of C the apartment on the northeast corner of each floor is given a numerical designation 01. The apartment on the southeast corner of each floor is given the numerical designation 02. (However C102 is a common element and does not constitute one of the 201 apartments of the project.)

On Floor 1 the apartments on the northern side of the building bear the numerical designation 01, 03, 05, 07, 09, 11, 13, 15, 17, and 18 running from east to west and the apartments on the southern side of the building bear the numerical designation 02 (however this is a common element), 04, 06, 08, 10, 12, 14, and 16 running from east to west.

On Floors 2 and 3 the apartments on the northern side of the building bear the numerical designation 01, 03, 05, 07, 09, 11, 13, 15, 17, 19, 21, 23, 25, and 26 running from east to west and the apartments on the southern side of the building bear the numerical designation 02, 04, 06, 08, 10, 12, 14, 16, 18, 20, 22, and 24 running from east to west.

(b) Description of Apartments. Each apartment contains the number of rooms and approximate floor area according to its respective plan, as shown on said Condominium Map, each such plan being designated either "Studio", "One Bedroom Type A", "One Bedroom Type B", "Two Bedroom", or "Two Bedroom Paraplegic". Each unit type is further described as follows:

Studio. There are 11 studio type apartments (all on Floor 1) each containing a net living area of approximately 391.5 square feet including 3 rooms: a living/dining/sleeping room, a kitchenette, and a bath.

One Bedroom, Type B. There are 70 one-bedroom Type B apartments (all on Floor 1), each containing a net living area of approximately 587.25 square feet including 4 rooms: a living/dining room, kitchen, bath, and bedroom, together with a hallway and a utility closet.

One Bedroom, Type A. Certain one-bedroom apartments have floor plans identical to Type B, but reversed. These apartments have an "R" following their numerical designation and are further designated on the condominium map as "Type A".

Two Bedroom. There are 119 two-bedroom type apartments (all on Floors 2 and 3), each containing a net living area of approximately 783 square feet including 7 rooms: a living/dining room, kitchen, toilet and utility and storage rooms on Floor 2, and 2 bedrooms and a bath on Floor 3, together with hallways and stairs.

Two Bedroom Paraplegic. There is one two-bedroom paraplegic type unit (B121) on Floor 1 containing a net living area of approximately 787.83 square feet, including 6 rooms: a living/dining room, kitchen, bath, 2 bedrooms and a utility room, together with hallways.

Each apartment shall be deemed to include all walls and partitions within its perimeter walls; all glass windows, louvers, doors, and panels along the perimeter; the interior half of all perimeter party walls; to the exterior surface of all perimeter non-party walls; the inner decorated or finished surfaces of the perimeter walls, floors and ceilings; and all air space encompassed within the apartment; provided, however, those perimeter walls, interior loadbearing walls, floors and ceilings or portions thereof, located within or surrounding each apartment and all pipes, wires, conduits and other utility service lines running through such apartment which are utilized for or serve more than one apartment, shall be deemed common elements, except for the interior finished or decorated surfaces of said walls, floors, and ceilings; and provided, further, that any fire sprinkler system components, and any ducts, shafts, or other enclosed spaces for common wiring, pipes, or air exhaust located within any apartment shall also be deemed to be common elements.

The net living areas for the respective unit types are computed from and to the interior surface of the apartment perimeter walls.

COMMON ELEMENTS: The common elements shall include the common elements described above in paragraph 2(b) of the topical heading "DESCRIPTION", the limited common elements set forth below, and all other portions of the Project other than the apartments, including specifically, but not limited to:

(a) Said land in fee simple.

(b) Except as provided in paragraph 2(b), all foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter walls and interior loadbearing walls and roofs of the residential building (the building contains no basement).

(c) All yards, grounds, interior malls and landscaping and all refuse facilities, if any, whether within or appurtenant to the project.

(d) All roads, parking areas, driveways, corridors, lobbies and walkways other than those designated below as limited common elements, including, but not limited to, the ground floor parking level in each building and three loading zones.

(e) All ducts, electrical equipment, wiring, pipes, and other central and appurtenant transmission facilities over, under, and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.

(f) The resident manager's Apartment No. C102, and parking stall number C-30 and Storage Locker (22) in Building C and guest parking stall numbers G1 through 5 and G54 through 58.

(g) The fire sprinkler system, if any, including portions thereof that may be installed within the various apartments.

(h) The entry lobbies, mail rooms, elevated walkways and all trash and utility rooms.

(i) 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 called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments. The costs and expenses of every description pertaining to the limited common elements, including, but not limited to, the costs of maintenance, repair, replacement, improvement, or additions to the limited common elements shall be charged to all apartment owners as a common expense in the following equitable manner: in proportion to the common interests appurtenant to their respective apartments, except as otherwise provided in this paragraph.

(a) Each apartment shall have appurtenant to it as a limited common element the parking stall(s) shown after the number of the apartment to which it is appurtenant on Exhibit A attached hereto. The Developer reserves the right to initially assign, in each case with the written consent of the Fee Owner, Lessee, and Sublessee, any parking stalls to any apartments by amendment of the Declaration, as provided in paragraph P of the Declaration; and provided, further, that said right of assignment shall not apply to

those stalls marked on the Condominium Map as "guest" stalls, all of which shall remain common elements, rather than limited common elements. After their initial assignment, stalls may be reassigned from time to time by amendment to the Declaration as provided in paragraph P thereof. All costs and expenses of repairing, restriping or otherwise repairing such parking stalls shall be charged to each owner on a pro-rata basis in direct proportion to the number of parking stalls appurtenant to the owner's apartment and all other costs and expenses attributable to such parking stalls shall be charged to each owner as a common expense of the Project.

(b) Each apartment shall have appurtenant to it as a limited common element one (1) storage locker shown after the number of the apartment to which it is appurtenant on Exhibit "A" attached hereto. The assignment of storage lockers may be changed from time to time by amendment to the Declaration as provided in paragraph P thereof. The cost of routine cleaning and maintenance of the inside of any storage locker appurtenant to an apartment and the cost of repairing any damage of said storage locker caused by the owner or occupant of said apartment or their permittees shall be borne by the owner of said apartment; but the cost of any other repairs to the said storage locker or the area in which it is located shall be borne by all apartment owners as a common expense.

INTEREST TO BE CONVEYED TO PURCHASER: The undivided percentage ownership in the common elements (the "Common interest") appertaining to each apartment and its owner for all purposes including voting shall be as follows:

"Studio" Type Apartments

A102	B101	C101
A117	B119	C118
A118	B123	
A128	B130	
A132		

Each of the foregoing apartments shall have a common interest of 0.28090%.

"One Bedroom Type B" Apartments

A103	B102	C105
A104	B105	C106
A107	B106	C109
A108	B109	C110
A111	B110	C113
A112	B113	C114
A115	B114	C117
A120	B117	
A121	B118	
A124	B122	
A125	B126	
A129	B127	
A131	B131	
	B133	

"One Bedroom Type A" Apartments

A101R	A103R	C103R
A105R	B104R	C104R
A106R	B107R	C107R
A109R	B108R	C108R
A110R	B111R	C111R
A113R	B112R	C112R
A114R	B115R	C115R
A116R	B116R	C116R
A119R	B120R	
A120R	B124R	
A123R	B125R	
A126R	B128R	
A127R	B129R	
A130R	B132R	

Each of the foregoing "One Bedroom Type B" and "One Bedroom Type A" apartments shall have a common interest of 0.42133%.

"Two Bedroom" Type Apartments

A201 to A245 inclusive
B201 to B248 inclusive
C201 to C226 inclusive

Each of the foregoing apartments shall have a common interest of 0.56178%.

"Two Bedroom Paraplegic" Type Apartment

Apartment B121 shall have a common interest of 0.56520%.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE: The proposed Declaration provides that the residential apartments shall be occupied and used for residential apartment purposes only. The owners of apartments have the right to lease or rent their apartments to third parties, subject to all of the provisions of the Declaration and By-Laws and in particular Section 3 of Article V of the By-Laws and Paragraph E of the Declaration which should be reviewed by the Purchaser.

OWNERSHIP TO TITLE: The Preliminary Report issued August 31, 1983, and prepared by Title Guaranty of Hawaii, Inc. states that title to the land is vested in JAMES CHRISTIAN CASTLE, also known as JAMES C. CASTLE, JAMES GORDON McINTOSH, and HAWAIIAN TRUST COMPANY, LIMITED as Trustees under that certain unrecorded trust agreement dated August 5, 1974, as amended by those certain unrecorded agreements dated May 15, 1976 and January 25, 1978 (as to an undivided 69.0272416% interest); JAMES CHRISTIAN CASTLE, also known as JAMES C. CASTLE, JAMES GORDON McINTOSH and HAWAIIAN TRUST COMPANY, LIMITED as Trustees upon the Trust created by Article Eighth of the Last Will and Testament of Harold K.L. Castle, deceased (as to an undivided 30.9727584% interest). The Developer is advised that prior to recording the Declaration fee title will be transferred to JAMES C. CASTLE, JAMES GORDON McINTOSH, and HAWAIIAN TRUST COMPANY, LIMITED, Trustees

of the trust estate established, created by Article Eighth of the Last Will and Testament of Harold K.L. Castle, deceased. LEWERS & COOKE, INC., a Hawaii corporation, whose principal place of business and post office address is 828 Fort Street Mall, Suite 402, James Campbell Building, Honolulu, Hawaii 96813, is the holder of Master Tract Lease (Lease No. 7014) as amended, covering the land and recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 9371 at Page 374. KEN NOBUTA and LEWERS & COOKE, INC. have executed an Option Agreement dated December 8, 1980, and recorded in said Bureau in Liber 17287 at Page 185, as amended, whereby upon Ken Nobuta's exercise of the Option, Lewers & Cooke, Inc. will sublease the property covered by Lease No. 7014 to Ken Nobuta by Master Tract Sublease. The Developer and Ken Nobuta have executed a Sub-Option Agreement dated August 4, 1983, recorded in said Bureau in Liber 17287 at Page 309, whereby, upon Developer's exercise of the Sub-Option, Ken Nobuta will sublease the property covered by Lease No. 7014 to the Developer by issuing as Master Tract Sub-Sublease (the "Lease") to the Developer.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report dated August 31, 1983, prepared by Title Guaranty of Hawaii, Inc. describes the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Unrecorded Development Agreement dated March 30, 1967, by and between Kailua Gardens, Inc., a Hawaii corporation, a general partner of Kailua Towers, a Hawaii limited partnership, and Lewers & Cooke, Inc., of which a Memorandum of Agreement dated March 31, 1967, is recorded in Liber 5620 at Page 183, as amended by unrecorded Agreement dated May 1, 1971.
4. Declaration of Covenants, Conditions and Restrictions dated July 6, 1973, recorded in Liber 9371 at Page 352, as supplemented by instrument dated February 10, 1982, recorded in Liber 16245 at Page 403. (Said Declaration affects portion of Lot 2).
5. Master Tract Lease No. 7014 dated July 6, 1973, recorded in Liber 9371 at Page 374, entered into by and between James C. Castle, Henry H. Wong and Hawaiian Trust Company, Limited, Executors under the Will and of the Estate of Harold K.L. Castle, deceased, and James C. Castle, James Gordon McIntosh and Hawaiian Trust Company, Limited, Trustees of the Trust Estates established pursuant to the Last Will and Testament, including Codicils First through Fifth, of Harold K.L. Castle, deceased, and Iolani School, a Hawaii eleemosynary corporation, as Lessor, and Lewers & Cooke, Inc., a Hawaii corporation, as Developer; leasing and demising portion of Lot 2; together with a non-exclusive easement for underground utilities in common with others entitled thereto over, across, along,

through and under the property described in Exhibit "B" attached hereto, which easements shall automatically terminate insofar as they affect any portion of said property which is acquired by governmental authority for public roadway purposes at the time of such acquisition by governmental authority, for a term from the date hereof to December 31, 1994. Said Lease was amended by instrument dated July 1, 1977, recorded in Liber 12312 at Page 157. Said Lease was further amended by instrument dated February 10, 1982, recorded in Liber 16245 at Page 555; re: description of demised premises is amended to describe all of Lot 2, containing an area of 151,774 square feet, as shown on File Plan 1690, etc.

6. Declaration of Restrictive Covenants dated July 1, 1977, recorded in Liber 12312 at Page 239.
7. Agreement dated July 21, 1980, recorded in Liber 14949 at Page 268, by and between Lewers & Cooke, Inc., a Hawaii corporation, and George Newton, Sue Ellen Newton and Lillian O. Young. Re: restriction of building heights and population densities in connection with settlement of legal action designated Civil No. 53839 in the Circuit Court of the First Circuit, State of Hawaii, and in accordance with the provisions of said Agreement.
8. Water rights in favor of James Christian Castle, also known as James C. Castle, James Gordon McIntosh, and Hawaiian Trust Company, Limited, Trustees of the trust created by that certain unrecorded trust agreement dated August 5, 1974, made by Alice Hedemann Castle, as Settlor, and said James C. Castle, as Individual Trustee, as amended by those certain unrecorded agreements dated May 15, 1976 and January 25, 1978, (as to an undivided 88.3296880% interest) and James Christian Castle, also known as James C. Castle, James Gordon McIntosh and Hawaiian Trust Company, Limited, Trustees of the trust created by Article Eighth of the Last Will and Testament of Harold K.L. Castle, deceased, (as to an undivided 11.6703120% interest), as acquired by Quitclaim Deed dated February 5, 1982, recorded in Liber 16246 at Page 268, subject to the provisions contained therein.
9. OPTION AGREEMENT dated December 8, 1980, recorded in Liber 17287 at Page 185, by and between LEWERS & COOKE, INC., a Hawaii corporation, "Optionor", and KEN NOBUTA, "Optionee"; Optionor irrevocably grants to Optionee the exclusive option to sublease the land described herein on and subject to the terms and conditions set forth therein. Said Option Agreement was amended by instruments dated December 14, 1981, recorded in Liber 17287 at Page 252, and dated August 4, 1983, effective as of December 8, 1982, recorded in Liber 17287 at Page 257.

10. SUB-OPTION AGREEMENT dated August 4, 1983, recorded in Liber 17287 at Page 309, by and between KEN NOBUTA, "Sub-Optionor", and KAIKOO DEVELOPMENT, INC., a Hawaii corporation, "Sub-Optionee"; Sub-Optionor grants to Sub-Optionee a sub-option to acquire a Master Tract Sub-Sublease, which sub-option may be exercised only coincidentally with the exercise by Sub-Optionor of said Option Agreement with Lewers & Cooke, Inc.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated August 12, 1983, between Bank of Hawaii Escrow (the "Escrow"), as Escrow Agent, and Developer, has been filed with the Commission. On examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

The executed Escrow Agreement provides in part that if at any time (a) Escrow receives a written request from Developer to return the funds of such purchaser then held by Escrow; (b) if the Purchaser's Funds were obtained prior to the issuance of the final public report and the purchaser's written request for a return of the funds is given to Escrow prior to the time the final public report is issued; (c) Developer notifies Escrow in writing of the Developer's exercise of its option to rescind or cancel the purchaser's Sales Contract pursuant to any right of rescission or cancellation stated therein; (d) The conditions provided for a refund under Sections 514A-63, 514A-64, or 514A-66 of the Horizontal Property Act (as amended on the date upon which the purchaser's Sales Contract becomes binding and effective) have been met, and written notice thereof has been provided to the Developer; or, (e) Developer notifies Escrow in writing of purchaser's cancellation of a reservation for the purchase of an apartment or of purchaser's exercise of the right to rescind or cancel his Sales Contract pursuant to any right of rescission or cancellation stated therein, then, in any such event Escrow shall return such funds to the purchaser, without interest earned unless otherwise instructed by Developer and furthermore unless Developer shall otherwise instruct Escrow, less: (1) Escrow's cancellation fee of \$25.00 per apartment; (2) any mortgagee's cancellation fee, and (3) all other costs, if any, which have been incurred in connection with the Escrow mortgage processing, closing, or legal documentation. It should be noted that the Sales Contract in effect provides that in the event the Seller cancels the Sales Contract for any reason not the fault of the purchaser, the purchaser's deposits will be refunded in full without any deductions. The Escrow Agreement further provides that Escrow shall also return to purchaser his Sales Contract marked "cancelled" and any apartment lease previously delivered to Escrow shall be returned to Developer marked "cancelled" and any mortgage documents which may have been executed shall also be marked "cancelled" and returned to the mortgagee, if any, and Developer and the purchaser shall be deemed no longer bound by the terms of the Sales Contract.

NOTE: Prospective purchasers should be aware that:

1. The Mortgage and other liens which will secure the Developer's first mortgage interim construction loan (renewals and extensions) for the construction of the Project shall be and remain at all times a superior lien on the Project, and purchasers intentionally waive and subordinate their interests under the Sales Contract or any reservation agreement in favor of the priority of all such liens.

2. It is incumbent upon the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of the proceeds of said trust fund.

3. The prospective purchaser is advised that the Developer is selling the units in the Project pursuant to the Developer's rights under its Sub-Option Agreement with Ken Nobuta, and upon exercise of the option granted therein, its rights under the Master Tract Sub-Sublease to be issued by Ken Nobuta and the Master Tract Sublease to be issued by Lewers & Cooke, Inc. The Master Tract Sublease and Sub-Sublease will contain cancellation provisions whereby if the Developer fails to pay the Lessor therein a certain stipulated sum by December 31, 1983, or within thirty (30) days after the start of construction, whichever shall first occur, the Master Tract Sublease and Sub-Sublease can be cancelled at the Master Tract Sublessor's option. This fee is to be paid from Developer's Construction Loan, which loan is, in turn, conditioned upon the Developer's achieving a specified number of sales and other customary conditions of closing. Such a cancellation of the Master Tract Sublease and Sub-Sublease would mean that all of the rights of the Developer will be terminated and all of the purchaser's rights to purchase the apartment unit will be cancelled.

4. The Sales Contract provides that if Seller fails to exercise its option to enter into the Master Tract Sub-Sublease, or the Master Tract Sub-Sublease is terminated for any reason, including, without limitation, a termination pursuant to the Seller's rights to terminate the Master Sublease as provided therein or pursuant to the Lessor's rights to terminate as provided therein (including, without limitation, Seller's failure to pay to the Lessor a certain amount of money as specified therein), then such termination shall automatically cancel and extinguish the Sales Contract and Purchaser shall have no interests whatsoever in the land and shall have no right to require Seller or the Lessor of the Master Tract Sublease or Master Tract Sub-Sublease or anyone else to construct the condominium unit contracted for under the Sales Contract. Upon such termination, Seller shall refund all sums paid by Purchaser under the Sales Contract, without interest.

5. Any interest earned on deposits shall accrue to the benefit of the Seller. The Buyer shall receive no interest on deposits.

6. Purchaser should also note that the Sales Contract and the specimen Apartment Lease place restrictions on the Apartment Owners, precluding them from entering into any rental pool or other rental-sharing arrangements with other such Apartment Owners until after the expiration of fifteen (15) years from the date of recordation of purchaser's Apartment Lease.

7. As provided in Section 25 of the Sales Contract, the purchaser acknowledges that minor construction activity may continue on the site after purchaser has occupied his apartment, which may result in noise, dust, or other annoyances. In addition, as further provided in said Section 25, the Developer's sales activities, including the use of model units and signs and the use of the first floor lobby area for sales displays and related activities, may continue until the last apartment in the Project is sold.

8. The purchaser's attention is directed to paragraph P of the Declaration, Section 6 of the Sales Contract and paragraph 7 of the Apartment Lease, all of which reserves to the Developer a right to make certain amendments to the Declaration that may be necessary to comply with the provisions of law, the requirements of certain mortgagees, or to carry out the changes to the Project set forth in said paragraphs.

9. The specimen Sales Contract provides that the Seller, including the Land Owner and Master Lessee, makes no warranties, express or implied, with respect to the property being sold (the apartments and common elements) including its quality or grades. The Seller specifically disclaims any and all responsibility or liability for any malfunctioning of any fire sprinkler system installed in the apartments or common elements.

KAILUA GARDENS COMMUNITY ASSOCIATION: The project is part of the master-planned Kailua Gardens Community and, as such, all Apartment Owners in the Project will be members of the Kailua Gardens Community Association, a nonprofit corporation established to own certain common properties in the community and to provide certain services to all the members. The land (including the Project's) located in this community is subject to a Declaration of Covenants, Conditions and Restrictions which has been placed on record by the Fee Owners of the land. The Kailua Gardens Community Association is governed by the By-Laws of the Kailua Gardens Community Association. The members will include condominium Apartment Owners in this Project who will be obligated to pay assessments levied by the Association (over and above the common expense assessments

of the Project itself, but included in the estimated monthly maintenance fees to be paid by each apartment purchaser) which, if unpaid, shall be a continuing lien on the purchaser's interest in purchaser's apartment as provided in the Declaration of Covenants, Conditions and Restrictions.

MANAGEMENT OF THE PROJECT: The By-Laws vest in the Board of Directors (the "Board") the power and duties necessary for the administration of the overall affairs of the Project. The By-Laws submitted to the Commission permit the Developer to appoint the initial managing agent for the Project. The Developer intends to enter into a one-year contract (the "Management Contract") with Chaney Brooks & Company as the initial managing agent. The provisions of the Management Contract, which has been filed with the Commission, provide for earlier termination for cause. The managing agent's fee is \$1,744.00 per month.

HOUSE RULES: Developer has not yet adopted but intends to adopt house rules. It is anticipated that no pets other than small birds and fish will be allowed in the project.

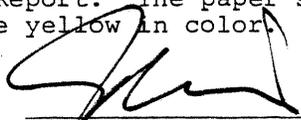
STATUS OF PROJECT: The Developer advises that it has agreed in principle with Harvis Construction, Inc. as to contract price and contract terms for the construction of the Project. As of the date of this Preliminary Public Report, the construction contract is yet to be executed.

PROGRAM OF FINANCING: The Developer reports that the Developer is negotiating on the terms of financing with major financial institutions.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted August 17, 1983, and information subsequently filed as of September 8, 1983.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1560 filed with the Commission on August 17, 1983.

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



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

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

REGISTRATION NO. 1560

SEPTEMBER 9, 1983

EXHIBIT "A"

PARKING STALLS AND STORAGE LOCKERS
APPURTENANT AS LIMITED COMMON ELEMENTS

<u>APARTMENT</u> <u>NO.</u>	<u>PARKING</u> <u>STALL NO.</u>	<u>STORAGE</u> <u>LOCKER NO.</u>	<u>APARTMENT</u> <u>NO.</u>	<u>PARKING</u> <u>STALL NO.</u>	<u>STORAGE</u> <u>LOCKER NO.</u>
A101R	A-36	57	A207	A-27	42
A102	6	58S	A208	A-46	44
A103	A-35	55	A209	A-26	40
A104	A-37	61	A210	A-47	41
A105R	A-34	53	A211	A-25	38
A106R	A-38	59	A212	A-48	39
A107	A-33	52	A213	A-24	37
A108	A-39	60	A214	A-49	64
A109R	A-32	50	A215	A-23	35
A110R	A-40	62	A216	A-50	63
A111	A-31	48	A217	A-22	33
A112	A-41	56	A218	A-51	65
A113R	A-04	6	A219	A-21	32
A114R	A-42	54	A220	A-52	67
A115	A-03	5	A221	A-20	30
A116R	A-62	73	A222	A-53	66
A117	24	28S	A223	A-19	29
A118	25	72S	A224	A-54	68
A119R	A-02	3	A225	A-18	31
A120	A-63	74	A226	A-55	70
A121	A-01	2	A227	A-17	27
A122R	A-64	75	A228	A-56	71
A123R	A-66	14	A229	A-16	26
A124	A-65	76	A230	A-57	69
A125	A-67	12	A231	A-15	25
A126R	A-68	9	A232	A-58	24
A127R	A-69	7	A233	A-14	23
A128	26	77S	A234	A-59	22
A129	A-70	4	A235	A-13	21
A130R	28	36	A236	A-60	19
A131	29	34	A237	A-12	20
A132	27	1S	A238	A-61	17
A201	A-30	47	A239	A-11	18
A202	A-43	51	A240	A-10	16
A203	A-29	45	A241	A-09	15
A204	A-44	49	A242	A-08	13
A205	A-28	43	A243	A-07	11
A206	A-45	46	A244	A-06	10
			A245	A-05	8

EXHIBIT "A" (Continued)

PARKING STALLS AND STORAGE LOCKERS

APPURTENANT AS LIMITED COMMON ELEMENTS

<u>APARTMENT NO.</u>	<u>PARKING STALL NO.</u>	<u>STORAGE LOCKER NO.</u>	<u>APARTMENT NO.</u>	<u>PARKING STALL NO.</u>	<u>STORAGE LOCKER NO.</u>
B101	30	65S	B210	B-50	52
B102	B-40	66	B211	B-27	45
B103R	B-39	64	B212	B-51	49
B104R	B-41	68	B213	B-26	43
B105	B-38	63	B214	B-52	47
B106	B-42	70	B215	B-25	41
B107R	B-37	61	B216	B-53	44
B108R	B-43	71	B217	B-24	40
B109	B-36	60	B218	B-54	42
B110	B-44	67	B219	B-23	38
B111R	B-35	58	B220	B-55	39
B112R	B-45	69	B221	B-22	36
B113	B-34	56	B222	B-56	37
B114	C-02	27	B223	B-21	35
B115R	B-33	55	B224	B-57	34
B116R	C-01	24	B225	B-20	33
B117	B-74	4	B226	B-58	72
B118	B-68	9	B227	B-19	32
B119	C-52	31S	B228	B-59	74
B120R	B-69	78	B229	B-17	28
B121	B-18 and U-7 through U-23 inclusive and U-31 through U-53 inclusive and UC-26, UC-27, UC-28	29	B230	B-60	76
B122	B-70	77	B231	B-16	26
B123	C-51	30S	B232	B-61	73
B124R	B-71	79	B233	B-15	25
B125R	B-05	8	B234	B-62	75
B126	B-72	80	B235	B-14	23
B127	B-04	6	B236	B-63	22
B128R	B-73	7	B237	B-13	21
B129R	B-03	5	B238	B-64	19
B130	C-50	81S	B239	B-12	20
B131	B-02	3	B240	B-65	17
B132R	B-01	1	B241	B-11	18
B133	B-75	2	B242	B-66	14
B201	B-32	53	B243	B-10	16
B202	B-46	62	B244	B-67	12
B203	B-31	51	B245	B-09	15
B204	B-47	59	B246	B-08	13
B205	B-30	50	B247	B-07	11
B206	B-48	57	B248	B-06	10
B207	B-29	48			
B208	B-49	54			
B209	B-28	46			

EXHIBIT "A" (Continued)

PARKING STALLS AND STORAGE LOCKERS

APPURTENANT AS LIMITED COMMON ELEMENTS

<u>APARTMENT NO.</u>	<u>PARKING STALL NO.</u>	<u>STORAGE LOCKER NO.</u>	<u>APARTMENT NO.</u>	<u>PARKING STALL NO.</u>	<u>STORAGE LOCKER NO.</u>
C101	C-29	25S	C204	C-36	29
C102	C-30	22	C205	C-23	21
C103R	C-11	36	C206	C-37	32
C104R	C-31	19	C207	C-22	20
C105	C-10	38	C208	C-38	26
C106	C-32	17	C209	C-21	18
C107R	C-09	4	C210	C-39	28
C108R	C-33	14	C211	C-20	16
C109	C-08	40	C212	C-40	30
C110	C-34	12	C213	C-19	15
C111R	C-07	5	C214	C-41	31
C112R	C-47	35	C215	C-18	13
C113	C-06	3	C216	C-42	33
C114	C-48	37	C217	C-17	11
C115R	C-05	2	C218	C-43	34
C116R	C-49	39	C219	C-16	10
C117	C-04	44	C220	C-44	41
C118	C-03	18	C221	C-15	8
C201	C-25	24	C222	C-45	42
C202	C-35	27	C223	C-14	6
C203	C-24	23	C224	C-46	43
			C225	C-13	7
			C226	C-12	9

DEVELOPER DISCLOSURE STATEMENT

Pursuant to Section 514A-61
Hawaii Revised Statutes

- (1) Name and address of Project:

Koolau Vista
350 Aoloa Street
Kailua, Oahu, Hawaii 96734

Name, address and telephone number of the Developer:

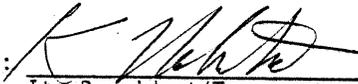
Kaikoo Development, Inc.
1507 Kapiolani Boulevard, Room 6
Honolulu, Hawaii 96814
(808) 946-8033

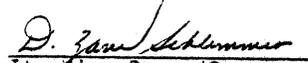
- (2) Maintenance fees: both monthly and annual estimated for each apartment as per attached Exhibit "A" summary.

We, the undersigned officers of the developer - Kaikoo Development, Inc. hereby certify that these first annual and monthly maintenance fees are based upon generally accepted accounting principles and have been allocated on the basis of per unit living area square footage and reflected by percentage interest in the common element.

Date: 9 August 1985

KAIKOO DEVELOPMENT, INC.

By: 
Its President/Treasurer

By: 
Its Vice Pres./Secretary

- (3) The building contractor will warrant all construction materials and workmanship for a period of one year from the date of closing. Any and all manufacturers "extended warranties" (those in excess of one year) will be presented to the respective apartment purchaser along with the operating instructions of the apartment appliances upon the buyers acceptance and closing of the apartment.
- (4) This is not a mixed use project.
- (5) There is no commercial nor other non-residential development in this project.

KAIKOO DEVELOPMENT, INC.
 CHANEY, BROOKS & COMPANY

EXHIBIT "A"

PROPOSED OPERATING BUDGET FOR KOOLAU VISTA, KAILUA GARDENS, LOT #2
201 Unit Condominium Apartment

<u>RECEIPTS</u>	<u>Monthly</u>	<u>Annually</u>
Maintenance Fees	\$16,995.00	\$203,939.00
Start-Up Fees (collect 2 mos. equivalent for start-up thru escrow)	open	
TOTAL RECEIPTS	<u>\$16,995.00</u>	<u>\$203,939.00</u>
 <u>DISBURSEMENTS</u>		
Audit & Tax Fees	\$ 125.00	\$ 1,500.00
Insurance - Fire, E.C., BF, VMM, A.O.P.	1,808.00	21,700.00
Insurance - Liability	358.00	4,291.00
Insurance - Other TDI	20.00	238.00
Insurance - Medical	207.00	2,488.00
Insurance - Workman's Compensation	397.00	4,764.00
Legal Fees	-0-	-0-
Management & Acctg. Services	1,744.00	20,926.00
Misc. & Project Office Expenses	50.00	600.00
Refuse Service	375.00	4,500.00
Maintenance & Repair - Building	50.00	600.00
Maintenance & Repair - Elevator	658.00	7,900.00
Maintenance & Repair - Other Equip. Fire Equip.	25.00	300.00
Maintenance & Repair - Pest Control	25.00	300.00
Payroll, Maintenance/Gardening (2)	1,500.00	18,000.00
Payroll, Resident Manager (1)	1,000.00	12,000.00
Payroll, Security Guard (1)	800.00	9,600.00
Supplies, Grounds	100.00	1,200.00
Supplies, Janitorial	100.00	1,200.00
Supplies, Electric & Lighting	100.00	1,200.00
Supplies, Building & Other	100.00	1,200.00
TV Signal - Cable	1,515.00	18,180.00
Taxes, Payroll 12%@	396.00	4,752.00
Electricity	2,000.00	24,000.00
Telephone	25.00	300.00
Water/Sewer	2,917.00	35,000.00
Other Disbursements	100.00	1,200.00
Capital Expenditures		
SUBTOTAL DISBURSEMENTS	<u>\$16,495.00</u>	<u>\$197,939.00</u>
TRANSFER TO RESERVES	500.00	6,000.00
TOTAL DISBURSEMENTS	<u>\$16,995.00</u>	<u>\$203,939.00</u>

<u>No Units</u>	<u>Type</u>	<u>% Interest in Common Elements</u>	<u>Per Mo. Per Unit Maint. Fee</u>	<u>Total Monthly Maint. Fee</u>
11	Studio	.28090	\$47.74	\$ 525.14
70	One Bedroom	.42123	71.59	5,011.30
119	Two Bedroom	.56178	95.48	11,362.12
1	Two Bedroom (Paraplegic)	.56520	96.06	<u>96.06</u>
			TOTAL	<u>\$16,994.62</u>
			Estimated Proposed Monthly Maintenance Budget	<u>\$16,995.00</u>