



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL & VOCATIONAL LICENSING DIVISION
 1010 Richards Street
 P. O. Box 3489
 Honolulu, Hawaii 96807

CONDOMINIUM PUBLIC REPORT

on
 LEOLUA VISTA
 94-030 Leolua Street
 Waipahu, Hawaii 96797

Registration No. 1748 (Conversion)

Issued: September 23, 1986
 Expires: October 23, 1987

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 15, 19 86 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:
 (yellow) 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 when complete information is filed.
- FINAL:
 (white) The developer has legally created a condominium and has filed complete information with the Commission. This report must be read together with the Preliminary Public Report, issued on April 7, 1986, by the Commission.
- SUPPLEMENTARY:
 (pink) Changes information contained in the
 Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____

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.

See Exhibit "A", attached hereto and made a part hereof.

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	7
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	7
D. House Rules	8
E. Changes to Condominium Documents	8
III. THE CONDOMINIUM PROJECT	9
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements	15
G. Maintenance Fees	16
H. Separate Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
EXHIBIT A: Summary of Changes from Earlier Public Reports	
EXHIBIT B: Schedule of Monthly Lease Rent for Each Apartment	
EXHIBIT C: Permitted Alterations to Apartments	
EXHIBIT D: Parking Stall Assignments	
EXHIBIT E: Compliance with Building Code and Regulations; etc.	
EXHIBIT F: Common Elements	
EXHIBIT G: Percentage Interests in Common Elements	
EXHIBIT H: Encumbrances Against Title	
EXHIBIT I: Estimated Maintenance Budget	
EXHIBIT J: Construction Warranties	
EXHIBIT K: Summary of Sales Contract Provisions	
EXHIBIT L: Summary of Escrow Agreement Provisions	
Appendix I: People Connected with the Project	

Attached only if there are additions or changes to information contained in the body of the report.

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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 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 condominiums, 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 or encumbered, and they may be disposed of by will or gift.

Your apartment will, however, be part of the group of apartments that comprise the condominium. Study the 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

The Association of Apartment Owners is the means through which apartment owners may take action with regard to the administration, management, and operation of the condominium. 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 control of the administration and operation of the condominium will in most cases be limited to your right to vote as an owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all 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 vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer: The Buyer may, at his option, acquire either (i) a fee simple interest in an apartment and an undivided fee simple interest in the common elements of the Project (including land) or (ii) a fee simple interest in an apartment and an undivided fee simple interest in the common elements of the Project (exclusive of land) and a leasehold interest in the land underlying the Project.

Type of Project:

- 1. New Construction Conversion
 Both New Construction and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____

- 3. High Rise (5 stories or more) Low Rise

- 4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
--	41	2/1	702	N/A
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 41

*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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>41</u>
Guest Stalls	<u>--</u>
Unassigned Stalls	<u>--</u>
Extra Stalls Available for Purchase	<u>--</u>
Other: _____	<u>--</u>
Total Parking Stalls	<u>41</u>

- 7. Recreational amenities: Swimming Pool

PEOPLE CONNECTED WITH THE PROJECT

Developer: Savio Development Co., Inc. Phone: (808) 942-7701
Name (Business)
931 University Ave., Suite 301
Business Address
Honolulu, Hawaii 96826

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

Real Estate Sales Agent: Savio Realty, Ltd. Phone: (808) 942-7701
Name (Business)
931 University Ave., Suite 301
Business Address
Honolulu, Hawaii 96826

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

Managing Agent: Professional Island Management, Ltd. Phone: (808) 526-3020
Name (Business)
33 South King Street, Suite 514
Business Address
Honolulu, Hawaii 96813

Attorney for Developer: Cades Schutte Fleming & Wright (attn: Edward R. Brooks and William C. Byrns)
Name
1000 Bishop Street
Business Address
Honolulu, Hawaii 96813

Appendix I may be attached to this report. If so, it will list additional people connected with the project or changes that may have been made to the above information after this public report was issued.

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

A condominium is created by recording in the Bureau of Conveyances or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances - Book 19769 Page 471
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information: Dated August 25, 1986, recorded in Book 19796, Page 369.

- B. Condominium Map (File Plan) shows the elevation and layout of the condominium. It also shows the floor plan for each apartment.

The Condominium Map for this condominium is:

Proposed
 Recorded - Bureau of Conveyances - Map No. 1029
 Filed - Land Court - File Plan No. _____

Amendment date(s) and recording/filing information: N/A

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium. 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 way in which meetings will be conducted, and other matters which affect how the condominium will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances - Book 19769 Page 500
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information: Dated August 25, 1986, recorded in Book 19796, Page 372.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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 recorded or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of apartment owners who 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>--</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

Paragraph 21 of the Declaration provides that, at any time prior to the first recording of an Apartment Deed or Condominium Conveyance Document to a party other than the Developer, the Developer may amend the Declaration (including all exhibits thereto) without the consent or joinder of any purchaser or any of the Apartments, and specifically may amend Exhibit "C" attached thereto to change the designation of the parking stalls.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to 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.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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.

Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners) either (1) remove or dispose of the building and other improvements; or (2) convey the building and improvements to the lessor at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: in the year 2011, on the day before the anniversary date of the execution of the Condominium Conveyance Document
 Rent Renegotiation Date(s): in the year 2016, on the anniversary date of the execution of the Condominium Conveyance Document.

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit "B" contains a schedule of the lease rent for each apartment per
 Month Year.

- Other: The Condominium Conveyance Document grants an option to purchase the fee simple interest in the land for \$10,000. The purchase option period expires on the anniversary date of the execution of the Condominium Conveyance Document in 1996. Any future assignment of the fee simple purchase option must be with the written consent of the Developer; which consent may be withheld at the sole discretion of the Developer.

For Subleaseholds: N/A

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled 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 cancelled or foreclosed.

6. Interior (fill in appropriate numbers):

Total Apartments 41

Elevators 0

Stairways 3

Trash Chutes 0

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>--</u>	<u>41</u>	<u>2/1</u>	<u>702</u>	<u>N/A</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

*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 floor area may have been used.

Boundaries of Each Apartment: The inner decorated or finished surfaces of the walls, floors and ceilings of each apartment.

Permitted Alterations to Apartments: See Exhibit "C" attached hereto and made a part hereof.

7. Parking Stalls:

	<u>Number of Stalls</u>
Assigned Stalls (For Individual Units)	<u>41</u>
Guest Stalls	<u>--</u>
Unassigned Stalls	<u>--</u>
Other: _____	<u>--</u>
Total Parking Stalls	<u>41</u>

Each apartment will have the exclusive use of at least 1 parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

	regular	compact	tandem
Number of covered stalls	<u>--</u>	<u>--</u>	<u>--</u>
Number of open stalls	<u>--</u>	<u>41</u>	<u>--</u>

Commercial parking garage permitted on condominium.

Exhibit "D" contains additional information on parking stalls for this condominium.

8. Recreational and Other Common Facilities:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Swimming pool | <input checked="" type="checkbox"/> Storage Area |
| <input type="checkbox"/> Recreation Area | <input checked="" type="checkbox"/> Laundry Area |
| <input type="checkbox"/> Tennis Court | <input type="checkbox"/> Trash Chute |
| <input type="checkbox"/> Other: _____ | |
| _____ | |

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

No representations are made by the Developer regarding the condition and expected useful life of structural components, mechanical or electrical installations.

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

See Exhibit "E" attached hereto and made a part hereof.

10. 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 (for conversions only)

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

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

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

1. Common Elements: Common Elements are those parts of the condominium intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit "F" describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments. The limited common elements and the apartment which may use them are:

described in Exhibit _____

as follows:

1. The automobile parking stall designated on Exhibit "D" as being appurtenant to the respective apartments.
2. One mailbox bearing the number corresponding to the number of the respective apartments.

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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit "G" describes the common interests for each apartment.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit "H" describes the encumbrances against the title contained in the title report dated August 19, 1986 issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

- There are no blanket liens affecting title to the individual apartments.
 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. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
1. Mortgage, in favor of First Hawaiian Creditcorp, Inc., dated February 13, 1986, recorded in the Bureau in Book 19293, at Page 368.	
2. Mortgage, in favor of First Hawaiian Creditcorp, Inc., dated February 13, 1986, recorded in the Bureau in Book 19293, at Page 386.	
3. Mortgage, in favor of Lloyd Pearson Carlos and Mary Louise Carlos, recorded in the Bureau in Book 19293, at Page 408, dated February 14, 1986.	

F. 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. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium.

Initial Managing Agent: When the developer or the developer's affiliate is the initial 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 managing agent for this condominium is:

- not affiliated with the Developer.
 the Developer or the Developer's affiliate.
 other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium. If you are late 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 to each apartment.

Exhibit "I" contains a schedule of maintenance fees and maintenance fee disbursements.

H. Separate Utility Charges for Apartments:

Except for the utilities indicated below, each apartment will be billed separately for utilities:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. Construction Warranties

1. **Building and Other Improvements:** See Exhibit "J" attached hereto and made a part hereof.

2. **Appliances:** See Exhibit "J" attached hereto.

J. Status of Construction and Estimated Completion Date

Construction completed 1968.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development: N/A

L. Sales Documents Filed with the Real Estate Commission:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit "K" contains a summary of the provisions of the sales contract.
April 1, 1986 (as amended by an instrument dated

Escrow Agreement dated August 18, 1986

Exhibit "L" contains a summary of the provisions of the escrow agreement.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer 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, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers a copy of the Final Public Report and all prior public reports not previously delivered to the buyer; and
2. The buyer is given an opportunity to read the reports; and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the reports and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the reports were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the reports were delivered to the buyer.

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

1. There is a material change in the condominium 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
2. 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.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Declaration of Horizontal Property Regime.
2. Bylaws of the Association of Apartment Owners.
3. House Rules.
4. Escrow Agreement.
5. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
6. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

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 Law are available for \$ 2.50 at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 1748 filed with the Real Estate Commission on March 19, 1986.

The Developer is responsible for delivering a true copy of this report to all purchasers and prospective purchasers and for securing a signed receipt for the report. When reproduced, this report must be on:

yellow paper stock white paper stock pink paper stock

Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.



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

Separate Disclosure Abstract on this condominium:

Required Not Required — disclosures covered in this report

Distribution:

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

Summary of Changes from Earlier Public Reports

The information in paragraph 1 on page 1 of the Preliminary Public Report and the information in the topical headings INTEREST TO BE CONVEYED TO PURCHASER, OWNERSHIP OF TITLE, ENCUMBRANCES, PURCHASE MONEY HANDLING and MANAGEMENT AND OPERATION of the Preliminary Public Report have been altered as follows. Information disclosed in the remaining topical headings has not been altered.

1. LEOLUA VISTA is a condominium conversion project consisting of forty-one (41) apartments contained in two (2) three-story buildings, without basements. There are forty-one (41) compact parking stalls in the Project.

INTEREST TO BE CONVEYED TO PURCHASER: Each purchaser may, at his option, purchase either (i) a fee simple interest in an apartment and an undivided fee simple interest in the common elements of the Project (including land) or (ii) a fee simple interest in an apartment and an undivided fee simple interest in the common elements of the Project (exclusive of land) and a leasehold interest in the land underlying the Project. The interest described in (i) above will be conveyed by Deed. The interest described in (ii) above will be conveyed by Condominium Conveyance Document.

The undivided percentage interest in the common elements appurtenant to each apartment shall be 2.439%, except that Apartment 101 shall have an appurtenant undivided percentage interest of 2.440% so that the sum of all common interests will be 100%. Each Apartment shall have such percentage interest in all common profits and expenses of the Project and for all other purposes, including voting.

OWNERSHIP OF TITLE: A Status Title Report (the "Title Report") dated August 19, 1986, issued by Title Guaranty of Hawaii, Inc., states that fee simple title to the land was acquired by the Developer by Deed dated July 29, 1986, recorded in the Bureau of Conveyances of the State of Hawaii in Book 19769, at Page 465.

ENCUMBRANCES: The Title Report states that the title to the property is subject to encumbrances. The updated list of encumbrances is more particularly described in Exhibit "H" attached.

PURCHASE MONEY HANDLING: A copy of a specimen form of Deposit Receipt and Sales Contract was submitted with the Preliminary Public Report. That instrument has been retitled Deposit Receipt and Sales Contract (To be used in connection with apartments to be conveyed by Deed) and will be used in connection with apartments to be conveyed by Deed. A Deposit Receipt and Sales Contract (To be used in connection with apartments to be conveyed by Condominium Conveyance Document) will be used in connection with apartments to be conveyed by Condominium Conveyance Document. An Addendum to Deposit Receipt and Sales Contract (To be used in connection with apartments to be conveyed by Condominium Conveyance Document) [the "Addendum"] will also be used in connection with apartments to be conveyed by Condominium Conveyance Document. A copy of a specimen form of each type of Deposit Receipt and Sales Contract and the Addendum is included in this filing for review by prospective purchasers.

A copy of an executed Escrow Agreement was submitted with the Preliminary Public Report. The Escrow Agreement, dated March 18, 1986, identifies Title Guaranty Escrow Services, Inc. as "Escrow." The Escrow Agreement was amended by an instrument dated August 20, 1986 to reflect that the Developer will provide Escrow with both Condominium Conveyance Documents and Deeds for the Project.

NOTE: All references to "Sales Contract" within the topical heading entitled PURCHASE MONEY HANDLING shall mean and include each of the two types of Deposit Receipt, Sales Contract used in connection with the Project (and shall also mean and include, where applicable, the Addendum). All references within such topical heading to "Escrow Agreement" shall mean and include the Escrow Agreement, as amended. The remainder of the information contained in such topical heading entitled has not been altered.

MANAGEMENT AND OPERATION: Article III, Section 3, of the proposed Bylaws states that the Board of Directors shall at all times employ a responsible corporate managing agent to manage and control the Project, subject at all times to direction by the Board. The initial managing agent of the Project is PROFESSIONAL ISLAND MANAGEMENT, LTD., whose principal place of business and post office address is 33 South King Street, Suite 514, Honolulu, Hawaii 96813.

Schedule of Monthly Lease Rent For Each Apartment

First Rental Period: \$40.00
Second Rental Period: \$80.00
Third Rental Period: \$120.00
Fourth Rental Period: (See paragraph (b) below)
Fifth Rental Period: (See paragraph (c) below)
Sixth Rental Period: (See paragraph (d) below)

(a) From the Effective Date of each Condominium Conveyance Document until the anniversary date of such Effective Date in 1996, a monthly rental equal to the rental set forth above as the rental for "First Rental Period"; for the next succeeding ten (10) years of the term hereof, being the day following the anniversary date of such Effective Date in 1996, through the anniversary date of such Effective Date in 2006, a monthly rental equal to the rental set forth above as the rental for the "Second Rental Period"; for the next succeeding ten (10) years of the term hereof, being the day following the anniversary date of such Effective Date in 2006, through the anniversary date of such Effective Date in 2016, a monthly rental equal to the rental set forth above as the rental for the "Third Rental Period".

If the Apartment Owner's undivided interest in the land underlying the Project shall change from the percentage shown on the first page of the Condominium Conveyance Document, then the monthly rental amounts set forth shall also change from time to time in proportion to each such change in the Apartment Owner's undivided interest, so that Developer's total monthly rental from the Apartment Owner and others shall not be decreased by any amendment to the Declaration, or by any replacement declaration, or by any removal of the Land from the Horizontal Property Regime in connection with a condemnation, casualty, or otherwise.

(b) For the Fourth Rental Period hereof, being the day following the anniversary date of such Effective Date in 2016, through the anniversary date of such Effective Date in 2026, such monthly rental payable as aforesaid shall be the Apartment Owner's proportionate share of the total monthly rental established for the Land.

(c) For the Fifth Rental Period hereof, being the day following the anniversary date of such Effective Date in 2026, through the anniversary date of such Effective Date in 2036, such monthly rental payable as aforesaid shall be the Apartment Owner's proportionate share of the total monthly rental established for the Land.

(d) For the Sixth Rental Period hereof,

EXHIBIT "B"

being the day following the anniversary date of such Effective Date in 2036, through the anniversary date of such Effective Date in 2041 such monthly rental payable as aforesaid shall be the Apartment Owner's proportionate share of the total monthly rental established for the Land.

Wherever it shall herein provide for the Apartment Owner's "proportionate share", the Apartment Owner's share shall be equal to the total amount multiplied by the Apartment Owner's then percentage undivided interest in the Land. The total monthly rental for the Fourth, Fifth and Sixth rental periods for the Land shall be equal to the Land's fair market rental value, but not less than eight percent (8%), of the fair market value of the Land (exclusive of any buildings or other improvements) at the beginning of the respective period valued as though the Land had not been leased, but encumbered by its existing use, as shall be agreed upon in writing between a majority of the Board of Directors (the "Board of Directors") of the Association of Apartment Owners of the Project (the "Association") and Developer; PROVIDED, HOWEVER, that in no event shall the total monthly rent for any rental period be less than the total monthly rental for the preceding rental period.

In the event Developer and the Board of Directors are unable to agree upon the fair market rental value of the Land ninety (90) days prior to the commencement of either the Fourth, Fifth or Sixth rental period, then the same shall be determined by three impartial real estate appraisers, one to be appointed by each of Developer and the Board of Directors not later than seventy-five (75) days prior to the commencement of such period, and in case either party shall fail to appoint such appraiser, the party who has named an appraiser may apply to a Judge of the Circuit Court of the First Circuit of the State of Hawaii requesting him or her to appoint a second appraiser, and the two appraisers thus appointed, in either manner, shall appoint the third appraiser, and in case the two appraisers so appointed shall fail to agree within ten (10) days on the appointment of a third appraiser, either party may apply to such Judge to appoint a third appraiser, and the three appraisers so appointed shall thereupon proceed to determine the fair market rental value. The unanimous decision of such appraisers, or a decision by a majority of them, shall be final, conclusive and binding upon the parties; PROVIDED, HOWEVER, that if the appraisers shall fail within a reasonable time to reach such a decision on the matter in question, the matter shall be determined by three new appraisers appointed in the same manner as aforesaid, and this process shall be repeated until a decision is finally

reached; and PROVIDED, FURTHER, that the costs of the arbitration shall be divided as follows:

Developer shall pay for its appointee and one-half of all other legitimate costs of said appraisal, and the Apartment Owner shall pay his proportionate share of the cost of appointee and one-half of all other his legitimate costs of the appraisal; PROVIDED, ALSO, that all attorneys' fees and witnesses' fees shall be borne by the respective parties incurring them.

If and whenever the fixing of such fair market rental value is under arbitration, the Apartment Owner, pending the determination thereof, shall continue to pay the same rental which he had been paying during the previous rental period, and shall promptly pay the deficiency, if any, upon the conclusion of the arbitration proceedings.

Permitted Alterations to Apartments

Paragraph 18 of the Declaration provides:

"Restoration or replacement of the Project or of any building, or construction of any additional building or structural alteration or addition to any structure, different in any material respect from the Condominium Map, shall be undertaken by the Association or any Apartment Owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the Apartment Owners and accompanied by the written consent of the holders of first mortgages covering seventy-five percent (75%) of the Apartments in the Project or such higher percentage as may be required by the Act, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement, construction, alteration or addition, the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; provided, however, that notwithstanding any provision in this Declaration to the contrary, nonmaterial structural additions to the common elements, or any alterations or additions within an Apartment or within a limited common element appurtenant to and for the exclusive use of such Apartment which do not alter any of the characteristics of such Apartment or limited common element contained in Exhibit B shall require the written consent thereto and the written approval of the Apartment Owner's plans therefor by only the holders of all liens affecting such Apartment (if the lien holders require such consent and approval), the Board and all other Apartment Owners thereby directly affected (as determined by the Board), and may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered. 'Nonmaterial structural additions', as used herein, shall mean a structural addition to the common elements which does not jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any nonconsenting Owner of the use or enjoyment of any part of the Project or directly affect any nonconsenting Owner."

EXHIBIT "C"

Parking Stall Assignments

<u>Apartment Number</u>	<u>Parking Stall Number</u>
101	41
102	26
103	40
104	27
105	39
106	38
108	28
109	37
110	29
111	30
112	23
113	24
114	25
201	5
202	6
203	7
204	8
205	9
206	36
207	35
208	34
209	31
210	32
211	33
212	20
213	21
214	22
301	1
302	2
303	3
304	4
305	10
306	11
307	12
308	13
309	14
310	15
311	16
312	17
313	18
314	19

EXHIBIT "D"

Compliance with Building Code and
Municipal Regulations: Cost to Cure Violations

Paragraph 20 of the Declaration provides:

"The Project may be a nonconforming structure because it contains compact parking stalls rather than standard parking stalls. Additionally, the Project may be a nonconforming structure for other reasons which the Developer is not presently aware of. Therefore, a variance may be required to rebuild in the event of a major casualty. However, to the best of the Developer's knowledge, information and belief, the Project is in compliance with all ordinances, codes, rules, regulations or other requirements of the City and County of Honolulu in force at the time of its construction, and no variances have been granted from any ordinance, code, rule, regulation or other requirement of the City and County of Honolulu in force at the time of its construction or from any current ordinance, code, rule, regulation or other requirement of the City and County of Honolulu."

The Developer makes no representation regarding the cost required to cure any violations of the building code or municipal regulations.

Common Elements

Paragraph 5 of the Declaration provides:

"One freehold estate is hereby designated in all remaining portions and appurtenances of the Project, herein called the 'common elements', including specifically, but not limited to:

- a. The Land in fee simple.
- b. All foundations, floor slabs, sewers, columns, girders, beams, supports, unfinished perimeter walls, load-bearing walls and roofs.
- c. The swimming pool, concrete pool deck, pool pump and filter shed, all grounds, trees, gardens, landscaping, planters, entries and the central courtyard.
- d. The laundry room, electrical room and maintenance and storage area located on the first floor of Building A.
- e. All fences, yards and gates.
- f. All refuse containers on the grounds of the Project.
- g. All roads, parking areas, driveways, walkways, stairways, storage areas under stairways, building entries and corridors.
- h. All ducts, electrical equipment, wiring, pipes and other central 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 television signal distribution.
- i. Any and all other appurtenant installations of common use and all other parts of the Project necessary and convenient to its existence, maintenance and safety or normally in common use."

Percentage Interests in Common Elements

<u>Apartment Number</u>	<u>Percentage of Common Interest</u>
101	2.440
102	2.439
103	2.439
104	2.439
105	2.439
106	2.439
108	2.439
109	2.439
110	2.439
111	2.439
112	2.439
113	2.439
114	2.439
201	2.439
202	2.439
203	2.439
204	2.439
205	2.439
206	2.439
207	2.439
208	2.439
209	2.439
210	2.439
211	2.439
212	2.439
213	2.439
214	2.439
301	2.439
302	2.439
303	2.439
304	2.439
305	2.439
306	2.439
307	2.439
308	2.439
309	2.439
310	2.439
311	2.439
312	2.439
313	2.439
314	2.439

EXHIBIT "G"

Encumbrances Against Title

A Status Title Report (the "Title Report"), dated August 19, 1986, issued by Title Guaranty of Hawaii, Incorporated, states that the Project is subject to the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Easement in favor of the City and County of Honolulu for sanitary sewer, as shown on File Plan No. 969.
3. Grant dated April 1, 1966, in favor of the City and County of Honolulu, recorded in said Bureau in Book 6496, at Page 92, granting an easement over said Easement "2".
4. Mortgage, dated February 13, 1986, executed by the Savios in favor of First Hawaiian Creditcorp, Inc., recorded in the Bureau in Book 19293, at Page 368.
5. Second Mortgage, dated February 13, 1986, executed by the Savios in favor of First Hawaiian Creditcorp. Inc., recorded in the Bureau in Book 19293, at Page 386.
6. Mortgage, dated February 14, 1986, executed by the Savios in favor of Lloyd Pearson Carlos and Mary Louise Carlos, recorded in the Bureau in Book 19293, at Page 408.
7. Declaration of Horizontal Property Regime of the Project, dated August 14, 1986, recorded in the Bureau in Book 19769, at Page 408, as amended. The Project is covered by Condominium Map No. 1029.
8. Bylaws of the Association of Apartment Owners, dated August 14, 1986, recorded in the Bureau in Book 19769, at Page 500, as amended.
9. For Real Property Taxes due and payable reference is made to the Director of Finance, City and County of Honolulu.

The Title Report also states that the following agreements should be noted with respect to the property:

- a. Agreement dated January 22, 1965, recorded in Book 5103, at Page 444, by and among Pacific International, Inc. and Arakawa's of Waipahu, Inc., both Hawaii corporations, Magba, Inc., a Hawaii corporation, and Leeward Development Corporation, a Hawaii corporation.

b. Agreement dated October 11, 1967, effective as of January 1, 1966, recorded in Book 5851, at Page 456, by and among Pacific International, Inc. and Arakawa's of Waipahu, Inc., both Hawaii corporations, Magba, Inc., a Hawaii corporation, and Leeward Development Corporation, a Hawaii corporation.

The interest of Pacific International, Inc., a Hawaii corporation, was assigned to First Hawaiian Bank, Trustee for Matsuo Takabuki HR-10 Plan, by instrument dated November 30, 1973, recorded in Book 9720, at Page 146.

By Subordination Agreement dated September 5, 1967, recorded in Liber 5851 at Page 462, said Agreement recorded in Book 5851, at Page 456 was subordinated to the lien of any bona fide mortgagee.

c. Agreement dated June 26, 1974, recorded in Book 9997, at Page 569, by and among First Hawaiian Bank, Trustee for Matsuo Takabuki HR-10 Plan and Arakawa's of Waipahu, Inc., both Hawaii corporations, Magba, Inc., a Hawaii corporation, and Blackfield Hawaii Corporation, a Hawaii corporation.

Under the terms of the agreements listed above, the Developer must pay approximately \$1767.00 to Magba, Inc. ("Magba") each year until the agreements terminate on December 31, 1989. Therefore, the total sums due to Magba from the Developer is approximately \$7068.00. The Developer is presently negotiating with Magba to prepay the present value of that sum. (Assuming a discount rate of 8%, the amount of the prepayment would equal approximately \$6000.00). Because the agreements may constitute blanket liens pursuant to Section 514A-18, Hawaii Revised Statutes, the Developer will prepay this sum prior to the conveyance of the first apartment in the Project. Accordingly, the agreements listed above as a, b and c will be released with respect to the Project upon such prepayment. The Developer has agreed to make the prepayment on the condition that each apartment purchaser shall have the obligation to pay to the Developer at closing its pro-rata share (1/41) of such prepayment.

Each of the mortgages listed above (encumbrances no. 4, 5 and 6) will be partially released with respect to an individual apartment concurrently with the conveyance of that apartment to a purchaser.

LEOLUA VISTA
ESTIMATED MAINTENANCE BUDGET

Accounting and Legal Fees	\$ 600.00
Annual Meeting	120.00
Insurance-Multi Peril	3,180.00
Insurance-Medical	780.00
Insurance-E&O	500.00
Management Fee	5,040.00
Miscellaneous Expenses	660.00
Utilities - Electric	5,100.00
Refuse	2,520.00
Water & Sewer	6,600.00
Building Maintenance/Repairs	6,000.00
Pool Maintenance/Repairs/Supplies	2,100.00
Payroll-Maintenance	4,200.00
Supplies-Grounds	120.00
Gross Excise & Licenses	96.00
Taxes-Payroll	420.00
General & Administrative-Service	1,500.00
Reserve for Replacement-Painting	5,400.00
Roof	2,800.00
Parking	<u>1,464.00</u>
 Total Estimated Annual Maintenance Budget	 <u>\$49,200.00</u>

Estimated Maintenance Fee
for Each Apartment

Apartment #	Percentage Interest in Common Elements Per Apartment	Monthly Maintenance Fee Per Apartment (Estimated)
101	2.440	\$100.00
102-114	2.439	100.00
201-214	2.439	100.00
301-314	2.439	100.00

Thus, the Yearly Maintenance Fee (Estimated) per each apartment is \$100.00 x 12 = \$1,200.00.

PROFESSIONAL ISLAND MANAGEMENT, LTD., as managing agent for the Leolua Vista condominium project, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

PROFESSIONAL ISLAND MANAGEMENT, LTD.

By *Clarence Lopez*
Its

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

EXHIBIT "I"

Construction Warranties

Paragraph 15 of each of the two types of Deposit Receipt, Sales Contract used in connection with the Project is entitled Seller's Disclaimer of Warranties and provides:

- "a. No Warranties of Seller. THE BUYER UNDERSTANDS AND AGREES THAT THE SELLER IS DISCLAIMING ANY WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN. EACH APARTMENT WILL BE DEEMED TO BE SOLD "AS IS", AND THE SELLER WILL NOT BE LIABLE TO THE BUYER FOR ANY CONSTRUCTION OR OTHER DEFECTS, INCLUDING ANY LATENT OR HIDDEN DEFECTS IN THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN. THIS MEANS THAT THE BUYER WILL NOT HAVE THE RIGHT TO FILE ANY LAWSUIT FOR DAMAGES AGAINST THE SELLER FOR ANY DEFECTS LATER DISCOVERED BY THE BUYER."

Summary of Sales Contract Provisions

Each of the two types of Deposit Receipt, Sales Contract (collectively, the "Sales Contract") used in connection with the Project contains, among other things, acknowledgments by each purchaser that: (i) Time is of the essence in the Sales Contract, and if Purchaser fails to perform any obligations required in the Sale Contract, the Developer may, upon written notice of 10 days, terminate the Sales Contract and keep all sums previously paid by Purchaser as liquidated damages; (ii) that the Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; (iii) that the purchaser acknowledges that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project; (iv) that the purchaser's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Developer in favor of any lending institutions to secure one or more loans for the purpose of completing the conversion of the Project; (v) that the Project and the apartment and anything installed or contained therein are being sold on an "AS IS" basis, without any warranties, express or implied; (vi) that the apartments in the Project may currently be occupied by tenants, and that it is the responsibility of the purchaser and not the Developer to evict any tenants in the purchaser's apartment; and (vii) that the Developer has the right to cancel the Sales Contracts if the Developer is unable to sell at least thirty-five (35) Apartments in the Project or is unable to complete the conversion of the Project for any reason beyond the Developer's control.

Summary of Escrow Agreement Provisions

Among other provisions, the Escrow Agreement dated April 1, 1986, executed by the Developer and Title Guaranty Escrow Services, Inc., as amended by an instrument dated August 20, 1986 (the Escrow Agreement, as amended, is referred to as the "Escrow Agreement"), provides that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, and upon the terms and conditions provided for in the Sales Contract, if any one of the following has occurred:

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

(b) The Developer shall have notified Escrow of the 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 the Developer; or

(c) The Developer and the purchaser shall have requested Escrow in writing to return to the purchaser the funds of the purchaser held under the Escrow Agreement by Escrow because:

(1) The purchaser has been unable to obtain adequate financing or a commitment for adequate financing, for the purchase of his apartment unit, within forty-five (45) calendar days following the end of the ten (10) day calendar period during which the Developer is limited to selling to owner-occupants, as required by Chapter 514A, Part VI, Hawaii Revised Statutes, or

(2) The purchaser desires to cancel the Sales Contract because of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes, or because the purchaser indicates an intent not to become an owner-occupant of the apartment unit covered by the Sales Contract.

In any of the foregoing events, Escrow shall, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee to Escrow of not less than \$25.00 per apartment or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon the Sales Contract and any Apartment Deed or Condominium Conveyance Document theretofore delivered to Escrow shall be returned and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by the Developer of written notice from Escrow of its intent to make such refund.