

**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**

LEOLUA VISTA

94-030 Leolua Street

Waipahu, Hawaii 96797

REGISTRATION NO. 1748 (CONVERSION)

**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: April 7, 1986

Expires: May 7, 1987

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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 19, 1986 AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 24, 1986. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

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

2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners and the Condominium Map will be recorded in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.
4. No advertising or promotional materials have been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report expires thirteen (13) months after issuance, April 7, 1986, unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is part of the registration of LEOLUA VISTA. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and securing a signed copy of the receipt therefor.

NAME OF PROJECT: LEOLUA VISTA.

LOCATION: The Project is located at 94-030 Leolua Street, Waipahu, Hawaii 96797 and has a gross land area of approximately 39,000 square feet.

TAX KEY: 9-4-47:18(1).

ZONING: The subject property is zoned A-2 Apartment District, a residential classification intended to provide areas for medium density multiple family structures. The Project may be a non-conforming structure because it contains compact parking stalls rather than standard parking stalls. Additionally, the Project may be a non-conforming structure for other reasons which the Developer is presently not aware of. Therefore, a variance may be required to rebuild in the event of a major casualty.

DEVELOPER: SAVIO DEVELOPMENT CO., INC., a Hawaii corporation, whose principal place of business and post office address is 931 University Avenue, Suite 301, Honolulu, Hawaii 96826. The officers of the corporation are: Peter

B. Savio, President and Treasurer; Mary V. Savio, Vice President and Secretary.

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Edward R. Brooks and William C. Byrns), Suite 1000, 1000 Bishop Street, P. O. Box 939, Honolulu, Hawaii 96808 (telephone: (808) 521-9200).

DESCRIPTION OF PROJECT: The proposed Project contains forty-one (41) residential apartments in two three-story buildings. Building A contains 23 apartments; Building B contains 18 apartments. There are forty-one (41) parking stalls in the Project; each stall is appurtenant to an apartment in the Project. The Project and the apartments are more particularly described in Exhibit "A" appended hereto and made a part hereof.

Each Apartment shall be deemed to include: (i) all the walls, columns and partitions which are not load-bearing within its perimeter walls, (ii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iii) any doors, door frames windows or window frames along the perimeters, and (iv) the airspace within the perimeters, (v) all fixtures installed therein. The respective Apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter (party and non-party) walls, (b) the interior load-bearing columns, girders, beams and walls, (c) the undecorated or unfinished floors and ceilings surrounding each Apartment, or (d) any pipes, shafts, wires, conduits or other utility or service lines running through such Apartment which are utilized for or serve more than one Apartment, the same being deemed common elements as hereinafter provided.

COMMON ELEMENTS: One freehold estate is hereby designated in all remaining portions and appurtenances of the Project, 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.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called and designated "limited common elements", are set aside and reserved for the exclusive use of certain Apartments and such Apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements shall consist of:

a. One automobile parking stall bearing the number set forth in Exhibit "B" appended hereto and made a part hereof shall be appurtenant to and for the exclusive use of each Apartment.

b. One mailbox bearing the number corresponding to the number of an Apartment shall be appurtenant to and for the exclusive use of the Apartment having such number.

INTEREST TO BE CONVEYED TO PURCHASER: 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. Interests in each Apartment will be transferred by the Developer to each buyer under an Apartment Deed, consisting of a deed to the Apartment and its appurtenant undivided percentage interest in the common elements.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The proposed Declaration provides that each Apartment shall be occupied and used only for residential purposes and no Apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The Apartments shall not be rented by the Owners thereof for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty days, or (ii) any rental in which the occupants of the Apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnishing of laundry and linen, and bellboy service. Neither the Apartments nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an Apartment or Apartments in

the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Other than the foregoing obligations, the Owners of the respective Apartments shall have the absolute right to lease the same, provided that such lease covers an entire apartment, is in writing and is made subject to the covenants and restrictions contained in the Declaration and Bylaws.

The Bylaws provide, in part, that no livestock, poultry, rabbits, dogs, cats or other animals whatsoever shall be allowed or kept in any part of the Project, except as authorized by the Board of Directors.

OWNERSHIP OF TITLE: A Preliminary Report (the "Preliminary Report") dated February 18, 1986, issued by Title Guaranty of Hawaii, Inc., states that fee simple title to the land is held by Peter B. Savio and Phyllis D. Savio (collectively, the "Savios"). Prior to the recordation of the Declaration of Horizontal Property Regime, the Savios will convey fee simple title to the land to the Developer.

ENCUMBRANCES: The Preliminary Report dated February 18, 1986 states that the title to the property 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. 964, and recorded in the Bureau in Book 6496 at Page 92.

3. Grant dated April 1, 1966, in favor of the City and County of Honolulu, recorded in said Bureau in Book 6496, 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. For Real Property Taxes due and payable reference is made to the Director of Finance, City and County of Honolulu.

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

a. Agreement dated January 22, 1965, recorded in Liber 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 Liber 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 Liber 9720 at Page 146.

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

c. Agreement dated June 26, 1974, recorded in Liber 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 Savios 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 Savios 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.

PURCHASE MONEY HANDLING: A copy of: (i) a specimen form of Deposit Receipt and Sales Contract for the Apartments (the "Sales Contract"), and (ii) an executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated March 18, 1986, identifies Title Guaranty Escrow Services, Inc. as "Escrow." Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections

514A-37, 39 and 63. A prospective purchaser should carefully examine the form of the Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement.

Among other provisions, 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 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.

The Sales Contract, among other things, contains acknowledgments by each purchaser: (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.

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 SAVIO REALTY, LTD., whose principal place of business and post office address is 931 University Avenue, Suite 301, Honolulu, Hawaii 96826.

STATUS OF PROJECT: THE PROJECT IS A CONDOMINIUM CONVERSION. THE BUILDING AND APARTMENTS WERE CONSTRUCTED IN 1968. A LETTER DATED FEBRUARY 20, 1986 FROM THE BUILDING DEPARTMENT, CITY AND COUNTY OF HONOLULU VERIFIES THAT THE PROJECT MET ALL CODE REQUIREMENTS AT THE TIME OF CONSTRUCTION AND NO VARIANCES OR SPECIAL PERMITS WERE GRANTED TO ALLOW DEVIATIONS FROM ANY APPLICABLE CODES. THE PROJECT, THE APARTMENTS AND ANYTHING INSTALLED OR CONTAINED IN THE APARTMENTS ARE BEING SOLD IN "AS IS" CONDITION, AND THE DEVELOPER WILL NOT MAKE ANY CORRECTIONS TO THE PROJECT OR APARTMENTS OR ANYTHING INSTALLED AS CONTAINED THEREIN, AND SHALL NOT BE LIABLE FOR OR OBLIGATED TO CORRECT ANY CONSTRUCTION OR OTHER DEFECTS IN THE PROJECT OR APARTMENTS OR ANYTHING INSTALLED OR CONTAINED THEREIN, WHETHER OR NOT SUCH DEFECTS ARE HIDDEN OR LATENT. THE DEVELOPER DISCLAIMS ANY AND ALL WARRANTIES,

EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT, THE APARTMENTS OR ANYTHING INSTALLED OR CONTAINED THEREIN, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

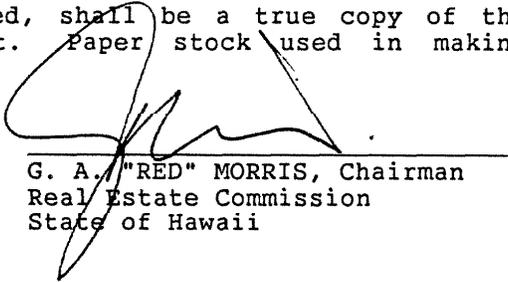
NOTE: THERE MAY BE, AMONG OTHER REQUIREMENTS, ZONING CODES, BUILDING CODES AND LAND USE LAWS PRECLUDING THE PURCHASER OR THE PROSPECTIVE PURCHASER FROM REBUILDING OR MAKING CHANGES TO THE PROPERTY SUBMITTED HEREIN FOR REGISTRATION AS A CONDOMINIUM PROJECT. PURCHASER OR PROSPECTIVE PURCHASER SHOULD ACQUAINT HIMSELF WITH SUCH REQUIREMENTS AT THE APPROPRIATE GOVERNMENT AGENCIES.

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The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted March 19, 1986 and information subsequently filed as of March 24, 1986.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1748 filed with the Commission on March 19, 1986.

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



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

Distribution:

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

Registration No. 1748

April 7, 1986

## Physical Description

### A. The Project.

The Project consists of two (2) three-story buildings, with no basements, and forty-one (41) on-site parking stalls, all of which are uncovered. All parking stalls are limited common elements. All parking stalls are compact stalls. The buildings are located at 94-030 Leolua Street and are arranged in a U-shaped configuration surrounding a common courtyard. Building A is adjacent to the northeast and northwest boundaries of the Project. Building B is adjacent to the southwest boundary of the Project. The buildings of the Project are constructed of concrete and hollow tile. There are forty-one (41) apartments in the Project.

### B. The Apartments.

Building A contains twenty-three (23) apartments and Building B contains eighteen (18) apartments. There are seven apartment on each floor in each building except the first floor in Building A contains only six apartments. Each first floor apartment in the Project has immediate access to the courtyard. All other apartments in the Project have immediate access to a corridor which has a stairwell or stairwells leading to the central courtyard. Building A contains two (2) stairwells which are located at each end of the building. Building B contains one (1) stairway which is located at the northern end of the building.

Each apartment in the Project contains two bedrooms, one bath, no lanai, and approximately 702 square feet of interior floor area. Entry is by way of the living room, which leads directly to the kitchen. Bedrooms and the bathroom are accessible through a short hallway leading from the living room. Typical kitchen appliances include a refrigerator/freezer, a range/oven, and disposal. The bathrooms in the apartments contain a bathtub/shower and toilet. Each apartment has an individual water heater.

The common interest of the apartments were determined by dividing the total common interest in the Project (100%) by the number of apartments (41) in the Project, so that each apartment has been assigned an appurtenant interest of 2.439%, except that Apartment No. 101 has been assigned an appurtenant interest of 2.440% so that the sum of all common interests will be 100%.

Parking Stall Assignments and  
Percentage Interests in Common Elements

<u>Apartment Number</u>	<u>Parking Stall Number</u>	<u>Percentage of Common Interest</u>
101	41	2.440
102	26	2.439
103	40	2.439
104	27	2.439
105	39	2.439
106	38	2.439
108	28	2.439
109	37	2.439
110	29	2.439
111	30	2.439
112	23	2.439
113	24	2.439
114	25	2.439
201	5	2.439
202	6	2.439
203	7	2.439
204	8	2.439
205	9	2.439
206	36	2.439
207	35	2.439
208	34	2.439
209	31	2.439
210	32	2.439
211	33	2.439
212	20	2.439
213	21	2.439
214	22	2.439
301	1	2.439
302	2	2.439
303	3	2.439
304	4	2.439
305	10	2.439
306	11	2.439
307	12	2.439
308	13	2.439
309	14	2.439
310	15	2.439
311	16	2.439
312	17	2.439
313	18	2.439
314	19	2.439

Exhibit "B"

LEOLUA VISTA

DISCLOSURE ABSTRACT

(Section 514A-61, Hawaii Revised Statutes)

1. Name of Project: Leolua Vista  
94-030 Leolua Street  
Waipahu, Hawaii 96797
- Developer: Savio Development Co., Inc.  
931 University Ave., Ste. 301  
Honolulu, Hawaii 96826  
Telephone: (808) 942-7701
- Project Manager: Savio Realty, Ltd.  
931 University Ave., Ste. 301  
Honolulu, Hawaii 96826  
Telephone: (808) 942-7701

2. Maintenance Fees:

Attached is a proposed operating budget prepared by the Developer as of March 14, 1986. As indicated in the operating budget, the annual maintenance fee estimated for the entire Project is \$49,200.00. Based on the percentage common interest appurtenant to the apartments as described in the Declaration, the monthly estimated maintenance fee for each apartment is set forth in the attached budget. The maintenance fees cover the "common expenses" as defined in the Bylaws of the Association of Apartment Owners of Leolua Vista.

Because the Association of Apartment Owners will be newly organized and will have no history of operation, the Developer can make no assurances regarding the estimated maintenance fees. In addition, such variables as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may also cause the maintenance fees to be greater or lesser than the estimated maintenance fees. The attached breakdown of the estimated costs for each apartment does not include the purchaser's obligations for the payment of real property taxes or mortgage loans.

3. Warranties:

The Project consists of forty-one (41) apartments contained in two (2) three-story buildings, without basements. The buildings were constructed in 1968. The Project, the apartments and anything installed or contained therein are being sold on an "As Is" basis, without any warranties whatsoever, express or implied. Paragraphs 14 and 15 of the Deposit Receipt and Sales Contract provide as follows:

\*14. Apartment Being Sold "As Is". THE APARTMENTS AND THE STRUCTURES WHICH ARE LOCATED AT 94-030 LEOLUA STREET WERE INITIALLY CONSTRUCTED IN 1968. THE APARTMENT AND THE PROJECT ARE NOW BEING SOLD IN "AS IS" CONDITION. THIS MEANS THAT THE SELLER SHALL NOT CORRECT ANY DEFECTS IN THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN. THE EXISTENCE OF ANY DEFECT IN THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN SHALL NOT EXCUSE THE BUYER'S OBLIGATION TO PERFORM ALL OF HIS OBLIGATIONS UNDER THIS CONTRACT.

\*15. Seller's Disclaimer of Warranties.

a. No Warranties of Seller. THE BUYER UNDERSTANDS AND AGREES THAT THE SELLER IS DISCLAIM-ING ANY WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF HABITABIL-ITY, MERCHANTABILITY OR FITNESS FOR A PARTICU-LAR 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 ANY-THING 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.

b. Seller's Disclaimer as Essential Factor for Low Purchase Price. THE BUYER ACKNOWLEDGES AND AGREES THAT THE SELLER'S DISCLAIMER OF WARRANTIES IS AN ESSENTIAL ELEMENT IN THE DETERMINATION OF THE LOW PURCHASE PRICE FOR THE APARTMENT BEING SOLD TO THE BUYER. THIS MEANS THAT THE APARTMENT WOULD NOT HAVE BEEN SOLD TO THE BUYER FOR THE AMOUNT OF THE PUR-CHASE PRICE STATED IN THIS CONTRACT WITHOUT THE SELLER'S DISCLAIMER OF WARRANTIES."

#### 4. Apartments:

There are forty-one (41) apartments contained in the buildings. The apartments in the Project may be used only for residential purposes and may not be used as a tene-ment or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The apartments shall not be rented for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty days, or (ii) any rental in which the occupants of the apartment are provided customary hotel services. The apartments shall not be sold, leased, rented or used for any "time-sharing" or related or similar pur-pose. The Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of the apartments in the Project. 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. The Developer hereby expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project.

5. Commercial Development:

The Project contains no commercial development.

6. Existing Structure:

The present condition of the structural components and mechanical and electrical installations material to the use and enjoyment of the Project are described in the reports appended hereto.

No representations are made by the Developer with respect to the expected useful life of the structural components or the mechanical and electrical installations in the Project.

7. Common Expenses.

The Developer shall assume all the actual common expenses of the Project and an apartment owner shall not be obligated for the payment of his or her respective share of the common expenses until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which shall provide, that after a date certain, the respective apartment owners shall thereafter be obligated to pay for the portions of the common expenses which are allocated to their respective apartments.

8. Notices:

As of February 20, 1986, no outstanding notices of uncured violations of building code or other municipal regulations exist.

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	1,464.00
<b>Total Estimated Annual Maintenance Budget</b>	<b><u>\$49,200.00</u></b>

Estimated Monthly 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

The Developer hereby certifies that the foregoing estimated Annual and Monthly Maintenance fee schedules have been based on generally accepted accounting principles.

SAVIO DEVELOPMENT CO., INC.

By: *Peter Savio*  
Its President

Dated: March 14, 1986

**3329 Sierra Drive  
Honolulu, Hawaii 96816  
phone 7374448**

January 27, 1986

Francis Hamabata  
Title Guaranty Excrow  
235 Queen St., 1st Floor  
Honolulu, Hawaii 96813

Subject: Leolua Vista

Dear Francis:

City & County of Honolulu, Department of Land Utilization, DLU, maps show Leolua Vista, TMK:9-4-47:18, to be A-2 Apartment Zoning, Flood Zone D, and no road widening setbacks.

Respectfully submitted,



Ernest M. Umemoto, AIA

cc: Savio Development

**ERNEST M. UMEMOTO AIA**

Architecture / Interior Design / Space Planning / Planning / Graphics

 **Architect**

**3329 Sierra Drive  
Honolulu, Hawaii 96816  
phone 7374448**

January 27, 1986

Peter Savio  
Savio Development Co. Inc.  
931 University Avenue #301  
Honolulu, Hawaii 96826

Subject: Leolua Vista

Dear Peter:

Leolua Vista, TMK:9-4-47:18, Lot 8, 94-030 Leolua Street, was visited on January 27, 1986. Attached are the field conditions reports from the Structural, Mechanical and Electrical Engineers. Two typical units were entered.

The two building complex (one building is actually an ell connection of two structures) has three-stories and contains 41 apartments. The building is being used as an apartment. The following were noted:

- 1) Space under two stairways were being used for common area storage.
- 2) Paint and other combustibles are stored in a maintenance room without special fire compartmentalization.
- 3) The pool is fenced with a fence under six feet (mostly 5' high).
- 4) Gate to the pool has double sided lock but no positive acting closure.
- 5) Hedging prevents visual observation of the pool deck from units' windows.
- 6) Bedroom window sills are 4'-6" above the floor.
- 7) The units are not equipped with fire alarms.
- 8) No peep holes in entry doors and no special security locksets.
- 9) The walkways are 4'-3" wide with 3' high rails. Recommend they be made 3'-6" high by adding a wood handrail at the top.
- 10) There is 5½" opening between railing verticals.
- 11) The laundry should be equipped with fire extinguisher.
- 12) Concrete chipped and rebar rusted on stairway slab at makai right side.
- 13) Roof access was locked.
- 14) Stairways are 2'-8" clear with handrail on one side only. Should be 3'-8" wide with handrail on both sides.
- 15) Light fixture broken near unit 314. All stairway lights should be checked for switching upon darkness.
- 16) Stairway riser and threads vary more than currently permissible.
- 17) Some entry doors are 8" above concrete landing.

**ERNEST M. UMEMOTO AIA**

Architecture / Interior Design / Space Planning / Planning / Graphics

 **Architect**

Leolua Vista  
January 27, 1986  
Page 2

- 18) Ramp to sidewalk steeper than allowed for exits.
- 19) No loading stalls or guest stalls provided.
- 20) Trash enclosure has a few CMU units broken.
- 21) Sidewalk fence has CMU caps missing.
- 22) Pool deck slab has cracks.
- 23) There are a few areas in the walkways where a crack, uneven joint, or slippery surface may cause a pedestrian to slip and fall. Uneven night lighting and dirt/fungus accumulation may aggravate the problem.

The building is well maintained and does provide for the needs of the intended use.

Very truly yours,

  
Ernest M. Umemoto, AIA

RECEIVE

JAN 17 1986

January 16, 1986

Umemoto Archit

Alii Vista, 94-030 Leolua Street, Waipahu, Hawaii

Electrical Condition Report - January 7, 1986

Electrical Power

This three-building, three-story concrete block project, built in 1968, contains 41 apartment units. Power is provided via a Hawaiian Electric Company-owned transformer on an outside pad at the Ewa end of Building B to an electrical equipment room in Building B. This room contains two, two-pole 600 Amp fused main disconnect switches, meter centers for all of the units, two house meters, a fire alarm control panel, and telephone and TV cabinets.

Each apartment unit has a meter and 100 Amp two-pole circuit breaker in the electrical room feeding an electrical panel in the unit.

One house meter provides a 150A service to a panel in the adjacent laundry room which serves the 4.5KW water heater and four dryers.

Another meter in the electrical room serves a group of small house panels feeding corridor and stairwell lighting, parking lot security lighting, several time clocks for this lighting, the washers in the laundry room, pool pump and lighting and an Edwards fire alarm panel.

All of the equipment in the electrical room, with the exception of the fire alarm panel, is in good condition. The fire alarm panel cabinet is severely rusted, and should be sanded and painted to prevent further deterioration.

The connected load on the panel in the laundry room slightly exceeds the allowable connected load for the panel rating. The 150A circuit breaker for this panel exceeds the rating of the panel and must be replaced with a 125A breaker. No additional electrical loads may be connected to the existing laundry room panel.

The receptacle is broken and the cover plate is missing for the Mauka washing machine adjacent to the sink.

Hazardous wiring methods have been used to add lighting fixtures in the Building B storeroom/workroom. These fixtures should be rewired by a licensed electrician.

Each apartment unit is served by a 100A, 12 circuit loadcenter. The receptacle in the bathroom light above the sink is not GFI protected. Two apartments were inspected. The disposal in #307 is jammed and the bathroom light switchplate is missing. The cable entry into the water heater in #308 is not protected with a cable clamp.

### Fire Alarm System

A manual fire alarm system, with pull stations at each exit stairwell on each floor, employs a bell on Building A and a bell on Building B. The system receives regular servicing, was recently serviced by Alii Fire Protection Company, and was found to be in satisfactory working condition. As previously noted, the control panel needs painting.

### Security Lighting

Corridor and stairwell lighting is provided by FL-type fluorescent fixtures. This lighting system is approximately one year old. Several of the lamps are not working and at least one of the lenses is broken. There is no battery-operated emergency lighting.

Common area lighting is minimal, being provided by several incandescent spotlights atop the buildings. There are four 250W quartz floodlights at the entrance driveways which provide adequate lighting in this area.

### Swimming Pool

The switchplate is missing from the pool pump switch in the pumphouse. The cover is missing from the small junction box at the Diamond Head end of the pool. The missing switchplate and box cover must be replaced.

This project complied with electrical codes in effect at the time of construction, with the exception of the oversized laundry room panel main breaker.

January 7, 1986

Ernest Uemoto, AIA  
3329 Sierra Drive  
Honolulu, Hawaii 96816

Project: Alii Vista Apartments  
94-030 Leolua Street  
Waipahu, Hawaii

\*\*\*\*\*  
OBSERVATION REPORT  
\*\*\*\*\*

A site observation of two typical units for the above project was conducted on January 7, 1986 specifically for the mechanical systems. The following observations and comments are offered:

This apartment building is approximately 18 years old and consists of forty-one two bedroom apartment units. The complex consists of three buildings each with three stories, ground level central parking and a swimming pool.

A typical two bedroom apartment unit observed had the following plumbing fixtures: A double compartment stainless steel kitchen sink with disposal, electric range, electric water heater, a water closet, an oval counter lavatory, and a bathtub/shower.

Apartment unit no. 308: The plumbing fixtures were old and generally obsolete but in useable condition. The fixtures showed sign of the lack in maintenance cleaning, like toilet bowl rings. The water closet seat showed signs of wear with the thin paint exposing the base. The bathtub/shower seemed in good condition. The water heater was a 30 gallon American Appliance manufactured.

Apartment unit no. 307: Condition of plumbing fixtures generally in useable condition as other unit no. 308. Noted that tub/shower valve assembly had a badly tarnished finish and the bathtub looked new and recently replaced. The water closet bowl finish was badly scoured and the toilet seat finish was bad. The oval counter lavatory drain outlet area was rusted. The water heater was a 30 gallon American Appliance manufactured.

Generally, it seems that the plumbing fixtures being about 18 years old will require more frequent replacements and repairs. The unobservable plumbing piping system is anticipated to require above normal repairs in the future also.

Generally all of these comments should apply to all of the other units within this building complex since they are all typical and used as rental units.

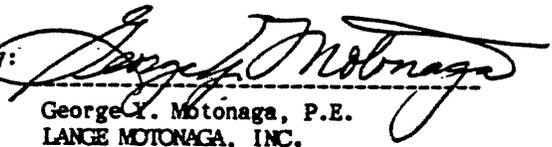
Building "A" had two fire hose cabinets (FHC) with fire extinguisher (FE) located per floor. Broken glass panels were noted for the third floor makai, and first floor makai ones. Broken FE plastic enclosures were noted for the first and third floor mauka ones. Building "B" had one FHC with FE located per floor. Broken glass panel was noted on the second floor one. Broken FE plastic enclosures were noted for the first and second floor ones. Building "C" had one FHC with FE located per floor. Broken FE plastic enclosures were noted for the first and third floor ones.

The swimming pool equipment looks to be in good condition and operational. The sand filter was a STA-RITE model 9463005, 100 gpm. The pump was a MAX-E Glass, 3/4 hp circulating pump.

Some existing landscape sprinkler piping was noted but operation was unknown.

All plumbing systems observed were in useable condition and functional for the intended purpose. Overall, the mechanical maintenance for this building has been good, but due to its age and useage, above normal maintenance should be anticipated as it approaches closer to the economic life of the systems.

Submitted by:

  
George X. Motonaga, P.E.  
LANGE MOTONAGA, INC.

# MARTIN, BRAVO & BRANCHER, INC.

CONSULTING STRUCTURAL ENGINEERS

Suite 2960, Pacific Tower  
1001 Bishop Street  
Honolulu, Hawaii 96813  
(808) 621-4513

John C. Bravo, S.E.  
Peter G. Brancher, S.E.  
John A. Martin, S.E.  
George M. Tsugawa

January 10, 1986

RECEIVED

JAN 14 1986

Umemoto Architect

Savio Realty, Ltd.  
931 University Avenue, Suite 301  
Honolulu, Hawaii 96826

Attention: Mr. Peter Savio

Subject : Structural Inspection for Alii Vista Condo Conversion  
94-030 Leolua, Waipahu

Dear Peter:

At 10:00 a.m. January 7, 1986, we accompanied you and other consultants on a cursory inspection of the subject project. A partial half-size set of architectural drawings was made available for our perusal, but no structural drawings were furnished. These drawings were stamped by Ivan Fujinaka, dated September, 1967.

The project consists of three separate, three-story buildings with a total of 41 one-bedroom apartment units. The type of foundation indicated on the drawings is shallow spread footings. All exterior walls (28 feet apart) and party walls (27 feet on center) are 8" concrete masonry units (CMU). A bearing pier 48" long of 8" CMU occurs near the middle of each unit effectively forming a two-way structural system with maximum spans of about 13 feet. The ground floor is a concrete slab on grade, while the second and third floors are reinforced concrete structural slabs cantilevering beyond the front wall to form a single-loaded exterior corridor. The roof slab is basically flat and is reinforced concrete. All stairs are reinforced concrete exposed to the exterior and supported by masonry walls. Repainting of the exterior is in progress (approximately 40 percent completed).

Our inspection included a visual observation around the perimeter of all buildings, as well as interior observations of units 112 and 307 only. No tests or calculations were performed.

In general, we consider the building to be in excellent structural condition, although we have the following observations:

Mr. Peter Savio  
January 10, 1986  
Page Two

1. The original aluminum handrails cantilevered from a pocket in the slab have been repaired previously and some are currently undergoing further repairs. The pocket has consistently spalled out of the edge of the slab, and strengthening has been provided with a vertical aluminum mullion extending from the underside of the roof down to the soffit of the second floor. The connections to this new vertical mullion have been made utilizing a plexiglass material with very small machine bolts.

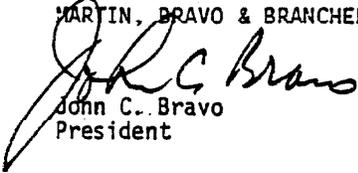
From a structural standpoint, the handrails generally appear to be adequate, but we find many of the small bolts used are rusting, and we do not feel that plexiglass is a conventional structural material.

2. The exposed concrete corridor exhibits some cracking, usually transverse to the traffic flow. This is normal and probably due to shrinkage or thermal expansion and contraction. We see no evidence of structural distress.
3. The roof is flat pitch and gravel with some areas showing cracks in the roofing material, but generally, it is in reasonable condition. At the northeast corner, branches from two trees are sweeping the roof gravel and should be pruned.
4. The swimming pool is generally in good condition. There might have been a crack on the north side that appears to have been repaired (no reported problems). The pool deck has moderate concrete cracking. The water level in the pool indicates perhaps a half inch differential settlement with the water, indicating the pool might have settled slightly towards the makai/ewa corner.

We conclude these structures to have performed satisfactorily from a structural standpoint for the past eighteen years and see no reason why, with normal maintenance and repair, they should not continue to perform satisfactorily. If you have any questions regarding this report, please feel free to call.

Very truly yours,

MARTIN, BRAVO & BRANCHER, INC.

  
John C. Bravo  
President

JCB/jl  
cc: Mr. Ernest Umemoto

BUILDING DEPARTMENT  
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING  
890 SOUTH KING STREET  
HONOLULU, HAWAII 96813

FRANK F. FASI  
MAYOR



HERBERT K. MURAOKA  
DIRECTOR AND BUILDING SUPERINTENDENT

Ex86-12

February 20, 1986

Mr. Peter B. Savio, President  
Savio Development Co., Inc.  
931 University Avenue, Suite 301  
Honolulu, Hawaii 96826



Dear Mr. Savio:

Subject: Condominium Conversion Project  
94-030 Leolua Street  
Tax Map Key: 9-4-47: 18

This is in response to your letter dated January 7, 1986 requesting verification that the two 3-story apartment buildings located at 94-030 Leolua Street met all code requirements at the time of construction.

Investigation revealed that the 3-story apartment building with 18 dwelling units and the 3-story apartment building with 23 dwelling units with a total of 41 off-street parking spaces met code requirements when they were constructed in 1968.

No variances or special permits were granted to allow deviations from any applicable codes.

If you have any questions regarding this matter, please contact Mr. Noboru Taketa of this office at telephone 527-6341.

Very truly yours,

Handwritten signature of Herbert K. Muraoka in cursive.

HERBERT K. MURAOKA  
Director and Building Superintendent

Subscribed and sworn to  
before me this 24<sup>th</sup> day of  
February, 1986.

Lucian Urdwan  
Notary Public, First Judicial Circuit  
State of Hawaii  
My commission expires: 12/13/88