

CONDOMINIUM PUBLIC REPORT

Prepared &  
Issued by:

Developer OCEAN VISTA KNOLLS, LLC  
Address 2721 East Manoa Road, Honolulu, Hawaii 96822

Project Name(\*): 1751 10TH AVENUE  
Address: 1751 10th Avenue, Honolulu, Hawaii 96816

Registration No. 3024 (Conversion)      Effective date: June 8, 2000  
Expiration date: July 8, 2001

Preparation of this Report:

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

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

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

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

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

Type of Report:

\_\_\_\_\_ **PRELIMINARY:** The developer may not as yet have created the condominium but  
(yellow) 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:** The developer has legally created a condominium and has filed  
(white) complete information with the Commission.

- No prior reports have been issued
- This report supersedes all prior public reports
- This report must be read together with \_\_\_\_\_

**THIRD**

  X   **SUPPLEMENTARY:** Updates information contained in the  
(pink)  Prelim. Public Report dated \_\_\_\_\_  
 Final Public Report dated February 14, 1994  
 Supp. Public Report dated June 22, 1998 & Feb. 10, 2000

- And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_  
 This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

(\*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- Required and attached to this report as Exhibit "H"
- Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

THIS PUBLIC REPORT COVERS ONLY APARTMENTS B, C AND D.

1. New location of the boundary lines of the limited common elements appurtenant to Apartments B, C and D;
2. The area of "Common Area" is now 3,219 sq. ft. instead of 3,039 sq. ft.
3. Revisions in size of the limited common elements appurtenant to Apartments B, C and D.

SPECIAL ATTENTION

The Developer has disclosed the following:

- (a) This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines in the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

This public report does not constitute approval of the Project by the Real Estate Commission, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASERS ARE CAUTIONED TO CAREFULLY REVIEW ALL DOCUMENTS REGARDING THIS CONDOMINIUM PROJECT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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## General Information on Condominiums

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

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

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

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

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

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

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

### Operation of the Condominium Project

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

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

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

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Ocean Vista Knolls, LLC  
Name  
2721 East Manoa Road  
Business Address  
Honolulu, Hawaii 96822

Phone: (808) 988-9808  
(Business)

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

Dale Maron - Member Manager  
William Michael Sessions - Member Manager  
Charles David Cullison - Member Manager

Real Estate  
Broker: Savio Realty, Ltd., Better Homes & Gardens  
Name  
931 University Ave., Suite 202  
Business Address  
Honolulu, Hawaii 96826

Phone: (808) 388-7582  
(Business)

Escrow: Island Title Corporation  
Name  
1132 Bishop St., Suite 400  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 526-9171  
(Business)

General  
Contractor: N/A  
Name  
Business Address

Phone: (808)  
(Business)

Condominium  
Managing  
Agent: Self-Managed by the Association  
Name of Apartment Owners  
Business Address

Phone: \_\_\_\_\_  
(Business)

Attorney for  
Developer: Jeffrey S. Grad  
Name  
841 Bishop Street, Suite 1800  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 521-4757  
(Business)

**I      CREATION OF THE CONDOMINIUM  
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

- Proposed
- Recorded - Bureau of Conveyances - Document No. 93-158960  
Book \_\_\_\_\_ Page \_\_\_\_\_
- Filed - Land Court - Document No. \_\_\_\_\_

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

First Amendment recorded as Document No. 98-054991  
Second amendment recorded as Document No. 98-063575  
Third Amendment recorded as Document No. 2000-059742

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

The Condominium Map for this condominium project is:

- Proposed
- Recorded - Bureau of Conveyances Condo Map No. 1933
- Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment to Condominium Map recorded as Document No. 2000-059742

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

The Bylaws for this condominium are:

- Proposed
- Recorded - Bureau of Conveyances - Document No. 93-158961
- Filed - Land Court Condo Map No. \_\_\_\_\_

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

First Amendment recorded as Document No. 98-054992  
Second Amendment recorded as Document No. 2000-059743

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

The House Rules for this condominium are:

Proposed       Adopted       Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

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

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

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

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

2. Developer:

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

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

See attached Exhibit "B"



[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

**B. Underlying Land:**

Address: 1751 10th Avenue Tax Map Key (TMK): (1) 3-3-034-024  
Honolulu, Hawaii 96816

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_

Land Area: 33,525 [ X ] square feet [ ] acre(s) Zoning: R-5

(Fee Owner): Ocean Vista Knolls, C  
Name

2721 East Manoa Road  
Address

Honolulu, Hawaii 96822

Lessor: \_\_\_\_\_  
Name

\_\_\_\_\_  
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 3 Floors Per Building Apt. B:3  
Apt. C: 2  
 Exhibit \_\_\_\_\_ contains further explanations. Apt. D: 1

3. Principal Construction Material:

- Concrete  Hollow Tile  Wood  
 Other \_\_\_\_\_

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>		<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>3</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other-	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?  
 Yes  No

5. Special Use Restrictions:

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

[ x ] Pets: small livestock and pets in reasonable numbers with owners' consent are permitted

[ x ] Number of Occupants: as permitted by City and County Housing Code

[ ] Other: \_\_\_\_\_

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators -0- Stairways -2- Trash Chutes -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf) *</u>	<u>Lanai/Patio(sf)</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Apt. A (see Page 20)</u>						
<u>Apt. B</u>	<u>1</u>	<u>3/2.5</u>	<u>1,679</u>	_____	<u>406</u>	<u>garage</u>
<u>Apt. C</u>	<u>1</u>	<u>3/3</u>	<u>1,158</u>	_____	<u>405</u>	<u>carport</u>
<u>Apt. D</u>	<u>1</u>	<u>2/2</u>	<u>998</u>	_____	<u>150</u>	<u>carport</u>
_____	_____	_____	_____	_____	_____	_____

Total Apartments: 3

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

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

Boundaries of Each Apartment:

Perimeter walls (interior and exterior) foundations, floors and roofs.

Permitted Alterations to Apartments:

See attached Exhibit "A"

7. Parking Stalls:

Total Parking Stalls: 5

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned	<u>5</u>	_____	_____	_____	_____	_____	<u>5</u>
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>5</u>		<u>-0-</u>		<u>-0-</u>		<u>5</u>

Each apartment will have the exclusive use of at least one (1) parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit \_\_\_\_\_ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ X ] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosure(s)

[ ] Other: \_\_\_\_\_

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by \_\_\_\_\_ (Date)

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

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

See attached Exhibit "L"

1. Conformance to Present Zoning

a.  No variances to zoning code have been granted.

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

An Existing Use Permit permits four (4) dwelling units on the property, even though under City and County requirements only 2 dwelling units would be permitted on the property. See Exhibits "J" and "K" attached to this public report.

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

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

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

See attached Exhibits "J" and "K"

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

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

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

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

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

described in Exhibit     C    .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit D

as follows:

Note: Reference to "Dwelling Areas" does not mean legally subdivided lots.

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

described in Exhibit \_\_\_\_\_.

as follows:

Apt. B - 25%  
Apt. C - 25%  
Apt. D - 25%

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

Exhibit F describes the encumbrances against the title contained in the title report dated March 24, 2000 and issued by Island Title Corporation.

Blanket Liens:

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

[ ] There are no blanket liens affecting title to the individual apartments.

[ x ] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgages	Buyer's interest may be terminated by mortgagee but Buyer shall be entitled to return of his deposit, less escrow cancellation fee.

F. Construction Warranties:

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

1. Building and Other Improvements:

Developer is not giving any warranty on the materials and workmanship of the Project.

2. Appliances:

Purchaser shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances in the Apartments.

G. Status of Construction and Date of Completion or Estimated Date of Completion:

Apartments B, C and D were constructed in 1992, 1946 and 1944, respectively.

H. Project Phases:

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

- not affiliated with the Developer
- the developer or the Developer's affiliate
- self-managed by the Association of Apartment Owners
- other \_\_\_\_\_

B. Estimate of Initial Maintenance Fees:

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

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

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

See attached Disclosure Abstract (Exhibit H)

C. Utility Charges for Apartments:

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

- None       Electricity ( \_\_ Common Elements only    \_\_ Common Elements & Apartments)
- Gas        ( \_\_ Common Elements only    \_\_ Common Elements & Apartments)
- Water     Sewer     Television Cable
- Other \_\_\_\_\_

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[ ] Notice to Owner Occupants

[ x ] Specimen Sales Contract

Exhibit G contains a summary of the pertinent provisions of the sales contract.

[ x ] Escrow Agreement dated April 27, 2000

Exhibit H contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other \_\_\_\_\_

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

- 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; AND
- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

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

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

- A) There is a material change in the 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
- B) The buyer has not waived the right to rescind.

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

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

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

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

This Public Report is a part of Registration No. 3024 filed with the Real Estate Commission on May 15, 2000.

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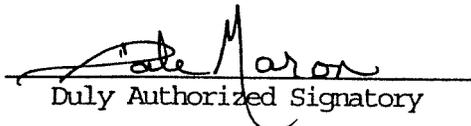
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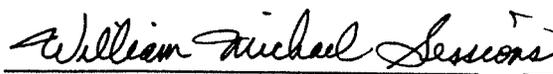
C. Additional Information Not Covered Above

1. Purchasers should read with care Exhibit "K" which amends the existing use permit of January 24 1990, by permitting the removal, reconstruction and significant enlargement of Apartments C and D, but no change to Unit B.
2. Apartment A was previously sold and this Third Supplementary Public Report is for the purpose of enabling the foreclosure purchaser-Developer of the remaining units, Apartments B, C and D, to sell the same to other parties.

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

OCEAN VISTA KNOLLS, LLC  
Name of Developer

By  25 Apr 00  
Duly Authorized Signatory Date

By  \_\_\_\_\_  
Duly Authorized Signatory Date

By  \_\_\_\_\_  
Duly Authorized Signatory Date

Dale Maron, William Michael Sessions and Charles David Cullison  
print name & title of person signing above

Distribution:

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

EXHIBIT "A"

ALTERATION OF PROJECT

Paragraph 15 of the Declaration, as amended, states:

1. "Changes to Apartments. Notwithstanding anything to the contrary contained in this Declaration, an apartment owner, with the consent by the holder of any mortgage affecting the owner's apartment (if required by such mortgage), shall have the right at his sole option at any time and from time to time without the consent of any other person, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his apartment or portions thereof or to make or build improvements upon the limited common element (" Dwelling Area") appurtenant to the apartment (collectively, the foregoing are referred to "changes") subject to the following conditions:

(i) All building plans for any such changes shall be prepared by a Hawaii licensed architect or professional engineer and conform with applicable City and County building, zoning laws and ordinances, applicable State law, and the provisions of Existing Use Permit No. 89/EU-8, as modified by letter dated February 15, 2000.

(ii) All changes to an Apartment must be made within the Dwelling Area which is appurtenant to the apartment.

(iii) No change to an Apartment will be made if the effect of such change would be to exceed the Apartment's 25% share of the allowable floor area or Lot area coverage for the Land, or number of dwelling apartments, as defined by the LUD in effect when the change is to be made. For purposes hereof, "proportionate share" for each Unit shall be a fraction having its numerator the area of the Dwelling Area appurtenant to such Unit and having as its denominator the total area of all of the Dwelling Areas in the Project.

(iv) All such changes shall be at the expense of the Owner making the change and shall be expeditiously made and in a manner that will not unreasonably interfere with the other Owner's use of his apartment or its appurtenant Dwelling Area.

(v) During the entire course of such construction, the Owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured and, upon the request of the Association, evidence of such insurance shall be deposited with the Association or its Managing Agent, if any;

(vi) The Owner of the changed Apartment shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Apartment

affected by such change for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the Project or otherwise materially interfere with their use by the other Owners;

(vii) If the consent to the change or joinder of another owner is required by the Act, then each owner hereby consents in advance to such change.

(viii) Each and every conveyance, lease and mortgage or other lien made or created on any Apartment and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a Dwelling Area shall reserve to each owner the rights set forth in this paragraph.

(ix) This amendment to the Declaration is being imposed on the Land before completion of the contemplated construction of residences on the Dwelling Areas appurtenant to Apartment C and Apartment D. Consequently, each Owner ("Non-Building Owner") shall cooperate with the Owner of Apartment C and with the Owner of Apartment D ("Building Owner") with respect to the Building Owner's construction of such residence, obtaining building, utility and other governmental permits, and obtaining utility services into his Dwelling Area which may be necessary or desirable for the residence to be built by Building Owner. Notwithstanding the foregoing, the Non-Building Owner shall not be required to incur any cost or expense hereunder without being reimbursed by the Building Owner. All costs incurred in the building of the residence shall be borne by the Building Owner, who shall indemnify and hold the Non-Building Owner or Owners harmless from any loss, liability, damage or expense incurred or suffered by the Non-Building Owner or Owners on account of such building by the Building Owner."

2. Changes in Boundaries of Dwelling Areas. The Owners of Apartments to which are appurtenant contiguous Dwelling Areas may from time to time change the boundaries between such Dwelling Areas and may re-allocate portions of such Dwelling Areas between or among the Apartments upon the following terms and conditions:

(a) The Apartment Owners who are changing the boundaries of the Dwelling Areas shall execute and record in the Recording Office (without the necessity of the consent or joinder of the Declarant, the Association,

the Board, any other Dwelling Owner or any other person), and promptly deliver to the Board of Directors a true and correct filed copy of an amendment to this Declaration and the Condominium Map which contains the following:

(i) a description of the resulting Dwelling Area appurtenant to each of the Owners; and

(ii) a drawing which shall amend the Condominium Map to accurately depict the resulting Dwelling Areas.

3. Changes to Other Than Apartments. Except as set forth in Paragraph 15.1 or Paragraph 15.2, changes to the Project or any building thereof or construction of any additional building or structural alteration or addition to any building, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association of Apartment Owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to vote of all the Apartment Owners and accompanied by the written consent of the holders of all liens affecting any of the Apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction, the Association shall duly file such amendment in said Office, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer."

EXHIBIT "B"

AMENDMENT OF DECLARATION:

Paragraph 16 of the Declaration states:

"Amendments Generally. Except as otherwise expressly provided herein or in the Act, this Declaration and the Condominium Map may be amended only by the affirmative vote or written consent of seventy-five percent (75%) of the Apartment Owners, evidenced by an instrument in writing, signed and acknowledged by each of them, which amendment shall be effective upon recordation in the Bureau of Conveyances; provided, however, that notwithstanding the foregoing provision, at any time prior to the first recording of a conveyance or transfer (other than for security) of an Apartment and its appurtenances to a party not a signatory hereto, the Developer may amend this Declaration (including all exhibits), the Condominium Map and the Bylaws in any manner, without the consent or joinder of any Apartment purchaser or any other party. Notwithstanding the lease, sale or conveyance of any of the Apartments, Developer may amend this Declaration (and when applicable, any exhibits to this Declaration and the Condominium Map) to file the "as-built" verified statement required by Section 514A- 12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans thereto filed fully and accurately depict the layout, location, Apartment numbers, and the dimensions of the Apartments as built, or (ii) so long as the plans filed therewith involve only minor changes to the layout, location, or dimensions of the Apartments as built or any change in the Apartment number.

Amendments Required by Law, Lenders, Title Insurers, Etc. Any other provision of this Declaration notwithstanding, for so long as the Developer retains any interest in an Apartment in the Project, the Developer shall have the right (but not the obligation) to amend this Declaration and the Bylaws (and the Condominium Map, if appropriate) without the consent or joinder of any Apartment Owner, lien holder or other person or entity, for the purpose of meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Apartments, (iv) any institutional lender lending funds on the security of the Project or any of the Apartments, or (v) any other governmental or quasi-governmental agency including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration; provided, however, that no amendment which would change the common interest appurtenant to an Apartment or substantially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment. Each and every party acquiring an interest in the Project, by such acquisition, consents to the amendments described in this Paragraph 16.2 and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same, and appoints Developer and its assigns as his or her attorney-in-fact with full power of substitution to execute and deliver such documents and instruments and to do

such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable for the duration of such reserved rights, and shall not be affected by the disability of such party or parties.

Mortgagee Approval. Any other provision of this Declaration notwithstanding, the approvals of eligible holders of first mortgages (as defined below) on Apartments to which at least fifty-one percent (51%) of the votes of Apartments subject to mortgages held by such eligible holders are allocated shall be required to materially amend any provision herein, or to add any material provisions hereto, which establish, provide for, govern or regulate any of the following: (a) voting; (b) assessments, assessment liens or subordination of such liens; (c) reserves for maintenance, repair and replacement of the common elements; (d) insurance or fidelity bonds; (e) right to use of the common elements; (f) responsibility for maintenance and repair of the several portions of the Project; (g) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project; (h) boundaries of any Apartment (except where the amendment merely reflects that an Apartment has been constructed according to alternate plans shown on the Condominium Map); (i) the interests in the common elements or limited common elements; (j) convertibility of Apartments into common elements or of common elements into Apartments; (k) leasing of Apartments; (l) imposition of any right of first refusal or similar restriction on the right of an Apartment Owner to sell, transfer, or otherwise convey his Apartment; (m) establishment of self-management of the Project by the Association where professional management has been required by any agency or corporation which has an interest or prospective interest in the Project; and (n) any provision that expressly benefits holders, insurers, or guarantors of first mortgages on apartments in the Project. To qualify as an "eligible holder of a first mortgage," a holder, insurer or guarantor of a first mortgage on an Apartment in the Project must have made a written request to the Association for timely written notice of proposed amendments to the condominium instruments. The request must state the name and address of the holder, insurer or guarantor and the number of the Apartment covered by the mortgage. In the event that an eligible holder of a first mortgage fails to appear at a meeting of the Association at which amendments of a material nature to this Declaration are proposed and considered, or fails to file a written response with the Association within thirty (30) days after it receives proper notice of the proposed amendment, delivered by certified or registered mail, with a "return receipt" requested, then and in any such event such amendments shall conclusively be deemed approved by such eligible holders of a first mortgage.

In addition to the foregoing, no amendment to this Declaration which would allow any action to terminate the condominium property regime created hereby for reasons other than substantial destruction or condemnation shall be made without the prior written approval of all of the eligible holders of first mortgages.

Amendments for Changes to Apartments. Notwithstanding the foregoing, an Owner shall have the right without the consent or joinder of any other person to amend this Declaration and the Condominium Map to reflect the changes made to his Apartment in accordance with Paragraph 15.1 or Paragraph 15.2 of this Declaration. Promptly upon completion of such changes, the Apartment Owner shall duly record with the Recording Office an amendment to his Declaration and to the Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as build by a registered architect or professional engineer. All existing Apartment Owners and all future Apartment Owners and their mortgagees, by accepting an interest in an Apartment, shall be deemed to have given each Apartment Owner a Power of Attorney to execute an amendment to the Declaration solely for the purpose of describing the changes to his respective Apartment on the Declaration so that each Apartment Owner shall hereafter have a Power of Attorney from all the other Apartment Owners to execute such amendment to the Declaration. This Power of Attorney shall be deemed coupled with each Owner's interest in his Apartment (including its appurtenant common interest) and shall be irrevocable.

Restatement. Any other provision of this Declaration notwithstanding, the Board, upon resolution duly adopted, shall have the authority as set forth in the Act to restate this Declaration from time to time to set forth any prior amendments hereto, or to amend this Declaration as required to conform with the provisions of the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority."

EXHIBIT "C"

COMMON ELEMENTS. Paragraph 5 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

1. The Land in fee simple;
2. The limited common elements described in Paragraph 6 of the Declaration;
3. The driveway, approximately 3,219 square feet, which is designated as "Common Area" on the Plot Plan on Sheet 1 of the Condominium Map;
4. All pipes, wires, conduits, or other utility or service lines, drainage ditches or appurtenant drainage structures, which are located outside the buildings and which are utilized for or serve more than one apartment, as amended.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 6 of the Declaration designates:

The limited common elements of the Project consist only of the following:

(i) That portion of the Land, comprising approximately 2,546 square feet, which is designated as limited common area on the Plot Plan of Sheet 1 of the Condominium Map, is reserved for the exclusive use of Apartment A, for the support of the building and other improvements comprising Apartment A and for yard and driveway purposes.

(ii) That portion of the Land, comprising approximately 13,329 square feet, which is designated as limited common area on the Plot Plan of Sheet 1 of the Condominium Map, is reserved for the exclusive use of Apartment B, for the support of the building and other improvements comprising Apartment B and for yard and driveway purposes.

(iii) That portion of the Land, comprising approximately 11,206 square feet, which is designated as limited common area on the Plot Plan of Sheet 1 of the Condominium Map, is reserved for the exclusive use of Apartment C, for the support of the building and other improvements comprising Apartment C and for yard and driveway purposes.

(iv) That portion of the Land, comprising approximately 3,225 square feet, which is designated as limited common area on the Plot Plan of Sheet 1 of the Condominium Map, is reserved for the exclusive use of Apartment D, for the support of the building and other improvements comprising Apartment D and for yard and driveway purposes.

The limited common elements do not include the common elements identified in clauses (iii) and (iv) of the common elements described in Exhibit "C" attached hereto.

Each apartment owner, at his expense, shall maintain the limited common elements appurtenant to his apartment in good order and in a neat and attractive condition.

All limited common elements costs and expenses, including, but not limited to, maintenance, repair, replacement, additions and improvements of or to the limited common elements, shall be borne by and charged to the owner of the apartment to which the limited common element is appurtenant.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. Easement dated February 26, 1946, recorded in the Bureau of Conveyances of the State of Hawaii in Book 1939, Page 185.

4. Easement dated December 7, 1994, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-026766.

5. As to Apartments A and B: Existing improvement(s) along the boundary, disclosed by the surveyor's map and/or report dated December 1, 1999, prepared by Lester T. Shimabukuro, Registered Professional Land Surveyor, Certificate No. 3247, are as follows:

- a. CPR Boundary line between Units "B" and "A":
  - CRM wall from Unit "A" extends into Unit "B" by 0.9 ft.

6. Existing improvement(s) along the boundary, disclosed by the surveyor's map and/or report dated December 1, 1999, prepared by Lester T. Shimabukuro, Registered Professional Land Surveyor, Certificate No. 3247, are as follows:

- a. - Short tile wall from Unit "C" extends into common element (Roadway) by 1.6 ft.

7. Existing improvement(s) along the boundary, disclosed by the surveyor's map and/or report dated December 1, 1999, prepared by Lester T. Shimabukuro, Registered Professional Land Surveyor, Certificate No. 3247, are as follows:

- a. - CRM wall from Unit "D" extends into common element (Roadway) by 0.8 ft.

8. As to Apartments D and C:

Existing improvement(s) along the boundary, disclosed by the surveyor's map and/or report dated December 1, 1999, prepared by Lester T. Shimabukuro, Registered Professional Land Surveyor, Certificate No. 3247, are as follows:

- a. - CRM boundary line between Units "D" and "C"
  - carport and steps sits on this line.

9. Existing improvement(s) along the boundary, disclosed by the surveyor's map and/or report dated December 1, 1999, prepared by Lester T. Shimabukuro, Registered Professional Land Surveyor, Certificate No. 3247, are as follows:

a. Boundary line between Apartments D and C and Lot 10-B  
- Second CRM wall running adjacent to Unit "C" into Lot 10-B by 0.9 ft.

10. Existing improvement(s) along the boundary, disclosed by the surveyor's map and/or report dated December 1, 1999, prepared by Lester T. Shimabukuro, Registered Professional Land Surveyor, Certificate No. 3247, are as follows:

- a. Boundary line between Common Elements (roadway) and Lot 11-B-1/Unit A (CPR)  
- Portion by CRM wall from Lot 11-B-1 into common element by 0.3 ft.
- b. Boundary line between Common Element and Lot 11-A  
- Portion of tile wall running along this line from Lot 11-A into common element by 0.2 ft.
- c. Boundary line between Unit "D" and Lot 11-A  
- Portion of CRM wall running along this line into Lot 11-A by 0.4 ft.

11. Mortgage dated March 22, 2000, recorded in said Bureau as Document No. 2000-039225.

12. Declaration of Condominium Property Regime dated September 14, 1993, recorded in said Bureau as Document No. 93-158960, as amended (Project covered by Condominium File Plan No. 1933, as amended). By-Laws dated September 14, 1993, recorded as Document No. 93-158961, as amended. For recording data on amendments of Declaration, Bylaws and Condominium Map, see page 6 of this report.

EXHIBIT "F"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT (consisting of Standard DROA Form and attached "Special Provisions to the "DROA")

1. Description of the Property to be Conveyed: Fee simple title to the Apartment, together with the furnishings and appliances and an undivided interest in the common elements.

2. Purchase Price and Terms. The purchase price set forth on page 1 of the DROA is to be paid as follows:

a. An initial deposit;

b. An additional cash deposit, if any;

c. The balance of the purchase price is to be paid to escrow by purchaser before closing.

3. Financing of Purchase. Paragraph 16 of the Special Provisions provides if Buyer desires financing, a loan application must be made within ten (10) days and if Buyer's application is not approved within forty-five (45) days after the application, then either Seller or Buyer may cancel the Sales Contract. Upon such cancellation, Buyer's deposits will be refunded by escrow without interest.

4. Closing Costs. Pursuant to Paragraph 14 of the Special Provisions, the Buyer is required to pay at closing all escrow fees, Buyer's notary fees and all recording fees. Buyer's proportionate share of any liability insurance premium, real property taxes, maintenance fees and any other charges with respect to the Property shall be pro-rated between Seller and Buyer as of the date of final closing.

5. Closing. Seller has agreed to cause the Apartment to be sold to the Buyer within the time period set forth on page 1 of the DROA, which is expected to occur within 90 days of the date of the DROA.

6. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Buyer if (a) Buyer fails to qualify for a permanent loan (paragraph 14 of the Special Provisions); (b) Buyer defaults under the Sales Contract (paragraph 5.2 of the Special Provisions); or (c) Buyer dies prior to Closing Date (paragraph 5.1 of the Special Provisions). Pursuant to Paragraph 5.2 of the Special Provisions, If Buyer fails to close as required, then after ten (10) days following Seller's notice of Buyer's default, if Buyer has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by Buyer will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Buyer shall be borne by the Buyer. Time is the essence of the Sales Agreement.

7. No Present Transfer and Subordination to Construction Loan.

(a) The Sales Contract may be subject to existing loans, and any security interest now or hereafter obtained by Lender is or will be prior and senior to any rights arising under the Sales Contract. This obligation to subordinate the purchaser's right under the Sales Contract to loans now or hereafter made by the Seller is set forth in Paragraph 4 of the Special Provisions.

(b) Seller may also assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in the Sales Contract, then the Buyer is obligated to perform the Sales Contract, and to attorn to and recognize the Lender as the seller under the Sales Contract.

8. Rights of Buyer to Cancel the Sales Contract. The Buyer has the right to cancel the Sales Contract under the following conditions:

a. At any time within thirty (30) days following the date the Final Public Report is delivered to Buyer. If Buyer so cancels, Buyer will be entitled to receive refund of any deposits, less any escrow cancellation fees and other costs up to \$250. If Buyer does not act within the thirty (30) day period, or if the Apartment is conveyed to the Buyer, Buyer will be deemed to have executed the receipt for the Final Public Report and to have waived his right to cancel (paragraphs 6.1 and 6.3 of the Special Provisions).

b. The Buyer may cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Buyer's Apartment or the amenities available for the Buyer's use (paragraph 7.1 of the Special Provisions).

c. Buyer fails to qualify for permanent financing (paragraph 16 of the Special Provisions).

9. Paragraph 10 of the Special Provisions provides that the Buyer acknowledges that he or she has examined (and agrees to be bound) by the following:

- (a) The floor plans for the Project;
- (b) Escrow Agreement;
- (c) The Declaration of Condominium Property Regime, By-Laws of the Association of Apartment Owners;
- (d) The Apartment Deed;
- (e) Disclosure Abstract; and
- (e) The Final or Supplementary Public Report

EXHIBIT "G"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Island Title Corporation.

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase an Apartment shall be turned over to the Escrow Agent.

2. Refunds. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any of the following has occurred:

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

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

Upon such refund, Escrow Agent shall be entitled to a reasonable fee not less than \$25 or a fee commensurate with the work done by Escrow prior to cancellation.

3. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 5 of the Escrow Agreement until all of the following have occurred:

(a) the Real Estate Commission has issued a final public report (the "Final Report") on the Project;

(b) Seller or Seller's attorney has given a written opinion to Escrow stating that all of the requirements of Sections 514A-39.5 (as to contingent final public reports), 514A-40 (as to final public reports) and 514A-63 of the Hawaii Revised Statutes, then applicable to the Project, have been satisfied.

(c) Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

4. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and must certify that Seller has canceled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "H"

DISCLOSURE ABSTRACT

1. (a) PROJECT: 1751 10TH AVENUE  
1751 10<sup>TH</sup> Avenue  
Honolulu, Hawaii 96816
- (b) DEVELOPER: Ocean Vista Knolls, LLC  
2721 East Manoa Road  
Honolulu, Hawaii 96822  
  
Telephone: (808) 988-9808
- (c) MANAGING AGENT: Self-Managed by the Association  
of Apartment Owners
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit are more fully described on Exhibit "1" attached hereto (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).  
  
Note: Developers disclose that no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.
3. DESCRIPTION OF ALL WARRANTIES COVERING THE DWELLINGS AND COMMON ELEMENTS:  
  
Developer is not making any warranties relating to the materials and workmanship of the Apartments B, C and D.
4. USE OF UNITS. The 1751 10TH AVENUE Condominium Project will consist of four (4) units which will be used for residential purposes by the respective owners thereof, their tenants, families and domestic servants and social guests, and for other purpose permitted by the zoning ordinance for the City and County of Honolulu then in effect.
5. EXISTING STRUCTURES BEING CONVERTED. Based upon a report prepared by SHIZUO NAJITA, Registered Professional Architect, the Developer states as to Apartments C and D:
  - a. The structural components, including the walls and roof, appear to be in reasonably good condition as does the electrical system.
  - b. The Developer makes no statement with respect to the expected useful life of each item set forth in paragraph (a); and
  - c. There are no outstanding notices of uncured violations of building code or other municipal regulations.

EXHIBIT "1"  
ESTIMATED OPERATING EXPENSES  
For Period June 1, 2000 to May 31, 2001  
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance	
Water/Sewer	\$-0-
* Electricity:	\$-0-
**Fire/Liability Insurance:	\$-0-
Management Fee:	\$-0-
Miscellaneous:	\$-0-
TOTAL ANNUAL EXPENSES	\$-0-

Estimated Monthly Expenses \$-0-

Estimated Monthly Maintenance Fee  
for Each Apartment: \$-0-

Note:      \* All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.

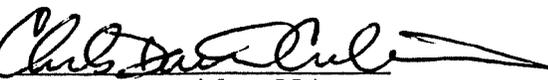
\*\* Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. Developer anticipates that the Association may elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses.

The Developer certifies that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.

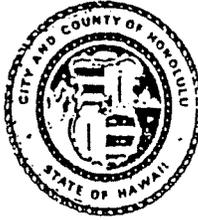
OCEAN VISTA KNOLLS, LLC

By   
Dale Maron

By   
William Michael Sessions

By   
Charles David Cullison

HONOLULU MUNICIPAL BUILDING  
650 SOUTH KING STREET  
HONOLULU, HAWAII 96813



FRANK F FASI  
MAYOR

HERBERT K MURAOKA  
DIRECTOR AND BUILDING SUPERINTENDENT

WILLIAM F REMULAR  
DEPUTY

June 2, 1993

Ex93-71

Mr. John A. Morris  
Iwai Motooka Goto & Morris  
Attorneys at Law  
Suite 502, Haseko Center  
820 Mililani Street  
Honolulu, Hawaii 96813

Dear Mr. Morris:

Subject: Condominium Conversion Project  
1751 10th Avenue  
Tax Map Key: 3-3-34: 24

This is in response to your letter dated April 27, 1993 requesting confirmation that the three one-family detached dwellings located at the above address met all applicable code requirements at the time of construction.

Investigation revealed that the one-story and the two-story dwellings, each with one off-street parking space and located at the makai side of the property, met applicable code requirements when they were constructed prior to 1960. Currently, a two-story single-family dwelling is being constructed at the mauka side of the property under Building Permit No. 316898.

Investigation also revealed that in 1990 Existing Use Permit No. 89/EU-008 was approved for four dwelling units.

For your information, the three dwellings on the property are considered nonconforming.

For your information, the Building Department cannot determine whether this project contains any other legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

EXHIBIT "I"

RECEIVED  
06.03.93

Mr. John A. Morris  
Page 2  
June 2, 1993

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

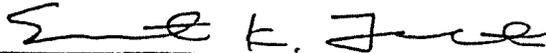
If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,



HERBERT K. MURAOKA  
Director and  
Building Superintendent

Subscribed and sworn to  
before me this 2nd day of  
June, 1993.



Notary Public, First Judicial Circuit  
State of Hawaii  
My commission expires: June 21, 1995

DEPARTMENT OF LAND UTILIZATION  
**CITY AND COUNTY OF HONOLULU**

830 SOUTH KING STREET  
HONOLULU, HAWAII 96813 • (808) 533-4432



MARK F. PASI  
MAYOR

DONALD A. CLEGG  
DIRECTOR  
LORETTA K. C. CHEE  
DEPUTY DIRECTOR

89/EU-8(BN)

January 24, 1990

Mr. Shizuo Najita  
Shizuo Najita & Associates  
2408 Kuahea Street  
Honolulu, Hawaii 96816

Dear Mr. Najita:

Subject: Section 3.130 Existing Use (LUO)  
Project Name: Yokogawa Residences  
Location: 1751 10th Avenue, Palolo  
Tax Map Key: 3-3-34: 24  
Owner: Mary Y. Yokogawa

The application for the subject development is approved as an Existing Use under Section 3.130 of the Land Use Ordinance in accordance with the application plans DLU time-stamped October 20, 1989, subject to the following conditions:

1. Approval is only for alterations, additions, repairs and reconstruction of the existing dwelling units and accessory uses. All proposed improvements shall be subject to compliance with the Land Use Ordinance such as yards, heights, parking and lot coverage, Subdivision Rules and Regulations, Building Code, and other regulations. Reconstruction shall be compatible in design with the existing and surrounding structures and in the same general location and size. Final plans shall be approved by the Department of Land Utilization prior to issuance of building permits;
2. The number of dwelling units (4) on the subject property shall not be increased; and
3. This Existing Use approval does not certify that the existing structures and improvements comply with the requirements of the zoning code or other regulations. They are subject to separate review and approval.

EXHIBIT "J"

Mr. Shizuo Najita  
Page 2

Should you have any questions, please contact Bruce Nagao of our staff at 527-5354.

Very truly yours;



DONALD A. CLEGG  
Director

DAC:gc  
0109M

cc: Building Dept.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET - HONOLULU, HAWAII 96813  
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743

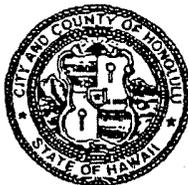


EXHIBIT "K"

RANDALL K. FUJIKI, AIA  
ACTING DIRECTOR

JEREMY HARRIS  
MAYOR

LORETTA K.C. CHEE  
DEPUTY DIRECTOR

2000/CLOG-688(GU)  
89/EU-8

February 15, 2000

Mr. Dale Maron  
2721 East Manoa Road  
Honolulu, Hawaii 96822

Dear Mr. Maron:

Modification to Existing Use Permit No. 89/EU-8  
1751 10th Avenue, Palolo  
Tax Map Key 3-3-034: 024

This responds to your letter of February 3, 2000, and plans requesting a modification to the above permit which granted Existing Use approval to 4 existing single-family dwellings.

You are requesting modification of this permit to allow the demolition and reconstruction of Units C and D except for portions of their foundations. You verbally clarified that while you wish to sell these "CPR lots" prepared for future construction, you are prepared to construct two new replacement structures if the vacant lots cannot be sold. Those structures would include approximately 1,600 square feet of living space and a 450 square-foot enclosed garage.

Further, you wish to realign the limited common element property line between Units C and D to increase the size of "Lot D" to approximately 3,100 square feet and reduce "Lot C" to approximately 11,200 square feet.

Finally, you intend to sell Unit B as is.

The requested modification would not significantly impact the neighboring residences. Therefore, your request is APPROVED, subject to the following conditions:

1. The demolished structures must be replaced within two years of the date of demolition.
2. The replacement dwellings must comply with the R-5 district requirements of the Land Use Ordinance, including yards, heights and parking. Yards shall be measured from the "CPR lot" lines. All structures, walls and fences shall maintain a minimum 5-foot setback from the common element driveway.

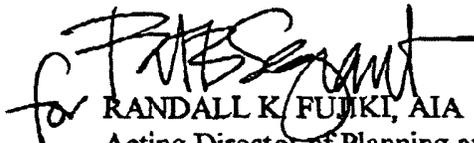
Exhibit "K"

Mr. Dale Maron  
Page 2  
February 15, 2000

3. Final plans for the replacement dwellings shall be approved by the Department of Planning and Permitting (DPP), Urban Design Branch, prior to issuance of building permits. The structures shall be in the same general location and of the same general size as the dwellings to be demolished.
4. A copy of the revised CPR map reflecting the realigned limited common element property line between Units C and D shall be submitted to the DPP prior to the issuance of any building permits.
5. Reconstructed dwellings shall comply with all other applicable Federal, State and County regulations, standards, statutes and ordinances.

Should you have any questions, please contact Geri Ung of our staff at 527-6044.

Sincerely yours,



RANDALL K. FUJIKI, AIA  
Acting Director of Planning and Permitting

RKF:am

Posse Doc. 25399

# SHIZUO NAJITA & ASSOCIATES

August 9, 1993

Mr. & Mrs. Sidney Fujita  
1020 Auahi Street Bldg 6 Bay 6  
Honolulu, Hawaii 96814

Re: Condition of Components and Mechanical and  
Electrical Installations of Condominium  
Project in Honolulu, Hawaii

Dear Mr. & Mrs. Fujita:

I have examined the structural, mechanical and electrical components of existing units "C" & "D" of the above project. These units are single-family dwelling units built in 1944 and 1946. The following is my observation of the condition of these two (2) units.

A. Existing unit "C" (built in 1946) is a two story wood framed structure.

1. The floor is elevated above the ground and is framed with 4"x6" girders and sills and 2"x6" joists spaced 16" apart. These members are supported by 4"x4" posts which rests on concrete block footings and in some instances on rock footings. There is evidence of termite damage to some members.

The beam above the carport entrance has deflected and an additional 2"x12" member is applied to the existing beam with nails.

2. The exterior walls are 1"x8" T&G siding with evidence of termite damage.
3. The roof is aluminium shingles on 1"x8" shiplap sheathing and 2"x4" rafter system which indicate termite damage.
4. The soil & waste drainage system is a mix of cast-iron (original piping) and ABS (later repairs) and appears to be functioning properly.

The hot and cold water piping system is galvanized iron (original piping) with subsequent repair work done in copper tubing.

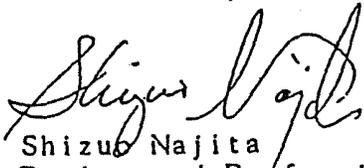
## EXHIBIT " L "

Mr. & Mrs. Sidney Fujita

Page 2

5. The electrical wiring is knob and tube system, is functioning, however, is very old.
- B. Existing unit "D" (built in 1944) is a one story wood framed structure.
1. The floor is elevated above the ground and is framed with 4"x6" girders and sills and 2"x6" joists spaced 16" apart. These members are supported by 4"x4" posts which rests on concrete block footings. There is evidence of termite damage to some of these wood framing members.
  2. Exterior siding is 1"x12" boards with 1"x2" battens. There is indications of termite damage.
  3. The roof is wood shingles and is severely damaged by dry-rot. The 1"x8" shiplap sheathing on 2"x4" rafters indicates termite damage.
  4. The soil & waste pipes are cast-iron and in fair condition and functioning properly. The hot and cold water piping is galvanized iron with evidence of corrosion at joints and fittings.
  5. The electrical wiring is knob and tube system and functioning, however, very old.
- C. Existing unit "B" is a multi-level wood framed structure and was completed in November of 1992.

Submitted by,



Shizuo Najita  
Registered Professional Architect  
No. 3484