

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer R. L. INVESTMENT LIMITED PARTNERS  
Address 1001 Bishop Street, Pacific Tower, Suite 2020, Honolulu, Hawaii 96813

Project Name(\*): CROWNE VISTA (formerly, Royal Lunalilo)  
Address: 918 Lunalilo Street, Honolulu, Hawaii 96822

Registration No. 3366 Effective date: April 28, 1999  
Expiration date: May 28, 2000

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 government 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 has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.  
(yellow)

       FINAL:                    The developer has legally created a condominium and has filed complete information with the Commission.  
(white)  
[ ] No prior reports have been issued.  
[ ] This report supersedes all prior public reports.  
[ ] This report must be read together with \_\_\_\_\_

  X   SECOND SUPPLEMENTARY:   This report updates information contained in the:  
(pink)  
[X] Preliminary Public Report dated: August 4, 1995  
[ ] Final Public Report dated: \_\_\_\_\_  
[X] Supplementary Public Report dated: September 12, 1997

And [X] 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       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 developer.

Changes made are as follows:

1. R. L. Investment Limited Partners, a Hawaii limited partnership, has succeeded Royal Lunalilo, Inc. as the Developer of the Project. The names of the Developer's general partner and the officers of the general partner, and the telephone number for the Developer are set forth on page 5 of this Public Report.
2. The Project Name has been changed from "Royal Lunalilo" to "Crowne Vista".
3. The street address for the Project, formerly designated as "926 Lunalilo Street", has been corrected to "918 Lunalilo Street".
4. Coldwell Banker Pacific Properties, Ltd. has been designated as the Real Estate Broker for the Project, replacing B & B Investments, Ltd. in that capacity. The address and telephone number for Coldwell Banker Pacific Properties, Ltd. are set forth on page 5 of this Public Report.
5. Fidelity National Title & Escrow of Hawaii, Inc. has been designated as the Escrow for the Project, replacing Title Guaranty Escrow Services, Inc. in that capacity. The address and telephone number for Fidelity National Title & Escrow of Hawaii, Inc. are set forth on page 5 of this Public Report.
6. Regency Pacific Realty, LLC has been designated as the Condominium Managing Agent for the Project. The address and telephone number for Regency Pacific Realty, LLC are set forth on page 5 of this Public Report.
7. McCorrison Miho Miller Mukai has been designated as the Attorney for the Developer, replacing Hiroshi Sakai in that capacity. The address and telephone number for McCorrison Miho Miller Mukai are set forth on page 5 of this Public Report.
8. One additional lot, designated by Tax Map Key No. 2-4-14-010, will be included in the Project property, resulting in an increase in the land area of the Project from 42,770 square feet to approximately 49,735 square feet. The additional lot is currently owned by Olive A. Simao, Trustee, and Deanna J. Carreira, Trustee.
9. The number of floors in the Project building is 13 + 2 basement floors, rather than 14 (including 2 basement floors) as noted in the previous Public Report.
10. The number of Apartments in the Project has been increased to 127 residential apartments from 110 residential apartments.
11. The number of stairways in the Project has been increased to 2 from 1, and a trash chute has been added to the Project, where none had previously been included.
12. The number of Parking Stalls in the Project has increased to 169 from 147. The revised breakdown of the numbers and types of Parking Stalls in the Project is set forth on page 12 of this Public Report.
13. A variance to the zoning code as it pertains to the minimum number of parking stalls required for the Project is being sought by the Developer.
14. The new estimated date of commencement of construction is October 1, 1999, and the revised estimated date of completion of construction is June 1, 2001.
15. Revised Apartment numbers, types, descriptions, areas and percentage common interests are set forth in Exhibit G of this Public Report.

16. The listing of encumbrances against title, set forth in Exhibit H (formerly Exhibit D), has been updated to include references at Item 3.C to an assignment of the First Mortgage Security Agreement and Financing Statement from Rainbow Financial Corporation to Finance Factors, Limited; at Item 3.E to an unrecorded Option Agreement and a recorded Short Form Memorandum of Option executed by Royal Lunalilo, Inc. and R.L. Investment Limited Partners; at item 3.F to a Mortgage, Security Agreement and Financing Statement executed by Royal Lunalilo, Inc. in favor of R.L. Investment Limited Partners; and at Item 4 to any unrecorded leases and matters arising from or affecting the same.
17. The estimates of initial maintenance fee and club fee disbursements, set forth in Exhibit J (formerly included in Exhibit G), have been updated, and the per apartment monthly maintenance fee, set forth in Exhibit G (formerly included in Exhibit G) has been recalculated.
18. Five additional Exhibits are included in this second Supplementary Report, all of which should be examined with care. Also, the original seven Exhibits have been revised, in some cases substantially.
19. The sequence of events since the effective date of the first Supplementary Public Report for the Project (September 12, 1997) is summarized on page 20.

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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 the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: R. L. INVESTMENT LIMITED PARTNERS Phone: (808) 532-3330  
Name\* (Business)  
1001 Bishop Street, Pacific Tower, Suite 2020  
Business Address  
Honolulu, Hawaii 96813

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

The General Partner of the Developer is The Pacific M & A Group, Inc. ("PMAG"). The President/Vice President/Secretary/Treasurer and sole Director of PMAG is Jack Tyrrell, CPA.

Real Estate Broker\*: COLDWELL BANKER PACIFIC PROPERTIES, LTD. Phone: (808) 947-8153  
Name (Business)  
1177 Kapiolani Boulevard  
Business Address  
Honolulu, Hawaii 96813

Escrow: FIDELITY NATIONAL TITLE & ESCROW OF HAWAII, INC. Phone: (808) 536-0404  
Name (Business)  
201 Merchant Street, Suite 2100  
Business Address  
Honolulu, Hawaii 96813

General Contractor\*: To be determined Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Condominium Managing Agent\*: REGENCY PACIFIC REALTY, LLC Phone: (808) 826-7498  
Name (Business)  
P. O. Box 1046  
Business Address  
Hanalei, Hawaii 96714

Attorney for Developer: Sharon H. Nishi Phone: (808) 529-7300  
McCORRISTON MIHO MILLER MUKAI (Business)  
Name  
500 Ala Moana Boulevard, Five Waterfront Plaza, Suite 400  
Business Address  
Honolulu, Hawaii 96813

\* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

II. 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. \_\_\_\_\_  
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]:

- 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. \_\_\_\_\_  
 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]:

- 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. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court Document No. \_\_\_\_\_

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

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>**</u>

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

\*\* The House Rules may be amended by action of the Board of Directors of the Association of Apartment Owners of Crowne Vista.

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 Exhibit A

III. CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit \_\_\_\_\_ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:      Monthly                    Quarterly  
                                  Semi-Annually        Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  Month    Year

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:  
 Canceled    Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit \_\_\_\_\_ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:      Monthly                    Quarterly  
                                  Semi-Annually        Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  Month    Year

[ ] 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: 918 Lunalilo Street  
Honolulu, Hawaii 96826

Tax Map Key (TMK): (1) 2-4-014-005/006/007/008/010/014 & 015

[ ] Address [ X ] TMK is expected to change because of consolidation of lots

Land Area: 49,770 [ X ] square feet [ ] acre(s) Zoning: A-2, Punchbowl Special Design District

TMK: (1) 2-4-014-005/006/007/008/014

TMK (1) 2-4-014-010

TMK (1) 2-4-014-015

Fee Owner:

R. L. Investment Limited Partners  
Name  
1001 Bishop Street, Pacific Tower, Suite 2020  
Address  
Honolulu, Hawaii 96813

Olive A. Simao, Trustee  
Deanna J. Carreira, Trustee  
46-280 Hoana Street  
Kaneohe, Hawaii 96744

Douglas K. J. Wong, Trustee  
Jocelyn C. Wong, Trustee  
5324 Limu Street  
Honolulu, Hawaii 96821

Lessor:

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_

C. Building and Other Improvements:

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

2. Number of Buildings: 1      Floors Per Building: 14 + 2 Basement

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete       Hollow Tile       Wood

Other Steel, Glass and Aluminum

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>127</u>	<input 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 and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[ X ] Pets: See Exhibit B

[ X ] Number of Occupants: See Exhibit B

[ X ] Other: See the House Rules, which contains other restrictions

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 2                      Stairways: 5                      Trash Chutes: 1

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Lanai Area (sf)</u>
A	12	2 / 2	783	18
B	12	1 / 1	522	25 / 41 / 148
C/CR	26	1° / 1	451	30 / 73
D	13	2 / 2	726	25 / 41 / 130 / 148
E	12	1 / 1	437	42
F	12	2 / 1½	792	25 / 41 / 148
G/GR	26	1 / 1	456	30 - 212
H	12	1 / 1	622	25 / 41 / 148
I	1	2 / 2	725	40
J	1	2 / 1	750	173

Total Number of Apartments: 127

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

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:

Each Apartment consists of the spaces within the perimeter and party walls, windows, doors, floors and ceiling of the respective Apartment as shown on the Condominium Map.

Permitted Alterations to Apartment:

See Exhibit C

7. Parking Stalls:

Total Parking Stalls: 168

	<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 (for each unit)	<u>58*</u>	<u>      </u>	<u>69</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>127</u>
Guest	<u>      </u>	<u>8**</u>	<u>      </u>	<u>18</u>	<u>      </u>	<u>      </u>	<u>26</u>
Unassigned	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Extra for Purchase	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Other:	<u>      </u>	<u>15</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>15</u>
Total Covered & Open:	<u>81</u>	<u>      </u>	<u>87</u>	<u>      </u>	<u>0</u>	<u>      </u>	<u>168</u>

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

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool                       Storage Area                       Recreation Area

Laundry Area                       Tennis Court                       Trash Chute/Enclosure(s)

Other: See Exhibit E

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

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):

N/A

\* Including 4 handicap parking stalls

\*\* Including 2 handicap parking stalls

11. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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>  X  </u>	<u>          </u>	<u>          </u>
Lot	<u>  X  </u>	<u>          </u>	<u>          </u>

If a variance has been granted or if uses, improvements or lot are either 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   E  .

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 F.

as follows:

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 G.

as follows:

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 H describes the encumbrances against the title contained in the title report dated March 10, 1999 and issued by Title Guaranty of Hawaii Incorporated

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>
Mortgage	If the Developer defaults before the Apartment is conveyed to the buyer, the Mortgagee will have the right to decide whether to sell the Apartment to the buyer under the Sales Contract. If the buyer's interest is terminated by the Mortgagee, then the buyer's deposit will be refunded to the buyer, less the 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:

See Exhibit I

2. Appliances:

See Exhibit I

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

The estimated date of commencement of construction is October 1, 1999. The estimated date of completion of construction is June 1, 2001.

H. Project Phases:

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

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



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

Specimen Sales Contract  
Exhibit   K   contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated   March 19, 1999    
Exhibit   L   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 or 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 Chance: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project 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, as amended.
  - D) House Rules, if any.
  - E) Condominium Map.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended).
  - H) Other \_\_\_\_\_

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. 3366 filed with the Real Estate Commission on 5/22/95.

Reproduction of Report. When reproduced, this report must be on:

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C. Additional Information Not Covered Above

1. Subsequent to issuance of an effective date for the first Supplementary Public Report for this project under the name “Royal Lunalilo” (effective date September 12, 1997), the following events occurred:
  - a. On July 29, 1998, the Developer notified the Real Estate Commission that the Developer had entered into a partnership with another party, that the project name had been changed to “Crowne Vista”, that a new managing agent had been appointed, and that the annual operating budget and estimated monthly maintenance fees had been updated. All this information was contained in a Disclosure Abstract issued by the Developer on July 27, 1998.
  - b. On December 16, 1998, the Developer requested an extension of the effective date for the first Supplementary Public Report for the project, which had expired on October 12, 1998. Based on representations by the Developer that there had been no material changes to the Project since the Developer’s letter of July 29, 1998, the request was granted.
  - c. On April 1, 1999, the Developer requested issuance of an effective date for a second Supplementary Public Report, enclosing therewith a new proposed Declaration of Condominium Property Regime and various other documents. On April 9, 1999, the Developer clarified that no changes had been made to the By-Laws, House Rules, and form of Apartment Deed submitted to the Commission on July 29, 1998, but that the prior to submission to the Real Estate Commission of the Final Public Report for the project, the Developer intends to revise those documents to reflect the project's and the Developer’s name.
2. Section 11.2 of the proposed Declaration of Condominium Property Regime of Crowne Vista provides for a “Crowne Vista Club” as a part of the Association of Apartment Owners. Prospective purchasers should note that the Maintenance Fee for each apartment as shown in Exhibit G of this Supplementary Public Report does not include the Club Fee. See pages 3 and 4 of Exhibit J of this Supplementary Public Report regarding the Club Budget and Club Fee. Note also the difference in how the Maintenance Fees and Club Fees are determined.

D. 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.

R. L. INVESTMENT LIMITED PARTNERS  
Printed Name of Developer

By: Jack L. Tyrrell 3-31-99  
Duly Authorized Signatory\* Date

Jack L. Tyrrell, President, The Pacific M & A Group, Inc.  
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu  
Planning Department, City and County of Honolulu

\* Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.

**THE DEVELOPER'S RIGHTS TO CHANGE  
THE DECLARATION, CONDOMINIUM MAP, BYLAWS OR HOUSE RULES**

1. Prior to (i) the time that all Apartments in the Project have been sold and recorded, and (ii) the filing by the Developer of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Hawaii Revised Statutes (but in no event later than December 31, 2002), the Developer shall have the right, without the consent, approval or joinder of any Apartment Owner, to amend the Declaration and Condominium Map in connection with its rights provided in Paragraph 21.4 to make alterations in the Project which (a) change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Apartment (and the Limited Common Elements appurtenant thereto) in the Project which is not sold and recorded; or (b) make minor changes in any Apartment or the Common Elements which do not affect the physical location, design or size of any Apartment which has been sold and recorded. As used herein, the term "sold and recorded" shall mean and refer to the sale of Apartments, and the recording in the Bureau of Conveyances of the State of Hawaii of the apartment deeds transferring said Apartments from the Developer to parties not signatory to the Declaration.
  
2. Notwithstanding the recording in the Bureau of Conveyances of the State of Hawaii of any apartments deeds conveying any or all of the Apartments to any person(s), the Developer shall have the right to successively amend the Declaration, the By-Laws and the Condominium Map, when applicable, without the consent, approval or joinder of the persons then owning or leasing the Apartments, to file the "as built" verified statement (with plans, if applicable) required by Section 514A-12, Hawaii Revised Statutes, as amended, so long as (a) such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, Apartment numbers and dimensions of the Apartments as built, or (b) any plans filed therewith involve only changes to the layout, location, Apartment numbers, dimensions of or other changes to the Apartments and Common Elements as built which the Developer is permitted to make in accordance with Paragraph 21.4 of the Declaration.
  
3. Until the filing in the Bureau of Conveyances of the State of Hawaii of apartment deeds covering all of the Apartments in the Project (including all interests therein) in favor of parties not a signatory to the Declaration and other than to any mortgagee of the Developer, Developer shall have a right to amend the Declaration, the By-Laws and the Condominium Map, without the consent, approval or joinder of any purchaser of an Apartment or any interest therein (including any lessee), and to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the Apartments or any interest therein, by any institutional lender lending funds on the security of the Project or any of the Apartments or any interest therein, or by any governmental agency of any state, territory, possession or foreign county or other foreign jurisdiction as a condition precedent to the marketing or sale of Apartments or any interests therein in any such jurisdiction; provided, however, that no such 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 to such amendment by all persons having an interest in such Apartment.

## **SPECIAL USE RESTRICTIONS**

### 1. PETS.

No live birds, poultry, reptiles, or other animals shall be kept in the apartment or any part of the Project except for a single, small and quiet pet or as may be permitted by any federal and state law or local ordinances and their rules and regulations. The following rules shall apply to any permitted pet:

- a. The pet shall not roam the hallways, walkways or any common area.
- b. The pet, when being transported inside common areas, must be carried by its owner.
- c. The pet shall not use lawns, gardens or landscaped areas. A designated area will be identified by the Board for curbing pets, and each owner must clean up after its own pet.
- d. The pet's owner, if absent from his or her apartment, shall provide for the kenneling or other care for the pet. If the pet's owner is unable to care for the pet because of illness or debilitation, then arrangements must be made for such care, or the pet shall be removed from the apartment. A visually handicapped person may be allowed to keep a service, guide or signal dog in his or her apartment.

### 2. NUMBER OF OCCUPANTS.

No more than two (2) persons shall be entitled to occupy a one-bedroom or studio apartment on a non-guest basis. No more than three (3) persons shall be entitled to occupy a two (2) bedroom apartment on a non-guest basis. A guest or guests may occupy an apartment for a period of up to thirty (30) consecutive days, and up to a total of sixty (60) days per calendar year, provided that the permitted occupancy of the apartment shall not be increased thereby by more than one (1) person.

## **PERMITTED ALTERATIONS TO APARTMENTS**

1. The owner of any Apartment may make any alterations or additions within the owner's Apartment, except for enclosing any exterior lanai.
  
2. The owner of any two (2) adjacent Apartments may install a door or doors to such opening or openings in the intervening Common Element. Alterations or additions within any such adjacent Apartments shall require only the written approval thereof, including the Apartment owner's plans therefor, by the holders of first mortgage liens affecting such Apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu (if such agencies so require), by the Board of Directors (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other Apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered; provided, however, if the alterations or additions are substantial in nature, as reasonably determined by the Board of Directors, the Board of Directors may require that the owner of the Apartment provide evidence satisfactory to the Board of Directors of sufficient financing to complete such alterations or additions or, in lieu thereof, require that the owner obtain a performance and labor and materials payment bond, naming as obligees the Board of Directors, the Association and collectively all Apartment owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction. Prior to the termination of the common ownership of any such adjacent Apartments, if the intervening wall shall have been altered or removed pursuant to the foregoing provisions and/or any entry to hallways sealed, the owner of such Apartments shall be obligated to restore such intervening wall and/or hallway entries to substantially the same condition in which the same existed prior to such alteration or removal.
  
3. Prior to (i) the time that all Apartments in the Project have been sold and recorded, and (ii) the filing by the Developer of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Hawaii Revised Statutes (but in no event later than December 31, 2002), the Developer shall have the right, without the consent, approval or joinder of any Apartment Owner, (a) to make alterations in the Project (and/or to amend the Declaration and the Condominium Map accordingly) which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Apartment (and the Limited Common Elements appurtenant thereto) in the Project which is not sold and recorded; or (b) to make other alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) which make minor changes in any Apartment or the Common Elements which do not affect the physical location, design or size of any Apartment which has been sold and recorded; PROVIDED, HOWEVER, that as to (a) and (b) hereinabove, any such changes shall be reflected in an amendment to the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of Apartments, and the recording in the Bureau of Conveyances of the State of Hawaii of the apartment deeds transferring said Apartments from the Developer to parties not signatory to the Declaration.

## PARKING

<u>Stall</u>		<u>Stall</u>		<u>Stall</u>		<u>Stall</u>	
1	706	48 C	505	95	1009	142 U	Employee <sup>2</sup>
2	1004	49 C	1202	96	909	143 U	Employee <sup>2</sup>
3	506	50 C	1203	97	809	144 U	Employee <sup>2</sup>
4 C	CP3	51 C	508	98	507	145 U	Employee <sup>2</sup>
5	606	52 C	307	99 C	903	146 U	Employee <sup>2</sup>
6	904	53 C	607	100	405	147 U	Employee <sup>2</sup>
7	306	54 C	CP2	101	1102	148 U	Employee <sup>2</sup>
8 C	701	55 C	801	102 C	302	149 U	Employee <sup>2</sup>
9 C	601	56 C	901	103	1103	150 U	Employee <sup>2</sup>
10 C	301	57 C	1001	104	408	151 U	Employee <sup>2</sup>
11	806	58 C	GL3	105 C	603	152 U\C	Guest <sup>3</sup>
12	1204	59 C	1201	106	407	153 U\C	Guest <sup>3</sup>
13	1104	60 C	VP5	107	1002	154 U\C	Guest <sup>3</sup>
14	804	61	906	108	1003	155 U\C	Guest <sup>3</sup>
15	406	62 C	CP5	109 C	403	156 U\C	Guest <sup>3</sup>
16 C	905	63 C	CP6	110 C	402	157 U\C	Guest <sup>3</sup>
17 C	1007	64	1006	111 C	503	158 U\C	Guest <sup>3</sup>
18 C	1008	65	1106	112 C	502	159 U\C	Guest <sup>3</sup>
19	GL8	66	1206	113 C	602	160 U\C	Guest <sup>3</sup>
20	GL7	67	600	114 C	303	161 U\C	Guest <sup>3</sup>
21	709	68	700	115 C	703	162 U\C	Guest <sup>3</sup>
22	609	69	900	116 C	702	163 U\C	Guest <sup>3</sup>
23 C	908	70 C	CP1	117 C	803	164 U\C	Guest <sup>3</sup>
24 C	907	71 C	409	118 C	802	165 U\C	Guest <sup>3</sup>
25 C	805	72 C	509	119 C	902	166 U\C	Guest <sup>3</sup>
26	CP9	73	VP4	120 C	305	167 U\C	Guest <sup>3</sup>
27	504	74 C	309	121 C	608	168 U\C	Guest <sup>3</sup>
28	304	75	1000	122 C	800	169 U\C	Guest <sup>3</sup>
29	604	76 HC	1200	123 HC	308		
30	704	77 HC	1100	124 HC	GL1		<sup>1</sup> Lunalilo St. East
31 C	705	78 C	CP8	125 C	VP8		<sup>2</sup> Garden Lv. North
32 C	807	79 C	CP7	126 C	VP7		<sup>3</sup> Garden Lv. South
33 C	808	80 C	GL2	127 C	1101		
34	1209	81	VP10			TOTAL:	168
35	404	82	VP1	129 U	Guest <sup>1</sup>		
36 C	1208	83	GL4	130 U	Guest <sup>1</sup>	Standard:	75
37 C	501	84	GL9	131 U	Guest <sup>1</sup>	Covered:	54
38 C	1205	85	VP6	132 U	Guest <sup>1</sup>	Uncovered:	21
39 C	1207	86	CP10	133 U	Guest <sup>1</sup>		
40 C	1105	87	500	134 U	Guest <sup>1</sup>	Compact:	87
41 C	401	88	400	135 U\HC	Guest <sup>1</sup>	Covered:	69
42 C	1107	89	300	136 U\HC	Guest <sup>1</sup>	Uncovered:	18
43 C	1005	90	CP4	137 U	Guest <sup>2</sup>		
44	VP9	91 C	605	138 U	Employee <sup>2</sup>	HC:	6
45 C	VP3	92 C	707	139 U	Employee <sup>2</sup>	Covered:	4
46 C	VP2	93 C	708	140 U	Employee <sup>2</sup>	Uncovered:	2
47 C	1108	94	1109	141 U	Employee <sup>2</sup>		

### EXHIBIT D

## COMMON ELEMENTS

1. The real property described in the Declaration of Condominium Property Regime of Crowne Vista (the "Land") in fee simple.
2. All foundations, floor slabs, columns, girders, beams, supports, perimeter, party and load-bearing walls and partitions (excluding the finishes thereon), roofs, corridors, lobby areas, stairways, elevators, elevator shafts, elevator lobbies, entrances, entry ways and exits of the building containing the Apartments (the "Building").
3. All vents, shafts, sewer lines, electrical equipment, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one Apartment for services such as power, light, gas (if any), water, cable television (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution (if any).
4. All mechanical, electrical, shop/maintenance, transformer, generator, switch gear, fan coil, cooler and trash rooms.
5. The lobbies, lounges, restrooms, dining rooms, kitchen, bar, coffee shop, market, offices, storage and supply rooms, trash rooms, cooler rooms, fan coil rooms, mail room, loading dock and loading area, concierge station and rooms, beauty shop, vending machine room, clinic with an examination room, multi purpose room, library, computer room, janitor's room, laundry rooms, engine generator room, electric rooms, transformer vault room and other facilities and spaces located on the Lobby Level of the Building, and the cabana exercise room, kitchen, and men's and women's restrooms located on the Garden Level of the Building.
6. The loading dock, guest and employee parking areas, including twenty-one (21) standard uncovered parking stalls, eighteen (18) compact uncovered parking stalls, and two (2) handicap uncovered parking stalls, as indicated on Exhibit D attached hereto, and driveways and ramps on the Lobby Level and Parking Levels P-1 and P-2 and elsewhere on the Land.
7. All walkways, walls, fences and railings on the Land.
8. The swimming pool and spa and appurtenant deck area.
9. Any and all other structures, apparatus and installations existing for common use, including, without limitation, all tanks, pumps, motors, fans and compressors, and any and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

## LIMITED COMMON ELEMENTS

1. The lanai of each Apartment, as shown on the Condominium Map, shall be a Limited Common Element appurtenant to the respective Apartment and reserved for the exclusive use of the owner of such Apartment.
2. Each Apartment shall have appurtenant thereto and reserved for its exclusive use the parking stall or stalls assigned to it as set forth in the Declaration.
3. The twenty-one (21) standard uncovered parking stalls, eighteen (18) compact uncovered parking stalls, and two (2) handicap uncovered parking stalls designated on the Condominium Map as parking stall nos. 129 through 169, inclusive, shall constitute limited common elements appurtenant to and for the exclusive use of all Apartments.
4. Each Apartment shall have for its exclusive use one (1) mailbox bearing the same number as such Apartment.

**INFORMATION PERTAINING TO APARTMENTS**

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Description</u>	<u>Est. Sq. Ft. (Apt.)</u>	<u>Est. Sq. Ft. (Lanai)</u>	<u>Est. Sq. Ft. (Total)</u>	<u>% Common Interest</u>	<u>Est. Init. Mo. Maint. Fee</u>
GL1	I	2 bed/2 bath	725	40	765	1.002	677.53
GL2	C	Studio	451	73	524	0.623	421.26
GL3	CR	Studio	451	73	524	0.623	421.26
GL4	D	2 bed/2 bath	726	130	856	1.003	678.21
GL7	G	1 bed/1 bath	456	212	668	0.630	425.99
GL8	GR	1 bed/1 bath	456	212	668	0.630	425.99
GL9	J	2 bed/1 bath	750	173	923	1.037	701.20
300	A	2 bed/2 bath	783	18	801	1.082	731.63
301	B	1 bed/1 bath	522	41	563	0.721	487.53
302	C	Studio	451	30	481	0.623	421.26
303	CR	Studio	451	30	481	0.623	421.26
304	D	2 bed/2 bath	726	41	767	1.003	678.21
305	E	1 bed/1 bath	437	42	479	0.604	408.41
306	F	2 bed/1½ bath	792	41	833	1.095	740.42
307	G	1 bed/1 bath	456	30	486	0.630	425.99
308	GR	1 bed/1 bath	456	30	486	0.630	425.99
309	H	1 bed/1 bath	622	41	663	0.860	581.51
400	A	2 bed/2 bath	783	18	801	1.082	731.63
401	B	1 bed/1 bath	522	41	563	0.721	487.53
402	C	Studio	451	30	481	0.623	421.26
403	CR	Studio	451	30	481	0.623	421.26
404	D	2 bed/2 bath	726	41	767	1.003	678.21
405	E	1 bed/1 bath	437	42	479	0.604	408.41
406	F	2 bed/1½ bath	792	41	833	1.095	740.42
407	G	1 bed/1 bath	456	30	486	0.630	425.99
408	GR	1 bed/1 bath	456	30	486	0.630	425.99
409	H	1 bed/1 bath	622	41	663	0.860	581.51
500	A	2 bed/2 bath	783	18	801	1.082	731.63
501	B	1 bed/1 bath	522	41	563	0.721	487.53
502	C	Studio	451	30	481	0.623	421.26
503	CR	Studio	451	30	481	0.623	421.26
504	D	2 bed/2 bath	726	41	767	1.003	678.21
505	E	1 bed/1 bath	437	42	479	0.604	408.41
506	F	2 bed/1½ bath	792	41	833	1.095	740.42
507	G	1 bed/1 bath	456	30	486	0.630	425.99
508	GR	1 bed/1 bath	456	30	486	0.630	425.99
509	H	1 bed/1 bath	622	41	663	0.860	581.51
600	A	2 bed/2 bath	783	18	801	1.082	731.63
601	B	1 bed/1 bath	522	41	563	0.721	487.53
602	C	Studio	451	30	481	0.623	421.26

EXHIBIT G

603	CR	Studio	451	30	481	0.623	421.26
604	D	2 bed/2 bath	726	41	767	1.003	678.21
605	E	1 bed/1 bath	437	42	479	0.604	408.41
606	F	2 bed/1½ bath	792	41	833	1.095	740.42
607	G	1 bed/1 bath	456	30	486	0.630	425.99
608	GR	1 bed/1 bath	456	30	486	0.630	425.99
609	H	1 bed/1 bath	622	41	663	0.860	581.51
700	A	2 bed/2 bath	783	18	801	1.082	731.63
701	B	1 bed/1 bath	522	41	563	0.721	487.53
702	C	Studio	451	30	481	0.623	421.26
703	CR	Studio	451	30	481	0.623	421.26
704	D	2 bed/2 bath	726	41	767	1.003	678.21
705	E	1 bed/1 bath	437	42	479	0.604	408.41
706	F	2 bed/1½ bath	792	41	833	1.095	740.42
707	G	1 bed/1 bath	456	30	486	0.630	425.99
708	GR	1 bed/1 bath	456	30	486	0.630	425.99
709	H	1 bed/1 bath	622	41	663	0.860	581.51
800	A	2 bed/2 bath	783	18	801	1.082	731.63
801	B	1 bed/1 bath	522	41	563	0.721	487.53
802	C	Studio	451	30	481	0.623	421.26
803	CR	Studio	451	30	481	0.623	421.26
804	D	2 bed/2 bath	726	41	767	1.003	678.21
805	E	1 bed/1 bath	437	42	479	0.604	408.41
806	F	2 bed/1½ bath	792	41	833	1.095	740.42
807	G	1 bed/1 bath	456	30	486	0.630	425.99
808	GR	1 bed/1 bath	456	30	486	0.630	425.99
809	H	1 bed/1 bath	622	41	663	0.860	581.51
900	A	2 bed/2 bath	783	18	801	1.082	731.63
901	B	1 bed/1 bath	522	41	563	0.721	487.53
902	C	Studio	451	30	481	0.623	421.26
903	CR	Studio	451	30	481	0.623	421.26
904	D	2 bed/2 bath	726	41	767	1.003	678.21
905	E	1 bed/1 bath	437	42	479	0.604	408.41
906	F	2 bed/1½ bath	792	41	833	1.095	740.42
907	G	1 bed/1 bath	456	30	486	0.630	425.99
908	GR	1 bed/1 bath	456	30	486	0.630	425.99
909	H	1 bed/1 bath	622	41	663	0.860	581.51
1000	A	2 bed/2 bath	783	18	801	1.082	731.63
1001	B	1 bed/1 bath	522	41	563	0.721	487.53
1002	C	Studio	451	30	481	0.623	421.26
1003	CR	Studio	451	30	481	0.623	421.26
1004	D	2 bed/2 bath	726	41	767	1.003	678.21
1005	E	1 bed/1 bath	437	42	479	0.604	408.41
1006	F	2 bed/1½ bath	792	41	833	1.095	740.42
1007	G	1 bed/1 bath	456	30	486	0.630	425.99

EXHIBIT G

1008	GR	1 bed/1 bath	456	30	486	0.630	425.99
1009	H	1 bed/1 bath	622	41	663	0.860	581.51
1100	A	2 bed/2 bath	783	18	801	1.082	731.63
1101	B	1 bed/1 bath	522	41	563	0.721	487.53
1102	C	Studio	451	30	481	0.623	421.26
1103	CR	Studio	451	30	481	0.623	421.26
1104	D	2 bed/2 bath	726	41	767	1.003	678.21
1105	E	1 bed/1 bath	437	42	479	0.604	408.41
1106	F	2 bed/1½ bath	792	41	833	1.095	740.42
1107	G	1 bed/1 bath	456	30	486	0.630	425.99
1108	GR	1 bed/1 bath	456	30	486	0.630	425.99
1109	H	1 bed/1 bath	622	41	663	0.860	581.51
1200	A	2 bed/2 bath	783	18	801	1.082	731.63
1201	B	1 bed/1 bath	522	41	563	0.721	487.53
1202	C	Studio	451	30	481	0.623	421.26
1203	CR	Studio	451	30	481	0.623	421.26
1204	D	2 bed/2 bath	726	41	767	1.003	678.21
1205	E	1 bed/1 bath	437	42	479	0.604	408.41
1206	F	2 bed/1½ bath	792	41	833	1.095	740.42
1207	G	1 bed/1 bath	456	30	486	0.630	425.99
1208	GR	1 bed/1 bath	456	30	486	0.630	425.99
1209	H	1 bed/1 bath	622	41	663	0.860	581.51
VP10	A	2 bed/2 bath	783	18	801	1.082	731.63
VP1	B	1 bed/1 bath	522	148	670	0.721	487.53
VP2	C	Studio	451	30	481	0.623	421.26
VP3	CR	Studio	451	30	481	0.623	421.26
VP4	D	2 bed/2 bath	726	148	874	1.003	678.21
VP5	E	1 bed/1 bath	437	42	479	0.604	408.41
VP6	F	2 bed/1½ bath	792	148	940	1.095	740.42
VP7	G	1 bed/1 bath	456	30	486	0.630	425.99
VP8	GR	1 bed/1 bath	456	30	486	0.630	425.99
VP9	H	1 bed/1 bath	622	148	770	0.860	581.51
CP10	A	2 bed/2 bath	783	18	801	1.082	731.63
CP1	B	1 bed/1 bath	522	25	547	0.721	487.53
CP2	C	Studio	451	30	481	0.623	421.26
CP3	CR	Studio	451	30	481	0.623	421.26
CP4	D	2 bed/2 bath	726	25	751	1.003	678.21
CP5	E	1 bed/1 bath	437	42	479	0.604	408.41
CP6	F	2 bed/1½ bath	792	25	817	1.095	740.42
CP7	G	1 bed/1 bath	456	30	486	0.630	425.99
CP8	GR	1 bed/1 bath	456	30	486	0.630	425.99
CP9	H	1 bed/1 bath	622	25	647	0.860	581.51
			72,367	5,405	77,772	100.000	67,617.96

EXHIBIT G

**ENCUMBRANCES AGAINST TITLE**

1. For any real property taxes that may be due and owing, reference is made to the Department of Finance, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. As to the Parcels identified by Tax Map Key Nos. 2-4-014-005/006/007/008 & 014, only:
  - A. Encroachment of CRM wall and chainlink fence unto Tax Map Key: (Oahu) 2-4-14-14, as shown on survey dated July 18, 1995 of Wm. Dean Alcon & Associates, Inc., as set forth in instrument dated October 17, 1995, recorded as Document No. 95-138868.
  - B. Encroachment of CMU wall on CRM wall unto Tax Map Key: (Oahu) 2-4-14-8, as shown on survey dated July 18, 1995 of Wm. Dean Alcon & Associates, Inc., as set forth in instrument dated October 17, 1995, recorded as Document No. 95-138868.

C. FIRST MORTGAGE, SECURITY AGREEMENT, AND FINANCING STATEMENT

MORTGAGOR: ROYAL LUNALILO, INC., a Hawaii corporation

MORTGAGEE : RAINBOW FINANCE CORPORATION, a Hawaii corporation,  
now known as RAINBOW FINANCIAL CORPORATION

DATED : October 17, 1995  
RECORDED : Document No. 95-138868  
AMOUNT : \$1,500,000.00

ABOVE MORTGAGE ASSIGNED

TO : FINANCE FACTORS, LIMITED, a Hawaii corporation

DATED : January 4, 1999, effective January 1, 1999  
RECORDED : Document No. 99-026945

D. SECOND MORTGAGE

MORTGAGOR: ROYAL LUNALILO, INC., a Hawaii corporation

MORTGAGEE : SANREX CO., LTD., a Japan corporation

DATED : September 30, 1995  
RECORDED : Document No. 95-138869  
AMOUNT : \$1,500,000.00

E. The term and provisions, including the failure to comply with any covenants, conditions and reservations, contained in unrecorded OPTION AGREEMENT dated April 10, 1997, but effective as of August 28, 1996, by and between ROYAL LUNALILO, INC., a Hawaii corporation, "Grantor", and R.L. INVESTMENT LIMITED PARTNERS, a Hawaii limited partnership, "Grantee", of which a SHORT FORM MEMORANDUM OF OPTION is dated October 4, 1997, recorded as Document No. 97-140262.

F. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR: ROYAL LUNALILO, INC., a Hawaii corporation

MORTGAGEE : R.L. INVESTMENT LIMITED PARTNERS, a Hawaii limited partnership

DATED : January 30, 1998

RECORDED : Document No. 98-020382

AMOUNT : not exceeding the sum of \$200,000.00

ABOVE MORTGAGE AMENDED BY INSTRUMENT

DATED : February 25, 1998

RECORDED : Document No. 98-028438

RE : maximum principal amount increased from \$200,000.00 to \$1,000,000.00

4. As to the Parcels identified by Tax Map Key Nos. 2-4-014-010 & 015, only:

Any unrecorded leases and matters arising from or affecting the same.

5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey or archaeological study would disclose.

## CONSTRUCTION WARRANTIES

### 1. Building and Other Improvements.

The construction contract for the Project (the "Construction Contract") contains a clause which provides in pertinent part that:

"If within one (1) year after the Date of Substantial Completion, or within such longer or other period of time as may be prescribed by law or by the terms of any applicable warranty contained in the Contract Documents, any of the Work is found to be defective or not in accordance with the Contract Documents, the Contractor shall immediately correct such Work or, in the case of corrections involving long-lead items, take all necessary action to correct such Work as promptly as possible, upon receipt of a written notice from the Owner to do so."

The Developer makes no warranties itself, but the Developer agrees that the closing of the sale of any apartment in the Project shall constitute an assignment by the Developer to the purchaser of the apartment (the "Purchaser") of any and all warranties given to the Developer by the contractor(s) for the Project in connection with the apartment, including any contractor's agreement to promptly correct any of its work found to be defective or not in conformance with the Construction Contract following the "Date of Substantial Completion of the Work", as defined in the Construction Contract. The benefit of such agreement shall accrue to the Purchaser on closing without further instruments or documents. The Developer shall cooperate with the Purchaser during the effective period of such agreement in asserting any claims based on any such warranty. The Developer is not adopting the contractor's warranty or acting as co-warrantor, but is merely attempting to pass through to any Purchaser the benefit of such contractor's warranty, if any.

### 2. Appliances.

The closing of the sale of any apartment in the Project shall also constitute the assignment by the Developer to the Purchaser, for the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the apartment. The Developer is merely attempting to pass through to the Purchaser any such manufacturer's or dealer's warranties; the Developer is not adopting any such warranties or acting as co-warrantor with respect to any furnishings, fixtures or appliances. The terms of the manufacturer's or dealer's written warranties will be available for the Purchaser's examination at the Developer's sales office.

**ESTIMATED INITIAL  
MAINTENANCE FEE AND CLUB FEE DISBURSEMENTS**

**CROWNE VISTA SENIOR CONDOMINIUM  
127 APARTMENT COMPLEX**

Regency Pacific, Inc. Budget Programs

	2000 Monthly Budget	2000 Annual Budget
<b>RECEIPTS:</b>		
Maintenance Fees (1) Building/Facility of Common Interest	\$ 67,618	\$ 811,413
Maintenance Fees (2) Renaissance Club for First Person	\$ 47,371	\$ 568,452
Second Person Receipts ( 40% of Occupancy )	\$ 19,023	\$ 228,276
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$ 134,012</b>	<b>\$ 1,608,141</b>
<b>(1) DISBURSEMENTS: BUILDING &amp; FACILITY RELATED</b>		
<b>Utilities:</b>		
Electricity, Commons and Plant Operation	\$ 7,000	\$ 84,000
Gas	\$ 2,502	\$ 30,024
Sewer	\$ 4,528	\$ 54,336
Water	\$ 2,267	\$ 27,204
Telephone	\$ 875	\$ 10,500
<b>Sub Total</b>	<b>\$ 17,172</b>	<b>\$ 206,064</b>
<b>Contract Services:</b>		
Fire Alarm/Extinguisher Testing	\$ 275	\$ 3,300
Elevator Maintenance and Testing	\$ 750	\$ 9,000
Pool and Grounds Maintenance	\$ 500	\$ 6,000
Refuse Disposal (Commons & Apartments)	\$ 2,750	\$ 33,000
Pest Control (Commons and Apartments)	\$ 950	\$ 11,400
Basic Cable or Satellite TV (Commons & Apartments)	\$ 3,175	\$ 38,100
Janitorial - Exterior Window Washing	\$ 1,200	\$ 14,400
Vent/Pump/AC	\$ 1,000	\$ 12,000
Other Building Maintenance & Repair	\$ 750	\$ 9,000
<b>Sub Total</b>	<b>\$ 11,350</b>	<b>\$ 136,200</b>
<b>Insurance:</b>		
Fire/Special Multi-Peril/Hazard/Liability	\$ 8,255	\$ 99,060
Directors & Officers	\$ 225	\$ 2,700
Fidelity Bond	\$ 125	\$ 1,500
<b>Sub Total</b>	<b>\$ 8,605</b>	<b>\$ 103,260</b>



**(2) DISBURSEMENTS: THE CLUB****Manager's Food Service Employees:**

	2000 Monthly Budget	2000 Annual Budget
Chef	\$ 3,898	\$ 46,776
Cooks	\$ 4,096	\$ 49,152
Cook's Helper	\$ 5,582	\$ 66,984
Dishwashers & Bus	\$ 3,500	\$ 42,000
Servers	\$ 3,000	\$ 36,000
Hostess & Lounge	\$ 3,100	\$ 37,200
<b>Sub total wages</b>	<b>\$ 23,176</b>	<b>\$ 278,112</b>
Taxes & Benefits - 30%	\$ 6,953	\$ 83,434
<b>TOTAL</b>	<b>\$ 30,129</b>	<b>\$ 361,546</b>

**Manager's Amenities Service Employees:**

RN Wellness Director & LPN Relief	\$ 4,885	\$ 58,620
Activity Director	\$ 2,304	\$ 27,648
Activity Assistant	\$ 1,170	\$ 14,040
<b>Sub total wages</b>	<b>\$ 8,359</b>	<b>\$ 100,308</b>
Taxes & Benefits - 30%	\$ 2,508	\$ 30,092
<b>TOTAL</b>	<b>\$ 10,867</b>	<b>\$ 130,400</b>

**Service Employees:**

Housekeepers	\$ 4,400	\$ 52,800
Van Driver	\$ 1,768	\$ 21,216
Janitorial Supplies	\$ 210	\$ 2,520
Housekeeping Supplies	\$ 625	\$ 7,500
<b>Sub total wages</b>	<b>\$ 7,003</b>	<b>\$ 84,036</b>
Taxes & Benefits - 30%	\$ 2,101	\$ 25,211
<b>TOTAL</b>	<b>\$ 9,104</b>	<b>\$ 109,247</b>

**Transportation:**

Van(s) Leased Or Amortized Payment	\$ 1,000	\$ 12,000
Insurance	\$ 385	\$ 4,620
Fuel	\$ 300	\$ 3,600
Maintenance, License, Safety Checks	\$ 150	\$ 1,800
<b>Sub Total</b>	<b>\$ 1,835</b>	<b>\$ 22,020</b>

**The Club Supplies:**

Dietary Supplies (non-food related)	\$ 1,500	\$ 18,000
Service Wares Replacement	\$ 400	\$ 4,800
Club Linen Stock & Service	\$ 500	\$ 6,000
Laundry Supplies	\$ 200	\$ 2,400
<b>Sub Total</b>	<b>\$ 2,600</b>	<b>\$ 31,200</b>

**Misc. Club Expenses:**

Hospitality Fund	\$ 100	\$ 1,200
Contingency Fund	\$ 217	\$ 2,628
<b>Sub Total</b>	<b>\$ 317</b>	<b>\$ 3,828</b>

**Sub Total - Club Expenses Before Allocated Administration Expenses****\$ 54,852      \$ 658,241**EXHIBIT J

Page 3 of 5

	2000	2000
	Monthly Budget	Annual Budget
<b>Allocated Administration Expenses:</b>		
General Management including Managing Agent	\$ 9,260	\$ 111,120
Condominium Manager	\$ 5,130	\$ 61,560
Office Manager	\$ 2,930	\$ 35,160
Legal	\$ 225	\$ 2,700
Audit and Tax Preparation	\$ 225	\$ 2,700
Board of Directors Expense	\$ 100	\$ 1,200
Office Supplies	\$ 100	\$ 1,200
Office Lease Equipment	\$ 400	\$ 4,800
Misc. Taxes and Permits	\$ 750	\$ 9,000
Dues and Subscriptions	\$ 50	\$ 600
Misc. Contingency Expense	\$ 200	\$ 2,400
<b>Sub Total</b>	<b>\$ 19,370</b>	<b>\$ 232,440</b>
Less 50.4 % Portion Allocated to Facility Related Services	50.4%	50.4%
	\$ (9,762)	\$ (117,150)
<b>Net Administration</b>	<b>\$ 9,608</b>	<b>\$ 115,290</b>
<b>DISBURSEMENTS FOR THE CLUB</b>	<b>\$ 64,460</b>	<b>\$ 773,531</b>
<b>(2) RESERVE ALLOCATION EXPEDITURE OF 3%</b>	<b>\$ 1,934</b>	<b>\$ 23,206</b>
<b>(2) TOTAL DISBURSEMENTS - CLUB</b>	<b>\$ 66,394</b>	<b>\$ 796,737</b>
<b>TOTAL DISBURS. &amp; RESERVES - CATEGORIES 1 &amp; 2 COMBINED</b>	<b>\$ 134,012</b>	<b>\$ 1,608,142</b>
<b>Net Excess of Receipts over Disbursements</b>	<b>\$ -</b>	<b>\$ (1)</b>

**AVERAGE (1) MAINTENANCE FEES AND (2) CLUB FEES:**

(1) Maintenance fees are assessed on a percentage of interest in the common elements. Average Estimated fees per apartments are: (Total Facility Related Expenses and Reserve divided by 127 apartments)

**\$ 532**

(2) The Club Fees are assessed on a first person basis plus an estimated 40% second person occupancy (178 residents):

**\$ 373**

Each additional person per apartment is assessed:

**\$ 373**

**(3) Combined average Maintenance and Club fees:**

**\$ 905**

**(4) Optional Services: (Billed Directly to Owner)**

Note: Each person living in the Condominium desiring meals will be charged additional fees per month. The following is the estimated fee schedule per month excluding general excise tax per individual for meal service:

Buffet Lunch	\$ 90
Continental Breakfast and Dinner	\$ 180

*Certain services such as beauty salon, convenience store, extra optional services and senior living assistance services are charged on an "as used" basis. Refer to Homeowner's guide.*

R. L. Investment Limited Partners hereby certifies that the annual operating budget set forth in this Exhibit J to the Supplementary Public Report and the estimates of the initial maintenance fees assessable against the owner(s) of each of the apartments in the Project set forth in Exhibit G to the Supplementary Public Report were prepared in accordance with generally accepted accounting principles.

Pursuant to §514A-83.6, Hawaii Revised Statutes, a new association created after January 1, 1993 need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. Accordingly, R. L. Investment Limited Partners has not conducted a reserve study for the Project.

R. L. INVESTMENT LIMITED PARTNERS

By The Pacific M & A Group, Inc.

By Jack Tyrrell  
Name: Jack Tyrrell  
Title: President

Date: March 31, 1999

Subscribed and sworn to before me  
this 31<sup>st</sup> day of March, 1999.

Loelani N. Jinbo  
Notary Public, State of Hawaii

My Commission expires: 9/24/2002

## SUMMARY OF SALES CONTRACT

The specimen Condominium Purchase Agreement, Deposit Receipt and Contract ("Purchase Agreement") contains, among others, the following terms and provisions (which may be modified or otherwise limited by provisions not summarized):

1. The Purchase Price shall be paid in four (4) payments, the last of which shall be paid to the escrow agent, subject to other terms, on the earlier of (a) the Date of Pre-closing, or (b) three (3) days prior to the Date of Closing, except that mortgage proceeds from Buyer's Permanent Loan may be paid one (1) day prior to the Date of Closing.

2. The Purchase Price does not include the Project start-up fee, closing costs, prorations, and additional costs payable by Buyer under the Purchase Agreement.

3. Until (i) the Real Estate Commission of the State of Hawaii ("Commission") has issued an effective date for a Final Public Report for the Project, (ii) Buyer has receipted for or is deemed to have receipted for the Final Public Report, and (iii) Buyer has waived or is deemed to have waived Buyer's right to cancel under Hawaii Revised Statutes ("H.R.S.") §514A-62, the Purchase Agreement does not constitute a binding sales contract and may be terminated by either Buyer or Seller by written notice of such termination delivered to the other party.

4. Buyer has received a copy of the Declaration, By-Laws, House Rules, public report(s) for the Project, form of Apartment Deed, and Escrow Agreement, and Buyer acknowledges that Buyer has had an adequate opportunity to read those documents and to examine the Project plans.

5. Within thirty (30) days after the date Seller accepts the Purchase Agreement, Buyer must submit to Seller evidence of Buyer's ability to pay the Purchase Price.

6. If Buyer will be utilizing mortgage financing to pay a portion of the Purchase Price, then:

(i) If the Purchase Agreement is executed prior to the issuance of the Final Public Report on the Project, Buyer must submit to Seller a pre-qualification letter from a recognized lending institution of Buyer's choice within thirty (30) days of Seller's acceptance of the Purchase Agreement. If such pre-qualification letter is not obtained by Buyer within the required time, Seller or Buyer shall have the option to terminate the Purchase Agreement.

(ii) Buyer must submit to Seller a firm written commitment for Buyer's Permanent Loan from Buyer's Permanent Lender within forty-five (45) days from the date of delivery to Buyer of the Final Public Report (or within sixty (60) days if Buyer is not a resident of the State of Hawaii). If said written commitment is issued more than one hundred twenty (120) days prior to the Date of Closing, Buyer agrees to submit all verifications, authorizations, certifications, tax returns, and other documents that may be required by Buyer's Permanent Lender to reconfirm the written commitment for Buyer's Permanent Loan. If Buyer's application for mortgage financing is not approved within forty-five (45) days from the date of delivery to Buyer of the Final Public Report (or within sixty (60) days if Buyer is not a resident of the

State of Hawaii), either Buyer or Seller may terminate the Purchase Agreement, provided that Buyer's option to terminate must be exercised, if at all, within sixty (60) days after delivery to Buyer of the Final Public Report (or within seventy-five (75) days if Buyer is a not a resident of the State of Hawaii).

7. If Buyer will be paying the entire Purchase Price in cash, then within (i) thirty (30) days after Buyer's receipt for the Final Public Report, and (ii) if Seller so requires, no later than thirty (30) days, and no earlier than ninety (90) days prior to the Date of Closing, Buyer must submit to Seller written evidence from Buyer's bankers or accountants or other persons reconfirming Buyer's ability to pay the Purchase Price in cash on the Date of Closing. If Seller, in its sole discretion, is not satisfied as to Buyer's continued ability to make such cash payments, then Seller may terminate the Purchase Agreement.

8. All payments made by Borrower under the Purchase Agreement will be deposited with Escrow under the terms of the Escrow Agreement.

9. Seller has reserved the right to make certain modifications to the Declaration, By-Laws, House Rules, Apartment Deed, and other documents as may be required by law, any title insurance company, any institutional mortgagee, or any governmental agency, or as Seller otherwise deems appropriate.

10. Buyer acknowledges that construction may continue on the site after Buyer has occupied the Apartment, and sales activities will continue until the last unsold apartment in the Project has been sold.

11. The Purchase Agreement shall not be construed as a present transfer of any interest in the Apartment, but is an agreement to transfer in the future.

12. Buyer waives, relinquishes, and subordinates the priority or superiority of any lien or any other legal or equitable interest arising under the Purchase Agreement in favor of the lien or charge on the Project or the security interests of the Lender, including but not limited to any lien, mortgage, or other charge securing a loan made to finance the acquisition of the land and the costs of construction and other costs during such construction and any and all advances therefor, whether contractual or voluntary, until the final closing and delivery by Seller of an apartment deed to Buyer.

13. Buyer consents to Seller's assignment to Lender, as security, of Seller's interests in the Purchase Agreement and Buyer's deposits with Escrow. In the event Lender acquires Seller's interest in the Purchase Agreement pursuant to said assignment, Buyer will, at Lender's option, perform to, attorn to, and recognize Lender as the Seller under the Purchase Agreement.

14. The estimated completion date of the Project, June 1, 2001, is an approximate date given to the best of Seller's information and belief. If the Project is not completed and ready for occupancy within twelve (12) months after the estimated completion date, then at the sole option of Seller, the obligations of both Buyer and Seller under the Purchase Agreement shall terminate.

15. So long as Seller owns an interest in any apartment in the Project, and until the election of the Board of Directors and officers of the Association of Apartment Owners, Seller may exercise all of the powers of the Board of Directors and officers.

16. In the event that the development and construction of the Project is delayed due to any governmental restrictions or regulations enacted after the date of acceptance of the Purchase Agreement by Seller, or by the occurrence of a contingency, the nonoccurrence of which was a basic assumption on which the Purchase Agreement was made, and Seller determines that increases in the development and construction costs due to such delay require increases in the sales price of apartments to maintain financial feasibility of the Project, Seller may increase the Purchase Price of the Apartment, and after Buyer's receipt of notice of such increase in the Purchase Price, Buyer shall have fifteen (15) days within which to cancel the Agreement. Seller reserves the right, from time to time, to increase or decrease the listed purchase price of any unsold apartment in the Project.

17. After Buyer has receipted for or is deemed to have receipted for the Final Public Report, and Buyer has waived or is deemed to have waived Buyer's right to cancel under H.R.S. §514A-62, Buyer may terminate the Purchase Agreement only if there is a material change in the Project (other than a change made pursuant to the Declaration) which directly, substantially, and adversely affects the use or value of the Apartment or appurtenant limited common elements or the amenities of the Project available for Buyer's use. The foregoing rescission right may be waived as provided in H.R.S. §514A-63.

18. Seller may terminate the Purchase Agreement if (i) Buyer fails to make any payment when due under the Purchase Agreement, or (ii) Buyer fails to furnish to Seller satisfactory evidence of Buyer's ability to pay the Purchase Price, or (iii) if Buyer is paying the Purchase Price partially from the proceeds of a loan to Buyer, Buyer fails to furnish to Seller the pre-qualification letter or Buyer fails to furnish to Seller a firm written commitment for such loan within the time periods specified in the Purchase Agreement, or (iv) if Buyer is paying the entire Purchase Price in cash, Buyer fails to provide evidence to Seller of Buyer's ability to pay the Purchase Price as required by the Purchase Agreement, or (v) if Buyer is not a natural person, Buyer fails to have its obligations under the Purchase Agreement guaranteed by a person acceptable to Seller, or (vi) Buyer fails to execute and return the receipt and notice of right to cancel in connection with Buyer's receipt of a copy of the Final Public Report within the time period specified in the Purchase Agreement, or (vii) Buyer fails to perform any other obligation required under the Purchase Agreement and such failure continues for fifteen (15) days after Seller gives written notice to Buyer of such failure, or (viii) the Project is not completed and ready for occupancy by June 1, 2002, or (ix) any Buyer under the Purchase Agreement dies prior to the performance of all of Buyer's obligations under the Purchase Agreement.

19. Neither Seller nor any of Seller's representatives has made any representations or references as to rental of the Apartment, or the income, or any other economic benefit to be derived from the rental of the Apartment. Buyer will not enter into any rental pool or similar arrangement until Seller has closed the sale of all the apartments in the Project or until June 1, 2003, whichever shall first occur.

20. Seller makes only those warranties regarding construction and appliances which are set forth in the Purchase Agreement.

21. If Buyer is purchasing the Apartment as a prospective owner-occupant pursuant to H.R.S. §514A-101 et seq., Buyer must reaffirm the owner-occupant affidavit no earlier than the date of Buyer's receipt for the Final Public Report and no later than the Date of Closing.

22. Seller may preclose on or about sixty (60) days prior to the estimated Date of Closing by having all documents necessary for closing executed and deposited with Escrow. Upon preclosing, Buyer must deposit into Escrow all sums due at closing, except Buyer's Permanent Loan proceeds, if applicable.

23. Buyer will not take possession of the Apartment prior to the Date of Closing and full satisfaction by Buyer of all terms and conditions of the Purchase Agreement.

24. Buyer will inspect the Apartment and will sign an inspection sheet to be furnished by Seller or the contractor, or Buyer will appoint the inspecting architect or engineer for the Project, or Seller or any agent of Seller to inspect the Apartment and execute the inspection sheet on behalf of Buyer. Buyer agrees to accept possession of the Apartment despite the existence of damages and defects as long as Seller agrees to repair such defects or damage within a reasonable time. Buyer agrees to indemnify Seller for any damages resulting from any wrongful refusal to accept possession of the Apartment.

25. Risk of loss to the Apartment shall be borne by Seller until the Date of Closing.

26. Time is of the essence of the obligations of Buyer under the Purchase Agreement.

27. In the event of any default under the Purchase Agreement by Buyer which occurs before the Purchase Agreement becomes a binding contract, Seller may cancel the Purchase Agreement and (a) all moneys paid under the Purchase Agreement shall be refunded or the check returned to Buyer, with interest to the extent provided in the Purchase Agreement, less any cancellation fee imposed by Escrow and any other actual expenses incurred by reason of Buyer having signed the Purchase Agreement; and (b) all costs, including reasonable attorneys' fees, incurred by reason of the default by Buyer shall be paid by Buyer promptly upon Seller's demand therefor. In the event of any default under the Purchase Agreement by Buyer which occurs after the Purchase Agreement becomes a binding contract, Seller may cancel the Purchase Agreement and thereupon, at Seller's option, all sums previously paid by Buyer, together with all accrued interest thereon, shall belong to Seller as liquidated damages.

Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings given them under the Purchase Agreement.

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THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS-CONTAINED IN THE PURCHASE AGREEMENT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF BUYER'S RIGHTS AND OBLIGATIONS UNDER THE PURCHASE AGREEMENT, BUYER MUST REFER TO THE PURCHASE AGREEMENT TO DETERMINE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PURCHASE AGREEMENT, THE PURCHASE AGREEMENT WILL CONTROL.

## SUMMARY OF CONDOMINIUM ESCROW AGREEMENT

The Condominium Escrow Agreement (“Escrow Agreement”) dated March 19, 1999, made by and between Fidelity National Title & Escrow of Hawaii, Inc. (“Escrow”), and R. L. Investment Limited Partners (“Developer”), contains among other provisions the following (which may be modified or otherwise limited by provisions not summarized herein):

1. Sales Contracts Deposited in Escrow. Whenever Developer enters into a sales contract with a purchaser for the sale of an apartment in Crowne Vista (the “Project”), Developer shall deliver an executed copy of said contract to Escrow. The sales contract shall require that all payments due thereunder be made directly to Escrow to be held and disbursed in accordance with the Escrow Agreement. If the purchaser intends to purchase the apartment as an “owner-occupant” pursuant to Chapter 514A, Part VI, Hawaii Revised Statutes (“H.R.S.”), said purchaser shall deliver an owner-occupant affidavit to Escrow in the form and content required by H.R.S. §514A-104.5.

2. Receipt of Funds by Escrow. Escrow shall receive payments under the sales contracts and from any other source relating to the Project. Escrow will deposit all funds within a reasonable time after receipt in an interest-bearing account or accounts at a federally insured bank, savings and loan association, or other financial institution. Any interest earned on such deposits shall accrue to the credit of Developer unless Escrow is asked to establish a separate account for a purchaser, in which case prior to the purchaser’s execution of a Receipt for the Final Public Report for the Project, interest on such account shall accrue to the credit of said purchaser; thereafter, interest on the purchaser’s funds shall belong to the Developer.

3. Conditions to be Met Prior to Disbursement. Escrow shall make no disbursement of funds deposited with it unless: (a) the Real Estate Commission has issued an effective date for a Final Public Report on the Project; (b) Developer or Developer’s attorney has notified Escrow that the requirements of H.R.S. §514A-62 and §514A-63 have been met; (c) Developer has given Escrow a written waiver of any reserved option to cancel the sales contract; (d) Developer has delivered to Escrow a certificate stating that the Project is designed to comply with the Federal Fair Housing Amendments Act of 1988; and (e) any prospective owner-occupant has met the requirements of H.R.S. §514A-105(d).

4. Return of Funds and Documents. Escrow will return deposited sums, without interest and less Escrow’s cancellation fee and other costs up to a maximum of \$250.00, to a purchaser if: (i) Developer and said purchaser notify Escrow in writing to return the funds; or (ii) Developer exercises any reserved option to cancel or rescind the sales contract and notifies Escrow thereof; or (iii) said purchaser exercises his/her right to cancel the sales contract pursuant to H.R.S. §514A-62; or (iv) said purchaser exercises his/her right to rescind the sales contract under H.R.S. §514A-63. Notwithstanding any of the foregoing, Escrow shall return deposited sums to a prospective purchaser/prospective owner-occupant if Developer or prospective purchaser/prospective owner-occupant shall so request in writing and one of the following has occurred: (a) no sales contract has been offered to the prospective purchaser/prospective owner-occupant within six (6) months of issuance of the first public report or of the public lottery; (b) the prospective purchaser/prospective owner-occupant has requested to be removed from the final reservation list as defined by H.R.S. §514A-104; (c) the prospective purchaser/prospective owner-occupant has elected not to execute a sales contract; or (d) the prospective purchaser/prospective owner-occupant has not obtained

adequate financing or a commitment therefor. The sales contract shall be rescinded and the deposited sums returned if any prospective purchaser/prospective owner-occupant does not comply with the requirements of H.R.S. §514A-105(d).

5. Unclaimed Funds. Escrow shall notify each purchaser entitled to a return of funds by registered or certified mail. If any purchaser does not claim the refund within sixty (60) days, Escrow shall deposit the funds with a bank or depository selected by Escrow in the name of Developer as trustee for the purchaser. Thereafter, Escrow shall have no further obligation or liability with respect to such funds or purchaser.

6. Closing. Except for the sales contract and any note and mortgage, Escrow shall arrange for and supervise the execution, recording, and delivery of all documents, as necessary, related to the Project.

7. Partial Closings. In the event Developer desires partial closings (i.e. closings for some but not all of the apartments), Escrow agrees to cooperate and facilitate such partial closings.

8. Defects in Documents. Escrow shall record all documents within five (5) business days of the date of closing, provided said documents are not defective in any way. If any documents are defective, Escrow will notify Developer thereof and correct such defects if they are within Escrow's capacity to correct.

9. Purchaser's Default. Developer shall notify Escrow when payments are due from a purchaser, who shall then be notified by Escrow. Escrow shall notify Developer of any defaults by a purchaser. If Developer certifies to Escrow in writing that Developer has terminated the sales contract, Escrow shall thereafter treat all funds of the purchaser paid on account of said sales contract as funds of Developer. Upon the written request of Developer, Escrow shall pay such funds to Developer, less any cancellation fee, and shall return any partially executed conveyance documents. Escrow shall retain all other documents for the statutory period. Thereafter, Escrow shall have no further obligation or liability with respect to such funds or purchaser.

10. Protection of Escrow. Escrow shall have no liability for acting in accordance with the terms of the Escrow Agreement, notwithstanding a notice to the contrary from Developer, any purchaser, or any third person. Escrow shall not be responsible for the validity or sufficiency of any documents received by it, shall assume that said documents have been properly executed, and shall assume that any written certification or instrument from Developer is true and accurate. In the event of any dispute, difference, or conflicting demand upon Escrow, Escrow shall not be required to determine the same or take any action in the premises, but may await settlement of the controversy by appropriate legal proceedings or otherwise, including the resolution of an interpleader action initiated by Escrow. Developer and each purchaser agree to pay Escrow on demand and to indemnify and hold harmless Escrow against all costs and damages arising out of this Agreement, except for any act or omission of Escrow that is not generally accepted as a reasonable business practice. Escrow shall not be required to mail any notice or keep any records required under H.R.S. Chapter 514A.

11. Miscellaneous. The Escrow Agreement is binding upon and inures to the benefit of the parties hereto and their successors and assigns. The Escrow Agreement may be terminated on fifteen

(15) days' written notice to either party. In the event of any conflict between the Escrow Agreement and H.R.S. Chapter 514A, the statutory provisions shall control. Escrow shall furnish Developer with semi-monthly reports that cover the status of each sales contract in Escrow.

12. Compensation. The compensation for Escrow shall be \$250.00 for each apartment in the Project, on the condition that all sales are closed within three (3) years of the date of the Escrow Agreement. Escrow shall arrange for the issuance of a standard owner's policy of title insurance for \$450.00 for each apartment in the Project, and an ALTA lender's policy of title insurance, if required, for an additional \$100.00 for each apartment in the Project. Said compensation with respect to any apartment shall be due and payable upon: (i) transfer to a purchaser of legal title to an apartment; or (ii) final disbursement of the funds held in Escrow; whichever shall first occur.

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THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE ESCROW AGREEMENT, ONE MUST REFER TO THE ACTUAL ESCROW AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.