

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: UNIVERSITY PARKSIDE, LLC, a Hawaii limited liability company
By Its Member: Kailua Realty, Ltd., a Hawaii corporation
c/o William G. Boyle, (R), President
130 Kailua Road, Suite 110
Kailua, Oahu, Hawaii 96734

Project Name (*): UNIVERSITY PARKSIDE
Address: Lot 1, University Heights West
File Plan 2232, Makaula, North Kona, Island and County of Hawaii
State of Hawaii TMK: (3) 7-3-56:35

Registration No. 4902 Effective date: August 20, 2002
Expiration date: September 20, 2003

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: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
X FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[X] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with
SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[] Final Public Report dated:
[] Supplementary Public Report dated:
And [] Supersedes all prior public reports.
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report. Attached as Exhibit G. 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:

SPECIAL NOTICE

1. **This Public Report does not constitute an approval or disapproval of the project nor a representation that the project is in compliance with all County Codes, ordinances and subdivision requirements.**
2. **This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit as shown on the Condominium Map is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dark dashed lines on the Condominium Map do not represent legally subdivided lots, but merely the location of the limited common element assigned to each unit.**
3. **Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for and services such as County street maintenance and trash collection may not be available for interior roads and driveways, if any.**

**THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW
THIS PUBLIC REPORT AND THE ATTACHED DOCUMENTS FOR
FURTHER INFORMATION WITH REGARD TO THE FOREGOING.**

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: **UNIVERSITY PARKSIDE,LLC**
a Hawaii limited liability company
By Its Member: **Kailua Realty, Ltd.**
a Hawaii corporation
c/o William G. Boyle (R), President **Phone: (808) 263-6000**
130 Kailua Road, Suite 110
Kailua, Oahu, Hawaii 96734

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) (attached separate sheet if necessary):

Member
Kailua Realty, Ltd.
a Hawaii corporation
c/o William G. Boyle (R), President

Real Estate
Broker*: **William G. Boyle (R)** **Phone: (808) 263-6000**
Kailua Realty, Ltd. **Facsimile: (808) 262-8275**
dba Century 21 Kailua Beach Realty
130 Kailua Road, Suite 110
Kailua, Oahu, Hawaii 96734

Escrow: **Title Guaranty Escrow Services, Inc.** **Phone: (808) 521-0211**
235 Queen Street **Facsimile: (808) 521-0280**
Honolulu, Hawaii 96813

General
Contractor*: **Finesse Construction / Products, Inc.** **Phone: (808) 966-6192**
Leonard Vincent, President **Facsimile: (808) 325-2528**
P. O. Box 1216
Kurtistown, Hawaii 96760

Condominium
Managing
Agent*: **[SELF-MANAGED by the**
Association of Apartment Owners]
Contact: William G. Boyle (R) **Phone: (808) 263-6000**

Attorney for
Developer: **William C. Byrns, Esq.** **Phone: (808) 523-3080**
MacDonald Rudy Byrns O'Neill & Yamauchi **Facsimile: (808) 523-0759**
1001 Bishop Street
Pacific Tower, Suite 2650
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. 2002-022363**
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: **First Amendment to Declaration of Condominium Property Regime of University Parkside dated July 10, 2002, recorded in the Bureau of Conveyances of the State of Hawaii on July 15, 2002, as Document No. 2002-123023.**

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. 3398
 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]: **None**

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. 2002-022364**
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]: **None**

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%*	75%
Bylaws	65%	65%
House Rules	--	Not Applicable

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

2. Developer:

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

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

III. THE 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 Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Exhibit ___ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provisions(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 Sub-leaseholds:

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 Sub-leasehold:

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: Lot 1, University Heights West, File Plan 2232
Makaula, North Kona, Island and County of Hawaii
State of Hawaii**

Tax Map Key (TMK): (3) 7-3-56:35

Address TMK is expected to change because it is likely that the County of Hawaii will issue address(es) for the Project.

Land Area: 3.480 square feet

acre(s)

Zoning: R-7.5

Fee Owner: University Parkside, LLC, a Hawaii limited liability company

Lessor: N/A

C. **Buildings and Other Improvements:**

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

- 2. **Number of Buildings: Twelve (12)** **Floors Per Building: One (1): Apt. Nos. 1, 2, 3, 4, 5, 8, 9, 12**
Two (2): Apt. Nos. 6, 7, 10, 11
 Exhibit _____ contains further explanations.

- 3. **Principal Construction Material:**
 Concrete Hollow Tile **Wood**
 Other _____

4. **Uses Permitted by Zoning:**

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>12</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<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"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<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 (Declaration, Section 9, Permitted Uses) 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:

Pets: see Bylaws, Article V, Section 5.3(9)

Number of Occupants: _____

Other: restrictions on noxious or offensive activity and hazardous activities; see Bylaws, Sections 5.3(10) and 5.3(11), respectively.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0

**Stairways: 2 each for Apt. Nos.
6, 7, 10 and 11**

Trash Chutes: 0

<u>Apt.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net</u>	<u>Net</u>	<u>(Identify)</u>
<u>Type</u>			<u>Living Area (sf)*</u>	<u>Other Area (sf)</u>	

See attached page 11a

Total Number of Apartments: **Twelve (12)**

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

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

Boundaries of Each Apartment: **The exterior walls of the respective apartments.**

Permitted Alterations to Apartments: **Generally, individual apartment owners may remodel, expand or otherwise alter their apartment, provided the same is permitted by and done in complete accordance with all applicable ordinances, codes, rules, regulations or other requirements in force at the time of said construction. Such alterations shall not require the consent or permission of the other apartment owner in the Project or the Association. See, Declaration, Section 18.**

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). **Developer has elected to provide the information in a published announcement or advertisement.**

(Continued from page 11, No. 6)

<u>Apt No.</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
1	3/2	1,330.00 sq. ft.	667.50 sq. ft. 460.00 sq. ft.	Lanai/entry Garage
2	3/2	1,330.00 sq. ft.	320.00 sq. ft. 460.00 sq. ft.	Lanai/entry Garage
3	3/2	1,063.00 sq. ft.	475.00 sq. ft. 127.00 sq. ft.	Lanai/entry Carport
4	3/2	1,230.00 sq. ft.	200.00 sq. ft. 453.00 sq. ft.	Lanai/entry Carport
5	3/2	1,330.00 sq. ft.	341.50 sq. ft. 460.00 sq. ft.	Lanai/entry Garage
6	2/1	841.11 sq. ft.	647.34 sq. ft. 386.77 sq. ft.	Lanai/entry Carport
7	3/2	1,080.07 sq. ft.	907.40 sq. ft. 386.00 sq. ft.	Lanai/entry Carport
8	3/2	1,231.00 sq. ft.	223.00 sq. ft. 374.50 sq. ft.	Lanai/entry Carport
9	3/2	1,330.00 sq. ft.	667.50 sq. ft. 460.00 sq. ft.	Lanai/entry Garage
10	3/2	1,080.07 sq. ft.	907.40 sq. ft. 386.00 sq. ft.	Lanai/entry Carport
11	3/2	1,080.07 sq. ft.	907.40 sq. ft. 386.00 sq. ft.	Lanai/entry Carport
12	3/2	1,330 sq. ft.	341.00 sq. ft. 460.00 sq. ft.	Lanai/entry Garage

7. Parking Stalls:

Total Parking Stalls: **twenty-four (24)**

	<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>2 ea</u>	_____	_____	_____	_____	_____	<u>24</u>
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>24</u>	_____	<u>0</u>	_____	<u>0</u>	_____	<u>24</u>

Commercial parking garage permitted in condominium project.

Exhibit _____ 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: _____

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):
(For conversions of residential apartments in existence for at least five years): **N/A**

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: **The common elements shall remain undivided and no right shall exist to partition or divide any part thereof, except as provided in the Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgages on Apartments.**

The Apartments are located in the manner shown on the Condominium Map. The Apartments have direct access via their limited common elements to the Roadway shown on the Condominium Map. The common elements include the remaining portions of the Project including, without limitation:

- a) **The land;**
- b) **The Roadway, consisting of 12,321 square feet, shown on the Condominium Map;**
- c) **Any improvements now or hereafter constructed for utilities purposes such as electricity, gas, water, sewer, telephone, radio and television signal distribution, irrigation and other utilities which serve more than one Apartment; and**
- d) **Any and all elements and facilities naturally in common use or necessary to the existence, upkeep and safety of the Project.**

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: The land surrounding each Apartment and set aside for the exclusive use of that Apartment, as shown by dark dashed lines on the Condominium Map, constitutes a limited common element appurtenant to such Apartment. The square footage of the Land surrounding each Apartment is set forth herein on the attached page 14a.

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

described in Exhibit _____.

as follows: The common interest appurtenant to each of Apartments 1 through 11 for all purposes, including voting, is 8.3333 percent. The common interest appurtenant to Apartment 12 for all purposes, including voting, is 8.3337 percent.

- 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 A describes the encumbrance against the title contained in the title reports dated June 6, 2002, issued by Title Guaranty of Hawaii, Inc., covering the entire project, and dated May 16, 2002, issued by First Hawaii Title Corporation covering the individual Apartments..

Square Footage of Land Constituting a
Limited Common Element of, and Being Appurtenant to, Each Apartment

<u>APARTMENT NO.</u>	<u>SQUARE FOOTAGE</u>
1	12,098
2	8,756
3	8,217
4	8,756
5	10,632
6	22,504
7	12,432
8	16,591
9	13,632
10	10,016
11	7,536
12	7,500

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>
Each Apartment is subject to: (i) a First Mortgage in favor of the individual apartment owner's mortgagee; and	Purchaser's interest may be terminated by mortgage but Purchaser shall be entitled to return of his deposit less escrow cancellation fee.
(ii) Second Mortgage in favor of Old Standard Life Insurance Company, an Idaho corporation, dated January 24, 2002, recorded in the Bureau of Conveyances of the State of Hawaii on February 26, 2002, as Document No. 2002-034574	Purchaser's interest may be terminated by mortgage but Purchaser shall be entitled to return of his deposit less escrow cancellation fee.

F. Construction Warranties: None

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: **The 12 buildings of the Project are new construction. They are subject only to the statutory one-year warranty following new construction.**
2. Appliances: **None**

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

The status of completion of the units as of August 2, 2002, is as follows:

Description	Percent Completed	Estimated Completion Date
Unit 01	98.00%	August 5, 2002
Unit 02	95.00%	August 10, 2002
Unit 03	92.00%	August 12, 2002
Unit 04	82.00%	August 25, 2002
Unit 05	82.00%	August 25, 2002
Unit 06	77.00%	September 10, 2002
Unit 07	90.00%	August 20, 2002
Unit 08	90.00%	August 20, 2002
Unit 09	78.00%	September 5, 2002
Unit 10	90.00%	August 17, 2002
Unit 11	90.00%	August 17, 2002
Unit 12	82.00%	August 25, 2002

H. Project Phases:

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

Summary of Developer's plans or right 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 C contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 10, 2002**
Exhibit B contains a summary of the pertinent provisions of the escrow agreement.
- Other: Exclusive Right to Sell Listing Agreements regarding Apartment Nos. 1 through 12**
Exhibit I is a true and correct copy of each Listing Agreement.

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 Change: 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 issued 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, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 6-107, 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 part of Registration No. **4902** filed with the Real Estate Commission on **July 16, 2002**.

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

YELLOW paper stock **WHITE paper stock** PINK paper stock

C. Additional Information Not Covered Above:

1. With respect to the estimate of monthly maintenance fees attached hereto as Exhibit “D,” the Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Chapter 107, Hawaii Administrative Rules, as amended.
2. Hazardous Materials. The developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other “hazardous materials” or “toxic substances” under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer if any hazardous materials are discovered.
3. Disclosure Regarding Selection of Real Estate Broker. Prospective purchasers are advised that the developer/member for this project, William G. Boyle, RB-9334, is an active Hawaii-licensed real estate broker and identified as the Principal Broker for Kailua Realty, Ltd., the designated broker for the project.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report).
- E. 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.

UNIVERSITY PARKSIDE, LLC
a Hawaii limited liability company

By Its Member:
Kailua Realty, Ltd.
a Hawaii corporation

By  _____

WILLIAM G. BOYLE

President

Dated: May 24, 2002

"Developer"

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii

**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.*

EXHIBIT "A"
University Parkside Condominium Project
Encumbrances Against Title

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. The terms, provisions, covenants, easements and reservations as contained in the following:

DECLARATION OF CONDITIONS

Dated: January 26, 1993
Document No.: 93-033559

but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code, or (b) relates to handicap but does not discriminate against handicapped persons.

The foregoing Declaration was amended by the following:

<u>Document No.</u>	<u>Dated</u>
96-111708	July 30, 1996

3. Any claim or boundary dispute which may exist or arise by reason of the failure of the RECIPROCAL GRANT OF EASEMENT, dated March 1, 1995, recorded as Document No. 95-031553 to locate with certainty the boundaries of the non-exclusive easement over Road "A" and Kalaoa Roadway described in said instrument.
4. The terms, provision, covenants, easements and reservations as contained in the following:

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR UNIVERSITY HEIGHTS WEST

Dated: January 22, 1997
Document No.: 97-016852

but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code, or (b) relates to handicap but does not discriminate against handicapped persons.

The foregoing Declaration was amended by the following:

<u>Document No.</u>	<u>Dated</u>
98-151039	September 30, 1998
99-073475	May 6, 1999

5. Any claim or boundary dispute which may exist or arise by reason of the failure of the DECLARATION OF EASEMENTS, dated July 24, 1998, recorded as Document No. 98-116223 to locate with certainty the boundaries of the LOT 4-C described in said instrument.

6. The terms, provisions, covenants, easements and restrictions as contained in the following:

BY-LAWS OF ASSOCIATION OF OWNERS OF "UNIVERSITY HEIGHTS WEST"

Dated: January 22, 1997
Document No.: 97-016853

7. Easement I, as shown on File Plan No. 2232.

8. The terms, provisions, covenants, easements and restrictions as contained in the following:

DECLARATION OF EASEMENTS

Dated: July 24, 1998
Document No.: 98-116223

but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code, or (b) relates to handicap but does not discriminate against handicapped persons.

9. GRANT

In favor of: HAWAII ELECTRIC LIGHT COMPANY, INC., a Hawaii corporation, and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, a Hawaii corporation

Dated: February 17, 1999
Document No.: 99-040214
Purpose: Granting an easement for utility and incidental purposes

10. BILL OF SALE

In favor of: WATER COMMISSION OF THE COUNTY OF HAWAII
Dated: August 24, 1999
Document No.: 99-151656
Re: Water system

11. BILL OF SALE

In favor of: WATER COMMISSION OF THE COUNTY OF HAWAII
Dated: August 24, 1999
Document No.: 99-151657
Re: Water system

12. Claims arising out of customary or traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes as provided for in the Hawaii Constitution or the Hawaii Revised Statutes, as amended.

13. DECLARATION OF CONDOMINIUM PROPERTY REGIME OF UNIVERSITY PARKSIDE

Dated: January 22, 2002
Fee Owner: UNIVERSITY PARKSIDE, LLC, a Hawaii limited liability company
Recorded: February 8, 2002, Bureau of Conveyances, State of Hawaii
Document No. 2002-022363

14. BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF UNIVERSITY PARKSIDE

Dated: January 22, 2002
Fee Owner: UNIVERSITY PARKSIDE, LLC, a Hawaii limited liability company
Recorded: February 8, 2002, Bureau of Conveyances, State of Hawaii
Document No. 2002-022364

15. CONDOMINIUM MAP NO. 3398 of UNIVERSITY PARKSIDE, LLC

16. "Subject, also, to the acknowledgement by Grantee herein that Grantee and all occupants on the granted premises are aware and informed of the Hawaii Right-to-Farm Act of the Hawaii Revised Statutes Chapter 165, as amended," as set forth in Deed in partial Satisfaction of Purchase and Sale Agreement dated January 25, 2002, recorded as Document No. 2002-022361.
17. DEED IN PARTIAL SATISFACTION OF PURCHASE AND SALE AGREEMENT by and between Old Standard Life Insurance Company, an Idaho corporation, as Grantor, and University Parkside, LLC, as Grantee, dated January 25, 2002, recorded in the Bureau of Conveyances of the State of Hawaii on February 8, 2002, as Document No. 2002-022361.
18. APARTMENT DEED covering Apartment No. 1 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 26, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-034573.
19. APARTMENT DEED covering Apartment No. 2 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 26, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-034570.
20. APARTMENT DEED covering Apartment No. 3 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 26, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-034566
21. APARTMENT DEED covering Apartment No. 4 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 28, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-036612.
22. APARTMENT DEED covering Apartment No. 5 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 26, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-034562.
23. APARTMENT DEED covering Apartment No. 6 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 28, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-036616.
24. APARTMENT DEED covering Apartment No. 7 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 27, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-034834.

25. APARTMENT DEED covering Apartment No. 8 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 27, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-034838.
26. APARTMENT DEED covering Apartment No. 9 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 27, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-034842.
27. APARTMENT DEED covering Apartment No. 10 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 27, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-034846.
28. APARTMENT DEED covering Apartment No. 11 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 28, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-036622.
29. APARTMENT DEED covering Apartment No. 12 by and between University Parkside, LLC, a Hawaii limited liability company, as Grantor, and University Parkside, LLC, a Hawaii limited liability company, as Grantee, recorded February 28, 2002, in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-036715.
30. FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF UNIVERSITY PARKSIDE dated July 10, 2002, recorded in the Bureau of Conveyances of the State of Hawaii on July 15, 2002, as Document No. 2002-123023.
31. For real property taxes that may be due and owing, reference is made to the County of Hawaii, Department of Finance, for further information.

End of Exhibit "A"

EXHIBIT "B"
University Parkside Condominium Project
Summary of Escrow Agreement

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC., a Hawaii corporation ("Escrow"), and UNIVERSITY PARKSIDE, LLC, a Hawaii limited liability company, (collectively the "Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.
2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project.
3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Where sales contracts are entered into, Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Final Public Report and with notification by Seller that all of the requirements of Section 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under sales contract.
4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to

cancel his sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow.

5. As Escrow's compensation for its performance under this Agreement, Escrow will receive an amount to be determined by Escrow for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional sum.

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

EXHIBIT "C"
University Parkside Condominium Project
Summary of Sales Contract

Seller intends to use the Hawaii Association of Realtors' standard form Deposit Receipt Offer and Acceptance as the standard sales contract for the project.

1. Evidence of Title. Seller shall furnish Buyer evidence of Seller's marketable title to the interest which is to be conveyed to Buyer. If Seller fails to deliver title as herein provided, Buyer has the option to terminate this agreement and have any of Buyer's deposits returned to Buyer. The foregoing shall not exclude any other remedies available to Buyer. Buyer will receive an Owner's standard coverage policy of title insurance at closing: (a) Seller shall pay 60% of the premium to be charged for an Owner's standard coverage policy of title insurance to be issued to the buyer in the amount of the sales price; and (b) Buyer shall pay 40% of such premium and any additional costs relating to the issuance of any extended coverage policy, including a Lender's policy.
2. Risk of Loss. Risk of loss passes to Buyer upon transfer of title or occupancy whichever occurs first.
3. Default. It is expressly understood and agreed: First: In the event Buyer fails to pay the balance of the purchase price or complete the purchase as herein provided, Seller may (a) bring an action for damages for breach of contract; (b) retain the initial deposit and all additional deposits provided for herein, as liquidated damages; and (c) Buyer shall be responsible for any cost incurred in accordance with this contract. Second: In the event Seller fails to perform his obligations as herein provided, Buyer not being in default, Buyer may (a) bring an action against Seller for damages for breach of contract; (b) file and maintain an action against Seller for specific performance of this contract; and (c) Seller shall be responsible for any cost incurred in accordance with this contract. The foregoing shall not exclude any other remedies available to either Seller or Buyer. In the event of default and/or a lawsuit arising out of this contract (including a suit by a REALTOR for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees. All expenses incurred by escrow shall be deducted from deposited funds prior to any disbursement to the prevailing party.
4. Consent. The obligations of Buyer or Seller hereunder are conditioned upon obtaining those necessary consents of vendors, existing mortgagees, lessors and/or condominium, co-op or other such associations, Buyer or Seller agree to cooperate and take all reasonable action to obtain such consents.

5. Time Is Of The Essence. If either Buyer or Seller for reasons beyond his control cannot perform his obligation to purchase or sell the property by the closing date, then such party by giving escrow written notice prior to the closing date called for in this contract with copies to all parties to this contract, can extend closing for no longer than 30 calendar days to allow performance. Thereafter time is of the essence and the default provisions of paragraph 5 apply. Any further extension must then be agreed to in writing by both parties. There is no automatic right to extend. This provision relates only to the extension of the closing date.

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

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
1	\$8.50 x 12 =	\$102.00
2	\$8.50 x 12 =	\$102.00
3	\$8.50 x 12 =	\$102.00
4	\$8.50 x 12 =	\$102.00
5	\$8.50 x 12 =	\$102.00
6	\$8.50 x 12 =	\$102.00
7	\$8.50 x 12 =	\$102.00
8	\$8.50 x 12 =	\$102.00
9	\$8.50 x 12 =	\$102.00
10	\$8.50 x 12 =	\$102.00
11	\$8.50 x 12 =	\$102.00
12	\$8.50 x 12 =	\$102.00

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

The estimated maintenance fees and maintenance fee disbursements set forth herein are estimates only.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only

common elements and apartments

Elevator

Gas

common elements only

common elements and apartments

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

Grounds (Gate, if any, and roadway)

(\$8.50 x 12) 12 = \$1,224.00

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

Reserves(*)

Taxes and Government Assessments

Audit Fees

Other **TOTAL**

\$102.00 X 12 = \$1,224.00

UNIVERSITY PARKSIDE, LLC, the owners/developers of the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles

UNIVERSITY PARKSIDE, LLC

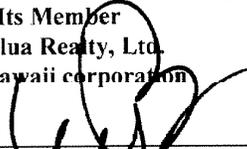
a Hawaii limited liability company

By Its Member

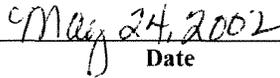
Kailua Realty, Ltd.

a Hawaii corporation

By


WILLIAM G. BOYLE

President


Date

(*)Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules. Subchapter 6, Title 16, Chapter 1070, Hawaii Administrative Rules, as amended. See, Disclosure Abstract, paragraph 4.

Pursuant to §514A-83.6, HRS, 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.

EXHIBIT "E"
University Parkside Condominium Project
Description of Common Elements

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgages on Apartments.

The Apartments are located in the manner shown on the Condominium Map. Each Apartment has direct access, via its limited common elements, to the private roadway (the "Roadway") shown on the Condominium Map, which, in turn, has direct access to Kulanui Road. The common elements include the remaining portions of the Project including, without limitation:

- a. The land;
- b. The Roadway, consisting of 12,321 square feet, shown on the Condominium Map;
- c. Any improvements now or hereafter constructed for utilities purposes such as electricity, gas, water, sewer, telephone, radio and television signal distribution, irrigation and other utilities which serve more than one Apartment; and
- d. Any and all elements and facilities naturally in common use or necessary to the existence, upkeep and safety of the Project.

EXHIBIT "F"
University Parkside Condominium Project
Description of Limited Common Elements

The land surrounding each Apartment and set aside for the exclusive use of that Apartment, as shown by dark dashed lines on the Condominium Map, constitutes a limited common element appurtenant to such Apartment. The square footage of the Land surrounding each Apartment is set forth on **Exhibit "B"** attached to the Declaration of Condominium Property Regime, as follows:

<u>APARTMENT NO.</u>	<u>SQUARE FOOTAGE</u>
1	12,098
2	8,756
3	8,217
4	8,756
5	10,632
6	22,504
7	12,432
8	16,591
9	13,632
10	10,016
11	7,536
12	7,500

University Parkside Condominium Project
Disclosure Abstract

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of University Parkside condominium project makes the following disclosures:

1. The Developer of the Project is:

University Parkside, LLC
a Hawaii limited liability company
By Its Member: Kailua Realty, Ltd.
a Hawaii corporation
William G. Boyle, President
130 Kailua Road, Suite 110
Kailua, Hawaii 96734
2. Prospective purchasers are advised that the developer/member for this project, William G. Boyle, RB-9334, is an active Hawaii-licensed real estate broker and identified as the Principal Broker for Kailua Realty, Ltd., the designated broker for the project.
3. The project is self-managed by the Association of Apartment Owners of University Parkside.
4. With respect to the estimate of monthly maintenance fees, see Exhibit D of the Condominium Public Report, the Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in this Project. The Developer hereby certifies that the estimates have been based on generally accepted accounting principles.
5. There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, except for the statutory one-year warranty following new construction, and the purchaser buys his/her unit in an "AS IS" condition except for such statutory one-year warranty.
6. All of the Apartments of the Project are to be used for permitted residential uses only.
7. The undersigned Developer of the University Parkside condominium project hereby certifies that the enclosed estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles. The Developer has not conducted

a reserve study in accordance with Section 514A-83.6, H.R.S., and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

UNIVERSITY PARKSIDE, LLC

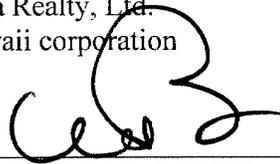
a Hawaii limited liability company

By Its Member:

Kailua Realty, Ltd.

a Hawaii corporation

By



WILLIAM G. BOYLE

President

Dated: May 24, 2002

“Developer”

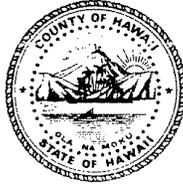
RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Exhibit D this ___ day of _____, _____.

Exhibit “G”

Page 2 of 2

Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

County of Hawaii

PLANNING DEPARTMENT

25 Aupuni Street, Room 109 • Hilo, Hawaii 96720-4252
(808) 961-8288 • Fax (808) 961-8742

March 11, 2002

William C. Byrns, Esq.
MacDonald Rudy Byrns O'Neill & Yamauchi
1001 Bishop Street, Suite 2650
Honolulu, Hawaii 96813

Dear Mr. Byrns:

Condominium Registration

Project: University Parkside Condominium Project

Tax Map Key: (3) 7-3-056:0350

This is in response to your letter dated, March 5, 2002, in which you requested that we conduct a site inspection and issue a written statement, pursuant to the requirements of the Real Estate Commission, regarding the referenced condominium project.

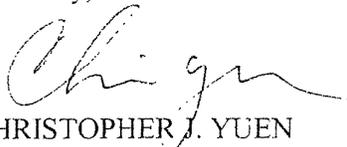
The Condominium Property Regime (CPR) Act (HRS, Section 514A) does not require a site inspection of a CPR project before issuing a verified statement that the project is in compliance with all applicable County codes and ordinances. Therefore, we are returning your check #2232, in the amount of \$25.00, for the site inspection.

Please be advised that the Planning Department will not be able to respond to your request in providing the verified statement until such time that we have received copies of the Notice of Intention and Questionnaire forms, the Condominium Map, and the proposed public report for the subject condominium project.

William C. Byrns, Esq.
MacDonald Rudy Byrns O'Neill & Yamauchi
Page 2
March 11, 2002

Should you have questions, please feel welcome to contact Larry Brown at 961-8288.

Sincerely,



CHRISTOPHER J. YUEN
Planning Director

LMB:pak
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Enclosure: Check #2232