



**REAL ESTATE COMMISSION
STATE OF HAWAII**

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

THE ISLES AT DIAMOND HEAD BEACH
(formerly known as "Diamond Head Beach Villas")
219 Kaalawai Place and
218 Kaimanawai Place
Honolulu, Hawaii

Registration No. 1319

Issued: September 5, 1986
Expires: March 5, 1987

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 4, 1986 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
 - FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission. This report must be read together with _____.
 - SUPPLEMENTARY:** (pink) Changes information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated December 28, 1984
 - Supp. Public Report dated May 7, 1982
- And Supersedes all prior public reports
 Must be read together with _____

Summary of Changes from Earlier Public Reports:

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

Since the time of the issuance of the Final Public Report, the Project has been completed.

Also, the project area and size of the units has changed, the limited common area appurtenant to each unit is different, and the fractional common interest allocable to each unit is now 1/6.

Further, buyers should be aware of the encroachment problem referred to on Page 18 and Exhibit G of this report.

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Appendix I: People Connected with the Project

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

GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

Operation of the Condominium

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your control of the administration and operation of the condominium will in most cases be limited to your right to vote as an owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

A fee simple interest in a condominium unit and an undivided interest in the project's common elements.

Type of Project:

- 1. New Construction Conversion
 Both New Construction and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings
- 5. Apartment Description

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
213-2	1	4/4.5	3554	708
213-4	1	4/4.5	3449	695
218-6	1	4/5.5	3274	1st Floor 1715/2nd Floor 33
219-1	1	4/4.5	3572	748
219-3	1	4/4.5	3328	655
219-5	1	4/4.5	3139	773

Total Apartments: 6

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	12 (2 stalls per attached garage)
Guest Stalls	8
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>20</u>

7. Recreational amenities:

Unit 213-6 has a swimming pool, for the exclusive use of Unit 218-6.

All of the units have access to the beach through the common elements of the project.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: SANTANGELO INVESTORS Phone: (808) 732-0707
Name
3221 Waiialae Avenue, Suite 300
Business Address
Honolulu, Hawaii 96816
(Business)

Names of officers or general partners of developers who are corporations or partnerships:
Stephen Frederick Santangelo, General Partner

Real Estate Sales Agent: BRADLEY PROPERTIES, LTD. Phone: (808) 523-0456
Name
733 Bishop Street, Suite 1915
Business Address
Honolulu, Hawaii 96813
(Business)

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: (808) 521-0211
Name
235 Queen Street, First Floor
Business Address
Honolulu, Hawaii 96813
(Business)

Managing Agent: LAULIMA PROPERTY MANAGEMENT, INC. Phone: (808) 732-2844
Name
3221 Waiialae Avenue, Suite 300
Business Address
Honolulu, Hawaii 96816
(Business)

Attorney for Developer: HIROSHI SAKAI, ATTORNEY AT LAW, A LAW CORPORATION & MICHAEL H. SAKAI
Name
810 Richards Street, Suite 602
Business Address
Honolulu, Hawaii 96813

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

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded – Bureau of Conveyances – Book 18243 Page 178
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

First Amendment dated December 10, 1984 recorded in Book 18318, Page 398.
Second Amendment dated September 2, 1986 recorded in Book 19821, Page 759.

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

The Condominium Map for this condominium is:

Proposed
 Recorded – Bureau of Conveyances – Map No. 842
 Filed – Land Court – File Plan No. _____

Amendment date(s) and recording/filing information:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded – Bureau of Conveyances – Book 18243 Page 191
 Filed – Land Court – Document Number _____

Amendment date(s) 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 individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted

Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

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

1. Apartment Owners: Minimum percentage of apartment owners who must vote for or give written consent to changes:

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

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

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

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: [] Monthly [] Quarterly
[] Semi-Annually [] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[] Month [] Year.

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

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

Exhibit _____ contains further explanations.

Lease Term Expires: _____
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:

For Subleaseholds:

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

B. Underlying Land:

Land Area: 56,476 square feet

Zoning: R-4

TMK: 1st Division, 3-1-39-01(1)

Fee Owner: SANTANGELO INVESTORS
name
3221 Waiialae Avenue, Suite 300
address
Honolulu, Hawaii 96816

Sublessor:
name
address

C. Buildings and Other Improvements:

1. New Construction Conversion of Existing Building
 Both New Construction and Conversion

2. Buildings: 6 Floors Per Building: 2

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other Stucco

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	<u> </u>	<input type="checkbox"/> Industrial	<u> </u>
<input checked="" type="checkbox"/> Residential	<u>6</u>	<input type="checkbox"/> Agricultural	<u> </u>
<input type="checkbox"/> Timeshare/Hotel	<u> </u>	<input type="checkbox"/> Recreational	<u> </u>
<input type="checkbox"/> Other:	<u> </u>		<u> </u>

5. Special Use Restrictions:
- The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. *Restrictions for this condominium include but are not limited to:*
Household pets such as dogs, cats, birds and fish
 Pets: may be permitted if the House Rules so provide.
 Number of Occupants:
 Other:

6. Interior (fill in appropriate numbers):

Total Apartments 6

Elevators _____ Stairways _____ Trash Chutes _____

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>218-2</u>	<u>1</u>	<u>4/4.5</u>	<u>3554</u>	<u>708</u>
<u>218-4</u>	<u>1</u>	<u>4/4.5</u>	<u>3449</u>	<u>695</u>
<u>218-6</u>	<u>1</u>	<u>4/5.5</u>	<u>3274</u>	<u>1715</u>
<u>219-1</u>	<u>1</u>	<u>4/4.5</u>	<u>3572</u>	<u>748</u>
<u>219-3</u>	<u>1</u>	<u>4/4.5</u>	<u>3328</u>	<u>655</u>
<u>219-5</u>	<u>1</u>	<u>4/4.5</u>	<u>3139</u>	<u>773</u>

1st Floor 1715/2nd Floor 33

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

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

Boundaries of Each Apartment:

Each apartment shall include the entire structure, including the lanai and patio, but exclusive of land area for each respective site, which shall be a limited common element.

Permitted Alterations to Apartments:

Construction, restoration, or replacement of individual units in the Project may be undertaken by the Developer or any unit owner without the approval of the Association of Apartment/Home Owners except that no unit owner can increase the total square footage of his unit or alter the location of his unit, nor may a unit owner deviate from the existing boundaries of the first and second floor plans as per the Condominium Map.

7. Parking Stalls:

	<u>Number of Stalls</u>
Assigned Stalls (For Individual Units)	<u>12</u>
Guest Stalls	<u>8</u>
Unassigned Stalls	<u> </u>
Other: _____	<u> </u>
Total Parking Stalls	<u>20</u>

Each apartment will have the exclusive use of at least 2 parking stall(s).

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

	<u>regular</u>	<u>compact</u>	<u>tandem</u>
Number of covered stalls	<u>12</u>	<u> </u>	<u> </u>
Number of open stalls	<u>8</u>	<u> </u>	<u> </u>

Commercial parking garage permitted on condominium.

Exhibit _____ contains additional information on parking stalls for this condominium.

8. Recreational and Other Common Facilities:

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

9. Present Condition of Improvements

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

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

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

b. Conforming/Non-Conforming Uses, Structures, Lot (for conversions only)

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

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

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

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

Exhibit A describes the common elements.

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

described in Exhibit B

as follows:

- a) Unit 218-2: The land area consisting of 7,148 square feet.
- b) Unit 218-4: The land area consisting of 6,398 square feet.
- c) Unit 218-6: The land area consisting of 8,145 square feet.
- d) Unit 219-1: The land area consisting of 7,396 square feet.
- e) Unit 219-3: The land area consisting of 5,796 square feet.
- f) Unit 219-5: The land area consisting of 6,085 square feet.

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

Exhibit describes the common interests for each apartment.

Each unit will have an undivided one-sixth (1/6) fractional interest in all of the common elements.

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

Exhibit C describes the encumbrances against the title contained in the title report dated August 20, 1986

Blanket Liens:

- [] 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. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage Lien	None. Construction loan allows for partial release with buyer's interest being conveyed without any liability for remaining units or balance of construction loan.

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

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

The initial managing agent for this condominium is:

- [] not affiliated with the Developer.
[X] the Developer or the Developer's affiliate. (Laulima Property Management, Inc.)
[] other _____

G. Estimate of Initial Maintenance Fees:

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

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

Exhibit D contains a schedule of maintenance fees and maintenance fee disbursements.

H. Separate Utility Charges for Apartments:

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

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

I. Construction Warranties

1. Building and Other Improvements:

- A. Buildings, driveways, landscaping, garden and perimeter concrete tile walls, seawall fence are warranted for 1 year by Rovens/Tanaka Contractors Inc. (General Contractor)
- B. Concrete tile roof - two years (warranty expires 5/30/88)
- C. Sheet metal, ventilation and air conditioning - two years (expires 5/30/88).
- D. Soil treatment (control of subterranean termites) - five years (from 8/4/86).
- E. Osmose Pressure treated lumber - 20 years.
- F. Wood doors - one year.

2. Appliances:

90 days from date of occupancy.

J. Status of Construction and Estimated Completion Date

All of the units in the Project have been completed, with the exception of the interior painting, wood trim, floor coverings, appliances, plumbing fixtures, electrical fixtures, finish hardware, air conditioner equipment, and exterior flood lights, for Units #219-1, #219-3, #219-5, #218-2, and #218-4. This has been done to allow the individual buyer to select their own coloring scheme and type of fixtures and appliances.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed with the Real Estate Commission:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit E contains a summary of the provisions of the sales contract.

Escrow Agreement dated _____

Exhibit F contains a summary of the provisions of the escrow agreement.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Street Addresses. The following area the street/mailling addresses for the various units:

- a) Unit 218-2: 218 Kaimanawai Place
- b) Unit 218-4: 220 Kaimanawai Place
- c) Unit 218-6: 222 Kaimanawai Place
- d) Unit 219-1: 215 Kaalawai Place
- e) Unit 219-3: 217 Kaalawai Place
- f) Unit 219-5: 219 Kaalawai Place

ENCROACHMENT. The Department of Land and Natural Resources, State of Hawaii (DLNR) has previously stated by letter dated February 24, 1981 attached hereto as Exhibit G that a portion of the old Patterson structures encroached upon State of Hawaii property. Since that time, the structures have been removed and the new units (218-2 and 219-1) were placed in such a way as to avoid any possibility of an encroachment on the State land as the letter of February 24, 1981 indicates that a portion of the limited common elements for Units 218-2 and 219-1 may be reduced in size, the land area rented or purchased from the State at terms to be negotiated and paid for by the Association of Apartment Owners.

The existing seawall which has been there for approximately 60 years and a fence are the only existing encroachments according to the State Department of Land and Natural Resources and may have to be removed in the future. However, landscaping work and replacement of the fence by the Developer have been approved by the Department of Land Utilization, City and County of Honolulu, and DLNR, based on the present plans (Condominium Map) by Building Permit issued on March 13, 1986.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

1. There is a material change in the condominium which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

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

B. Rights Under the Sales Contract:

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

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law are available for \$ 2.50 at the Department of Commerce and Consumer Affairs.

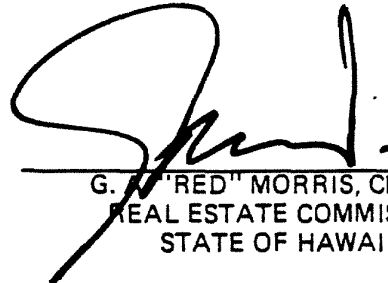
This Public Report is a part of Registration No. 1319 filed with the Real Estate Commission on May 23, 1980.

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

yellow paper stock white paper stock pink paper stock

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

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



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

Separate Disclosure Abstract on this condominium:

Required Not Required — disclosures covered in this report

Distribution:

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

EXHIBIT "A"

Common Elements

- a. The land in fee simple
- b. Any installation of services such as power, light, gas, sewer lines, water lines, telephone, radio and television, signal distribution and like utilities.
- c. Roadways, guest parking stalls, walkways and landscaped areas.
- d. Any parts of the Project existing for the common use and are necessary for the maintenance and safety of the Project.

EXHIBIT "B"

Limited Common Elements

The limited common elements include the areas designated in the Condominium Map No. 842 and consist of the following:

- a. Unit 218-2. The land area consisting of 7,285 square feet is a limited common element for the owner of Unit 218-2.
- b. Unit 218-4. The land area consisting of 5,521 square feet is a limited common element for the owner of Unit 218-4.
- c. Unit 218-6. The land area consisting of 8,041 square feet is a limited common element for the owner of Unit 218-6.
- d. Unit 219-1. The land area consisting of 7,394 square feet is a limited common element for the owner of Unit 219-1.
- e. Unit 219-3. The land area consisting of 4,885 square feet is a limited common element for the owner of Unit 219-3.
- f. Unit 219-5. The land area consisting of 6,120 square feet is a limited common element for the owner of Unit 219-5.

As to the land area for Units 218-2 and 219-1, the square footage may be reduced if the State of Hawaii, Department of Land and Natural Resources and the Association of Apartment Owners cannot arrive at a negotiated lease rental or purchase of that area that is stated to be encroached by the land area for both units and the common element between the two units which are in the rear of the land for the Project and abuts the shoreline to the Pacific Ocean. The statement of the State of Hawaii is set forth in the letter dated February 24, 1981. At the time of the resolution of this matter an appropriate amendment of the Declaration should be made as to the perimeter boundary of the Project and the changes in the limited common elements of Units 218-2 and 219-1, if any.

EXHIBIT "C"

Encumbrances

1. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and its effect, if any, upon the area of said parcels.

2. Grant in favor of Hawaiian Electric Company, Inc. dated January 11, 1941, recorded in Liber 1617 at Page 102; granting a perpetual easement over said Parcel Second.

3. 5-foot wide Access Easement "A" along THE ISLES AT DIAMOND HEAD BEACH lot from Kaimanawai Place to the State Beach Lot, as shown on Survey Map dated June 3, 1986 and August 13, 1986, prepared by Maitland C. Dease, Registered Professional Engineer and Surveyor:

Beginning at an iron pin on the Northeast corner of this piece of land, said pipe marking the end of Courst 10 of the above described land, and the Southeast corner of 20-foot right-of-way, and running by true azimuths measured clockwise from true South:

- | | | |
|----|----------|---|
| 1. | 335° 17' | 233.32 feet to a pipe; |
| 2. | 87° 45' | 5.00 feet along beach road reserve; |
| 3. | 175° 17' | 233.10 feet; |
| 4. | 265° 17' | 5.00 feet along the Southerly end of a 20-foot right-of-way, Kaimanawai Place, to the point of beginning and containing an Area of 1.166 square feet, more or less. |

4. As to an undivided interest in and to 20-foot right-of-way:

- (A) Grant in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company, dated October 5, 1951, recorded in Liber 2512 at Page 326; granting a perpetual right and easement to build, construct,

reconstruct, rebuild, repair, maintain and operate an underground power line, etc., through and under said 20-foot right-of-way.

- (B) Grant in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company dated January 15, 1985, recorded in Liber 18615 at page 410, granting easement for utility purposes over said 20-foot right-of-way.

5. Any leases that may be existing.

6. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated March 1, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16195 at Page 620, and the By-Laws attached thereto, as the same are or may hereafter be amended in accordance with law, said Declaration or said By-Laws. (Project covered by Condominium Map No. 842, as amended.) Said Declaration were amended by instruments dated May 6, 1983, recorded in Liber 17114 at Page 447; dated July 25, 1983, recorded in Liber 17224 at Page 629; and amended in its entirety to completely restate and supersede the foregoing Declaration and By-Laws by instrument dated October 30, 1984, recorded in Liber 18243 at Page 178, and amended by instrument dated December 10, 1984, recorded in Liber 18318 at Page 398.

7. By-Laws of the Association of Apartment Owners of the Condominium Project known as "THE ISLES AT DIAMOND HEAD BEACH" dated October 30, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18243 at Page 191, as the same may hereafter be amended.

8. Agreement for Issuance of Special Use Permit under Section 21-2.71, Revised Ordinances of Honolulu, 1978, as amended, dated June 1, 1982, recorded in Liber 16960 at Page 368, made by Santangelo Investors, a Hawaii limited partnership, as "Declarant".

9. Mortgage, Security Agreement and Financing Statement made by and between Santangelo Investors, a Hawaii limited partnership, as Mortgagor, and State Savings and Loan Association, a Utah corporation, as Mortgagee, dated April 5, 1984, and recorded in said Bureau in Liber 17783, Page 222.

The above Mortgage was assigned on July 22, 1985 to Magnet Bank, F.S.B., as Substitute Lead Lender pursuant to that certain Agreement dated May 31, 1985 and recorded in said Bureau in Liber 18861, Page 460.

Said above Mortgage, Security Agreement and Financing Statement was amended by Modification Agreement dated as of September 24, 1985, recorded in Liber 19032 at Page 154.

By Subordination Agreement dated as of October 9, 1985, recorded in Liber 19032 at Page 163, said above Mortgage, Security Agreement and Financing Statement recorded in Liber 17783 at Page 222 (besides that certain Assignment of Sales Agreements and Escrow Agreements and Deposits recorded in Liber 17783 at Page 265) was subordinated to the lien of that certain Mortgage, Security Agreement and Financing Statement dated September 24, 1985, recorded in Liber 19032 at Page 117, and that certain Assignment of Sales Contracts dated September 24, 1985, recorded in Liber 19032 at Page 140.

10. Assignment of Sales Agreements and Escrow Agreements and Deposits dated April 5, 1984, recorded in Liber 17783 at Page 265, made by Santangelo Investors, a Hawaii limited partnership, to State Savings and Loan Association, a Utah corporation, assigning (a) all right, title and interest in and to any and all sales contracts and other agreements of every kind, whether now or hereafter executed, relating to the sale or other disposition of condominium units on the lands described herein, (b) all right, title and interest in, to and under any escrow agreements relating to said lands and (c) all purchaser deposits placed in escrow pursuant to the sales agreements and said escrow agreement, etc., for the purpose of securing payment of all sums now or at any time hereafter due and secured by that certain Mortgage, Security Agreement and Financing Statement recorded in Liber 17783 at Page 222.

Said Assignment of Sales Agreements and Escrow Agreements and Deposits was assigned to Magnet Bank, F.S.B., as Substitute Lead Lender pursuant to that certain Agreement dated May 31, 1985, by instrument dated July 22, 1985, recorded in Liber 18861 at Page 467.

By Subordination Agreement dated as of October 9, 1985, recorded in Liber 19032 at Page 163, said above Assignment of Sales Agreements and Escrow Agreements and Deposits recorded in Liber 17783 at Page 265 (besides that certain Mortgage, Security

Agreement and Financing Statement recorded in Liber 17783 at Page 222) was subordinated to the lien of that certain Mortgage, Security Agreement and Financing Statement dated September 24, 1985, recorded in Liber 19032 at Page 117, and that certain Assignment of Sales Contracts dated September 24, 1985, recorded in Liber 19032 at Page 140.

11. Mortgage, Security Agreement and Financing Statement made by and between Santangelo Investors, a Hawaii limited partnership, as Mortgagor, and Magnet Bank, F.S.B., as Mortgagee, dated September 24, 1985, and recorded in said Bureau in Liber 19032, Page 117.

12. Assignment of Sales Contracts dated September 24, 1985, recorded in Liber 19032 at Page 140, made by Santangelo Investors, a Hawaii limited partnership, to Magnet Bank, F.S.B., assigning all right, title and interest in and to all sales contracts heretofore or hereafter entered into with respect to the units in the condominium to be constructed on the lands described herein, etc., as additional security for the payment of that certain promissory note in the principal sum of \$2,186,571.00.

13. Possible mechanics' and/or materialmen's liens because of work presently in progress.

14. Real property taxes as may be due and owing. Check with the Department of Finance, City and County of Honolulu.

ISLES
EX C

EXHIBIT D

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
218-2	\$ 636	\$ 7,632
218-4	636	7,632
218-6	636	7,632
219-1	636	7,632
219-3	636	7,632
219-5	636	7,632
TOTALS:	\$3,816	\$45,792

[] Revised on _____

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

Estimate of Maintenance Fee Disbursements:

	<u>Monthly</u> x 12 months =	<u>Yearly Total</u>
Utilities and Services		
Air Conditioning		
Electricity	---	---
<input checked="" type="checkbox"/> common elements only	\$100	\$12,000
<input type="checkbox"/> common elements and apartments		
Gas	---	---
Refuse Collection	---	---
Telephone	---	---
Water and Sewer	\$600	\$600
Maintenance, Repairs and Supplies		
Building	\$1,066	\$12,792
Grounds	---	---
Management		
Management Fee	\$400	\$4,800
Payroll and Payroll Taxes		
Office Expenses		
Insurance	\$500	\$6,000
Reserves	\$900	\$10,800
Taxes and Government Assessments	---	---
Other - Legal & Audit	\$50	\$600
Security	\$200	\$2,400
TOTAL	\$3,816	\$45,792

STEPHEN F. SANTANGELO, President of
I/We, LAULIMA PROPERTY MANAGEMENT, INC., as managing agents
for the condominium, hereby certify that the above estimates of initial maintenance fee
assessments and maintenance fee disbursements were prepared in accordance with generally
accepted accounting principles.

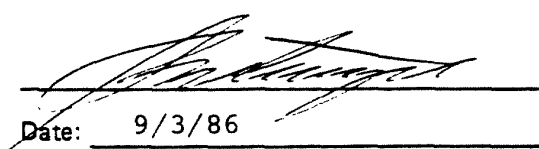

Date: 9/3/86

EXHIBIT "E"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) A buyer must obtain his own financing. Buyer acknowledges that this Sales Contract is not contingent on any financing after the issuance of the final public report.

(b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That interest on deposits shall belong to the buyer so long as said funds are held in escrow.

(d) That the unit will be subject to various other legal documents which the buyer certifies that he has examined.

(e) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT "F"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

- (a) Escrow will let purchasers know when payments are due.
- (b) Escrow will arrange for purchasers to sign all necessary documents.
- (c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.
- (d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

GEORGE R. ARIYOSHI
GOVERNOR OF HAWAII



Susumu Ono,
~~XXXXXXXXXX~~ CHAIRMAN
BOARD OF LAND & NATURAL RESOURCES

EDGAR A. KAMASU
DEPUTY TO THE CHAIRMAN

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

P. O. BOX 621
HONOLULU, HAWAII 96809

DIVISIONS:
CONVEYANCES
FISH AND GAME
FORESTRY
LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

FEB 24 1981

Messrs. Byrle Lerner and
Stephen F. Santangelo
c/o Santangelo Realty
3221 Waiialae Ave., Suite 300
Honolulu, Hawaii 96816

Gentlemen:

Subject: Diamond Head Beach Villas, 2119 Kaalawai
Place and 218 Kaimanawai Place, Honolulu,
Oahu, TMKs: 3-1-39:01 and 3-1-40:23

The Department has reviewed your situation and finds that a portion of the lanai and patio overhang of the structure on Tax Map Key 3-1-39:01 and a portion of the lanai on Tax Map Key 3-1-40:23 encroaches upon State property.

The Department does not, however, object to the processing of your request for a certificate of appropriateness from the Diamond Head Historic, Cultural and Scenic District if you will acknowledge and agree to the following conditions:

1. You will remove all encroachments from State property; or
2. If you allow the encroachment to continue, you will not add further encroachments without prior written approval from the Department and you will notify all prospective purchasers in writing that said encroachments do exist and that, at some time in the future, you or any purchaser will be required to either: (1) remove said encroachments from the State property, or (2) be required to rent the property from the State at terms to be negotiated, or (3) be required to purchase the property from the State at terms to be negotiated.

Exhibit G

Messrs. Byrle Lerner and
Stephen F. Santangelo

-2-

FEB 24 1981

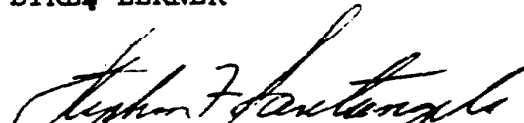
If the foregoing is acceptable to you, please sign in
the designated space below.

Very truly yours,



SUSUMU ONO
Chairman of the Board

ACKNOWLEDGED AND AGREED:


BYRLE LERNER
STEPHEN F. SANTANGELO

Dated: 2/24/81

cc: Mr. M. Kealoha
Mr. S. Hong