

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
PACIFIC HEIGHTS TOWN HOUSE CONDOMINIUM I

Kukuau Street
Hilo, Hawaii

REGISTRATION NO. 507

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: March 13, 1973
Expires: April 13, 1974

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 21, 1972. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. PACIFIC HEIGHTS TOWN HOUSE CONDOMINIUM I is a proposed fee simple condominium consisting of sixty (60) residential town house condominium units, all in accordance with plans filed with the Real Estate Commission. Each condominium unit includes a carport for parking with space for one car.
2. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Preliminary Public Report.

3. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regimes, By-Laws of Association of Apartment Owners, and a copy of the approved floor plans) have not been recorded in the office of the recording officer.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the condominium rules and regulations which relate to horizontal property regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, March 13, 1973, unless a Supplementary Public Report issues or the Commission, upon review of the registration issues an order extending the effective period of this Report.

NAME OF PROJECT: PACIFIC HEIGHTS TOWN HOUSE CONDOMINIUM I.

LOCATION: The land submitted to the Regime, approximately 16.406 acres, is located in Kukuau, Hilo, Hawaii, adjacent to Kukuau Street.

TAX MAP KEY: THIRD DIVISION, portions of 2-4-01-31 and 2-4-08-20.

ZONING: RM-4,000 -- Planned Unit Development.

DEVELOPER: HSC, INC., a Hawaii corporation, whose principal place of business is 1145 Kilauea Avenue, Hilo, Hawaii. The officers of the corporation are:

Richard Henderson	President
Orlando Lyman	Vice President
D. W. Rose	Vice President & Assistant Secretary
Rose F. Andrade	Secretary & Assistant Treasurer
R. Gregg Hall	Treasurer
Nit Lin Lau	Assistant Treasurer

ATTORNEY REPRESENTING DEVELOPER: CARLSMITH, CARLSMITH, WICHMAN AND CASE, 121 Waiianuenue Avenue, Hilo, Hawaii 96720 (Attention: Michael J. Medeiros), telephone number 935-6644.

DESCRIPTION: The land will be improved, according to the Developer's plans and intention to sell, by constructing thereon nine separate town house buildings, four of which contain eight units each, four of which contain six units each and one of which contains four units. In addition, the project will contain a swimming pool, comfort station, walkways, driveways, and outdoor parking areas. Each unit will include built-in fixtures as chosen by the purchaser from the options provided by the Developer. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the interior party walls, the floors and ceilings surrounding each apartment or any pipes, shafts, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within

its perimeter walls or which are not interior party walls, the inner decorated or finished surfaces of all walls and floors, any doors, glass windows or panels along the perimeters, the inner decorated or finished surfaces of the ceiling over the second floor, the carport shown on the condominium map, the storage and trash enclosures, and for the two-bedroom apartments, the lanai on the second floor. Each apartment also includes all fixtures and carpets originally installed therein.

1. Building Description. The project will consist of nine separate town house buildings, each with two stories (including ground floor but no basement) in three clusters. The buildings are designated as buildings A-100, A-200, A-300, B-100, B-200, B-300, C-100, C-200 and C-300: Buildings A-100, A-200, B-100 and C-200 each contain eight town house units; Buildings A-300, B-200, B-300 and C-100 each contain six town house units; Building C-300 contains four town house units. In addition, a comfort station will be constructed adjacent to the swimming pool which will contain toilet facilities and storage areas for pool equipment and general maintenance equipment.
2. Materials. Each building is constructed primarily of wood on a concrete slab with attached carport.
3. Description, Area and Numbering of Town House Units. The two-bedroom apartments have seven rooms including two bathrooms and a dressing room plus a carport and lanai. The three-bedroom apartments have eight rooms including two bathrooms and a dressing room plus a carport. The deluxe three-bedroom apartments have ten rooms including two bathrooms, powder room, and dressing room, plus a carport. The two-bedroom apartments (including the lanai) have an approximate area of 1,253 square feet but excluding the area of the carport and storage and trash enclosure (239 square feet). The three-bedroom apartments have a gross area of 1,253 square feet excluding the area of the carport and storage and trash enclosure (239 square feet). The deluxe three-bedroom apartments have an approximate gross area of 1,408 square feet excluding the area of the carport (198 square feet) and storage and trash enclosure (20 square feet). Each apartment is designated by a letter and three digits. The letter and first two digits respectively correspond with the letter and first two digits of the building in which the apartment is located; the last digit indicates the position of the apartment in its building. The unit number and plan of each unit and the building in which it is located is listed below.

<u>Building</u>	<u>Apartment No.</u>	<u>Plan</u>
A-100	A-101	Deluxe 3-bedroom
	A-102	Deluxe 3-bedroom
	A-103	2-bedroom
	A-104	3-bedroom
	A-105	3-bedroom
	A-106	3-bedroom
	A-107	Deluxe 3-bedroom
	A-108	Deluxe 3-bedroom
A-200	A-201	2-bedroom
	A-202	2-bedroom
	A-203	2-bedroom
	A-204	3-bedroom
	A-205	Deluxe 3-bedroom
	A-206	Deluxe 3-bedroom
	A-207	3-bedroom
	A-208	3-bedroom

<u>Building</u>	<u>Apartment No.</u>	<u>Plan</u>
A-300	A-301	2-bedroom
	A-302	3-bedroom
	A-303	Deluxe 3-bedroom
	A-304	Deluxe 3-bedroom
	A-305	3-bedroom
	A-306	2-bedroom
B-100	B-101	2-bedroom
	B-102	3-bedroom
	B-103	3-bedroom
	B-104	3-bedroom
	B-105	Deluxe 3-bedroom
	B-106	Deluxe 3-bedroom
	B-107	3-bedroom
	B-108	2-bedroom
	B-200	B-201
B-202		3-bedroom
B-203		3-bedroom
B-204		3-bedroom
B-205		Deluxe 3-bedroom
B-206		Deluxe 3-bedroom
B-300	B-301	3-bedroom
	B-302	3-bedroom
	B-303	3-bedroom
	B-304	3-bedroom
	B-305	3-bedroom
	B-306	2-bedroom
C-100	C-101	3-bedroom
	C-102	3-bedroom
	C-103	2-bedroom
	C-104	3-bedroom
	C-105	3-bedroom
	C-106	3-bedroom
C-200	C-201	Deluxe 3-bedroom
	C-202	Deluxe 3-bedroom
	C-203	3-bedroom
	C-204	2-bedroom
	C-205	3-bedroom
	C-206	3-bedroom
	C-207	3-bedroom
	C-208	3-bedroom
C-300	C-301	Deluxe 3-bedroom
	C-302	Deluxe 3-bedroom
	C-303	Deluxe 3-bedroom
	C-304	Deluxe 3-bedroom

USE: The Declaration provides that the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants, and social guests and for no other purpose.

PARKING: Each apartment includes a carport with space for one car. In addition, there are eight guest parking spaces.

COMMON ELEMENTS: The common elements will include the limited common elements described in the next topical heading, LIMITED COMMON ELEMENTS, and all other portions of the project other than the apartments, and all elements mentioned

in the Horizontal Property Act which are actually included in the project including specifically but not limited to:

(a) Said land described in Exhibit "A" attached to the Declaration;

(b) All foundations, concrete slabs on ground floors (except for the floor surface thereof within each apartment), supports, and bearing walls (except the inner decorated or finished surfaces of perimeter walls), and roofs.

(c) All outside walkways, parking areas, planted areas, grounds, driveways, roadways, patio areas, entryways, entry courts, and atriums.

(d) The swimming pools and appurtenant facilities and equipment, and all ducts and appurtenant installations for common services, including power, light, water, cesspools, sanitary and storm sewers, telephone, cable television, and refuse disposal.

(e) All other parts of the project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

(f) Upon any merger referred to in paragraph 19 of the Declaration of Horizontal Property Regime, all the common elements, including the limited common elements, described in any Declaration of Horizontal Property Regime on the land referred to in said paragraph 19, or any portion or portions of said land.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called "Limited Common Elements," are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. All costs of every kind pertaining to the limited common elements set aside and reserved in subparagraph (c), (d), and (e) below (including but not limited to cost of maintenance, repair, replacement, improvements and real property taxes and assessments) shall be borne entirely by the apartment to which such limited common elements are appurtenant.

(a) Each driveway area providing access to a carport or carports in any building shall be appurtenant to and for the exclusive use of the apartments of which the carport or carports are a part.

(b) The outdoor parking areas within each cluster shall be appurtenant to and for the exclusive use of the apartments located in the buildings within that cluster.

(c) Each entryway adjacent to each two- and three-bedroom apartment shall be appurtenant to and for the exclusive use of the apartment to which such entryway is adjacent.

(d) Each entry court and atrium adjacent to each deluxe three-bedroom apartment shall be appurtenant to and for the exclusive use of the apartment to which such entry court and atrium are adjacent.

(e) Each patio area (the perimeter of which is delineated on said condominium map) adjacent to each apartment shall be appurtenant to and for the exclusive use of the apartment to which such patio area is adjacent.

(f) Notwithstanding anything to the contrary in the Declaration, each apartment owner shall have the right at such apartment owner's option and expense to fence and/or roof the patio area appurtenant to such apartment owner's apartment, provided that such fence and/or roof is constructed according to the design criteria for such fence and/or roof as shown on Exhibit "C" attached to the Declaration and provided further that the plans and specifications for such fence and/or roof is first approved by the Association of Apartment Owners through its Board of Directors. No apartment owner shall fence and/or roof the patio area appurtenant to such apartment owner's apartment except as provided for in this subparagraph (f).

INTEREST TO BE CONVEYED TO PURCHASER: Subject to increases or reductions from time to time upon the happening of withdrawals of common element areas, granting of easements and/or rights-of-way for sanitary sewers and utilities, construction of additional apartment units, merger, and changes of floor plans and apartment sizes, each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting as appears below, provided, however, that all costs of every kind including but not limited to cost of maintenance, repair, replacement, improvements and real property taxes and assessments attributable to each patio area (a limited common element) appurtenant to each apartment, each entry court and atrium (limited common areas) appurtenant to each deluxe three-bedroom apartment, and each entryway (a limited common element) appurtenant to each two- and three-bedroom shall be borne entirely by the apartment to which such limited common elements are appurtenant.

Two-bedroom Apartments	1.6070284%
Three-bedroom Apartments	1.6070284%
Deluxe Three-bedroom Apartments	1.8058227%

OWNERSHIP TO TITLE: The notice of intention reflects that title to the land is vested in Developer by deed from The Realty Investment Company, Limited, to Developer recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on September 27, 1972, as Document No. 600030.

ENCUMBRANCES AGAINST TITLE: The Developer has filed with the Commission a Preliminary Title Report prepared by Title Guaranty of Hawaii, Incorporated, dated March 2, 1973. The report reflects the following: 40 foot road Easement for road purposes, over and across Lots 10-H-1 and 10-H-4, as shown on Maps 7 and 16, as set forth by Land Court Order No. 9816, filed September 12, 1950 and Real Property Taxes for the second half of fiscal year - 1972-1973.

NOTE: As provided in the Declaration of Horizontal Property Regime, the Developer has an option to but not later than January 1, 1983, to: Withdraw certain areas of land from the project; build additional apartments on the project; merge certain property with and into the project; change floor plans and apartment sizes; grant licenses to occupiers of certain property for use of the swimming pool and appurtenant facilities subject to the By-Laws and House Rules; and grant easements over, under and on the common elements for utilities and sanitary sewers.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement dated February 6, 1973, between Title Guaranty Escrow Services, Inc., a Hawaii corporation as "Escrow" and the Developer as "Seller" has been submitted to the Commission as part of the registration. On examination the Sales Contract, in specimen form, and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-15(6).

The provisions of the Escrow Agreement are to be carefully read and understood as follows:

If at the time of the execution of the Sales Contract a Final Report has not been issued by the Commission with respect to the project, then the following limitations shall apply:

(a) Purchaser's funds obtained prior to the issuance of a Final Report shall be refunded if there is any change in the condominium building plans subsequent to the execution of the Sales Contract, which change requires the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless purchaser's written approval or acceptance of the specific change is obtained.

(b) All rights under the Sales Contract shall not become enforceable against the purchaser until the purchaser has had a full opportunity to read the State Real Estate Commission's Final Public Report on the project, and to obtain refund of any moneys paid by the purchaser as well as release from all obligations under the Sales Contract if the Final Report differs in any material respect from the Preliminary Report.

(c) If the Final Public Report is not issued within one year from the date of the issuance of said Preliminary Report, the purchaser shall be entitled to refund of all moneys paid by him under the Sales Contract without further obligation.

(d) All moneys paid by the purchaser prior to the issuance of said Final Report shall be deposited in trust with the Escrow and the Escrow is hereby instructed that no disbursements shall be made from such trust fund on behalf of the Seller until the Sales Contract has become effective, and the requirements of Sections 514-36 through 39, Hawaii Revised Statutes, have been met.

Among other provisions the specimen Sales Contract provides that if less than 36 Apartments are sold prior to March 1, 1974, Seller may at its option cancel this contract, in which event Seller will cause Escrow Agent to refund to Buyer all monies paid without interest and Seller and Buyer shall be relieved and released of all further liability hereunder.

Also the specimen Sales Contract provides that if construction of the Project is not completed on or before March 1, 1974, either Seller or the Buyer may upon fifteen (15) days written notice to the other, terminate the sales contract and all sums paid by the Buyer hereunder shall be refunded without interest.

It is incumbent upon the purchaser and the prospective purchaser that he reads, with care, the Sales Contract and the executed Escrow Agreement. The Escrow

Agreement establishes how the proceeds from the sale of apartments and all sums from any source are placed in trust, as well as the retention, disbursement and refund of said trust funds.

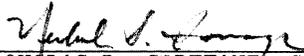
MANAGEMENT OF THE PROJECT: The By-Laws of the Association of Apartment Owners vest in the Board of Directors the powers and duties necessary for the administration of the overall affairs of the project. The said By-Laws specify that the presence at any meeting in person or by proxy of owners having one-half (1/2) of the total authorized votes of all apartment owners shall constitute a quorum and at any meeting in which a quorum is present, action by a majority of the voting power represented at such meeting shall be valid and binding on the Association except as otherwise provided in the Declaration or the By-Laws. Voting shall be on a percentage basis; the percentage of the total vote to which each apartment unit is entitled shall be the same as the percentage of the common interests assigned to such apartment unit in the Declaration; and any percentage of apartment unit owners specified in the By-Laws means the owners of apartment units to which are appurtenant such percentage of the common interest. The Board of Directors of the Association of Apartment Owners may employ necessary personnel to carry out the management and operation of the project. The By-Laws submitted to the Commission names RSM, Inc., a Hawaii corporation, as initial managing agent for a maximum of five years.

STATUS OF PROJECT: The execution of a building contract with Realty Construction, Inc., is expected shortly; notwithstanding the non-execution of the building contract, Developer advises that construction was begun on August 1, 1972.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by Developer in the required notice of intention filed December 21, 1972.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 507 filed with the Commission on December 21, 1972.

This report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles shall be yellow in color.



(For) DOUGLAS R. SODETAN, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Registration No. 507
March 13, 1973