REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

SUPPLEMENTARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
PALEHUA TOWNHOUSES, PHASE II
Makakilo Drive
Ewa Beach, Hawaii

REGISTRATION NO. 800

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

It was prepared as a supplement to an earlier Report dated August 25, 1975 **issued by the Real Estate Commission on the above 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 until

(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 16, 1976
Expires: September 25, 1976

SPECIAL ATTENTION

Particular attention of purchaser and prospective purchasers are directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 1, 1975 AND THE INFORMATION SUBSEQUENTLY FILED AS OF MARCH 11, 1976. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION AND DATA ON MATERIAL CHANGES IN THE PROJECT IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report of August 25, 1975 on this proposed Horizontal Property Regime Project, the developer has advised that changes have been incorporated into the development which are determined to be a material revision to the information disclosed earlier.

   This Supplementary Public Report (pink paper stock) amends the Preliminary Public Report (yellow paper stock), becoming a part of the PALEHUA TOWNHOUSES, PHASE II, registration.

The developer is responsible for placing a true copy of this Supplementary Public Report in the hands of all purchasers and prospective purchasers along with copies of the Preliminary Public Report. The Buyer shall sign the required receipts signifying that he has had an opportunity to read said reports.

2. The changes reported by the developer affect the project in the following manner:

   a. Palehua Townhouses, Phases I and II, is a proposed fee simple condominium project consisting of seventeen (17) two-story multi-family residential buildings containing ninety-two (92) residential units, of which ninety-one (91) will be condominium apartments and one (1) will be the resident manager's apartment and a part of the common areas. There will be one hundred eighty-four (184) parking stalls provided in the parking areas.

   b. The developer is contemplating the development and sale of this project in two phases, being in order Phases II and I. This Supplementary Public Report, while describing the entire condominium project, covers only the sale of apartments in Phase II, to be known as Palehua Townhouses, Phase II. Phase II shall consist of fifty-four (54) residential units, of which fifty-three (53) will be apartments, and one will be the resident manager's unit, all of which shall be contained in ten (10) buildints, a recreation area, and one hundred eight (108) parking stalls, of which two parking stalls will be for the use of the resident manager.

   c. The developer is currently arranging for the financing of apartments in Phases I and II of this project by way of mortgages insured by the Department of Housing and Urban Development pursuant to Section 234 of Title II of the National Housing Act and guaranteed by the Veterans Administration under Section 1810(a)(6) of Title 38 of the U.S. Code. As a condition of its providing such insurance, the Department of Housing and Urban Development requires that the Association of Apartment Owners of Palehua Townhouses enter into with the Department and record a Regulatory Agreement whereby the Association may be regulated and restricted by the Department. The Regulatory Agreement is proposed to be executed by the developer for and on behalf of the Association and recorded with the Declaration. Purchasers of apartments in the project should, therefore, familiarize themselves with the provisions of the Regulatory Agreement.

3. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, Condominium Rules and Regulations which relate to the Horizontal Property Regime.

4. This Supplementary Public Report automatically expires on September 25, 1976 unless a Final Public Report issues or the Commission grants an extension of the effective date of this Public Report.

The information under the topical headings, TAX KEY; DESCRIPTION; COMMON ELEMENTS; PURCHASE MONEY HANDLING; and STATUS OF THE PROJECT have been updated. All other headings are as recited in the Preliminary Public Report of August 25, 1975.

TAX KEY: 9-2-19-29

DESCRIPTION: The developer is contemplating the development of a single condominium project which is scheduled to be constructed and sold in two phases, being in order Phases II and I.

Phase I shall consist of thirty-eight (38) apartments contained in seven (7) buildings, being Buildings 92-951, 92-953, 92-958, 92-968, 92-972, 92-984, and 92-988, the parking spaces appurtenant thereto as designated in the Declaration, and three (3) tot lots. Phase II shall consist of fifty-three (53) apartments contained in ten (10) buildings, being Buildings 92-946, 92-948, 92-950, 92-952, 92-954, 92-956, 92-960, 92-962, 92-964 and 92-966, the parking spaces appurtenant thereto as designated in the Declaration, and a recreation area.

The apartments will be constructed principally of wood. Division walls will be principally of double stud wall construction with acoustical insulation. The apartments shall be of five types, designated as Type 2BF, Type 3BF, Type 3BS, Type 4BF, and Type 4BS, described as follows:

Type 2BF - The type 2BF apartment is a ground level apartment which contains enclosed storage areas at the front and rear of the apartment, an entry hall, utility closet, kitchen, living room-dining area, and a powder room on the first floor, and two bedrooms, one full bathroom, a storage closet, and a linen closet on the second floor, with an interior stairway connecting both floors, for a gross floor area, including exterior storage area, of 952 square feet. In addition the apartment includes as limited common elements a partially fenced, open-air courtyard at the front entry of the apartment, and a partially fenced yard area adjoining the rear of the apartment, as shown on said Condominium Map.

Type 3BF - The type 3BF apartment is a ground level apartment which contains enclosed storage areas at the front and rear of the apartment, an entry hall, coat closet, two storage closets, kitchen living room-dining area, and one half bathroom on the first floor,

and three bedrooms, one full bathroom, and a linen closet on the second floor, with an interior stairway connecting both floors, for a gross floor area, including exterior storage area, of 1,237 square feet. In addition the apartment includes as limited common elements a partially fenced, open-air courtyard at the front entry of the apartment, and a partially fenced yard area adjoining the rear of the apartment, as shown on said Condominium Map.

Type 3BS - The type 3BS apartment is a split level apartment which contains an enclosed storage area at the front of the apartment, an entry hall at ground level, a kitchen, living room-dining area, (a utility closet with powder room,) and a lanai with enclosed storage area on the first floor, and three bedrooms, one full bathroom, a storage closet, and a linen closet on the second floor, with an interior stairway connecting both floors, for a gross floor area, including the lanai and exterior storage areas, of 1,346 square feet. In addition the apartment includes as limited common elements a partially fenced, open-air courtyard at the front entry of the apartment as shown on said Condominium Map, but has no partially fenced yard area adjoining the rear of the apartment.

Type 4BF - The type 4BF apartment is a ground level apartment which contains an enclosed storage area at the rear of the apartment, an entry hall, coat closet, three storage closets, kitchen, living room-dining area, utility room, and master bedroom with one full bathroom on the first floor, and three bedrooms, one full bathroom, and a linen closet on the second floor, with an interior stairway connecting both floors, for a gross floor area, including exterior storage areas, of 1,451 square feet. In addition the apartment includes as limited common elements a partially fenced, open-air courtyard at the front entry of the apartment, and a partially fenced yard area adjoining the rear of the apartment, as shown on said Condominium Map.

Type 4BS - The type 4BS apartment is a split level apartment which contains two enclosed storage areas at the front of the apartment, an entry hall and master bedroom with one full bathroom at ground level, one storage closet, kitchen, living room-

dining area, and lanai with enclosed storage area on the first floor, and three bedrooms, one full bathroom, a storage closet, and a linen closet on the second floor, with an interior stairway connecting both floors, for a gross floor area, including the lanai and exterior storage areas of 1,562 square feet. In addition the apartment includes as limited common elements a partially fenced, open-air courtyard at the front entry of the apartment, as shown on said Condominium Map, but has no partially fenced yard area adjoining the rear of the apartment.

Types 2BF, 3BF and 4BF apartments have ground floors which are of concrete slab construction. Types 3BS and 4BS apartments have ground floors which are wood floors of pier and post construction.

Types 2BF, 3BF and 4BF apartments have immediate access to front and rear entries appurtenant to such apartments. Types 3BS and 4BS apartments have immediate access only to the front entry appurtenant to such apartments. All apartments have immediate access to walkways connecting the buildings to the street entrances and parking areas of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior loadbearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment, which are utilized for or serve any other 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, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

The proposed Declaration reserves the right to the fee simple landowner and the developer to amend the Declaration at any time prior to December 31, 1977 without the consent of any apartment owner or the Association of Apartment Owners or any other person holding an interest in any apartment of the project for the purpose of merging Phase II with Phase I of the project, thereby causing as of the effective date of such amendment all apartments in Phases I and II to constitute a part of the project and all owners of apartments in Phases I and II of the project to constitute one association of apartment owners, provided, however, that the Declaration may not be so amended and Phase II may not be so merged without prior written approval by the Department of Housing and Urban Development Secretary and Director of the Veterans Administration.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime, a copy of which is filed with the Commission, states that the common elements shall include (a) the land; (b) Apartment No. 73, located in Building 92-952 for the use of the resident

manager; (c) Parking Stalls Nos. 163 and 164 for the use of the resident manager; (d) The recreation center and tot lots as shown on the Condominium Map; (e) All foundations, floor supports, retaining walls, fences, columns, supporters, unfinished perimeter walls and loadbearing walls, roofs of the residential buildings; (f) All yards, grounds and landscaping, roads, walkways, service parking areas, parking areas, the recreational facilities, and all refuse facilities; (g) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, sewer, telephone and radio and television signal distribution; (h) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement dated July 18, 1975, by and between Bank of Hawaii, a Hawaii corporation, as Escrow, and Finance Realty Company, Limited, a Hawaii corporation, as Seller, has been submitted to the Commission as part of this registration. On examination the Escrow Agreement and Subscription and Sale Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes. The provisions of the Subscription and Sale Agreement should be carefully read by the purchasers. The specimen document filed as a part of the registration recites the conditions under which the purchaser acknowledges receipt of the Public Report.

The specimen Subscription and Sale Agreement provides that if less than 80% of the apartments in the project are sold to Purchasers thereof approved by HUD prior to December 31, 1976, Seller at its option may cancel the Subscription and Sale Agreement upon written notice to the purchaser, and upon cancellation Developer shall direct Escrow Agent to refund to the purchaser all sums paid by the purchaser, and both Developer and the purchaser shall be released from all further liability under the Subscription and Sale Agreement.

An addendum to the proposed Subscription and Sale Agreement provides that should the Developer be unable to secure the proposed HUD and VA mortgage financing, the Purchaser at its option may cancel the Subscription and Sale Agreement, and any deposits made by Purchaser shall be promptly refunded to him, and both Developer and Purchaser shall be released from further liability under the Subscription and Sale Agreement.

An addendum to the proposed Subscription and Sale Agreement provides that the Developer is negotiating with the Estate of James Campbell for the acquisition of the fee title upon which the project is constructed, and that should the Developer be unable to deliver the fee title interest to the apartment being purchased, the Purchaser at its option may cancel the Subscription and Sale Agreement, and any deposits made by Purchaser shall be promptly refunded to him, and both Developer and Purchaser shall be released from further liability under the Subscription and Sale Agreement.

The specimen Subscription and Sale Agreement further provides that the purchaser agrees that all rights of purchaser are and at all times subject and subordinate to the lien of the mortgage to a lending institution; and to any and all modification, extensions, and renewals thereof; and to any mortgage or deed of trust made in place thereof.

It is incumbent upon the purchaser that he read with care the Subscription and Sale Agreement and Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the apartments and all sums of any source are placed in trust as well as the retention, disbursement and refund of said trust funds.

STATUS OF THE PROJECT: The Developer reports that construction of the project has commenced and that completion is scheduled for March, 1976.

The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the developer in the required Notice of Intention submitted August 1, 1975 and information subsequently filed as of March 11, 1976.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 800 filed with the Commission on August 1, 1975.

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

Mary V. Savio
MEMBER, REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:
- Department of Taxation
- Bureau of Conveyances
- Planning Department, City & County of Honolulu
- Federal Housing Administration
- Escrow Agent

Registration No. 800

March 16, 1976