

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

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

REGISTRATION NO. 985

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 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 : November 17, 1978
Expires: December 17, 1979

SPECIAL ATTENTION

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

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON MARCH 31, 1978, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 15, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report of April 13, 1978, the Developer reports that no changes have been made in the plan or setup of the project.

This Final Public Report (white paper stock) amends the Palehua Hale, Phase II, Preliminary Public Report (yellow paper stock), becoming a part of this registration. The Developer is responsible for placing a true copy of this Final Public Report in the hands of all purchasers and prospective purchasers along with a copy of the Preliminary Public Report. A copy of each report shall be delivered to the purchaser who shall be asked to sign a receipt signifying that he has received and has had an opportunity to read the reports.

The Developer is developing and selling this project in three phases. This Final Public Report covers only the sale of apartments in Phase II, to be known as PALEHUA HALE, PHASE II. Phase II shall consist of twenty-nine (29) units, all of which shall be contained in five (5) buildings. There shall be two parking stalls appurtenant to each unit, for a total of fifty-eight (58) parking stalls (ten stalls of said stalls are actually located in Phase I of the Palehua Hale).

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Final Public Report.
3. The basic condominium documents have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as follows:

The Declaration of Horizontal Property Regime of Palehua Hale, with Bylaws of the Association of Apartment Owners of Palehua Hale, dated October 6, 1978 was filed in said Office as Document No. 903456 and noted on Transfer Certificate of Title No. 201,507.

The Assistant Registrar has designated Condominium Map No. 345 to floor plans of the project.

4. Advertising and promotional matter has been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to horizontal property regimes.

6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, November 17, 1978, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information in the topical headings of the Preliminary Public Report of April 13, 1978 has not been disturbed except that there are certain corrections and clarifications under the topical headings OWNERSHIP TO TITLE, ENCUMBRANCES AGAINST TITLE, USE OF ADDITIONAL RECREATIONAL FACILITIES, PURCHASE MONEY HANDLING and STATUS OF PROJECT.

OWNERSHIP TO TITLE: The fee simple title to the land is vested in Finance Realty Company, Limited, the Developer.

ENCUMBRANCES AGAINST TITLE: By the Lien Letter Report prepared by Security Title Corporation and dated June 19, 1978, and Supplements thereto dated October 19, 1978 and November 2, 1978, the following are the encumbrances against the land:

1. For any taxes that are due and owing and a lien on the land, reference is hereby made to the Office of the Tax Assessor, First Division.
2. Development Rights dated May 5, 1966, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 391241, made by and between Alan S. Davis, M. L. Randolph and George M. Collins, Trustees under the Will and of the Estate of James Campbell, Deceased, and Finance Realty Co., Ltd., a Hawaii corporation.
3. Mortgage dated July 13, 1972, filed in said Office as Document No. 589482, made by Finance Realty Co., Ltd., a Hawaii corporation, as Mortgagor, to Bank of Hawaii, a Hawaii corporation, as Mortgagee, to secure the repayment of the sum of \$4,700,000, any additional advances and other amounts secured thereby. Consent thereto filed as Document No. 589483.
4. Additional Charge Mortgage dated November 14, 1974, filed in said Office as Document No. 703186, made by Finance Realty Co., Ltd., as Mortgagor, to Bank of Hawaii, as Mortgagee, to secure the repayment of the additional loan of \$4,300,000. Consent thereto filed as Document No. 703187.
5. Second Additional Charge Mortgage dated May 13, 1976, filed in said Office as Document No. 766717, made by Finance Realty Co., Ltd., as Mortgagor, to Bank of Hawaii, as Mortgagee, to secure the repayment of the additional loan of \$1,500,000.00. Consent thereto filed as Document No. 766718.

6. Undated Financing Statement recorded on May 28, 1976 in the Bureau of Conveyances in Book 11411, at Page 7.
7. By instrument dated January 12, 1977, filed in said Office as Document No. 801573, the Development Rights, Mortgage and Additional Charge Mortgages described above were amended.
8. By instrument dated January 25, 1978, filed in said Office as Document No. 857303, said Mortgage and Additional Charge Mortgage described above were further amended.
9. Additional Charge Mortgage dated February 17, 1978, filed in said Office as Document No. 861755, also recorded in the Bureau of Conveyances of the State of Hawaii in Book 12737, at Page 615, made by Finance Realty Co., Ltd., as Mortgagor, to Bank of Hawaii, as Mortgagee.
10. Additional Charge Mortgage dated June 9, 1978, filed in said Office as Document No. 892303, made by Finance Realty Company, Limited, as Mortgagor, to Bank of Hawaii, as Mortgagee.
11. Designation of Easement 814 (5 feet wide) as shown on Map 264, and Grant of Easement to the United States of America dated November 3, 1977, filed as Document No. 856786.
12. Designation of Easements 812, 814 and 815, as shown on Map 264, as set forth by Land Court Order No. 42816, filed September 15, 1975.
13. Designation of Easements 950, 951 and 952, as shown on Map 288, as set forth by Land Court Order No. 49499, filed February 23, 1978.
14. Grant dated July 13, 1978, filed in said Office as Document No. 886905, in favor of Palehua Community Association, granting easement over Easement 951.
15. Grant dated July 13, 1978, filed in said Office as Document No. 886906, in favor of Puu Palehua Association, granting easement over Easement 950 and 951.
16. Designation of Easements 959, 960, 961 and 962, as shown on Map 291, as set forth by Land Court Order No. 50544, filed June 5, 1978.
17. Declaration of Additional Property Annexed to Palehua Community dated October 6, 1978, filed in said Office as Document No. 903453.

18. Declaration of Covenants, Conditions and Restrictions of Palehua Community dated January 14, 1977, filed in said Office as Document No. 801577.
19. Declaration of Horizontal Property Regime of Palehua Hale, with Bylaws of Association of Apartment Owners of Palehua Hale attached, dated October 6, 1978, filed in said Office as Document No. 903456. The Assistant Registrar has designated Condominium Map No. 345 to the plans of the project.
20. Grant dated October 6, 1978, filed in said Office as Document No. 903454 in favor of Palehua Community Association, granting easement over Easement 952.
21. Regulatory Agreement dated November 1, 1978, filed in said Office as Document No. 906320.
22. Grant dated October 6, 1978, filed in said Office as Document No. 907398, in favor of the City and County of Honolulu and the Board of Water Supply.
23. Grant dated October 26, 1978, filed in said Office as Document No. 907051, in favor of Hawaiian Electric Company, Inc.

USE OF ADDITIONAL RECREATIONAL FACILITIES: In addition to recreational and other facilities which apartment owners shall have the right to use by virtue of the Declaration of Covenants, Conditions and Restrictions of Palehua Community, all apartment owners in the project will also have the right to use recreational facilities in Lot 2770, area 38,094 square feet, as shown on Map 288 filed with Land Court Application No. 1069 and described in Transfer Certificate of Title No. 194,616, subject to the obligation on the part of all apartment owners in the project to pay for the maintenance and repair of and all other costs associated with such facilities in a fair and equitable manner with all other persons entitled to the use of such facilities as determined by the Developer and subject to the imposition of reasonable rules and regulations governing the use of such facilities.

PURCHASE MONEY HANDLING: The provision of the Sales Contract which reserved to the Seller the option to cancel the agreement prior to December 31, 1979 if certain conditions were not met has been waived by the Seller.

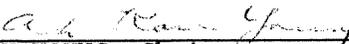
STATUS OF THE PROJECT: The developer reports that construction of the buildings in Phase II of the project has been completed, as evidenced by the published Notices of Completion, copies of which are on file with the Commission.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention

submitted March 31, 1978, and additional information subsequently filed as of November 15, 1978.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 985 filed with the Commission on March 31, 1978.

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



AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Taxation
Bureau of Conveyances
Planning Commission, City & County of Honolulu
Department of Housing and Urban Development
Escrow Agent

REGISTRATION NO. 985

November 17, 1978