

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

HALE PUA LEI
3111 Pualei Circle
Honolulu, Hawaii

REGISTRATION NO. 1016

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: October 12, 1978
Expires: November 12, 1979

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 JULY 12, 1978, AND INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 4, 1978. DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Hale Pua Lei is a proposed fee simple condominium project consisting of twenty-seven (27) residential apartments located in one building having three (3) stories with a partial basement. There are twenty-five (25) parking stalls, six of which are for compact cars. Two (2) apartments will not have parking stalls.

2. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report.
3. The Developer advises the Declaration of Horizontal Property Regime and attached By-laws are recorded with the Bureau of Conveyances of the State of Hawaii in Liber 13148, Page 139, as amended by document dated October 3, 1978 and recorded in said Bureau in Liber 13180, Page 148. The Condominium Map has been filed with said Bureau as Map No. 570.
4. No advertising and promotional materials have been submitted pursuant to the Rules and Regulations promulgated by 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 date of issuance, October 12, 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.
7. This Final Public Report is made a part of the registration of HALE PUA LEI. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers and securing from each purchaser or prospective purchaser a signed receipt, signifying that he has had an opportunity to read the report.

NAME OF PROJECT: HALE PUA LEI

LOCATION: The project is located at 3111 Pualei Circle, Honolulu, Hawaii, on a parcel of 15,027 square feet.

TAX KEY: 3-1-26-42

ZONING: The property is presently zoned apartment.

DEVELOPER: The Developer is Neil Petagno, Inc., whose business address is Suite 2105, 745 Fort Street, Honolulu, Hawaii 96813, telephone 521-5022. The officers of Neil Petagno, Inc. are Neil P. Petagno, President, Gail M. H. Petagno, Vice President-Secretary, and Thomas J. Burns, Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Izumi & Tanaka (Attention: Tamotsu Tanaka), 888 Mililani Street, Suite 701, Honolulu, Hawaii 96813, telephone: 523-7581.

DESCRIPTION OF PROJECT: The project consists of a three (3) story building with partial basement constructed of hollow tile and concrete. The building is "L-shaped" with

one leg on the west side of the property perpendicular to the public road and the other leg on the north side of the property parallel to the public road fronting the property.

Apartments 101 through 109, inclusive, are located on the first floor of the building; Apartments 201 through 209, inclusive, are located on the second floor of the building; and Apartments 301 through 309, inclusive, are located on the third floor of the building.

The apartments are constructed according to eight (8) different floor plans, Types 1 to 8, inclusive, and each floor plan contains the number of rooms and the approximate floor area, according to its respective floor plan, as follows:

1. Apartments 101, 201 and 301 are Type 1 units and are located on the west side of the property closest to the public road and consist of a living/dining room, kitchen, two bedrooms, and bathroom and contain a total area of approximately 739 square feet, excluding a lanai having an area of approximately 115 square feet, including a storage closet on the lanai.
2. Apartments 102, 202 and 302 are Type 1 units and are located north of the -01 apartments and consist of a living/dining room, kitchen, two bedrooms, and bathroom and contain a total area of approximately 718 square feet, excluding a lanai having an area of approximately 111 square feet, including a storage closet on the lanai.
3. Apartments 103, 203 and 303 are Type 2 units and are located north of the -02 apartments and consist of a living/dining room, kitchen, one bedroom, and bathroom and contain a total area of approximately 668 square feet, excluding a lanai having an area of approximately 84 square feet.
4. Apartments 104 and 304 are Type 3 units and are located north of the -03 apartments at the connection of the two legs of the "L" and consist of a living/dining room, den, kitchen, one bedroom, and bathroom and contain a total area of approximately 540 square feet and have no lanai.
5. Apartment 204 is a Type 7 unit and is located north of Apartment 203 at the connection of the two legs of the "L" and consists of a living/dining room, den, kitchen, one bedroom and bathroom and contains a total area of approximately 540 square feet and has no lanai.
6. Apartment 105 is a Type 4 unit and is located east of Apartment 104 and consists of a living/dining room, kitchen, one bedroom and bathroom and contains a total area of approximately 536 square feet, excluding a lanai having an area of approximately 96 square feet.

7. Apartments 205 and 305 are Type 8 units and are located east of the -04 apartments and consist of a living/dining room, kitchen, one bedroom and bathroom and contain a total area of approximately 464 square feet, excluding a lanai having an area of approximately 96 square feet.
8. Apartments 106, 107, 108, 206, 207, 208, 306, 307 and 308 are Type 5 units and are located east of of the -05 apartments on the leg of the "L" parallel to the public road and consist of a living/dining room, kitchen, one bedroom, and bathroom and contain a total area of approximately 494 square feet, excluding a lanai having an area approximately 99 square feet, including a storage closet on the lanai.
9. Apartments 109, 209 and 309 are Type 6 units and are located on the east end of the building and consist of a living/dining room, kitchen, one bedroom and bathroom and contain a total area of approximately 464 square feet, excluding a lanai having an area of approximately 96 square feet, including a storage closet on the lanai.

The apartments are numbered and located in the manner shown on Condominium Map No. 570, recorded in the Bureau of Conveyances of the State of Hawaii.

Each apartment has access to a walkway which leads to two (2) stairways, one at each end of the L-shaped building.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, floors and ceilings surrounding each apartment or any pipes, wires, conduits, or other utility 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, windows and window frames, door and door frames, floor and ceilings, and, where applicable, the air space bounded by the lanai enclosure, and the built-in fixtures within the apartment.

The project also includes parking area for 25 cars, barbeque facilities, and a laundry room.

COMMON ELEMENTS: An estate consisting of all remaining portions of the project, being described and referred to herein as "common elements", which definition includes the building, the land on which it is located and all elements mentioned in the Horizontal Property Act which are actually constructed in the project, and specifically includes, but is not limited to:

- a. Said land in fee simple;
- b. All foundations, columns, beams, supports, load-bearing walls, roofs, chases, entry

- halls, stairs, walkways, entrances and exits of said building;
- c. All yards, grounds, landscaping, refuse areas, planter boxes, mailboxes, and barbecue facilities;
 - d. All parking areas;
 - e. All pipes, cables, conduits, ducts, electrical equipment, wiring 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, gas, water, sewer, telephone, and television signal distribution, if any;
 - f. The bulk storage rooms, the laundry room, bathroom, and clothes drying line, all of which are located in the basement of the building;
 - g. 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.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated as "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto an exclusive easement for the use of such limited common elements. The limited common elements so set aside and reserved are one parking stall designated as shown on the Exhibit attached hereto which shall be appurtenant to and for the exclusive use of such apartment, (except two apartments shall have no parking space appurtenant to them) and the mailbox for each apartment.

Notwithstanding the foregoing provisions of this paragraph to the contrary, the owners of the respective apartments shall have the right to change the designation of the parking spaces which are appurtenant to their respective apartment solely by an amendment to this Declaration, such amendment to be executed by the respective owners of such apartments and the mortgagee of such apartments, if any, provided that such amendment shall be effective only upon the recording of the same in the Bureau of Conveyances of the State of Hawaii, and provided further that at all times at least one parking space shall be appurtenant to each apartment in the project, except two apartments shall have no parking space appurtenant to them.

COMMON INTEREST: Each apartment shall have appurtenant thereto an undivided fractional interest in the common elements of the project as follows:

<u>Apartments</u>	<u>Percentage (each apartment)</u>
1. 101	4.78
2. 201 and 301	4.79
3. 102, 202 and 302	4.65
4. 103, 203 and 303	4.33
5. 104, 105, 204 and 304	3.50
6. 205 and 305	3.00
7. 106, 107, 108, 206, 207, 208, 306, 307 and 308	3.20
8. 109, 209 and 309	3.30

The aggregate common interest in the common elements of the apartments is allocated between them on the basis of their interior floor area. The Developer covenants and agrees that the undivided interest in the common areas and facilities and the title to the respective apartments to be conveyed shall not be separated or separately conveyed and each said undivided interest shall be deemed to be conveyed or encumbered with its respective apartment even though the description in the instrument of conveyance may refer only to one or other of the interests. The voting rights of apartment owners, as well as their share of the common expenses and profits shall be in proportion to their common interest.

PURPOSE OF BUILDING AND USE RESTRICTIONS: The apartments shall be occupied and used as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, laundry and linen, or bellboy service. Except for such transient or hotel purposes, the owners of the respective apartment shall have the absolute right to lease, or rent the same subject to the limitations, restrictions, covenants and conditions of the Declaration.

The By-Laws attached to the Declaration and the proposed House Rules provide in part:

1. "No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project except that dogs, cats and other household pets having such diminutive size and weight that they may be comfortably and easily hand-carried by any person over the common elements of the project in reasonable number may be kept by the apartment owners and occupants in their respective apartments ..."; and

2. "The maximum number of occupants to be permitted to reside in any apartment shall be: four (4) persons in a two-bedroom apartment, and three (3) persons in a one-bedroom apartment; provided that the Association, by majority vote of its members at a meeting duly called for such purpose, may increase the number of occupants...."

OWNERSHIP OF TITLE: The Certificate of Title issued by Long & Melone, Ltd. dated September 19, 1978 shows fee simple title in the name of Smith Development Corp. Said land is subject to an Agreement of Sale dated September 15, 1978 to Developer as purchaser.

ENCUMBRANCES: Said Certificate of Title dated September 19, 1978, by Long & Melone, Ltd., shows title to the property to be subject to the following encumbrances:

1. Restrictive covenants and conditions contained in Agreement dated December 28, 1957, recorded in Liber 3492, Page 106.
2. The wall along westerly boundary encroaching about 0.10 of a foot into the property, as noted on Surveyor's Report, dated February 2, 1978, by Kataichi Ninomiya, surveyor, as contained in Assignment of Sublease dated March 31, 1978, recorded in Liber 12860, Page 615.
3. Mortgage and Assignment of Rentals dated August 22, 1978, by Smith Development Corp. in favor of City Bank recorded in Liber 13148, Page 101. Said mortgage was amended by instrument dated August 22, 1978 and recorded in Liber 13148, Page 163.
4. Financing Statement from Smith Development Corp. to City Bank recorded in Liber 13148, Page 112.
5. Unrecorded Loan Agreement between Smith Development Corp. and City Bank dated August 22, 1978 recorded in Liber 13148, Page 113.
6. Agreement of Sale dated September 15, 1978, between Smith Development Corp., as Seller, and Neil Petagno, Inc., as Purchaser, recorded in Liber 13148, Page 113.
7. Assignment of Seller's interest in Agreement of Sale as Security, dated August 22, 1978, recorded in Liber 13148, Page 129.
8. Financing Statement from Smith Development Corp. to City Bank recorded in Liber 13148, Page 138.
9. Declaration of Horizontal Property Regime and By-Laws dated September 15, 1978, recorded in Liber 13148, Page 139. Condominium Map No. 570.

(Note: First Amendment to Declaration dated October 3, 1978 was recorded in said Bureau in Liber 13180, Page 148.)

10. Receipt and Estoppel Agreement dated August 22, 1978 recorded in Liber 13148, Page 136, made by Neil Petagno, Inc., a Hawaii corporation, to City Bank.
11. Any and all unrecorded or recorded rental agreement, rental arrangements, and leases relating to the premises, together with all modifications, amendments, and additions thereto, extensions and renewals thereof and replacements and substitutions therefor, as set forth in instrument dated August 22, 1978, recorded in Liber 13148, Page 101.
12. For any real property taxes due and owing, reference is made to the Office of the Tax Assessor, First Division.
13. Assignment of vendee's interest for security purposes made by Neil Petagno, Inc. in favor of Finance Hawaii, Inc. dated September 26, 1978, and recorded in Liber 13163, Page 422.

PURCHASE MONEY HANDLING: The executed agreement dated July 10, 1978 identifies Bank of Hawaii as the "Escrow" and provides in part that purchasers who exercise their right of refund within 30 days of receipt of Final Public Report shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest and less Escrow's cancellation fee, if purchaser shall in writing request refund of his funds and if Escrow receives a written request from Seller to return to purchaser the funds of such purchaser then held by Escrow.

Upon refund of said funds to purchaser as aforesaid, Escrow shall return to Seller such purchaser's sales contract and any Apartment Deed therefore delivered to Escrow, and thereupon neither the purchaser nor Seller shall be deemed obligated thereunder.

Among other provisions, the specimen Sales Contract provides: (1) that Developer may terminate all sales contracts if by December 31, 1979 less than seventeen (17) apartments have been sold; (2) the purchaser agrees to purchase the apartment, including any appliances, carpets and drapes located therein, "as is"; and (3) Purchaser agrees that all rights of Purchaser are subject and subordinate to the lien of any mortgage(s) made to finance the cost of acquisition, renovating and refurbishing of project by Seller and to any and all sums which may become a lien pursuant to the terms of such mortgage.

Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with Sections 514A-37, 514A-39 and 514A-63 to 514A-66. A prospective purchaser should carefully examine the form of specimen sales contract and escrow agreement to determine the time for and the amount of the installment payments on the purchase price and the payment of closing costs.

MANAGEMENT AND OPERATION: Article IV, Section 1, of the By-laws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property subject at all times to direction by the Board of Directors. The Developer has entered into an initial property management contract with Urban Management Corp. in the form submitted with Developer's Notice of Intention.

STATEMENT OF FINANCING: The Developer has informed the Commission that it intends to cause the issuance of apartment deeds to purchasers using proceeds from its sale of the 27 apartments to pay the mortgage in favor of Finance Hawaii, Inc. and the Agreement of Sale in favor of Smith Development Corp.

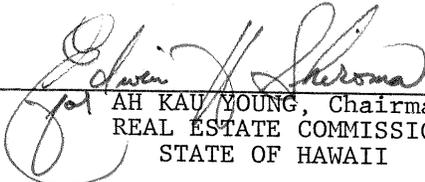
STATUS OF PROJECT: The apartment building was constructed about 1959. The Developer intends to renovate each apartment unit with new appliances, carpeting, paint and drapes. The renovation work will be completed by December 31, 1978.

Note: The building and other improvements is a non-conforming structure meaning that the building and other improvements were lawfully built but does not now comply with the bulk, yard, setback or height regulations of the district in which it is located, and other requirements of the City or State laws and regulations.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted July 12, 1978, and information subsequently filed as of October 4, 1978.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1016 filed with the Commission on July 12, 1978.

The 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 Department,
City and County of Honolulu
Federal Housing Administration
Escrow Agent

REGISTRATION NO. 1016
Dated: October 12, 1978.

HALE PUA LEI

Parking Stall Designation:

<u>Apt. No.</u>	<u>Stall No.</u>
101	2
102	3
103	4
104	16
105	5
106	17
107	18
108	none
109	20
201	6
202	8 C
203	9 C
204	21
205	22
206	23
207	24
208	25
209	10 C
301	11 C
302	12 C
303	13 C
304	none
305	19
306	1
307	7
308	14
309	15

C - denotes parking for compact cars.

EXHIBIT