

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
PALEHUA HILLSIDE, PHASE I
Makakilo Drive and Kikaha Street
Ewa Beach, Hawaii

REGISTRATION NO. 1160

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 : September 14, 1979
Expires: October 14, 1980

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 AUGUST 10, 1979, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 31, 1979. 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. PALEHUA HILLSIDE, Phases I, II and III, is a fee simple condominium project consisting of sixteen (16) two-story multi-family residential buildings containing ninety-six (96) residential units, of

which ninety-five (95) will be condominium apartments and one (1) will be the resident manager's apartment and a part of the common elements. There will be one hundred ninety-five (195) parking stalls provided in the parking areas.

2. The Developer is developing and selling this project in three phases. This Preliminary Public Report, while describing the entire condominium project, covers only the sale of apartments in Phase I, to be known as Palehua Hillside, Phase I. Phase I shall consist of thirty (30) units, all of which shall be contained in five (5) buildings. There shall be two parking stalls appurtenant to each unit, or a total of sixty (60) parking stalls.
3. The documentation submitted by the Developer reflects that the Developer will acquire the land from the Trustees under the Will and of the Estate of James Campbell, Deceased, the present owners of the land, prior to the conveyance of apartments in the project.
4. The Developer is attempting to arrange for the financing of purchases of apartments in the 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 is currently arranging for the financing by way of mortgages 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 will require that the Association of Apartment Owners of Palehua Hillside enter into with the Department and record a Regulatory Agreement whereby the Association may be regulated and restricted by the Department. The Regulatory Agreement will 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.
5. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report. The Developer is held responsible for placing this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor.

6. The basic documents (Declaration of Horizontal Property Regime of Palehua Hillside, Bylaws of Association of Apartment Owners of Palehua Hillside and a copy of the floor plans of the project) have not yet been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
7. Advertising and promotional matter has been submitted to the Commission.
8. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Rules and Regulations which relate to Horizontal Property Regimes.
9. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, September 14, 1979, unless a Final or 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: PALEHUA HILLSIDE, Phase I

LOCATION: The land, consisting of one (1) parcel containing 9.506 acres, is situate at Makakilo Drive and Kikaha Street, Ewa Beach, Hawaii, being further described as Lot 3144, as shown on Map 303 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069, being a portion of the land covered by Transfer Certificate of Title No. 176,263 issued to the Trustees under the Will and of the Estate of James Campbell, Deceased.

TAX KEY: 9-2-3-2 (portion)

ZONING: The land is zoned R-6 Residential, but the project is being developed as a planned development under Planned Development-Housing Application No. 78/PDH-2.

DEVELOPER: Finance Realty Company, Limited, a Hawaii corporation, whose principal place of business and post office address is 195 South King Street, Honolulu, Hawaii 96813 (telephone: 548-3347), is the Developer of this project. The officers of the Developer are:

Mun On Chun	President
Journ T. Yee	Vice President
Daniel B. T. Lau	Vice President & Secretary
Clifford H. N. Yee	Vice President
Jerold Y. K. Chun	Vice President & Treasurer
Wendell K. Pang	Vice President

ATTORNEY REPRESENTING DEVELOPER: Wendell K. Pang, 195 South King Street, Honolulu, Hawaii (Telephone: 548-3356).

DESCRIPTION: The project will consist of sixteen (16) two-story multi-family residential buildings which will contain a total of ninety-five (95) condominium apartments and one (1) resident manager's apartment.

Phase II shall consist of thirty (30) condominium apartments contained in five (5) buildings, being Buildings 92-1210, 92-1214, 92-144, 92-1250 and 92-1252.

The apartments will be constructed principally of wood. Division walls will be principally of double stud wall construction with acoustical insulation. There are no basements.

The apartments shall be of nine types, designated as Type A, Type B, Type BL, Type C, Type D, Type E, Type EL, Type F and Type G, described below.

Type A - The Type A apartment is a split-level apartment which contains a living room, storage closet and lanai with enclosed storage area on the first level, a half bath/utility room, dining-family room, kitchen and lanai with enclosed storage area on the second level, a bedroom with a full bathroom and walk-in closet on the third level and two bedrooms, a linen closet and a full bathroom on the fourth level, with an interior stairway connecting all levels for a gross floor area, including exterior storage areas and lanais of 1827 square feet. The first and second levels are designated as the "lower level" on the floor plans for the apartment filed with the Condominium Map and the third and fourth levels are designated as the "upper level" on said floor plans. The apartment also includes as a limited common element, a fenced yard area adjacent to the front, one side, and rear of the apartment.

Type B - The Type B apartment is a split-level apartment which contains a living room, storage closet and an enclosed exterior storage area on the first level, a half bath/utility room, kitchen, pantry, dining room and lanai with enclosed storage area on the second level, a bedroom with a full bathroom and walk-in closet on the third level, two bedrooms, one full bathroom, a storage closet and a linen closet on the fourth level, with an interior stairway connecting all levels, for a gross floor area, including exterior storage and lanai, of 1378 square feet. The first and second levels are designated as the "lower level" on the floor plans for the apartment filed with the Condominium Map and the third and fourth levels are designated as the "upper level" on said floor plans. The apartment also includes as limited common elements yard areas adjacent to the front and rear of the apartment.

- Type BL - The Type BL apartment is a split-level apartment which contains a living room, storage closet and exterior storage area on the first level, a half bath/utility room, kitchen, pantry, dining room and lanai with enclosed storage area on the second level, one bedroom with a full bathroom and walk-in closet on the third level, and two bedrooms, one full bathroom, a storage closet and a linen closet on the fourth level and a loft with a storage area, with an interior stairway connecting all levels including the loft, for a gross floor area, including exterior storage area and lanai, of 1536 square feet. The first and second levels are designated as the "lower level" on the floor plans for the apartment filed with the Condominium Map and the third and fourth levels are designated as the "upper level" on said floor plans. The apartment also includes as limited common elements fenced yard areas adjacent to the front and rear of the apartment.
- Type C - The Type C apartment is a split-level apartment which contains a lanai with enclosed storage area, a living room and a storage closet on the first level, an entry hall, dining room, kitchen, pantry, one bedroom with walk-in closet and a half bath/utility room on the second level, one bedroom with walk-in closet and a full bathroom on the third level and two bedrooms, a full bathroom and storage closet on the fourth level, with an interior stairway connecting all levels, for a gross floor area, including exterior storage level and lanai of 1633 square feet. The first and second levels are designated as the "lower level" on the floor plans for the apartment filed with the Condominium Map and the third and fourth levels are designated as the "upper level" on said floor plans. The apartment also includes as a limited common element a fenced yard area adjacent to the front, one side and rear of the apartment.
- Type D - The Type D apartment is a split-level apartment with a lanai with enclosed storage area and laundry area, a living room and a storage closet on the first level, an entry hall, exterior storage area, kitchen and pantry on the second level, one bedroom with walk-in closet and a full bathroom on the third level and two bedrooms, a full bathroom and a storage closet on the fourth level, with an interior stairway

connecting all levels, for a gross floor area, including exterior storage area and lanai of 1374 square feet. The first and second levels are designated as the "lower level" on the floor plans for the apartment filed with the Condominium Map and the third and fourth levels are designated as the "upper level" on said floor plans. The apartment also includes as limited common elements the fenced yard areas adjacent to the front and rear of the apartment.

- Type E - The Type E apartment is a split-level apartment which contains an entry hall, a storage closet and one bedroom with dressing room and full bathroom on the first level, a dining room/kitchen and lanai with enclosed storage area and laundry area on the second level, a living room and deck on the third level and two bedrooms, a full bathroom and a linen closet on the fourth level, with an interior stairway connecting all levels, for a gross floor area, including exterior storage area and lanai of 1514 square feet. The first and second levels are designated as the "lower level" on the floor plans for the apartment filed with the Condominium Map and the third and fourth levels are designated as the "upper level" on said floor plans. The apartment also includes as a limited common element, the yard area adjacent to the front, one side and rear of the apartment.
- Type EL - The Type EL Apartment is a split-level apartment which contains an entry hall, a storage closet and one bedroom with dressing room and full bathroom on the first level, a dining room/kitchen and lanai with storage area and laundry area on the second level, a living room and deck on the third level and two bedrooms, a full bathroom and linen closet on the fourth level and a loft overlooking a portion of the living room, with an interior stairway connecting all levels including the loft, for a gross floor area, including exterior storage, lanai and deck, of 1636 square feet. The apartment also includes as a limited common element, the fenced yard area adjacent to the front, one side and rear of the apartment.
- Type F - The Type F apartment is a split-level apartment which consists of an entry hall, living/dining room, lanai with enclosed storage area, kitchen,

pantry, one full bathroom and utility area on the first level and three bedrooms, one bath and a linen closet on the second level, with an interior stairway connecting both levels, for a gross floor area, including exterior storage and lanai, of 1204 square feet. The apartment also includes as a limited common element, the fenced yard areas adjacent to the front and rear of the apartment.

Type G - The Type G apartment is a split-level apartment which contains an entry hall, kitchen, dining/living room, utility room, one bedroom with walk-in closet and full bathroom, a storage closet and a covered lanai and enclosed storage area on the first level and three bedrooms, one full bathroom and a linen closet on the second level, with an interior stairway connecting both levels, for a gross floor area, including lanai and exterior storage area, of 1529 square feet. The apartment also includes as a limited common element, the fenced yard area adjacent to the front, one side and rear of the apartment.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing 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, all fixtures originally installed therein, and the enclosed exterior storage area at the front or rear of the apartment and any lanai.

NOTE: The proposed Declaration reserves the right to the Developer to amend the Declaration at any time prior to December 31, 1981 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 any completed phase of the project with any other completed phase, thereby causing as of the effective date of such amendment all apartments in the merged phases to constitute a part of the project and all owners of apartments in the merged phases to constitute one association of apartment owners, provided, however, that, if the Department of Housing and Urban Development or the Veterans Administration is the insurer or guarantor of any mortgage covering an apartment in the project, the Declaration may not be so amended and the phases may not be so merged without prior written approval by the Secretary of Housing and Urban Development or the VA Loan Guaranty Officer or his designee.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime states that the common elements shall include (a) the land; (b) Apartment No. 86, located in Building 92-1286 for the use of the resident manager; (c) Parking Stalls Nos. 162 and 126, which shall be appurtenant to Apartment 86; (d) the recreation areas as shown on the Condominium Map; (e) all foundations, floor supports, retaining walls, fences, columns, supports, unfinished perimeter walls and load-bearing walls, and roofs of the residential buildings; (f) all yards, grounds and landscaping, roads, walkways, maintenance building, parking areas and driveways, 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, safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration provides that certain parts of the common elements, called and designated as limited common elements, shall be for the exclusive use and enjoyment of certain apartments, as follows: (a) all common elements which are necessary or convenient for the use of an apartment and which are situated within that certain area referred to herein as the "townhouse site," the perimeter of which is delineated on the Condominium Map, are hereby designated as limited common elements appurtenant to and for the exclusive use of the apartment contained within the respective townhouse site. Said perimeter is in part delineated on the Condominium Map by the fences surrounding the yard areas adjoining the front entry and rear and side of the apartment, as the case may be. The general location of the fences is shown on the site and landscaping plans filed as part of the Condominium Map but the actual height, location and placement of the fences may vary on account of the topography; (b) each apartment shall have appurtenant thereto an exclusive right to use the parking stall(s) assigned to such apartment as set forth in Exhibit A attached hereto; provided, however, that each apartment shall have at least one parking stall appurtenant to it but otherwise any parking stall may be conveyed and made appurtenant to another apartment by a written instrument which expressly identifies the apartment to which the parking stall is appurtenant as well as the apartment to which the parking stall will become appurtenant, which written instrument shall also be denominated an amendment of the Declaration, shall be executed by the owner of each apartment affected, with the consent of the mortgagee, if any, of each apartment affected, and shall be effective upon the filing of the instrument in the Office of the Assistant Registrar of the Land Court of the State of Hawaii. A copy of said instrument, together with the filing data, shall be given to the Association by the affected apartment owners within 15 days of the filing thereof; (c) all other common elements of the project which are rationally related to less than all of said apartments or buildings shall be limited to the use of such apartments or buildings.

EASEMENTS: The Declaration provides that the apartments and common elements shall have and be subject to the following easements: (a) each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided and in all other apartments of its building for support; (b) the exception and reservation unto the Owner, its successors and assigns, of easements for electrical, gas, communications and other utility or recreational or walkway purposes and for sewer, drainage and water facilities over, under, along, across and through said land, together with the right to grant to the State of Hawaii, City and County of Honolulu, Board of Water Supply of the City and County of Honolulu or any other appropriate governmental agency or public utility, or to any other individual, corporation or association, easements for such purposes over, under, across, along and through said land under the usual terms and conditions required by the grantee for such easement rights; provided, however, that such easement rights must be exercised in such manner as not unreasonably to interfere with the use of said land by the Apartment Owners, their successors and assigns, and in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements said land shall be promptly restored by and at the expense of the person owning and exercising such easement rights to the condition of said land immediately prior to the exercise thereof, and each Apartment Owner, by purchasing an apartment in the project, agrees that such Apartment Owner and any person claiming an interest in said land by, through or under such Apartment Owner will, upon request, join in and execute any and all documents designating and granting any such easements; (c) if any part of the common elements encroaches upon any apartment or limited common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any buildings of the project shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist; (d) the Association of Apartment Owners of the project shall have the right, to be exercised by its Board of Directors or Managing Agent, to enter any apartments and limited common elements from time to time during reasonable hours as may be necessary for the operation of the project or for making emergency repairs therein required to prevent damage to any apartments or common elements or for the installation, repair or replacement of any common elements or for the purpose of reading any utility meters or of maintaining any sewer laterals; (e) upon written approval by the Board of the installation of a solar energy system to serve any apartment in the project, such apartment shall have an easement in its favor to place, maintain and operate a solar energy system on the roof of the

building in which such apartment is located and over, across and through such other common elements of the building as shall be reasonably required in connection with the operation and repair of the solar energy system serving such apartment; subject to such conditions as the Board shall impose. Upon the installation of such a system, it shall be considered a fixture and a part of the apartment which it serves. Such a system may be removed by its owner at such owner's sole expense upon written notice to the Board, but such owner shall be obligated to repair any damage to the roof or other common elements of the building affected by such removal. The owner of each such system shall keep his system in working order and good condition at all times and shall not abandon the same; provided, however, that if any owner is in default under any provision contained in this subparagraph (e), the Board may correct such violation and recover its expenses, including a reasonable attorney's fee, from the owner in default; (f) the Developer reserves to itself, its successors and assigns, until December 31, 1981, or until such time as all of the improvements for the project have been completed in accordance with the plans filed as aforesaid as said Condominium Map, whichever shall first occur, the following rights:

- (i) An easement over, under and across the common elements of the project, both general and limited, for the purpose of all work connected with or incidental to the development, construction and sale of the project or any part thereof or any apartment or interest therein; and
- (ii) The right, appurtenant to the undeveloped portions of the land, in the nature of an easement over and upon any other portion of the land, to create and cause dust, noise, vibration and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of the project or any part thereof or any apartment therein in said undeveloped portions of said land.

(g) the Owner reserves to itself, its successors and assigns, until the expiration of 120 days after the date of recordation of the deed conveying an apartment to the first purchaser thereof, an easement over, under and across the limited common elements appurtenant to such apartment for the purpose of installing, planting and maintaining such landscaping, including the planting of trees, as may be required by the Director of Land Utilization of the City and County of Honolulu pursuant to Application No. 78/PDH-2 referred to in paragraph Q of the Declaration. After the expiration of said 120-day period, it shall be the duty of the owner of the apartment to keep and maintain in good and healthy condition any trees planted within the limited common elements appurtenant to such apartment.

INTEREST TO BE CONVEYED TO PURCHASER. The undivided interest in the common elements appertaining to each of the nine types of apartments and their owners for all purposes, including voting, is as follows:

<u>Apartment Number</u>	<u>Type</u>	<u>Percentage Interest</u>
15, 24, 25, 30, 45, 60, 73	A	1.26113
16, 17, 18, 23, 26, 27, 28, 29, 46, 47, 48, 56, 57, 58, 59, 74, 75, 76	B	1.03602
19, 22, 49, 52, 53, 77	BL	1.15910
7, 14, 31, 36, 37, 44, 61, 66, 67, 72	C	1.19103
8, 9, 10, 11, 12, 13, 32, 33, 34, 35, 38, 39, 40, 41, 42, 43, 62, 63, 64, 65, 68, 69, 70, 71	D	1.00486
55	E	1.04147
20, 21, 50, 51, 54, 78	EL	1.13651
2, 3, 4, 5, 80, 81, 82, 83, 87, 88, 89, 92, 93, 94, 95	F	.85842
1, 6, 79, 84, 85, 90, 91, 96	G	1.10067

COMMON EXPENSES: The proposed Declaration provides that all charges, costs and expenses whatsoever incurred by the Association for or in connection with the administration of the project, including without limitation the operation thereof, any maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto, any labor, services, materials, supplies and equipment therefor, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any accident, fire or nuisance thereon, and any premiums for hazard and liability insurance herein required with respect to the project shall constitute common expenses of the project for which all apartment owners shall be severally liable in proportion to their respective common interests. Real property taxes and special assessments referred to in Section 514A-6, Hawaii Revised Statutes, as amended, shall not be common expenses of the horizontal property regime created by the Declaration and no payments thereof shall be payments of such common expenses. The Board shall from time to time assess the common expenses

against all the apartments in their respective proportionate shares, and the unpaid amount of such assessments against any apartment shall constitute a lien against such apartment which may be foreclosed by the Board or Managing Agent as provided by said Horizontal Property Act, provided that 30 days' prior written notice of intention to foreclose shall be mailed, postage prepaid, to the apartment owner and all other persons having any interest in such apartment as shown in the Association's record of ownership. Notwithstanding anything in the Declaration to the contrary, however, until the completion and merger of a phase of the project with another phase, each apartment owner in each phase of the project shall be severally liable for common expenses attributable to such phase in the proportion that the common interest appurtenant to such apartment bears to the total of the common interests appurtenant to all apartments in such phase as determined by the Managing Agent in accordance with Paragraph C of the Declaration; provided, however, that when a phase of the project is merged with another phase or other phases which have previously been merged, each apartment owner in the phases which have been merged shall be severally liable for common expenses attributable to such merged phases in the proportion that the common interest appurtenant to such apartment bears to the total of the common interests appurtenant to all apartments in such merged phases as determined by the Managing Agent in accordance with Paragraph C; provided, further, that such common expenses attributable to any undeveloped phase of the project or any phase in the process of being developed, to the extent that any apartments in such phase have not been conveyed to a purchaser thereof, shall be borne by the Developer until the completion and merger of such phase as provided in the Declaration.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the building shall at all times 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. Notwithstanding anything to the contrary, however, Developer reserves the right to itself, its successors and assigns, until December 31, 1981 or until such time as the total condominium project is developed in accordance with the Condominium Map and all apartments therein have been sold, whichever shall first occur, to erect signs in the project and to use apartments as sales offices and as models for display to the public pursuant to the sales of apartments in this project and other projects of Developer. 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 apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration.

The Developer has submitted to the Commission a set of House Rules which shall be in force from the inception of the project.

OWNERSHIP TO TITLE: The fee simple title to the land is vested in the Trustees under the Will and of the Estate of James Campbell, Deceased.

ENCUMBRANCES AGAINST TITLE: A Preliminary Report prepared by Security Title Corporation, dated August 7, 1979 shows that the land is subject to the following encumbrances:

1. For any taxes that are due and owing and a lien on the land, reference is made to the Office of the Tax Assessor, First Division.
2. Designation of Easements 878 and 879, as shown on Map 286, as set forth by Land Court Order No. 48686 filed November 14, 1977.
3. Designation of Easements 1119, 1120 and 1125, as shown on Map 297, as set forth by Land Court Order No. 52266, filed January 23, 1979.
4. Designation of Easement 1156, as shown on Map 303, as set forth by Land Court Order No. 53894, filed July 26, 1979.
5. Designation of Easements 1164 and 1165 as shown on Map 303, as set forth by Land Court Order No. 53894, filed July 26, 1979.
6. The terms and provisions of that certain Lease of Right of Way dated September 23, 1955, filed in the Office of the Assistant Registrar as Document No. 182269, made by and between James Leslie Coke, Alan Sanford Davis and Frederick Ohrt, Trustees under the Will and of the Estate of James Campbell, deceased, as Lessors, and Hawaiian Telephone Company, as Lessees, for the term commencing September 22, 1955 and ending July 1, 1978. Said Lease demises an easement for utility purposes. Consent thereto filed as Document No. 182270.
7. Restriction of Access Rights as shown on Map 240, as set forth by Land Court Order No. 38745, filed November 26, 1973.
8. Grant dated June 1, 1977, filed in said Office of the Assistant Registrar as Document No. 841709, in favor of Hawaiian Electric Company, Inc., granting utility easement. Consent thereto filed as Document No. 841710.
9. Development Rights dated May 5, 1966, filed in said Office of the Assistant Registrar 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. By instrument dated January 12, 1977 filed in said Office as Document No. 801573, the foregoing Development Rights were amended. Said Development Rights are subject to the following:

- a. Mortgage dated July 13, 1972, filed in said Office as Document No. 589482, made by Finance Realty Co., Ltd., as Mortgagor, to Bank of Hawaii, as Mortgagee. Consent thereto filed as Document No. 589483.
- b. 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. Consent thereto filed as Document No. 703187.
- c. 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. Consent thereto filed as Document No. 766718.
- d. Amendments of mortgage and additional charge mortgages filed in said Office as Document Nos. 801573, 801576-A, 837294-A and 857303.
- e. 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 Company, Limited, as Mortgagor, to Bank of Hawaii, as Mortgagee. Consent thereto filed as Document No. 861756.
- f. Additional Charge Mortgage dated June 9, 1978, filed as Document No. 892303, made by Finance Realty Company, Limited, as Mortgagor, and Bank of Hawaii, as Mortgagee. Consent thereto filed as Document No. 892304.
- g. Undated Financing Statement recorded on May 28, 1976 in the Bureau of Conveyances in Book 11411, at Page 7.

PLANNED DEVELOPMENT-HOUSING: This project is being developed as a planned development under Planned Development-Housing Application No. 78/PDH-2 filed with the Director of Land Utilization of the City and County of Honolulu pursuant to the Comprehensive Zoning Code of the City and County of Honolulu, as amended. Paragraph Q of the Declaration provides as follows:

Q. PLANNED DEVELOPMENT-HOUSING. The project is being developed or has been developed as a planned development under Planned Development-Housing Application No. 78/PDH-2 filed with the Director of Land Utilization of the City and County of Honolulu pursuant to the Comprehensive Zoning Code of the City and County of Honolulu, as amended. The Decision and Order dated October 25, 1978, in Application No. 78/PDH-2, attached hereto as Exhibit G, relates to the project. Said Decision and Order contains among its provisions certain conditions which have been satisfied, waived or amended; therefore, except to the extent that any portion of said Decision and Order has been satisfied or waived, to the extent that said Decision and Order, as amended, contains any restrictive conditions which may be constituted as restrictive covenants running with the land, such restrictive conditions are by this sentence declared to be restrictive covenants running with the land.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS. This project is part of a planned community development known as the Palehua Community, which the Developer is developing upon certain real property situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii. All of the real property which is part of the project shall be held, sold, encumbered, leased, occupied, and improved subject to the covenants, conditions, restrictions, limitations, reservations and easements contained in and established by that certain Declaration of Covenants, Conditions and Restrictions of the Palehua Community, dated January 14, 1977, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 801577, as the same may be amended from time to time as provided therein, which covenants, conditions, restrictions, limitations, reservations and easements shall run with the land and inure to the benefit of the Developer, the parties thereto, the Palehua Community Association, and each owner thereof or of any part thereof, and each successor in interest of such owner. A copy has been filed with the Real Estate Commission.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement dated August 7, 1979, 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 the specimen Sales Contract are found to be in compliance with Chapter 514A, Hawaii Revised Statutes. The provisions of the Sales Contract should be carefully read by the purchasers. The specimen Sales Contract recites the conditions under which the purchaser acknowledges receipt of the Public Report.

The specimen Sales Contract provides among other things that the purchaser agrees that all rights of the purchaser are and at all times will be subject and subordinate to the lien of any mortgage to a lending institution, and to all advances, modification, extensions and renewals thereof, made to finance the cost of construction of the project.

It is incumbent upon the purchaser that he read with care the Sales Contract 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 fund.

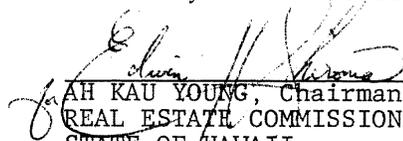
MANAGEMENT AND OPERATION: A Management Agreement has been submitted to the Commission which appoints Mahalo Nui Management, Inc., 195 South King Street, Honolulu, Hawaii, as the managing agent for the project. Purchasers are hereby informed that said managing agent is an affiliate and a wholly-owned subsidiary of the Developer.

STATUS OF THE PROJECT: The Developer reports that construction of the project is scheduled to commence on October 1, 1979.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted August 10, 1979, and information subsequently filed as of August 31, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1160 filed with the Commission on August 10, 1979.

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



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. 1160
September 14, 1979

EXHIBIT A

<u>Building Number</u>	<u>Apartment No.</u>	<u>Apartment Type</u>	<u>Parking Stall Nos.</u>		<u>Open Stall</u>
			<u>Covered Stall(s)</u>		
92-1210	1	G	1	2	
"	2	F	3		21
"	3	F(R)	4	5	
"	4	F	6	7	
"	5	F(R)	8	9	
"	6	G(R)	11	12	
92-1244	7	C	33	34	
"	8	D	32		53
"	9	D(R)	35	50	
"	10	D	36		58
"	11	D(R)	37		57
"	12	D	38		56
"	13	D(R)	39	40	
"	14	C(R)	41	42	
92-1252	15	A	43	44	
"	16	B	45		55
"	17	B(R)	46		54
"	18	B	47		59
"	19	BL(R)	48	49	
"	20	EL(R)	51	52	
92-1250	21	EL	30	31	
"	22	BL	28	29	
"	23	B(R)	27		60
"	24	A(R)	25	26	
92-1214	25	A	13	14	
"	26	B	10	15	
"	27	B(R)	16		22
"	28	B	17		23
"	29	B(R)	18		24
"	30	A(R)	19	20	
92-1266	31	C	63	64	122
"	32	D	65		118
"	33	D(R)	66		117
"	34	D	67	68	
"	35	D(R)	69	70	
"	36	C(R)	71	72	

<u>Building Number</u>	<u>Apartment No.</u>	<u>Apartment Type</u>	<u>Parking Stall Nos.</u>		
			<u>Covered Stall(s)</u>	<u>Open Stall</u>	
92-1264	37	C	73	74	
"	38	D	75	76	
"	39	D(R)	77	78	
"	40	D	79	80	
"	41	D(R)	81	82	
"	42	D	83	84	
"	43	D(R)	85	86	
"	44	C(R)	87	88	
92-1272	45	A	89	90	
"	46	B	91	92	
"	47	B(R)	93	94	
"	48	B	95	96	
"	49	BL(R)	97	98	
"	50	EL(R)	99	100	
92-1270	51	EL	101	102	
"	52	BL	103	104	
"	53	BL(R)	105	106	
"	54	EL(R)	107	108	
92-1268	55	E	109	110	
"	56	B	111		115
"	57	B(R)	112		116
"	58	B	113		119
"	59	B(R)	114		120
"	60	A(R)	61	62	121
92-1284	61	C	129	130	
"	62	D	167		123
"	63	D(R)	166		124
"	64	D	165		125
"	65	D(R)	131	132	
"	66	C(R)	133	134	
92-1282	67	C	136	137	135
"	68	D	138	139	
"	69	D(R)	140	141	
"	70	D	142	143	
"	71	D(R)	144	145	
"	72	C(R)	146	147	
92-1288	73	A	148	149	
"	74	B	150	151	
"	75	B(R)	152	153	
"	76	B	154	155	
"	77	BL(R)	156	157	
"	78	EL(R)	158	159	

<u>Building Number</u>	<u>Apartment No.</u>	<u>Apartment Type</u>	<u>Parking Stall Nos.</u>	
			<u>Covered Stall(s)</u>	<u>Open Stall</u>
92-1300	79	G(R)	180 181	
"	80	F(R)	178 179	
"	81	F	176 177	
"	82	F(R)	174 175	
"	83	F	173	190
"	84	G	171 172	
92-1286*	85	G(R)	160 161	
"	87	F	163	127
"	88	F(R)	164	128
92-1302*	89	F	168	195
"	90	G	169 170	
92-1304	91	G(R)	188 189	
"	92	F(R)	187	194
"	93	F	186	193
"	94	F(R)	185	192
"	95	F	184	191
"	96	G	182 183	

* Numbers 92-1286 and 92-1302 are in the same building.