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

PARKWAY PHASE B-2
Mokulele Drive
Kaneohe, Oahu, Hawaii

REGISTRATION NO. 1242

IMPORTANT — Read This Report Before Buying

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

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

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

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

Issued: March 4, 1980
Expires: April 4, 1981

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 FEBRUARY 8, 1980, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF FEBRUARY 29, 1980. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES.

1. PARKWAY PHASE B-2 is a proposed leasehold condominium project consisting of 37 apartments contained in 37 separate buildings. Each building will contain one apartment unit with appurtenant carport or garage.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.

3. The Developer reports that the basic documents (Declaration of Horizontal Property Regime, with By-Laws of the Association of Apartment Owners attached, and a copy of the approved Floor Plans) have not yet been filed in the office of the recording officer.

4. Advertising and promotional matter has not been submitted.

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

6. This Preliminary Public Report is made a part of the registration on PARKWAY PHASE B-2 condominium project, Registration 1242. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock), together with Developer's Disclosure Abstract, in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt therefor.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, March 4, 1980, unless a Final or Supplementary Public Report is issued or the Commission, upon the review of the registration, issues an order extending an effective period of this report.

NAME OF PROJECT: PARKWAY PHASE B-2

LOCATION: The approximately 6.451 acres of land committed to the regime is situated at KAMEHAMEHA HIGHWAY and MOKULELE DRIVE, Kaneohe, Koolaupoko, City and County of Honolulu, State of Hawaii.

TAX MAP KEY: 4-5-103: 4 (Por.)

ZONING: R-3 and R-4 designated as Planned Development - Housing District No. R-30 (Ordinance No. 4167 adopted by the Council of the City and County of Honolulu).

DEVELOPER: HKH VENTURES, a registered Hawaii Limited Partnership, whose principal place of business and post office address is 2024 North King Street and whose telephone number is 847-4241 and having the following General Partners:

Name of General Partner	Address
Herbert K. Horita	2024 N. King Street Honolulu, Hawaii
Kinji Kanazawa	Suite 301, 225 Queen Street Honolulu, Hawaii
Masakazu Horita	2024 N. King Street Honolulu, Hawaii
Shigeru Horita	2024 N. King Street Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: John J. Hulten, Jr., Attorney at Law, a Law Corporation, Suite 310, Financial Plaza of the Pacific, Honolulu, Hawaii 96813, telephone number 536-2316.

DESCRIPTION: The proposed project is to consist of a parcel of land containing approximately 6.451 acres, situated at Kaneohe, Koolaupoko, Oahu, Hawaii, with improvements existing thereon consisting of 37 apartments contained in 37 buildings. Said structures are to be constructed principally of wood on concrete block foundations with exterior wood sidings and dimensional shake roofs.

The apartments will be numbered and located as shown on the proposed Condominium Map and contain the number of rooms and approximate area set forth on Exhibit "A" attached hereto and made a part hereof which also shows the Design Type of each apartment.

MERGER OF INCREMENTS: The Declaration of PARKWAY PHASE B-2 is specifically made subject to the Declaration as to Merger of Increments in a Condominium Project dated August 9, 1979, filed as Land Court Document No. 961435.

This Declaration as to Merger of Increments in a Condominium Project provides for the possible merger of PARKWAY PHASE B-2 into PARKWAY PHASE B-1, an adjacent completed project consisting of four (4) apartments. In connection therewith certain easements are reserved over the common elements of the Project. It is incumbent upon the purchaser and prospective purchasers that they carefully review this Declaration as to Merger of Increments in a Condominium Project.

COMMON ELEMENTS: The common elements which shall constitute one freehold estate, shall specifically include, but not be limited to:

(i) Said land in fee simple.

(ii) All driveways, walkways, yards, grounds, and landscaping.

(iii) All central and appurtenant installations for common services, including power, light, water, gas, sewer, telephone, television antenna, and trash disposal which serve more than one apartment.

(iv) All other parts of the Project 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 the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

> " The lot upon which each respective apartment is built, as shown on the site plan constituting a portion of said Condominium Map, shall be appurtenant to and for the exclusive use of such apartment."

Note: The proposed Declaration provides that each apartment owner shall be responsible for the proper repair and maintenance of such limited common elements appurtenant to his apartment pursuant to paragraph 10 of the Declaration of Horizontal Property Regime, and shall at all times keep the same in good order and condition, and maintain and keep the land of each such lot and the parking area in a neat and attractive condition and keep and maintain all trees and shrubs and grass on the lot in good cultivation and replant the same as may be necessary, and repair and make good all defects in the limited common elements of which notice shall be given by the Board of Directors or Managing Agent within thirty (30) days after the giving of such notice.

Additionally, the proposed Declaration states that the owner of each apartment shall be responsible for the care and maintenance of any yard, dwelling unit, lanais, fences, walls, foyers, entryways, carports, garages, etc., which are included in the lot consisting of the limited common element appurtenant to his apartment.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest called the "common interest" in all common elements of the project as set forth on Exhibit "A" attached hereto.

The voting rights of apartment owners, as well as their share of the common expenses, shall be in proportion to their common interest.

PURPOSE AND USE OF THE APARTMENTS: The purpose for which the apartments are intended and restricted as to use is residential; provided, that this shall not be construed to prohibit the renting or leasing of said apartments; provided, further, that no apartments shall be rented by the owner or owners thereof for transient or hotel purposes.

OWNERSHIP TO TITLE: The Land Court Letter dated December 15, 1979, issued by Long & Melone, Ltd., and submitted to the Commission, states that present fee simple ownership of the land committed to the project is vested as follows:

HENRY HO WONG, Husband of Colene Smith Wong, and IOLANI SCHOOL, a Hawaii non-profit corporation).

ENCUMBRANCES AGAINST TITLE: Said Land Court Letter dated December 15, 1979, also reports that title to the land is subject to the following encumbrances:

1. Easement 6 (5,644 square feet) and Easement 7 (35,767 square feet) for road and utility purposes, as shown on Map 121 of Application 743.

2. Easement 12 (2,395 square feet) for road purposes, as shown on Map 121 of said Application 743.

3. Easement 8 (8,148 square feet) for sanitary sewer purposes, as shown on Map 121 of said Application 743.

4. Lease of right-of-way in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company to build etc. pole and wire lines and/or underground lines etc. dated April 22, 1965, filed as Land Court Document No. 360831, as amended.

5. Grant of easement in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company to build etc. pole and wire lines and/or underground power lines etc. dated April 7, 1960, filed as Land Court Document No. 260038.

6. Grant of easement in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company for utility purposes dated November 29, 1978, filed as Land Court Document No. 913893.

7. That certain Master Lease dated June 1, 1972, by and between James C. Castle and Hawaiian Trust Company, Limited, a Hawaii corporation, and James Gordon McIntosh, Trustees of the trust estates established pursuant to the Last Will and Testament, including Codicils First through Fifth, of Harold K.L. Castle, deceased and Harold K.L. Castle Foundation, a Hawaii eleemosynary corporation, and Henry Ho Wong whose wife's name is Colene Smith Wong, as Lessor, and Shigeru Horita, Husband of Mitsue Horita, and Herbert Kazuo Horita, Husband of Miriam Reiko Horita, authorized General Partners of HKH Ventures, a Limited Partnership, as Lessee, filed as Land Court Document No. 702600, as amended.

8. Master Declaration of Covenants, Conditions, and Restrictions for the Parkway Community at Kaneohe, Hawaii, dated June 20, 1975, filed as Land Court Document No. 727416, as amended.

9. Declaration as to Merger of Increments in a Condominium Project dated August 9, 1979, filed as Land Court Document No. 961436.

10. That certain Mortgage and Financing Statement dated December 23, 1974, by and between Shigeru Horita and Herbert K. Horita, authorized general partners of HKH Ventures, a Hawaii limited partnership, as Mortgagor, and First Hawaiian Bank, as Mortgagee, filed as Land Court Document No. 707646.

11. Estoppel Certificate dated January 6, 1975, filed as Land Court Document No. 707942.

12. Additional Charge Mortgage and Financing Statement dated October 23, 1978, by and between HKH Ventures, as Mortgagor, and First Hawaiian Bank, as Mortgagee, filed as Land Court Document No. 915874. Additional Charge to Mortgage dated December 23, 1974 filed as Land Court Document No. 707646.

Lessor's Consent to Mortgage and Estoppel Certificate dated December 21, 1978, by James C. Castle, James Gordon McIntosh and Hawaiian Trust Company, Limited, Trustees of the trust estates established pursuant to the Last Will and Testament, including Codicils First through Fifth, of Harold K.L. Castle, deceased, and Iolani School, and Henry Ho Wong, whose wife's name is Colene Smith Wong, filed as Land Court Document No. 915876.

13. That certain Financing Statement by HKH Ventures, as Debtor, and First Hawaiian Bank, as Secured Party, recorded January 7, 1975, in the Bureau of Conveyances of the State of Hawaii in Book 10362 at Page 303, as amended.

14. That certain Second Additional Charge Mortgage and Financing Statement by HKH Ventures, as Mortgagor, and First Hawaiian Bank, as Mortgagee, dated September 21, 1979, filed as Land Court Document No. 973378. Additional Charge to Mortgage and Financing Statement dated December 23, 1974, filed as Land Court Document No. 707646.

15. Reservation unto the Article Fifth and Eighth Trustees of the Last Will and Testament of Harold K.L. Castle, deceased, their successors in trust and assigns, all of the respective right, title, and interest of said Trustees in and to all surface and ground waters, streams, springs, water sources and all riparian and other rights appertaining thereto as set forth in Exchange Deed dated October 9, 1979, filed as Land Court Document No. 973568.

16. Any taxes that are due and owing; reference is made to the Office of the Tax Assessor, First Division.

NOTE: The Developer has represented to the Commission that all mortgages will be released prior to the first conveyance of an apartment.

PURCHASE MONEY HANDLING: An Escrow Agreement dated January 15, 1980, has been executed and a copy of same has been filed with the Commission. The Escrow Agent is Developer's Escrow Services, Inc., a Hawaii corporation. Upon examination the Specimen Sales Contract and the executed Escrow Agreement are found to be in consonance with Chapter 514A, Hawaii Revised Statutes, and particularly Sections 514A-39, 514A-40, and 514A-63 through 514A-66.

The specimen Sales Contract provides, in part:

1. All interest, if any, received by Seller and/or Escrow on Buyer's deposits shall become the sole property of the Seller, and Buyer and Seller hereby jointly so instruct Escrow pursuant to the provisions of Sections 402-8 and 449-16.5 of the Hawaii Revised Statutes.

2. BUYER UNDERSTANDS THAT SELLER IS SELLING THE APARTMENT "AS IS WHERE IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED AND BUYER AGREES TO LOOK SOLELY TO THE CONTRACTOR, EDWIN N. TAMURA, INC., OR APPLIANCE SUPPLIERS FOR WARRANTIES AND PUNCH LIST ITEMS.

3. Buyer acknowledges that the property described in the Declaration is subject to the provisions of Ordinance No. 4167 of the City and County of Honolulu, State of Hawaii, by which Ordinance said property was designated as Planned Development-Housing District No. R-30.

4. The Buyer acknowleges and agrees that all liens or security interests obtained by the Interim Lender as well as any extensions, renewals and modifications shall be and remain at all times a lien or charge on the Project, including the Apartment and appurtenant common interest covered by this Sales Contract, and that such liens and security interests shall have priority over any interest whatsoever that the Purchaser may have obtained by the Sales Contract.

5. Buyer understands that Lessor has not controlled or otherwise participated in, in any way, either as joint venturer, or in any other capacity, the planning or construction of the demised premises or any other improvements in the Project. All approvals of plans and specifications by Lessor were given without regard to and without conducting any investigation into, the structural soundness of the improvements in the Project, code violations or other matters relating to the legality or integrity of the improvements. Accordingly, Buyer agrees and declares as part of the consideration to Lessor for granting a Lease, that Buyer has and does hereby waive any and all claims which Buyer might otherwise have against Lessor, on account of faulty or improper construction of improvements, latent defects, code violations in building construction or representations concerning the demised premises, it being understood and agreed that the Buyer's right to make such claims, to the extent such claims are recognizable at law or equity, shall be against the Seller of this project or against any person or persons in privity of contract with said Seller, but not Lessor. Nothing in this paragraph, however, shall be deemed to constitute or create any warranty as to said matters, express or implied, by Seller.

It is incumbent upon the purchaser and prospective purchaser that he or she read with care the Sales Contract and the executed Escrow Agreement. The latter Agreement establishes how the proceeds from the sale of condominium units are placed in trust, as well as the retention and disbursement of said funds.

PARKWAY COMMUNITY ASSOCIATION: The purchaser and prospective purchaser is advised to familiarize himself with the terms of the Master Declaration of Covenants, Conditions and Restrictions affecting the property dated June 20, 1975, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10786 at Page 442, as amended by Supplementary Declaration and Amendment of Master Declaration of Covenants, Conditions, and Restrictions for the Parkway Community at Kaneohe, Hawaii, dated November 8, 19 78, and recorded in said Bureau in Liber 13364 at Page 430. These documents detail the establishment of the Parkway Community Association, a non-profit corporation formed to provide maintenance of the recreational areas common to the project and other projects developed and to be developed in the area. The purchaser will have non-exclusive rights to use these recreational facilities, together with all others entitled thereto. By the terms of this Declaration and the Apartment Lease, the purchaser is required to be a member of this Association and to pay a pro rata share of the cost of the maintenance and repair of the recreational areas.

FINANCING OF PROJECT: Developer intends to obtain a commitment for the interim financing for this project from the First Hawaiian Bank.

MANAGEMENT AND OPERATION: The Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. The proposed By-Laws of the Association places in the Board of Directors the responsibility of employing a responsible Hawaii corporation as Managing Agent to manage and control the project, subject at all times to direction by the Board. The Developer anticipates selecting Island Management and Leasing Services, Inc., whose principal place of business and mailing address is 2119 N. King Street, Honolulu, Hawaii 96819 as the initial managing agent.

STATUS OF PROJECT: Construction of the buildings has not commenced. The Developer informs the Commission that the anticipated date for the commencement of construction is April 1, 1980 and the estimated completion date is on or before June 30, 1981.

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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 February 8, 1980, and information subsequently filed as of February 29, 1980.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1242 filed with the Commission on February 8, 1980.

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

(for)

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. 1242

March 4, 1980

EXHIBIT "A"

All apartments are located on the respectively numbered lot, 1 through 37 inclusive, as shown on said Condominium Map.

Each apartment is constructed according to a design type and contains the approximate square footage set forth next to its apartment number hereinbelow corresponding to floor plans and elevations set forth in said Condominium Map.

Each apartment has seven rooms, a living/dining room, a kitchen, three bedrooms and two baths, except that design type D-1 Mod and D-2 Mod have eight rooms in that they have separate living and dining rooms, and design types G-1, G-2 and G-2r have eight rooms in that they have an additional half bath.

Each design type beginning with the letter A or E consists of one floor, without basement. Each design type beginning with the letter B or D is split-level without basement. Each design type beginning with the letter F is a two-story with a main floor and basement/garage. Each design type beginning with the letter G is two-story with an upper floor and lower floor, without basement.

No design type beginning with the letter A, E, or F has a lanai or open deck. Each design type beginning with the letter B has a lanai of 96 square feet, and each design type beginning with the letter D has a lanai of 72 square feet. Each design type beginning with the letter G has an open deck of 120 square feet.

The various design types and the numbers of the apartments constructed according to each design type and the approximate square footage of each are as follows:

Design Types	Apartment Numbers	Approximate Sq. Ft.
A-1	26, 28	1,416
A-1r	2, 7, 36	1,416
A-1r Mod 1	10	1,416
A-1r Mod 2	19	1,418
A-1 Mod 3	31	1,410
A-1 Mod 4	30	1,418
A-1 Detached	33	1,410
A-2	25, 27, 29	1,416
A-2r	1, 3, 9, 37	1,416
A-2r Mod 1	18	1,418
A-2r Mod 2	34	1,416
A-2r Mod 3	35	1,416
A-2 Detached	32	1,431
B-1	8	1,520
B-2r Mod	11	1,520
D-1 Mod	12	1,536
D-2 Mod	13	1,536
E-1	4	1,385
E-2	5	1,385
E-2r Mod	6	1,374
F-1 Mod	21, 23	1,616
F-1r	24	1,616
F-2 Mod	22	1,616
F-2r	20	1,616
G-1	14, 16	2,446
G-2	15	2,446
G-2r	17	2,446

The number of each apartment and its design type is as follows:

EXHIBIT "A" (Continued)

Apartment Number	Design Type
1	A-2r
2	A-1r
3	A-2r
4	E-1
5	E-2
6	E-2r Mod
7	A-1r
8	B-1
9	A-2r
10	A-1r Mod 1
11	B-2r Mod
12	D-1 Mod
13	D-2 Mod
14	G-1
15	G-2
16	G-1
17	G-2r
18	A-2r Mod 1
19	A-1r Mod 2
20	F-2r
21	F-1 Mod
22	F-2 Mod
23	F-1 Mod
24	F-1r
25	A-2
26	A-1
27	A-2
28	A-1
29	A-2
30	A-1 Mod 4
31	A-1 Mod 3
32	A-2 Detached
33	A-1 Detached
34	A-2 Mod 2
35	A-2r Mod 3
36	A-1r
37	A-2r

Common Interests. Each apartment shall have appurtenant thereto an undivided 2.70270% interest (except for Apartment Number 14 which shall have a 2.70780% interest) herein called its "common interest", in the common elements.