

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
PUUALII, PHASE II, INCREMENT 1
Heeia, Koolaupoko, City and County of Honolulu
State of Hawaii

REGISTRATION NO. 1252

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 14, 1980
Expires: April 14, 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 prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 22, 1980 AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 28, 1980. 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. PUUALII, PHASE II, INCREMENT 1, is a proposed leasehold condominium project consisting of forty-two (42) residential apartments, arranged throughout four (4) separate apartment buildings (designated Buildings 27, 28, 29 and 30) with seventy-four (74) parking stalls.
2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium project and issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.
4. Preliminary advertising and promotional matter has not 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 Hawaii Revised Statutes, Chapter 514A, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the registration of PUUALII, PHASE II, INCREMENT 1 condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and obtaining a signed receipt for same.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, March 14, 1980 unless a Supplementary Public Report or Final Public Report is published or the Commission, upon review of registration, issues an order extending the effective period of this report.

NAME OF PROJECT: PUUALII, PHASE II, INCREMENT 1

LOCATION: The approximate 2.313 acres of land to be committed to the regime is situated at Heeia, District of Koolauapoko, City and County of Honolulu, State of Hawaii, and is now in the process of being subdivided.

TAX KEY: First Division, 4-6-02-1, 8, 31 (portions).

ZONING: Planned Development-Housing District No. R-45 (Ordinance No. 4421).

DEVELOPER: SWIRE-McCORMACK LTD., a Hawaii corporation, whose business and post office address is 841 Bishop Street, Suite 2000, Honolulu, Hawaii 96813 (Telephone No. 524-2600).

The officers of SWIRE-McCORMACK LTD. are:

John Daniel Spink	President
F. Alan Fosler	Vice President
Denis E. Johnson	Secretary/Treasurer

ATTORNEY REPRESENTING DEVELOPER: Stubenberg, Shigemura, Roney, Hartnett & Lawhn (Attention: James A. Stubenberg), 32 Merchant Street, Honolulu, Hawaii 96813 (Telephone No. 524-0933).

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects that the project is to consist of forty-two (42) residential apartments arranged throughout four (4) separate three-story buildings. Each apartment shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and measured vertically by the distance between the topside surface of the floor and the underside surface of the ceiling. 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 lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed as common elements. Each apartment shall include the adjacent lanai (and garden lanai, if applicable) shown on the proposed Condominium Map. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the fixtures originally installed therein.

The principal materials of which the apartment buildings shall be constructed are wood with concrete footings.

There are a total of twenty-one (21) one-story apartments containing one (1) bedroom, one (1) bath, a kitchen, a living-dining area, a lanai and garden lanai; and twenty-one (21) two-story apartments containing two (2) bedrooms, two (2) baths, a kitchen, a living-dining area and a lanai. The types of units consist of the following:

(a) Unit Type A each consists of one (1) bedroom, one (1) bath, a living-dining area, a kitchen, a lanai and a garden lanai.

(b) Unit Type A1 each consists of two (2) bedrooms, two (2) baths, a living-dining area, a kitchen and a lanai.

(c) Unit Type A2R consists of one (1) bedroom, one (1) bath, a living-dining area, a kitchen, a lanai and a garden lanai.

(d) Unit Type A2RH consists of one (1) bedroom, one (1) bathroom, a living-dining area, a kitchen, a lanai and a garden lanai.

(e) Unit Type A3R each consists of two (2) bedrooms, two (2) baths, a living-dining area, a kitchen and a lanai.

(f) Unit Type B each consists of one (1) bedroom, one (1) bath, a living-dining area, a kitchen, a lanai and a garden lanai.

(g) Unit Type BR each consists of one (1) bedroom, one (1) bath, a living-dining area, a kitchen, a lanai and a garden lanai.

(h) Unit Type BRH each consists of one (1) bedroom, one (1) bath, a living-dining area, a kitchen, a lanai and a garden lanai.

(i) Unit Type B1 each consists of two (2) bedrooms, two (2) baths, a living-dining area, a kitchen and a lanai.

(j) Unit Type B1R each consists of two (2) bedrooms, two (2) baths, a living-dining area, a kitchen and a lanai.

(k) Unit Type C each consists of one (1) bedroom, one (1) bath, a living-dining area, a kitchen, a lanai and a garden lanai.

(l) Unit Type CR each consists of one (1) bedroom, one (1) bath, a living-dining area, a kitchen, a lanai and a garden lanai.

(m) Unit Type C1 each consists of two (2) bedrooms, two (2) baths, a living-dining area, a kitchen and a lanai.

(n) Unit Type C1R each consists of two (2) bedrooms, two (2) baths, a living-dining area, a kitchen and a lanai.

Each apartment has immediate access to its entries, and to the corridors and stairways, if any, appurtenant to each apartment, and by walkways connecting the building to the roads and parking areas of the Project.

Each two-bedroom apartment has two (2) parking spaces assigned to it and each one-bedroom apartment has one (1) parking space assigned to it. There shall be a total of seventy-four (74) parking stalls, including eleven (11) guests parking stalls.

The Apartment Number, the Parking Space Numbers, the Unit Type, the Number of Rooms, the Number of Floors, the approximate Living Area of each apartment (in square feet), the approximate area of each Lanai (in square feet), the approximate area of each Garden Lanai (in square feet), the approximate Total Area of each apartment and its appurtenant lanai (and garden lanai, if applicable) (in square feet), and the Percent of Common Interest of each apartment in the common elements are as follows:

Apt. No.	Parking Space Nos. Carport(C) /Open Stall (O)	Unit Type	No. of Rms.	No. of Flrs.	Approx. Sq. Ft. Living Area	Approx. Sq. Ft. Lanai	Approx. Sq. Ft. Garden Lanai	Approx. Total Square Feet	% of Common Interest
2711	35B(C)	CR	4	1	779	225	142	1146	2.0213
2712	39B(C)	BR	4	1	729	225	142	1096	1.8916
2713	14A(C)	BR	4	1	729	225	142	1096	1.8916
2714	9A(C)	BR	4	1	729	225	142	1096	1.8916
2715	19A(C)	BRH	4	1	729	225	142	1096	1.8923
2716	15A(C)	BRH	4	1	729	225	142	1096	1.8923
2717	11A(C)	A2RH	4	1	730	225	187	1142	1.8951
2721	37B(C) & 43B(O)	C1R	6	2	1132	128	-0-	1260	2.9373
2722	41B(C) & 45B(O)	B1R	6	2	1089	128	-0-	1217	2.8257
2723	12A(C) & 1A(O)	B1R	6	2	1089	128	-0-	1217	2.8257
2724	16A(C) & 3A(O)	B1R	6	2	1089	128	-0-	1217	2.8257
2725	18A(C) & 5A(O)	B1R	6	2	1089	128	-0-	1217	2.8257
2726	17A(C) & 23A(O)	B1R	6	2	1089	128	-0-	1217	2.8257
2727	13A(C) & 25A(O)*	A3R	6	2	1085	128	-0-	1213	2.8154
2811	32B(C)	CR	4	1	779	225	187	1191	2.0213
2812	34B(C)	BR	4	1	729	225	142	1096	1.8916
2813	38B(C)	BR	4	1	729	225	142	1096	1.8916
2814	46B(C)	BR	4	1	729	225	142	1096	1.8916
2815	50B(C)	A2R	4	1	730	225	142	1097	1.8942
2821	31B(C) & 30B(O)	C1R	6	2	1132	128	-0-	1260	2.9373
2822	33B(C) & 29B(O)	B1R	6	2	1089	128	-0-	1217	2.8257
2823	36B(C) & 28B(O)	B1R	6	2	1089	128	-0-	1217	2.8257
2824	44B(C) & 42B(O)	B1R	6	2	1089	128	-0-	1217	2.8257
2825	48B(C) & 40B(O)	A3R	6	2	1085	128	-0-	1213	2.8154
2911	16B(C)	A	4	1	730	225	187	1142	1.8942
2912	20B(C)	B	4	1	729	225	142	1096	1.8916
2913	17B(C)	B	4	1	729	225	142	1096	1.8916
2914	24B(C)	B	4	1	729	225	142	1096	1.8916
2915	23B(C)	C	4	1	779	225	142	1146	2.0213
2921	18B(C) & 13B(O)	A1	6	2	1085	128	-0-	1213	2.8154
2922	22B(C) & 15B(O)	B1	6	2	1089	128	-0-	1217	2.8257
2923	19B(C) & 14B(O)	B1	6	2	1089	128	-0-	1217	2.8257
2924	26B(C) & 27B(O)	B1	6	2	1089	128	-0-	1217	2.8257
2925	21B(C) & 25B(O)	C1	6	2	1132	128	-0-	1260	2.9373

<u>Apt. No.</u>	<u>Parking Space Nos. Carport(C) /Open Stall (O)</u>	<u>Unit Type</u>	<u>No. of Rms.</u>	<u>No. of Flrs.</u>	<u>Approx. Sq. Ft. Living Area</u>	<u>Approx. Sq. Ft. Lanai</u>	<u>Approx. Sq. Ft. Garden Lanai</u>	<u>Approx. Total Square Feet</u>	<u>% of Common Interest</u>
3011	4B(C)	A	4	1	730	225	142	1097	1.8942
3012	6B(C)	B	4	1	729	225	142	1096	1.8916
3013	8B(C)	B	4	1	729	225	142	1096	1.8916
3014	10B(C)	C	4	1	779	225	142	1146	2.0213
3021	5B(C) & 1B(O)*	A1	6	2	1085	128	-0-	1213	2.8154
3022	7B(C) & 2B(O)*	B1	6	2	1089	128	-0-	1217	2.8257
3023	9B(C) & 3B(O)*	B1	6	2	1089	128	-0-	1217	2.8257
3024	11B(C) & 12B(O)*	C1	6	2	1132	128	-0-	1260	2.9373

* Compact

COMMON ELEMENTS: The proposed Declaration reflects that the common elements shall include all of the land and improvements other than apartments specifically including:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter and load-bearing walls, roofs, and walkways around and between said building;
- (c) All yards, grounds, landscaping, garden areas, roads, curbs, and like facilities;
- (d) All driveways and parking areas which are of common use by owners of more than one apartment;
- (e) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities over, under and across the project which serve more than one apartment for services, such as power, light, water, air conditioning, refuse, sewer, telephone and radio and television signal distribution;
- (f) Eleven (11) guest automobile parking spaces designated on the proposed Condominium Map.
- (g) Any and all apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration reflects that the limited common elements include:

(a) The automobile parking space or spaces for each apartment, as designated on the proposed Condominium Map and as shown under the topical heading of DESCRIPTION, shall be appurtenant to and for the exclusive use of such apartment.

(b) Any walkway or corridor which connects the apartment or apartments adjoining it to the stairway or exterior of the project shall be appurtenant to and for the exclusive use of said adjoining apartment or apartments;

(c) All other common elements of the project which are related to less than all of said apartments or buildings shall be limited to the use of such apartment or buildings.

INTEREST TO BE CONVEYED TO PURCHASER: The proposed Declaration reflects that the undivided interests established and to be conveyed with the respective apartments shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected, expressed in an amendment to the proposed Declaration which shall be duly recorded, or except as otherwise set forth in the proposed Declaration; that the undivided interests in the common areas and facilities and the leasehold titles 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 or encumbrance may refer only to the leasehold title to the apartment. The proportionate shares of the separate owners of the respective apartments in the profits and common expenses in the common areas and facilities as well as their proportionate representation for voting purposes in the Association of Apartment Owners shall be the undivided interest shown above under the topical heading of DESCRIPTION.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments are intended to be used only as residential apartments. The parking stalls shall be used only for the purpose of parking passenger automobiles. The proposed House Rules submitted reflects certain restrictions regarding pets, lanais and external attachments, among other things.

OWNERSHIP OF TITLE: The preliminary report issued on February 7, 1980, by Security Title Corporation certifies that the Trustees of Bernice P. Bishop Estate have title to the land committed to the project. By lease dated June 7, 1976, said Trustees leased the aforesaid property to Thomas Francis McCormack. A copy of said lease has been filed with the Real Estate Commission. By Master Construction Sublease dated June 7, 1976, said Trustees and Thomas Francis McCormack, as Lessors, leased the aforesaid property to Swire-McCormack Ltd., the Developer. Both lease and sublease are further described below.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report issued February 7, 1980 by Security Title Corporation identifies the following encumbrances on the land:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Nos. 1420 and 1559.
2. Designation of Easement 391 for road and utility purposes, over and across Lot 1176-B-2, as set forth by Land Court Order No. 32444, filed November 19, 1970.
3. Designation of Easement 392 for drainage purposes over and across Lot 1179, as set forth by Land Court Order No. 32444, filed November 19, 1970.
4. Easement A for drainage purposes over 2,478 square feet, and Easement B for roadway purposes over 16,291 square feet.
5. Easement C for road widening and draining purposes over 2,398 square feet.
6. The terms and provisions of that certain Bishop Estate Lease No. 24,620 dated June 7, 1976, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 768125, and also recorded in the Bureau of Conveyances of the State of Hawaii in Book 11460 Page 547, made by and between TRUSTEES OF THE ESTATE OF BERNICE PAUahi BISHOP, as Lessor(s), to THOMAS FRANCIS McCORMACK, husband of Hilda Frances McCormack, as Lessee(s), for a term commencing from the First day of January, 1976; as amended by instrument dated June 3, 1977, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 838309, and also recorded on October 4, 1977 in the Bureau of Conveyances of the State of Hawaii in Book 12471 Page 444; as further amended by instrument dated March 6, 1978, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 872979, and also recorded on May 2, 1978 in the Bureau of Conveyances of the State of Hawaii in Book 12868 Page 431.
7. The terms and provisions of that certain Bishop Estate Sublease No. 24,620A dated June 7, 1976, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 768126, and also recorded on June 9, 1976 in the Bureau of Conveyances of the State of Hawaii in Book 11461 Page 1, made by and between TRUSTEES OF THE ESTATE OF BERNICE PAUahi BISHOP, "Owners", and THOMAS FRANCES McCORMACK, husband of Hilda Frances McCormack, "Tenant", holder of the master lease dated June 7, 1976, filed in said Office of the Assistant Registrar as Document No. 768125, and also recorded in said Bureau of Conveyances in Book 11460 Page 547, as Lessor(s), to SWIRE-McCORMACK LTD., a Hawaii corporation, as Lessee(s), for a term of 61

years commencing from the First day of January, 1976; as amended by instrument dated June 6, 1977, filed in said Office of the Assistant Registrar as Document No. 838310, and also recorded on October 4, 1977 in said Bureau of Conveyances in Book 12471 Page 451; as further amended by instrument dated March 6, 1978, filed in said Office of the Assistant Registrar as Document No. 872980, and also recorded on May 2, 1978 in said Bureau of Conveyances in Book 12868 Page 440. Consent thereto filed as Document No. 872981 and also recorded in Book 12868 Page 444.

8. Grant dated September 30, 1977, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 839449, made by the TRUSTEES OF THE ESTATE OF BERNICE PAUHI BISHOP, as Grantors, and THE CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, as Grantee, and THE BOARD OF WATER SUPPLY, City and County of Honolulu, as Board, granting forever, the right, in the nature of an easement, to be exercised and enjoyed by the Board, to construct, etc., an underground water pipeline or pipelines, etc., as the Board shall deem necessary to properly measure and control water conveyed to consumers through the pipeline or pipelines, or to provide a proper water fixture for fire fighting purposes, over, under, across and through LOT 1431-B. Consents thereto filed as Document Nos. 839450, 839451 and 839452.
9. Mortgage dated June 9, 1976, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 768534, and also recorded on June 14, 1976 in the Bureau of Conveyances of the State of Hawaii in Book 11465 Page 261, made by SWIRE-McCORMACK LTD., as Mortgagor(s), to SWIRE PROPERTIES (Netherlands) B. V., as Mortgagee(s), to secure the repayment of the sum of \$1,000,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to.
10. Mortgage dated December 2, 1976, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 793973, and also recorded on December 14, 1976 in the Bureau of Conveyances of the State of Hawaii in Book 11880 Page 42, made by SWIRE-McCORMACK LTD., as Mortgagor(s), to SWIRE PROPERTIES (Netherlands) B. V., as Mortgagee(s), to secure the repayment of the sum of \$2,400,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to.

By instrument dated January 24, 1978, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 861373, and also recorded on February 22, 1978, in the Bureau of Conveyances of the State of Hawaii in Book 12732 Page

205, the foregoing Mortgage was subordinated to the lien of that certain mortgage next hereinafter described.

11. Mortgage dated January 13, 1978, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 861372, and also recorded on February 22, 1978 in the Bureau of Conveyances of the State of Hawaii in Book 12732 Page 163, made by SWIRE-McCORMACK LTD., a Hawaii corporation, as Mortgagor(s), to BANK OF HAWAII, a Hawaii banking corporation, as Mortgagee(s), to secure the repayment of the sum of \$2,000,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to.

(a) By instrument dated May 15, 1978, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 880049, and also recorded on June 13, 1978 in the Bureau of Conveyances of the State of Hawaii in Book 12948 Page 718, SWIRE-McCORMACK LTD., a Hawaii corporation, grant, bargain, convey, sell, assign and mortgage unto BANK OF HAWAII, a Hawaii corporation, as additional security for the repayment in the amount of \$2,000,000.00.

(b) Notice dated July 21, 1978, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 889090, recorded on July 26, 1978 in the Bureau of Conveyances of the State of Hawaii in Book 13036 Page 532, made by and between SWIRE-McCORMACK LTD., a Hawaii corporation, as Mortgagor(s), and BANK OF HAWAII, a Hawaii banking corporation, as Mortgagee(s) is under a contractual duty to make future advances in said maximum amount of \$1,999,000.00.

(c) By instrument dated February 6, 1979, recorded on February 14, 1979 in the Bureau of Conveyances of the State of Hawaii in Book 13484 Page 763, made by and between SWIRE-McCORMACK LTD., a Hawaii corporation, as Mortgagor(s), and BANK OF HAWAII, a Hawaii corporation, as Mortgagee(s), is under a contractual duty to make future advances in said maximum amount of \$1,548,632.00.

The Developer has advised the Commission that at the time the first apartment lease is entered into between said Owners and Tenant, as Lessors, and an apartment purchaser, as Lessee, every mortgage and other lien affecting both such apartment and any other apartment shall be paid and satisfied of record, or the apartment being leased shall be released therefrom by partial release duly recorded.

MERGER OF INCREMENTS; RESTRICTIVE COVENANTS: Prior to issuance of a Final Public Report for this Project, the Developer will place on record a Declaration as to Merger of Increments in a Condominium Project. Said Declaration will

affect the Project and approximately 3.958 acres of additional property. In addition, the Developer has placed on record a Declaration of Covenants, Conditions and Restrictions for PuuAlii affecting adjacent property. Prior to issuance of a Final Public Report, the Developer will place on record Supplemental Declaration No. 1 for PuuAlii annexing the Project to the adjacent property and subjecting the Project to said Declaration of Covenants, Conditions and Restrictions.

Prospective purchasers are advised to carefully examine the form of Declaration of Horizontal Property Regime, Declaration as to Merger of Increments in a Condominium Project, Declaration of Covenants, Conditions and Restrictions for PuuAlii, and the Supplemental Declaration No. 1 for PuuAlii, copies of which are filed with the Real Estate Commission, so that they may familiarize themselves with this Project, how this increment will be merged into future increments, and what restrictions and obligations will apply to all purchasers in each increment.

Among other things, the Declaration as to Merger explains that 1) it is the intention of the Owner and Developer to merge this Project with another increment so that upon completion of the next increment, the entire property shall be controlled and administered as a single condominium project; and 2) that while merger will affect the administration and use of increments and the sharing of common expenses, the ownership of apartments and their appurtenant common interests in each respective increment will not be affected.

The Declaration of Covenants, Conditions and Restrictions provides, among other things, for mandatory membership of each purchaser in the PuuAlii Community Association, which is created primarily to provide for the management, maintenance, protection, preservation, architectural control and development of "Association Property" (consisting of this Project and 16.828 additional acres), 3.795 acres of "Recreation Property", and any additional adjacent properties added to either category.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated February 19, 1980 identifies Security Title Corporation, a Hawaii corporation, as Escrow Agent. On examination the specimen Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514A, and particularly Hawaii Revised Statutes, Sections 514A-37, 514A-39, 514A-40 and 514A-63 through 514A-66.

Among other provisions the executed Escrow Agreement states that a purchaser under a Receipt and Sales Contract shall have the right to cancel his agreement to purchase and to obtain a refund of all moneys held by Escrow which were paid by such purchaser under such sales agreement if (a) (i) the Final Public Report is not issued by the Real Estate Commission within one (1) year from the date of issuance of the Preliminary Public Report, or (ii) there is any change

in the condominium building plans subsequent to the execution of the Receipt and Sales Contract and prior to the issuance of said Final Public Report, which change requires the approval of a county officer having jurisdiction over issuance of permits for construction of buildings, and Seller fails to obtain the purchaser's written approval or acceptance of the specific change (unless ninety (90) days have elapsed since the purchaser has accepted in writing the apartment or he first occupied the apartment), or (iii) the Final Public Report differs in any material respect from the Preliminary Public Report, and (b) the purchaser delivers notice in writing to Seller and Escrow cancelling the Receipt and Sales Contract and requesting such refund prior to the expiration of thirty (30) days after the occurrence of any of the foregoing conditions.

Among other provisions, the Specimen Receipt and Sales Contract states that Seller agrees that it will erect the building containing said apartment within the period of two (2) years from the date hereof; provided, however, that such two-year period shall be extended for any period of time during which Seller is actually and necessarily delayed in beginning or completing construction if said delay is caused by fire, earthquake, acts of God, the elements, war or civil disturbances, strikes or other labor disturbances or economic controls making it impossible to obtain the necessary labor or material, or other matters or conditions beyond the control of Seller. If pursuant to the foregoing sentence such 2-year period is extended for more than 9 months, either the Seller or purchaser may, upon fifteen (15) days' written notice to the other, terminate said Contract and all sums paid by the Buyer hereunder shall be refunded without interest less the cost of any credit reports and other costs including escrow charges incurred by Seller.

MANAGEMENT AND OPERATIONS: The Developer has advised that it is negotiating with Certified Management, a division of A R Corporation, a Hawaii corporation, with respect to the property management contract.

The Developer and its agents are not offering to provide services relating to the sale or rental of apartments purchased in the Project, and no representation or reference to that effect has been or will be made by or on behalf of the Developer.

STATUS OF PROJECT: The Developer has advised the Commission that the Department of Land Utilization has tentatively approved the subdivision of the Project. Copies of the proposed maps for said subdivision and the letter of tentative approval by the Department of Land Utilization have been filed with and are available for public inspection at the Office of the Commission. Final approval of the said subdivision will be obtained prior to the issuance of the Final Public Report by the Commission.

The Developer has advised the Commission that construction commenced on or about November 1979 and that the estimated

time of substantial completion of construction of the total Project is on or about mid-July 1980.

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 on February 22, 1980 and information subsequently filed as of February 28, 1980.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1252 filed with the Commission on February 22, 1980.

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AH KAU YOUNG, CHAIRMAN
REAL STATE COMMISSION
STATE OF HAWAII

(for)

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REGISTRATION NO. 1252

March 14, 1980