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
NANILIMA-PHASE I
Makakilo Drive
Ewa Beach, Hawaii

REGISTRATION NO. 1431

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 : July 16, 1981
Expires: August 16, 1982

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 JUNE 5, 1981, AND INFORMATION SUBSEQUENTLY FILED AS OF JULY 10, 1981. 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. NANILIMA-Phase I is a fee simple condominium project consisting of one eight-story multi-family residential building containing 48 residential units, a separate one-story building, which will contain the manager's unit and a maintenance workshop and which

will be part of the common elements, and a private park. There will be 54 parking stalls provided in the parking areas. Each apartment will have one assigned parking stall.

2. Nanilima-Phase I is the first phase of a proposed five (5) phase project. The Developer has reserved the right to develop four additional projects on 6.062 acres of adjoining land which will contain in the aggregate approximately one hundred ninety-two (192) additional apartments, together with such supporting and servicing common elements which the Developer determines in its sole discretion would be beneficial to each project. The Developer has also reserved the right to merge Nanilima-Phase I with one or more of the other four phases at any time prior to December 31, 1987. A description of the other phases is contained in the topical heading MERGER OF ADDITIONAL PHASES set forth below.

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 Nanilima-Phase I 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, Bylaws of Association of Apartment Owners 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, as amended, 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, July 16, 1981, 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: NANILIMA-PHASE I

LOCATION: The land, consisting of one (1) parcel containing 2.311 acres, is situate at Makakilo Drive, Ewa Beach, Hawaii, being further described as Lot 3149, as shown on Map 321 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: First Division, 9-2-19-14

ZONING: The land is zoned A-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: Nanilima-Phase I shall consist of 48 condominium apartments contained in one eight-story building.

The apartments will be constructed principally of wood, concrete, hollow concrete block, metal and glass. There is no basement.

The apartments shall be of six types in this project, designated as Unit A, Unit AR, Unit B, Unit BR, Unit C and Unit CR. Apartment types with an "R" in the designation are the reverse of the apartment type designated by the letter preceding the "R".

Unit A - The Unit A apartment contains six rooms (a master bedroom with dressing area and walk-in closet, a bathroom with a toilet and shower, a second bedroom, a full bathroom, a kitchen and a living/dining room) with an approximate gross floor area of 1032 square feet and a lanai of 57 square feet, making a total of 1089 square feet.

Unit B - The Unit B apartment contains four rooms (a bedroom with a walk-in closet, a full bathroom, a kitchen and a living/dining room) with an approximate gross floor area of 805 square feet and a lanai of 56 square feet, making a total of 861 square feet.

Unit BR - The Unit BR apartment contains four rooms (a bedroom with a walk-in closet, a full bathroom, a kitchen and a living/dining room) with an approximate gross floor area of 799 square feet and a lanai of 56 square feet, making a total of 855 square feet.

Unit C - The Unit C apartment contains six rooms (a master bedroom with a walk-in closet, a bathroom with a toilet and basin, a second bedroom, a full bathroom, a kitchen and a living/dining room) with an approximate gross floor area of 924 square feet and a lanai of 56 square feet, making a total of 980 square feet.

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, doors and door frames, windows and window frames, all fixtures originally installed therein, and any lanai space.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime states that the common elements shall include:

(a) the land in fee simple;

(b) a one-story building (Building 92-819) containing the manager's unit and maintenance workshop;

(c) Parking Stalls Nos. 2 and 3, which stalls shall be appurtenant to the manager's unit, and Loading Stalls Nos. 1 and 44, all as shown on the Condominium Map;

(d) all foundations, floor slabs, columns, girders, beams, supports, halls, corridors, lobbies, stairs, stairways, elevators, fire escapes, retaining walls, fences, columns, supports, unfinished perimeter walls and load-bearing walls, and roofs of the buildings;

(e) all yards, grounds and landscaping, roads, bridges, walkways, parking and loading areas, driveways, and all refuse facilities;

(f) all ducts, conduits, electrical and mechanical equipment, wiring, central solar heating system, pipes and other central and appurtenant transmission facilities and installations for services such as power, light, sewer, water, telephone and radio and television signal distribution over, under and across the project which serve more than one apartment;

(g) any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: 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: Each apartment shall have appurtenant thereto an exclusive right to use the parking stall 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 this 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.

EASEMENTS: The proposed Declaration provides that the apartments and common elements shall have and be subject to the following easements:

(a) Each apartment shall have appurtenant thereto non-exclusive 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 but not its assigns, and the Association of Apartment Owners of easements for electrical, gas, communications and other utility 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 easements 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 owners of the apartments (each such owner being herein referred to from time to time as "Apartment Owner"), 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 this 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 such 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 the installation, repair or replacement of any common elements or at any time for making emergency repairs therein required to prevent damage to any apartments or common elements.

(e) That portion of the common elements designated as the "Private Park" under Declaration of Restrictive Covenants (Private Park) filed in the Office of the Assistant Registrar of the Land Court as Document No. 1073031, shall be subject to an easement for park and recreational purposes in common with and in favor of the owners of apartments in the other condominium projects to be developed as Phases II, III, IV and V of Nanilima; but the use of such private park shall be subject to the provisions of said Declaration of Restrictive Covenants (Private Park) and to all reasonable rules and regulations from time to time made by the Association of Apartment Owners of the project; provided, however, that until all phases of Nanilima have been merged, all expenses attributable to the Private Park for maintenance, administration and all other expenses shall be shared by owners of all apartments having the right to use the Private Park in proportion to the ratio that the common interest appurtenant to each such apartment bears to the total of the common interests of all apartments contemplated to be developed in all phases of Nanilima; provided, however, that until all phases of Nanilima have been completed and merged or until such time as the development of Nanilima has been terminated or abandoned, the Owner shall pay for the remainder of all expenses attributable to the Private Park which are not assessable as herein provided against the apartments entitled to use the Private Park. In the event that said Private Park shall be conveyed to or condemned by the City and County of Honolulu or another governmental authority, this easement shall automatically terminate. In the event any of said Phases II, III, IV and V of Nanilima is not merged with Phase I before December 31, 1987, this easement shall automatically terminate with respect to any such phase not so merged.

INTEREST TO BE CONVEYED TO PURCHASER. The undivided interest in the common elements appertaining to each of the apartments and their owners for all purposes, including voting, is as set forth in Exhibit "A" attached hereto.

Upon merger of additional increments, the common interest for each apartment shall change in accordance with Exhibit "B"

attached hereto and Paragraph X of the proposed Declaration, which is discussed under the topical heading "MERGER OF ADDITIONAL PHASES."

COMMON EXPENSES: The proposed Declaration provides that all 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, any premiums for hazard and liability insurance herein required with respect to the project, any assessments for the creation and maintenance of reserves required by paragraph R of the proposed Declaration and the cost of all utility services, unless separately charged to or separately metered and charged to apartment owners in 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 and no payments thereof shall be payments of such common expenses.

The Board of Directors of the Association 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. Upon approval by the Association, any surplus of assessments and other receipts over actual expenditures in any one fiscal year shall be used for expenditures for the succeeding fiscal year or designated for capital improvements or returned to the apartment owners.

Notwithstanding any provision in the proposed Declaration to the contrary and except as otherwise expressly provided therein, all limited common element costs and expenses, including but not limited to, maintenance, repair, replacement, additions and improvements, shall be charged to the owner of the apartment to which the limited common element is appurtenant in an equitable manner as determined by the Board.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the apartments shall 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.

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 provided that all leases of such apartments shall be in writing and shall be subject to all provisions of the Declaration and the Bylaws and the Regulatory Agreement.

OWNERSHIP OF TITLE: The fee simple title to the land is vested in the Trustees under the Will and of the Estate of James Campbell, Deceased. By an unrecorded instrument dated October 26, 1960 the Trustees have entered into a development agreement with Finance Realty Company, Limited, the developers.

ENCUMBRANCES AGAINST TITLE: A Preliminary Report prepared by Security Title Corporation and dated June 12, 1981, 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. Easement 1194, as shown on said Map 321, for parking purposes, as shown on Map 321, as set forth by Land Court Order No. 59927, filed June 3, 1981.

3. Easement 726, as shown on Map 233, as set forth by Land Court Order No. 37656, filed June 13, 1973.

4. Easement 969, as shown on Map 292, as set forth by Land Court Order No. 50886, filed August 9, 1978.

5. Declarations as set forth in Agreement dated April 16, 1981, filed in said Office as Document No. 1070236.

6. Unrecorded Development Agreement dated October 26, 1960, as disclosed by instrument dated May 5, 1966, filed in said Office of the Assistant Registrar as Document No. 391241, made by and between 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 October 3, 1980, filed in said Office as Document No. 1035112, and also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15039, at Page 735, made by Finance Realty Company, Limited, as Mortgagor, to Bank of Hawaii, as Mortgagee. Consent thereto filed as Document No. 589483.

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.

The Association may assess each apartment owner for the expenses of the Palehua Community Association, including but not limited to the maintenance of common areas and facilities.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement dated June 4, 1981, 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, as amended. 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 (1) Purchaser agrees that all rights of the purchaser are and at all times 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 and (2) Purchaser acknowledges and understands that the Seller is negotiating with the Estate of James Campbell for the purchase of the fee title to the land upon which the project will be built and Seller shall have the option to rescind the Sales Contract if Seller is unable to obtain acquisition thereof.

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.

REGULATORY AGREEMENT: The Developer intends to qualify this project for home mortgage insurance under Section 234 of the National Housing Act. As a condition for qualification, the Developer shall enter into a Regulatory Agreement with the Federal Housing Commissioner which governs the management, operation and maintenance of the project in accordance with standards required by the Federal Housing Commissioner. The project shall be subject to the Regulatory Agreement, a copy of which has been filed with the Commission.

PARK AND RECREATION AREA: As set forth in the proposed Declaration, an area containing approximately 27,445 square feet and which is a part of this project will be restricted for use as a park and recreational facility for all occupants of Nanilima, Phases I through V, as required by Rule 10 of the Park Dedication Rules and Regulations of the City and County of Honolulu, State of Hawaii, adopted pursuant to Ordinance 4621 of the City and County of Honolulu. All apartment owners in all phases will contribute proportionately according to their common interest to the perpetual maintenance of the park, as more fully described under the topical heading "EASEMENTS". The restrictions and obligations of apartment owners are set forth in that certain Declaration of Restrictive Covenants (Private Park) filed in the Office of the Assistant Registrar of the Land Court as Document No. 1073031 and a copy of which has been filed with the Commission.

JOINT DEVELOPMENT: Nanilima-Phase I is being developed under a Special Use Permit issued by the City and County of Honolulu under Ordinance No. 4451, Bill No. 40 (1975). Under this permit, the joint development of the lot on which this project will be situated and the four additional lots which the Developer intends to develop will be treated by the City as if they were one lot for zoning purposes.

The Developer has executed and the City has filed an agreement setting forth various conditions applicable to the development of this project and the other four projects. This agreement is entitled "Agreement for Issuance of Special Use Permit Under Ordinance No. 4451, Bill No. 40 (1975)", filed in the Office of the Assistant Registrar as Document No. 1070236, a copy of which has been filed with the Commission.

MERGER OF ADDITIONAL PHASES: In Paragraph X of the proposed Declaration, the Developer has reserved the right to merge Nanilima-Phase I with any one or more of four additional projects on 6.062 acres of adjoining land. The Declaration, in Paragraph X, provides in part, as follows:

1. Any provision of the proposed Declaration to the contrary notwithstanding, the Owner has reserved the right at its option to amend the project, by way of merger, at any time up to, but not later than December 31, 1987, by the construction and addition to the project of approximately one hundred ninety-two (192) additional apartments, together with such supporting and servicing common elements which the Owner determines in its sole discretion are beneficial to the project, on up to an additional approximate 6.062 acres of adjoining land. Such additions may be added in four additional phases on four additional parcels of land as follows:

   (a) Phase II. Approximately forty-eight (48) apartments on Lot 3150, as shown on Map 321 of Land Court Application No. 1069, containing an area of approximately 84,264 square feet or 1.934 acres.

   (b) Phase III. Approximately forty-eight (48) apartments on Lot 3153, as shown on Map 321 of Land Court Application No. 1069, containing an area of approximately 59,381 square feet or 1.363 acres.

   (c) Phase IV. Approximately forty-eight (48) apartments on Lot 3152, as shown on Map 321 of Land Court Application No. 1069, containing an area of approximately 53,155 square feet or 1.220 acres.

   (d) Phase V. Approximately forty-eight (48) apartments on Lot 3151, as shown on Map 321 of Land Court Application No. 1069, containing an area of approximately 67,285 square feet or 1.545 acres.

All improvements in subsequent phases shall be consistent with the improvements in Nanilima-Phase I in terms of quality of construction, building types, architectural style and size of units and shall be substantially completed prior to merger.

2. Nanilima-Phase I is the first phase of a proposed five (5) phase project as described in said Paragraph X, which may be developed in two or more phases, all at the option of the Owner. The purpose of the merger provisions of said Paragraph X is to provide for a merger of all phases as if the phases involved had been developed as one single project. A merger may occur with respect to the first phase with the second phase or any subsequent phases, or any one of them, at the same or different times and merger with respect to one of said phases shall not affect the right of the Owner to merge another phase or phases at a later date subject to all of the provisions of the proposed Declaration.

3. Merger shall take effect with respect to a particular additional phase upon the occurrence of all of the following conditions with respect thereto (quoted from the proposed Declaration):

"(a) Filing in the Office of the Assistant Registrar of the Land Court of the State of Hawaii by the Owner of a Declaration of Horizontal Property Regime and Bylaws covering the additional phase in a form substantially identical hereto (except for the descriptions of apartments, the common elements and the percentage of common interest appurtenant to each apartment and except for such matters as may be required to conform to any amendments of Chapter 514A, Hawaii Revised Statutes, enacted subsequent to the filing hereof) and a Condominium Map depicting the plot and floor plans of the additional phase, both complying with the requirements of Chapter 514A, Hawaii Revised Statutes, as amended; and

(b) Recordation in the Office of the Assistant Registrar of the Land Court of the State of Hawaii by the Owner of a "Certificate of Merger", which certificate shall contain:

(i) A certification by a Hawaii registered architect or professional engineer that the final plans theretofore filed for the phases being merged, or being filed simultaneously with such certificate, fully and accurately depict the layout, location, apartment numbers, dimensions and elevations of the apartments of the phases being merged, as built;

(ii) A certification by Owner that the phase has been substantially completed, that a notice of completion has been filed and that the period for filing of mechanics' and materialmen's liens has expired; and

(iii) The common interest of each apartment of the project after completion of the subject merger."

4. The percentage of common interest of each apartment upon merger with an additional phase shall be calculated by dividing such apartment's floor area by the floor area of all apartments in the project after merger. The "floor area" of an apartment includes the total square feet of the apartment, excluding any lanai. The Owner may add or subtract up to .0009% to one apartment owned by the Owner, at its discretion, for the sole purpose of ensuring that the total common interests for all apartments equals 100%. If the additional phases are built as presently planned, the percentage of common interest of each apartment upon merger with an additional phase shall be as provided in Exhibit "B" attached hereto and made a part hereof.

STATUS OF THE PROJECT: The Developer reports that construction of the project is scheduled to commence in June, 1981.

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 June 5, 1981 and information subsequently filed as of July 10, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1431 filed with the Commission on June 5, 1981.

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

G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:
- Department of Finance
- Bureau of Conveyances
- Planning Department, City and County of Honolulu
- Federal Housing Administration
- Escrow Agent

REGISTRATION NO. 1431

July 16, 1981

EXHIBIT "A"

The building in Phase I is Building "A-1" and is located at 92-821 Makakilo Drive, Makakilo, Hawaii.

Apartment No.	Apartment Type	Percentage Interest	Parking Stall No.
101	AR	2.3210%	9
102	BR	1.8142%	8
103	CR	2.1087%	7
104	C	2.1087%	6
105	B	1.8264%	5
106	A	2.3210%	4
201	AR	2.3210%	13
202	BR	1.8142%	45
203	CR	2.1087%	12
204	C	2.1087%	11
205	B	1.8264%	46
206	A	2.3210%	10
301	AR	2.3210%	19
302	BR	1.8142%	18
303	CR	2.1087%	17
304	C	2.1087%	16
305	B	1.8264%	15
306	A	2.3210%	14
401	AR	2.3210%	20
402	BR	1.8142%	21
403	CR	2.1087%	22
404	C	2.1087%	23
405	B	1.8264%	24
406	A	2.3210%	25
501	AR	2.3210%	26
502	BR	1.8142%	27
503	CR	2.1087%	28
504	C	2.1087%	29
505	B	1.8264%	30
506	A	2.3210%	31
601	AR	2.3210%	32
602	BR	1.8142%	33
603	CR	2.1087%	34
604	C	2.1087%	35
605	B	1.8264%	36
606	A	2.3210%	37
701	AR	2.3210%	54
702	BR	1.8142%	53
703	CR	2.1087%	52
704	C	2.1087%	51
705	B	1.8264%	50
706	A	2.3210%	49

801	AR	2.3210%	38
802	BR	1.8142%	39
803	CR	2.1087%	40
804	C	2.1087%	41
805	B	1.8264%	42
806	A	2.3210%	43

Note: In addition to the parking stall noted above, Parking Stall Nos. 47 and 48 are hereby assigned to Apartment 101 in Phase I. Owner reserves the right to transfer said Parking Stall from said Apartment 101 to an apartment or apartments in Phase II to which such parking stalls are to be appurtenant by way of an amendment to the Declaration for Phase I.

Parking Stalls Nos. 2 and 3 are appurtenant to the Manager's Unit.

EXHIBIT "B"

Nanilima

Schedule of Common Interest Percentages Upon Merger

	Phase I	Upon Merger of Phases I & II	I, II & III	I, II, III & IV	I, II, III, IV & V
A & AR	2.3210	1.0607	.7280	.5303	.4171
B	1.8264	.8346	.5729	.4173	.3282
BR	1.8142	.8290	.5690	.4146	.3260
C & CR	2.1087	.9637	.6614	.4818	.3789
D & DR		1.2261	.8415	.6131	.4821
E & ER		1.0232	.7023	.5116	.4024
F		1.1478	.7878	.5739	.4514
F-1 (In Building 92-825 only)		--	--	--	.4488
FR		--	--	--	.4514
FR-1 (In Buildings 92-823 & 92-827 only)		1.1412	.7832	.5706	.4488