

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON
PALI PARK
1212 Queen Emma Street
Honolulu, Hawaii
REGISTRATION NO. 1582

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: January 16, 1984
Expires: February 16, 1985

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that the 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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 30, 1983, AND INFORMATION FILED AS OF JANUARY 12, 1984. DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. PALI PARK is a proposed leasehold condominium project consisting of one 39-story residential building containing 432 residential apartments, one resident manager's apartment, and one 6-level parking

structure containing 461 parking stalls and one parking apartment containing approximately 227 parking stalls.

2. The Developer of the Project has submitted to the Commission for its 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 Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners and the Condominium Map will be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii and the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.
4. Certain advertising and promotional materials have been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended (the "Act"), and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report expires thirteen (13) months after issuance, January 16, 1984 unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is part of the registration of PALI PARK CONDOMINIUM. The Developer has the responsibility of placing a true copy of 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.

NAME OF PROJECT: PALI PARK.

LOCATION: The Project is located at 1212 Queen Emma Street, and will occupy a portion of the block in downtown Honolulu which is bound by Pali Highway, Beretania Street, Queen Emma Street and Kukui Street. The Project has a land area of approximately 103,139 square feet.

TAX MAY KEY: First Division, 2-1-09: 13, 18, 34, 50 & 53.

ZONING: B-4 under the Ordinances of the City and County of Honolulu.

DEVELOPER: HOME PROPERTIES, INC., a Hawaii corporation, 182 Merchant Street, Honolulu, Hawaii 96813, Telephone: (808) 546-8587. The officers of the corporation are: Harvey A. Wilson, President, Ian A. MacDonald, Vice President, and W. Mendel Borthwick, Jr., Vice President.

ATTORNEYS REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Stanley M. Kuriyama or Larry T. Takumi), Suite 1200, 1000 Bishop Street, P. O. Box 939, Honolulu, Hawaii 96808, Telephone: (808) 521-9200.

DESCRIPTION OF PROJECT: The Project consists of a 39-story residential building containing 432 residential apartments (the "Residential Apartments") and one parking building (the "Parking Building") containing six levels of parking. The Parking Building contains a parking apartment (the "Parking Apartment") which consists of three highest levels of the Parking Building. The three lower levels of the Parking Building shall be deemed common elements or limited common elements which shall be appurtenant to the residential apartments. The Project is more fully described in Exhibit "B" attached hereto.

LIMITS OF APARTMENTS: Each Residential Apartment includes: (i) all the walls, columns and partitions which are not load-bearing within its perimeter walls, (ii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iii) any doors, door frames, lanai railings, windows or window frames along the perimeters, (iv) the air-space within the perimeters, and (v) the fixtures originally installed in the Residential Apartments. The respective Residential Apartments do not include: (a) the undecorated or unfinished surfaces of the perimeter (party and nonparty) walls, (b) the interior load-bearing columns, girders, beams and walls, (c) the undecorated or unfinished floors and ceilings surrounding each Apartment, or (d) any pipes, shafts, wires, conduits or other utility or service lines running through such Apartment which are utilized for or serve more than one Apartment. The Parking Apartment is more fully shown on the Condominium Map and consists of the three highest parking levels of the Parking Building, and shall be deemed to include: (i) all perimeter and interior (whether load-bearing or not) columns, girders, beams, floors, ceilings and walls (including the decorated, undecorated, finished or unfinished exterior and interior surfaces thereof), (ii) all interconnecting ramps, stairways, supporting structures, airspace and parking stalls located within the perimeters, (iii) the entire concrete slab separating the third highest parking level of the Parking Building from the fourth highest parking level of the

Parking Building, and (iv) all ingress and egress control devices and structures, including attendant facilities, for the three highest levels of the Parking Building.

COMMON ELEMENTS: The common elements ("Common Elements") include the Limited Common Elements described below, and all portions of the Project, other than the Apartments, including, specifically, but not limited to, the land in fee simple; the Common Elements mentioned in the Act which are actually constructed on the land; the yards, grounds, swimming pool, spas, tennis courts and recreation areas; all lobbies, lobby offices, trash chutes, stairways, elevators, mechanical and electrical rooms and refuse facilities; the resident manager's apartment and appurtenant parking stall and mailbox; 14 guest parking stalls (stall nos. 3123 to 3130 and 3147 to 3152 respectively); bike parking area; and all other portions of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, and which are not included as part of an Apartment.

LIMITED COMMON ELEMENTS: Certain parts of the Common Elements, designated as "Limited Common Elements", are set aside and reserved for the exclusive use of certain Apartments. The Limited Common Elements are as follows:

a. One or more automobile parking stalls designated on Exhibit "C" as being assigned to an Apartment shall be appurtenant to and for the exclusive use of such Apartment. All Limited Common Element parking stalls are standard size except stalls numbered 1135 and 2135, which are compact-sized stalls. All Limited Common Element parking stalls are covered and underground.

b. One mailbox bearing the number corresponding to the number of an Apartment (except mailbox M-01) shall be appurtenant to and for the exclusive use of the Apartment having such number.

c. That portion of the Project grounds located between the Parking Apartment and Kukui Street which serves as the entrance to and exit from the Parking Apartment, shall be appurtenant to and for the exclusive use of the Parking Apartment.

The Limited Common Elements shall be used, owned and maintained in accordance with the following provisions:

(i) The Owner of the Parking Apartment shall be solely responsible for maintaining and repairing and making any necessary or appropriate additions or improvements to the Limited Common Elements appurtenant to the Parking Apartment, and for all costs and expenses of such maintenance, repairs, additions and improvements.

(ii) All costs and expenses, including, but not limited to, maintenance, repair, replacement, additions and improvements, to any of the aforementioned Limited Common Elements other than the Limited Common Elements appurtenant to the Parking Apartment, shall be charged to the Owners of the Apartments in a fair and equitable manner,

by charging such costs and expenses to the Owner of the Apartment to which such Limited Common Element is appurtenant.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The Apartments have the percentage common interests in the Common Elements of the Project as set forth in Exhibit "B" attached hereto. Interests in each Apartment will be transferred to each buyer under an Apartment Lease (or Assignment of Apartment Lease).

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE:

a. Each Residential Apartment shall at all times be occupied and used only for residential purposes and no Residential Apartment shall be used as a tenement or rooming house. The Residential Apartments shall not be rented for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty (30) days, or (ii) rental in which the occupants of the Apartment are provided customary hotel services such as room service for food and beverage, maid service, furnishing of laundry and linen, and bellboy service. Additionally, no Time Share Interests shall be created or established out of any apartment or apartments in the Project. Specific use restrictions are contained in the Apartment Lease, the Declaration and the Bylaws.

b. The Parking Apartment may be used solely for the purpose of the parking of motor vehicles. The Owner of the Parking Apartment shall have the right to charge fees for the use of such parking stalls, or to lease the parking stalls and the Parking Apartment to an operator who may charge fees for parking, or to otherwise limit the use of the Parking Apartment, all upon such terms and conditions and rates as the Owner of the Parking Apartment may determine in its sole discretion.

c. Other restrictions as to the use of the Apartments and the Common Elements are contained in the Declaration and the Bylaws.

PUBLIC USE OF PARKING APARTMENT: The Project contains one parking apartment designated in the Declaration as a "Parking Apartment". The Parking Apartment is comprised of three highest levels of the Parking Building and will contain approximately 227 parking stalls. The Parking Apartment will be owned by the City and County of Honolulu (the "City") and will be operated by the City as a municipal public parking facility. The City will have the right to charge fees for the use of the Parking Apartment. The use of the Parking Apartment will result in additional traffic, noise and nuisances to the Project. The Parking Apartment has been assigned a .0002% interest in the Common Elements of the Project, which means that even though the Parking Apartment is large in size and will create additional traffic, noise and nuisances, the City will be required to pay a very small percentage of the costs of maintaining the Common Elements and operating the Project.

The City will be responsible for the cost of maintaining and repairing the Parking Apartment, and the Bylaws contain special rules allocating insurance premiums between the Parking Apartment and the Residential Apartments in a fair and equitable manner.

OWNERSHIP OF TITLE: A Preliminary Report dated October 12, 1983, issued by Title Guaranty of Hawaii, Incorporated discloses that fee simple title to the land is held by the City and County of Honolulu, the Department of Housing and Community Development, an agency of the City and County of Honolulu, and the State of Hawaii.

By way of a development agreement, Developer has agreed with the City and County of Honolulu (upon the terms and conditions set forth therein) to construct the Project substantially in accordance to the representation herein made in this Public Report, subject to the City's final approval of the final plans for the Project.

ENCUMBRANCES: The Preliminary Report discloses that the title to the property is subject to the encumbrances described in Exhibit "A" attached hereto.

PURCHASE MONEY HANDLING: A copy of a specimen Deposit Receipt and Sales Contract (the "Sales Contract") and an executed Escrow Agreement have been submitted as part of this registration. The Escrow Agreement, dated January 4, 1984, identifies Title Guaranty Escrow Services, Inc. as "Escrow". Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with Sections 514A-37, 39, 40, 63 through 66. A prospective buyer should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the buyer to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the buyer's payments and the Sales Contract provides that the buyer approves the Escrow Agreement.

The Sales Contract provides that the buyer's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Developer in favor of any lending institutions to secure one or more loans for the purpose of constructing the Project.

The Sales Contract, among other things, contains acknowledgments by each buyer: (i) that the Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of apartments in the Project other than apartments owned by the Developer upon completion of the Project, if any; (ii) that the buyer must make such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (iii) that the Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including

possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; and (iv) that the buyer acknowledges that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project. In addition, the Sales Contract contains provisions: (i) which permit the Developer to keep the buyer's payment deposits under certain circumstances if the contract is cancelled; (ii) which provide for "preclosing" of the Sales Contract; (iii) which set forth certain closing costs to be paid by the buyer; (iv) which reserve to the Developer a right to conduct sales and construction activity at the Project after closing; (v) which provide a right for the Developer to change the condominium documents; (vi) which limit assignment of the Sales Contract; and (vii) which cover many other important matters not described in this Public Report.

Among other provisions, the Escrow Agreement provides that a buyer shall be entitled to a return of his funds (without interest), and Escrow shall pay such funds to such buyer, upon the terms and conditions provided for in the Sales Contract. Paragraphs 6 and 7 of the Escrow Agreement provide as follows:

"(6) Giving Back of Money ("refunds") to the Buyers.

(a) When Refunds Will Be Made. The Sales Contract shows when refunds of Escrow deposits may be made to the Buyer. Escrow agrees to make any refunds as soon as possible after the Buyer and the Seller [Developer] tell Escrow in writing that a refund should be made as shown in the Sales Contract. No refund is to be made to any Buyer who asks for it unless Escrow gets written approval from the Seller.

(b) Interest on Refunds. The refunds will be made without any interest.

(c) When Escrow May Subtract Cancellation Fees From Refunds. The words "cancellation fees" mean Escrow's cancellation fees which are described in the Sales Contract and will be described later in this Agreement. Cancellation fees may also be charged by the lender who has agreed to lend the Buyer money to buy the apartment. The Sales Contracts show that there are times when Escrow is to subtract cancellation fees from the amount to be refunded unless the Seller tells Escrow not to charge the cancellation fees.

(d) Owner/Occupant Refund. The Condominium Law has certain requirements about refunding a Buyer's deposits. If the Buyer

and the Seller request a refund to the Buyer in writing and if the Buyer is shown on Seller's reservation list as an owner/occupant (an owner who plans to live in the apartment) as described in Section 514A-104 of the Condominium Law, Escrow will refund the Buyer's deposits if any one of these things has happened:

(i) No Sales Contract has been offered to the Buyer who has been placed on the Seller's reservation list of the Buyers who plan to live in the apartments they buy (in this case only, no cancellation fees will be subtracted from the refund); or

(ii) Although the Buyer has tried to get a loan for enough money to buy the apartment, or a promise for a loan for enough money, the Buyer has not been able to get a loan, or a promise for a loan, before the time allowed to get a loan or a promise for a loan has passed. The Buyer must do this within thirty (30) calendar days after the end of the ten (10) calendar day time when the Seller may sell only to owner/occupants; or

(iii) The Buyer, within ten (10) days after the preliminary public report is issued, informs Escrow and Seller in writing that Buyer does not plan to become an owner/occupant."

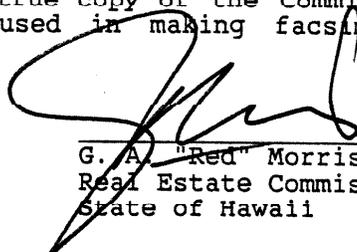
"(7) The Buyer's Default. Escrow will notify the Seller and the Buyer promptly if the Buyer fails to make a payment or is otherwise in default under the Sales Contract (to the knowledge of Escrow). The Seller will tell Escrow in writing if the Buyer has defaulted or not done something that the Buyer promised to do in the Sales Contract. The Seller will tell Escrow in the same letter that, because the Buyer has defaulted, the Seller is cancelling the Sales Contract and will give Escrow a copy of the letter that the Seller sent to the Buyer, telling the Buyer of the default and cancellation. Escrow will then send a letter to the Buyer informing the Buyer that the Seller has cancelled the Sales Contract because of the default. Escrow will wait for fifteen (15) days after the date of Escrow's letter. If Escrow does not hear from the Buyer during that time, Escrow shall deduct its cancellation fee from the Buyer's funds and treat the Buyer's funds which are left as belonging to the Seller. If the Buyer tells Escrow that the Buyer has not defaulted or tells Escrow not to do anything with the Buyer's funds, then Escrow may go ahead under Paragraph (12) of this Agreement or deliver funds to the Seller."

MANAGEMENT AND OPERATION: Section 3 of Article III of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the Project, subject at all times to direction by the Board of Directors.

STATUS OF PROJECT: The Developer currently estimates that construction of the Project will commence during the summer of 1984.

The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted December 30, 1983 and information subsequently filed as of January 12, 1984.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1582 filed with the Commission on December 30, 1983. The report, when reproduced, shall be a true copy of the Commission's Public Report. Paper stock used in making facsimiles must be yellow.



G. A. "Red" Morris, Chairman
Real Estate Commission
State of Hawaii

Distribution:

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

Registration No. 1582

Date: January 16, 1984

EXHIBIT "A"

1. Real Property Taxes for the Fiscal Year July 1, 1983 - June 30, 1984; EXEMPT. For further information, reference is made to Director of Finance, City and County of Honolulu. Parcels First to Fifth, inclusive, are covered by Tax Key 2-1-09-18.
Parcel Sixth (A) is covered by Tax Key 2-1-09-34.
Parcel Sixth (B) and (C) are covered by Tax Key 2-1-09-50.
Parcel Sixth (D) is covered by Tax Key 2-1-09-53.
Parcel Seventh is covered by Tax Key 2-1-09-13.

2. -AS TO PARCEL FIRST ONLY:-
 - (A) Option and Stipulation dated March 7, 1929, filed in the Office of the Registrar of the Land Court in Application No. 827, by and between Apau Kong and Boyd Estates, Limited, as mentioned in Original Certificate of Title No. 8137.
 - (B) Restriction of access rights affecting Lot 3-B, as shown on Map 5, as set forth by Land Court Order No. 17720, filed December 9, 1959.
 - (C) Restriction of access rights affecting Lot 3-D-1, as shown on Map 6, as set forth by Land Court Order No. 38730, filed November 23, 1973.
 - (D) Certain portions, as condemned for the use of the City and County of Honolulu, to-wit: Improvement District No. 80, Central Business Area Off-Street Parking, Area 2, the said use being a public use.

3. -AS TO PARCEL SECOND ONLY:-
 - (A) Restriction of access rights affecting Lot 2, as shown on Map 2, as set forth by Land Court Order No. 17689, filed December 2, 1959.
 - (B) "Excluding therefrom vehicular access into and from Pali Highway, Federal Aid Project BU-061-1(6), over and across the common boundary between Lots 1 and 2, Map 2 of Land Court Application 363."; as set forth in Deed dated June 12, 1962, filed as Land Court Document No. 294615.

(C) Certain portions, as condemned for the use of the City and County of Honolulu, to-wit: Improvement District No. 80, Central Business Area Off-Street Parking, Area 2, the said use being a public use.

4. -AS TO PARCEL THIRD ONLY:-

(A) Restriction of access rights affecting Lot 3, as shown on Map 2, as set forth by Land Court Order No. 17690, filed December 2, 1959.

(B) "Excluding therefrom vehicular access into and from Pali Highway, Federal Aid Project BU-061-1(6), over and across the common boundary between Lots 2 and 3, Map 2 of Land Court Application 1409."; as set forth in Exchange Deed dated June 12, 1962, filed as Document No. 294616.

(C) Certain portions, as condemned for the use of the City and County of Honolulu, to-wit: Improvement District No. 80, Central Business Area Off-Street Parking, Area 2, the said use being a public use.

5. -AS TO PARCEL FOURTH ONLY:- Certain portions, as condemned for the use of the City and County of Honolulu, to-wit: Improvement District No. 80, Central Business Area Off-Street Parking, Area 2, the said use being a public use.

6. -AS TO PARCEL FIFTH ONLY:-

(A) Reservation in favor of the State of Hawaii of all mineral and metallic mines.

(B) Grant in favor of Hattie MacFarlane, widow, dated November 2, 1956, recorded in Liber 3188 at Page 464; granting the right, in the nature of an easement, of ingress to and egress from Kukui Street to that certain parcel of land remaining after the acquisition of Parcel 12 for the Off-Street Parking Area 2 within block bounded by Beretania, Fort, Kukui and Emma Streets.

Said easement is now held by Wai Sinn Char, husband of Bertha Kam Yuk Char, and Civic Center Properties, a Hawaii registered joint venture.

(C) Covenant contained in Final Order of Condemnation dated January 3, 1957, filed in the Circuit Court of the First Circuit, Civil No. 1124, recorded in Liber 3212 at Page 190, to-wit:

"Provided, however, that the plaintiff shall provide the defendant Loyalty Associates, Limited with one parking stall free of any fees or charges situated on the makai-diamond head portion of the said municipal parking lot of that area of the parking lot which is adjacent to the rear of the building owned by the said defendant and being also the first parking stall adjacent to the rear of the building aforesaid; that the reserved and unrestricted use of this parking stall shall be from the hours of 8:00 a.m. to 4:00 p.m. on Mondays to Fridays and from 8:00 a.m. to 1:00 p.m. on Saturdays, it being expressly understood that the reservations shall not be applicable for Sundays; that the plaintiff shall erect a proper sign indicating that the said stall shall be reserved for loading zone purposes only during the hours aforesaid."

(D) Restriction of abutter's rights of vehicle access into and from Pali Highway, Federal Aid Project BU-061-1(6), except that certain portion permitted, which rights of access were acquired by the State of Hawaii, by Exchange Deeds dated June 12, 1962, recorded in Liber 4338 at Page 406, dated June 12, 1962, recorded in Liber 4339 at Page 470, dated June 12, 1962, recorded in Liber 4339 at Page 478 and dated June 12, 1962, recorded in Liber 4339 at Page 485.

(E) Covenants, agreements and conditions contained in Deed dated December 28, 1964, recorded in Liber 4929 at Page 118.

(F) Certain portions, as condemned for the use of the City and County of Honolulu, to-wit: Improvement District No. 80, Central Business Area Off-Street Parking, Area 2, the said use being a public use.

7. -AS TO PARCEL SIXTH ONLY:-

(A) Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved and defined in General Lease No. S-4404.

(B) Reservation and covenant set forth in General Lease No. S-4404, to-wit:

2. "Prehistoric and historic remains. All prehistoric and historic remains found on said demised premises."

"3. Covenant against discrimination. That the use and enjoyment of the premises shall not be in support of any policy which discriminates against anyone based upon race, creed, color or national origin."

(C) Terms, agreements, reservations, covenants, conditions and provisions contained in General Lease No. S-4404.

(B) -As to PARCEL SIXTH (C):- "Vehicle access into and from Pali Highway, Federal Aid Project BU-061-1 (6), shall not be permitted over and across Course 3 of the hereinabove described Parcel 21 (Revised)."; as set forth in General Lease No. S-4404.

8. -AS TO PARCEL SEVENTH ONLY:- Reservation in favor of the State of Hawaii of all mineral and metallic mines.
9. Declaration of Covenants affecting Redevelopment Sites in the Kukui Project Designated for Business Use dated March 16, 1962, filed as Document No. 298728, recorded in Liber 4238 at Page 320 (not noted on Transfer Certificates of Title Nos. 9,680, 88,292, 88,293 and 66,130).
10. Declaration of Covenants affecting Redevelopment Sites in the Kukui Project Designated for Public Use dated August 7, 1964, which was duly adopted by the Honolulu Redevelopment Agency on August 7, 1968 by Resolution No. 527, as disclosed by Affidavit dated September 18, 1964, filed as Document No. 351089, recorded in Liber 4981 at Page 382 (not noted on Transfer Certificates of Title Nos. 9,680, 88,292, 88,293 and 66,130).

11. Declaration of Covenants affecting Redevelopment Sites in the Kukui Project Designated for Planned Development Use dated July 9, 1968, which was duly adopted by the Honolulu Redevelopment Agency on July 5, 1968 by Resolution No. 885, as disclosed by Affidavit dated April 7, 1969, filed as Document No. 470704, recorded in Liber 6483 at Page 146 (not noted on Transfer Certificates of Title Nos. 9,680, 88,292, 88,293 and 66,130).

-Note:- Encumbrances Nos. 9, 10 and 11 will be removed when the Agreement by and between the City and County of Honolulu, by its Director of Housing and Community Development, and Home Properties, Inc. is signed and recorded.

12. "Revised Urban Renewal Plan for the Kukui Project (No. Hawaii R-2), Honolulu Redevelopment Agency, City and County of Honolulu, Honolulu, Hawaii, May 9, 1972", which was duly adopted by the Honolulu Redevelopment Agency on July 2, 1971 and approved by the Council of the City and County of Honolulu on May 9, 1972, as disclosed by Affidavit dated September 26, 1972, filed as Document No. 600951, recorded in Liber 8641 at Page 432 (not noted on Transfer Certificates of Title Nos. 9,680, 88,292, 88,293 and 66,130).

A. Description of Buildings.

The Project contains one residential building (the "Residential Building") consisting of a first floor lobby, a mezzanine, 35 typical floors of apartments and 2 floors of penthouse apartments, and one parking building (the "Parking Building") consisting of 6 levels of parking. The Residential Building contains 432 apartments (the "Residential Apartments") and one resident manager's apartment which is a common element. The Parking Building contains one parking apartment (the "Parking Apartment") which consists of the three highest parking levels of the Parking Building and which contains approximately 227 parking stalls. The remaining three parking levels of the Parking Building are common elements. The lowest parking level (or third basement) contains 156 parking stalls numbered consecutively from 1001 to 1156. The middle level, or second basement, contains 153 parking stalls numbered consecutively from 2001 to 2153. The first level of underground parking or first basement, contains 152 parking stalls numbered consecutively from 3001 to 3152.

B. Description of Residential Apartments.

Each of the Residential Apartments will be one of eight types designated as Types A, PH-A, B, PH-B, C, PH-C, D or PH-D. Each Residential Apartment will have immediate access to the interior corridor, which is a common element, on the floor on which it is located. The types of Residential Apartments in the Project are described as follows:

1. Type A Apartments. There are 140 type A apartments in the Project. These apartments consist of 2 bedrooms, 2 bathrooms, a living/dining area, a foyer, a kitchen and a utility room, and contain a net living area of approximately 1,058 square feet and a lanai of approximately 258 square feet.

2. Type PH-A Apartments. There are 4 type PH-A apartments in the Project. These apartments are split level penthouse apartments. The first (lower) level consists of a foyer, 1 bedroom, 1 bathroom, a living area, a dining area, a kitchen and a utility room, and contains a net living area of approximately 1,091 square feet. The second (upper) level consists of 1 bedroom, 1 bathroom and a den, and contains a net living area of approximately 548 square feet. These apartments contain a total net living area of approximately 1,639 square feet, and a lanai of approximately 404 square feet.

3. Type B Apartments. There are 140 type B apartments in the Project. These apartments consist of 2 bedrooms, 2 bathrooms, a living/dining area, a kitchen and a utility room, and contain a net living area of approximately 920 square feet and a lanai of approximately 162 square feet.

4. Type PH-B Apartments. There are 4 type PH-B apartments in the Project. These apartments are split level penthouse apartments. The first (lower) level consists of a foyer, 1 bedroom, 1-1/2 bathrooms, a living/dining area, a kitchen and a utility room, and contains a net living area

of approximately 927 square feet. The second (upper) level consists of 1 bedroom and 1 bathroom, and contains a net living area of approximately 525 square feet. These apartments contain a total net living area of approximately 1,452 square feet, and a lanai of approximately 260 square feet.

5. Type C Apartments. There are 70 type C apartments in the Project. These apartments consist of 1 bedroom, 1 bathroom, a living/dining area and a kitchen, and contain a net living area of approximately 721 square feet and a lanai of approximately 116 square feet.

6. Type PH-C Apartments. There are 2 type PH-C apartments in the Project. These are split level penthouse apartments. The first (lower) level consists of a foyer, 1/2 bathroom, a living/dining area and a kitchen, and contains a net living area of approximately 765 square feet. The second (upper) level consists of 1 bedroom and 1 bathroom, and contains a net living area of approximately 423 square feet. These apartments contain a total net living area of approximately 1,188 square feet; and a lanai of approximately 141 square feet.

7. Type D Apartments. There are 70 type D apartments in the Project. These apartments consist of 1 bedroom, 1 bathroom, a living/dining area and a kitchen, and contain a net living area of approximately 702 square feet and a lanai of approximately 116 square feet.

8. Type PH-D Apartments. There are 2 type PH-D apartments in the Project. These apartments are split level penthouse apartments. The first (lower) level consists of a foyer, 1/2 bathroom, a living/dining area and a kitchen, and contains a net living area of approximately 744 square feet. The second (upper) level consists of 1 bedroom and 1 bathroom, and contains a net living area of approximately 423 square feet. These apartments contain a total net living area of approximately 1,167 square feet and a lanai of approximately 141 square feet.

With the exception of the penthouse Residential Apartments located on the 37th and 38th floors, each Residential Apartment has either a three-digit or four-digit apartment number. The first digit in a three-digit apartment number, and the first two digits in a four-digit apartment number, indicates the floor on which the apartment is located. For example, Apartment 503 is located on the fifth floor and Apartment 1203 is located on the twelfth floor. The model type of these apartments may be determined by reference to the last two digits of its apartment number. Apartments ending in "02", "05", "08" and "11" are type A apartments. Apartments ending in "03", "04", "09" and "10" are type B apartments. Apartments ending in "01" and "12" are type C apartments. Apartments ending in "06" and "07" are type D apartments.

Each penthouse Residential Apartment is a split level apartment, located on the 37th and 38th floors. The entrance to each penthouse apartment is located on the 37th floor. The penthouse apartments are of the following model types:

<u>Apartment No.</u>	<u>Model Type</u>
PH02, PH05, PH08, PH11	PH-A
PH03, PH04, PH09, PH10	PH-B
PH01, PH12	PH-C
PH06, PH07	PH-D

Each Residential Apartment has been assigned one or more parking stalls as a limited common element. These assignments are shown on Exhibit "C" attached hereto.

C. Description of Parking Apartment.

The Parking Apartment consists of the three highest parking levels of the Parking Building and their inter-connecting ramps, stairways, supporting structures and perimeter walls, and also includes the entire concrete slab separating the third highest parking level from the fourth highest parking level, and the air space above the structural elements up to a height of forty feet above nominal ground level. The total floor area of the three parking levels is approximately 9,072 square feet. The Parking Apartment contains approximately 227 parking stalls. The Parking Apartment will have immediate access to the grounds of the Project, which is a common element.

The Parking Apartment is more fully depicted on the Condominium Map.

D. Percentage Interests in Common Elements.

The percentage of undivided interest in the common elements of the Project appurtenant to each apartment is as follows:

<u>Apartment Type</u>	<u>Percentage Interest</u>	<u>No. of Apartments</u>	<u>Percentage Total</u>
A	0.2688%	140	37.6320%
PH-A	0.4164%	4	1.6656%
B	0.2337%	140	32.7180%
PH-B	0.3689%	4	1.4756%
C	0.1832%	70	12.8240%
PH-C	0.3018%	2	.6036%
D	0.1784%	70	12.4880%
PH-D	0.2965%	2	.5930%
Parking Apartment	0.0002%	1	.0002%
			<u>100.0000%</u>

The percentage interests have, except in the case of the Parking Apartment, been calculated on the approximate net living area of the apartments. The percentage interest appurtenant to the Parking Apartment has been determined pursuant to an agreement reached between the Developer and the City and County of Honolulu, the fee owner of the land on which the Project is located. The foregoing percentage interests shall be valid and effective, whether or not the Developer's calculations of such interests are accurate or mathematically correct.

EXHIBIT "B"

/29/83

PALI PARK
PARKING ASSIGNMENTS

APT. NO.	STALL NO.	APT. NO.	STALL NO.	APT. NO.	STALL NO.	APT. NO.	STALL NO.
201	1001	601	1049	1001	2024	1401	2072
202	1002	602	1050	1002	2025	1402	2073
203	1003	603	1051	1003	2026	1403	2074
204	1004	604	1052	1004	2027	1404	2075
205	1005	605	1053	1005	2028	1405	2076
206	1006	606	1054	1006	2029	1406	2077
207	1007	607	1055	1007	2030	1407	2078
208	1008	608	1056	1008	2031	1408	2079
209	1009	609	1057	1009	2032	1409	3001
210	1010	610	1058	1010	2033	1410	3002
211	1011	611	1059	1011	2034	1411	3003
212	1012	612	1060	1012	2035	1412	3004
301	1013	701	1061	1101	2036	1501	3005
302	1014	702	1062	1102	2037	1502	3006
303	1015	703	1063	1103	2038	1503	3007
304	1016	704	1064	1104	2039	1504	3008
305	1017	705	1065	1105	2040	1505	3009
306	1018	706	1066	1106	2041	1506	3010
307	1019	707	1067	1107	2042	1507	3011
308	1020	708	1068	1108	2043	1508	3012
309	1021	709	1069	1109	2044	1509	3013
310	1022	710	1070	1110	2045	1510	3014
311	1023	711	1071	1111	2046	1511	3015
312	1024	712	1072	1112	2047	1512	3016
401	1025	801	1073	1201	2048	1601	3017
402	1026	802	2001	1202	2049	1602	3018
403	1027	803	2002	1203	2050	1603	3019
404	1028	804	2003	1204	2051	1604	3020
405	1029	805	2004	1205	2052	1605	3021
406	1030	806	2005	1206	2053	1606	3022
407	1031	807	2006	1207	2054	1607	3023
408	1032	808	2007	1208	2055	1608	3024
409	1033	809	2008	1209	2056	1609	3025
410	1034	810	2009	1210	2057	1610	3026
411	1035	811	2010	1211	2058	1611	3027
412	1036	812	2011	1212	2059	1612	3028
501	1037	901	2012	1301	2060	1701	3029
502	1038	902	2013	1302	2061	1702	3030
503	1039	903	2014	1303	2062	1703	3031
504	1040	904	2015	1304	2063	1704	3032
505	1041	905	2016	1305	2064	1705	3033
506	1042	906	2017	1306	2065	1706	3034
507	1043	907	2018	1307	2066	1707	3035
508	1044	908	2019	1308	2067	1708	3036
509	1045	909	2020	1309	2068	1709	3037
510	1046	910	2021	1310	2069	1710	3038
511	1047	911	2022	1311	2070	1711	3039
512	1048	912	2023	1312	2071	1712	3040

EXHIBIT "C"

1/29/83

PALI PARK
PARKING ASSIGNMENTS

APT. NO.	STALL NO.	APT. NO.	STALL NO.	APT. NO.	STALL NO.	APT. NO.	STALL NO.
1801	3041	2201	1083	2601	1131	3001	2103
1802	3042	2202	1084	2602	1132	3002	2104
1803	3043	2203	1085	2603	1133	3003	2105
1804	3044	2204	1086	2604	1134	3004	2106
1805	3045	2205	1087	2605	1136	3005	2107
1806	3046	2206	1088	2606	1137	3006	2108
1807	3047	2207	1089	2607	1138	3007	2109
1808	3048	2208	1090	2608	1139	3008	2110
1809	3049	2209	1091	2609	1140	3009	2111
1810	3050	2210	1092	2610	1141	3010	2112
1811	3051	2211	1093	2611	1142	3011	2113
1812	3052	2212	1094	2612	1143	3012	2114
1901	3053	2301	1095	2701	1144	3101	2115
1902	3054	2302	1096	2702	1145	3102	2116
1903	3055	2303	1097	2703	1146	3103	2117
1904	3056	2304	1098	2704	1147	3104	2118
1905	3057	2305	1099	2705	1148	3105	2119
1906	3058	2306	1100	2706	1149	3106	2120
1907	3059	2307	1101	2707	1150	3107	2121
1908	3060	2308	1102	2708	1151	3108	2122
1909	3061	2309	1103	2709	1152	3109	2123
1910	3062	2310	1104	2710	1153	3110	2124
1911	3063	2311	1105	2711	1154	3111	2125
1912	3064	2312	1106	2712	1155	3112	2126
2001	3065	2401	1107	2801	1156	3201	2127
2002	3066	2402	1108	2802	2080	3202	2128
2003	3067	2403	1109	2803	2081	3203	2129
2004	3068	2404	1110	2804	2082	3204	2130
2005	3069	2405	1111	2805	2083	3205	2131
2006	3070	2406	1112	2806	2084	3206	2132
2007	3071	2407	1113	2807	2085	3207	2133
2008	3072	2408	1114	2808	2086	3208	2134
2009	3073	2409	1115	2809	2087	3209	2136
2010	3074	2410	1116	2810	2088	3210	2137
2011	3075	2411	1117	2811	2089	3211	2138
2012	3076	2412	1118	2812	2090	3212	2139
2101	3077	2501	1119	2901	2091	3301	2140
2102	3078	2502	1120	2902	2092	3302	2141
2103	3079	2503	1121	2903	2093	3303	2142
2104	1074	2504	1122	2904	2094	3304	2143
2105	1075	2505	1123	2905	2095	3305	2144
2106	1076	2506	1124	2906	2096	3306	2145
2107	1077	2507	1125	2907	2097	3307	2146
2108	1078	2508	1126	2908	2098	3308	2147
2109	1079	2509	1127	2909	2099	3309	2148
2110	1080	2510	1128	2910	2100	3310	2149
2111	1081	2511	1129	2911	2101	3311	2150
2112	1082	2512	1130	2912	2102	3312	2151

8/29/83

PALI PARK
PARKING ASSIGNMENTS

APT. NO.	STALL NO.	APT. NO.	STALL NO.
3401	2152	PH12	1135 2135 3134 3135 3136
3402	2153		3137 3138 3139 3140 3141
3403	3080		3142 3143 3144 3145 3146
3404	3081		
3405	3082		
3406	3083		
3407	3084		
3408	3085		
3409	3086		
3410	3087		
3411	3088		
3412	3089		
3501	3090		
3502	3091		
3503	3092		
3504	3093		
3505	3094		
3506	3095		
3507	3096		
3508	3097		
3509	3098		
3510	3099		
3511	3100		
3512	3101		
3601	3102		
3602	3103		
3603	3104		
3604	3105		
3605	3106		
3606	3107		
3607	3108		
3608	3109		
3609	3110		
3610	3111		
3611	3112		
3612	3113		
PH01	3114		
PH02	3115		
PH03	3116		
PH04	3117		
PH05	3118		
PH06	3119		
PH07	3120		
PH08	3121		
PH09	3122		
PH10	3132		
PH11	3133		

PALI PARK

DISCLOSURE ABSTRACT
(Section 514A-61, HRS)

(1) The Project:

NAME : PALI PARK

ADDRESS : 1212 Queen Emma Street
Honolulu, Hawaii 96813

DEVELOPER : Home Properties, Inc.
182 Merchant Street
Honolulu, Hawaii
Telephone: (808) 546-8587

PROJECT MANAGER: Chaney, Brooks & Company
(tentative only) 606 Coral Street
P. O. Box 212
Honolulu, Hawaii 96810
Telephone: (808) 544-1600

(2) Maintenance Fees:

Attached is a proposed Operating Budget prepared by the Project Manager for the Developer as of September 12, 1983. As indicated in the Operating Budget, the annual maintenance fee estimated for the entire Project is \$512,700.00, and the monthly estimated maintenance fee for the entire Project is \$42,725.00. Based on the percentage common interest appurtenant to the Apartments as described in the Declaration of Horizontal Property Regime of Pali Park (the "Declaration") and set forth below and rounded to the nearest cent, the monthly and annual estimated maintenance fee for each Apartment model type are as follows:

<u>Model Type</u>	<u>No. of Apts. in Project</u>	<u>Percentage Interest in Common Elements (%)</u>	<u>Maintenance Fees (\$)</u>	
			<u>Monthly</u>	<u>Annual</u>
A	140	0.2688	114.84	1,378.08
PH-A	4	0.4164	177.91	2,134.92
B	140	0.2337	99.85	1,198.20
PH-B	4	0.3689	157.61	1,891.32
C	70	0.1832	78.27	939.24
PH-C	2	0.3018	128.94	1,547.33
D	70	0.1784	76.22	914.64
PH-D	2	0.2965	126.68	1,520.16
Parking				
Apartment 1	1	0.0002	.09	1.25

The maintenance fees cover the "common expenses" as defined in the Bylaws of the Association of Apartment Owners of Pali Park (the "Bylaws"). The Bylaws also provide special rules for fairly and equitably allocating the expense of insurance between the Residential Apartments and the Parking Apartment (as such apartments are identified in the Declaration).

Because the Association of Apartment Owners will be newly organized and will have no history of operations, the Developer can make no assurances regarding the estimated maintenance fees. In addition, such variables as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, Apartment Owner delinquencies, and other factors may also cause the maintenance fees to be greater or less than the estimated maintenance fees. The attached breakdown of the estimated costs for each Apartment does not include the Purchaser's obligations for the payment of lease rent under the Apartment Lease or real property taxes. The actual amount of real property taxes for each Apartment will not be assessed until after construction of the Apartments is completed.

(3) Warranties:

The Developer agrees to require from the General Contractor of the Project a written warranty with respect to any defects in the construction of the Apartment and the Project due to faulty materials or workmanship or both which are discovered and reported within the one (1) year warranty period provided for in the Contract between the Developer and the General Contractor for the construction of the Project. The Developer does not promise that the General Contractor will honor his warranty. The Developer will attempt to mail the Purchaser a reminder notice (if the Purchaser still owns the Apartment) about 90 days before this period expires; however, failure to mail the notice by the Developer will not affect the Purchaser's rights or give the Purchaser any rights against the Developer for defects or otherwise. The Developer also will transfer to the Purchaser any manufacturer's or dealer's warranties covering appliances in the Apartment. The Developer further agrees without incurring any legal liability, to cooperate with the Purchaser to try to have all the warranties performed by the General Contractor for which the General Contractor is responsible. This promise to cooperate by the Developer is referred to as the Developer's "Limited Warranty". THE LIMITED WARRANTY IS GIVEN TO THE PURCHASER INSTEAD OF ANY WARRANTY OF ANY KIND FROM THE DEVELOPER, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT AND ANY FURNISHINGS OR APPLIANCES LOCATED IN THE APARTMENT OR THE PROJECT. THE PURCHASER ACKNOWLEDGES THAT THE DEVELOPER IS NOT THE CONTRACTOR, ARCHITECT OR ENGINEER OF OR FOR THE APARTMENT OR THE PROJECT, NOR THE MANUFACTURER OR MANUFACTURER'S AGENT FOR ANY OF THE FURNISHINGS OR APPLIANCES IN THE APARTMENT OR THE PROJECT, AND THE DEVELOPER DISCLAIMS (DOES NOT MAKE) ANY EXPRESS OR IMPLIED WARRANTY WITH RESPECT TO THE DESIGN OR CONSTRUCTION OF THE APARTMENT, THE PROJECT OR SUCH FURNISHINGS OR APPLIANCES, INCLUDING THE MERCHANTABILITY OF SUCH FURNISHINGS AND APPLIANCES OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE. THE PURCHASER SHALL, HOWEVER, HAVE THE BENEFIT OF ANY EXISTING CONTRACTOR'S, MANUFACTURER'S OR DEALER'S WARRANTIES COVERING THE APARTMENT, THE PROJECT OR SUCH FURNISHINGS OR APPLIANCES, TO THE EXTENT SUCH WARRANTIES CAN BE ASSIGNED TO THE PURCHASER. EXCEPT AS STATED ABOVE, THE PURCHASER ACKNOWLEDGES AND AGREES THAT THE DEVELOPER HAS NOT

MADE AND WILL NOT BE LEGALLY OBLIGATED FOR ANY OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT OR ANYTHING INSTALLED IN THE APARTMENT, OR THE PROJECT.

(4) Residential Use:

All of the 432 Residential Apartments in the Project, as well as the Resident Manager's apartment, which is a common element, will be limited to residential use only.

(5) Commercial Development:

The Project contains no commercial or other non-residential development other than the Parking Apartment, which consists of the three highest parking levels of the parking structure to be constructed at the Project and which contains approximately 227 parking stalls. The Owner of the Parking Apartment shall have the right to allow the public to use the parking stalls located within the Parking Apartment, to charge fees for the use of such parking stalls, or to lease the parking stalls and the Parking Apartment to an operator who may charge fees for parking, or to otherwise limit the use of the Parking Apartment, all upon such terms and conditions and rates as the Owner of the Parking Apartment may determine in its sole discretion. It is the Developer's intention to convey the Parking Apartment to the City and County of Honolulu, for use as a municipal public parking garage.

PROPOSED OPERATING BUDGET

PALI PARK
432 Units

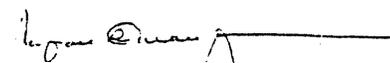
<u>RECEIPTS</u>	<u>Monthly</u>	<u>Annually</u>	<u>Remarks</u>
Maintenance Fees	\$ 42,725	\$ 512,700	
TOTAL RECEIPTS	\$ 42,725	\$ 512,700	
 <u>DISBURSEMENTS</u>			
Audit & Taxes	\$ 167	\$ 2,004	
Insurance - Package	1,150	13,800	
Insurance - Liability(Umbrella)	125	1,500	
Insurance - TDI	45	540	
Insurance - Medical	450	5,400	6 employees@7
Insurance - Workman's Comp	1,240	14,880	
Management & Accounting Services	2,989	35,868	
Misc. & Project Office Expenses	350	4,200	
Petty Cash Reimbursement	100	1,200	
Refuse Service	350	4,200	
Maintenance & Repair Building	250	3,000	
Maintenance & Repair, Elevator	1,140	13,680	
Maintenance & Repair, Other	300	3,600	
Payroll, Maintenance	4,500	54,000	105.50, 205.25
Payroll, Resident Manager	1,700	20,400	205.00
Security Service	6,800	81,600	24hrs/day; 7/v
Supplies, Grounds	25	300	
Supplies, Janitorial	250	3,000	
Supplies, Pool	200	2,400	
Supplies, Electric & Lighting	50	600	
Supplies, Building & Other	500	6,000	
TV Signal	75	900	
Taxes, Payroll	744	8,928	
Electricity	13,000	156,000	
Telephone	530	6,360	
Water/Sewer	4,200	50,400	
Other Disbursements	250	3,000	
Subtotal Disbursements	41,480	497,760	
Transfer to Reserves	1,245	14,940	
TOTAL	\$ 42,725	\$512,700	

The cash operating budget (Pro-rated on a monthly basis) is for one year commencing July 1983. The information contained herein is based on the date available to us at this time.

We certify that the monthly cash operating costs have been based on generally accepted accounting principles.

Revised: September 12, 1983

By:


Rafael L. Guanzon CPM
 Senior Vice-President
 Residential Property Management
 Chaney, Brooks & Company