

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

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
PALEHUA VILLAS-PHASE 1
Panana Street
Ewa Beach, Hawaii

REGISTRATION NO. 1620

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 until

- (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 : May 13, 1986
Expires: June 13, 1987

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 JULY 16, 1984, AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 25, 1986. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. PALEHUA VILLAS-Phase 1 is a fee simple condominium project consisting of 3 multi-family residential buildings containing 41 residential units and a resident manager's unit, which will be part of the common elements. There will be 62 uncovered parking stalls in the project (42 regular and 20 compact stalls).

2. PALEHUA VILLAS-PHASE 1 is the first phase of a proposed 4 phase project. The Developer has reserved the right to develop 3 additional condominium projects. The Developer's present plans show that the 4 phases will be built on 4 lots, comprising approximately 7.562 acres of land, which will contain approximately 137 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 the project with one or more of the other phases at any time prior to 5 years from the date of filing of the Declaration.
3. The Developer has arranged 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 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 has required that the Association of Apartment Owners of the project enter into with the Department and record a Regulatory Agreement whereby the Association may be regulated and restricted by the Department. The Regulatory Agreement has been 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.
4. 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 Final Public Report. The Developer is held responsible for placing this Final Public Report (white paper stock) and Disclosure Abstract and Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor.
5. The basic documents, being the Declaration of Horizontal Property Regime and Bylaws of Association of Apartment Owners, both dated April 7, 1986, were filed as Document Nos. 1364689 and 136490, respectively, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii. Condominium Map No. 588 was assigned to the floor plans of the project.
6. Advertising and promotional matter has been submitted to the Commission.

7. 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.
8. This Final Public Report automatically expires thirteen (13) months after date of issuance, May 13, 1986, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

There have been no material changes to the project since the issuance of the Preliminary Public Report so the information in the topical headings has not changed, except as set forth below under DEVELOPER, OWNERSHIP OF TITLE, ENCUMBRANCES AGAINST TITLE and STATUS OF PROJECT.

NAME OF PROJECT: PALEHUA VILLAS-PHASE 1

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 principal officers of the Developer are:

Mun On Chun	Chairman of the Board
Wendell K. Pang	Vice-Chairman of the Board
Fred Kwock	President
Daniel B. T. Lau	Vice President & Secretary
Jerold Y. K. Chun	Vice President & Treasurer

OWNERSHIP OF TITLE: The fee simple title to the land was acquired by Finance Realty Company, Limited, the Developer, by a Deed dated January 15, 1985.

ENCUMBRANCES AGAINST TITLE: A Preliminary Report prepared by Security Title Corporation and dated April 14, 1986, 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. 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 instruments dated January 12, 1977 filed in said Office as Document No. 801573 and January 15, 1985 filed in said Office as Document No. 1277747, the foregoing Development Rights were amended.

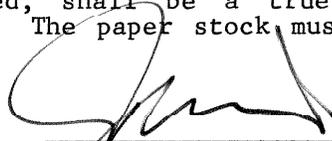
3. Grant dated June 1, 1977, filed as Document No. 84109 in favor of Hawaiian Electric Company, Inc.
4. Unilateral Agreement and Declaration for Conditional Zoning dated July 21, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17200, at Page 107.
5. Declaration of Covenants, Conditions and Restrictions of Palehua Community, dated January 14, 1977, filed as Document No. 801577 as amended.
6. Reservations in favor of the Trustees under the Will and of the Estate of James Campbell, Deceased, as set forth in Deed dated January 15, 1985, filed as Document No. 1277749.
7. Grant dated May 6, 1985, filed as Document No. 1299324, in favor of Hawaiian Electric Company, Inc.
8. Mortgage dated May 31, 1985, filed as Document No. 1302426, in favor of First Hawaiian Bank.
9. Easements 1387, 1388 and 1392, as shown on Map 388, as set forth by Land Court Order No. 7476, filed August 1, 1985.
10. Agreement for Issuance of Special Use Permit, as amended, dated January 23, 1985, filed as Document No. 1318037.
11. Agreement dated January 15, 1985, filed as Document No. 1277750 to annex property to Declaration of Covenants, Conditions and Restrictions dated January 14, 1977, filed in said Office as Document No. 801577.
12. Reservations and exceptions as set forth in that certain Deed dated January 15, 1985, filed as Document No. 1277749.
13. Declaration as to Merger of Phases of Palehua Villas dated March 25, 1986, filed as Document No. 1361600.
14. Declaration of Horizontal Property Regime of Palehua Villas-Phase 1 and By-Laws of the Association of Apartment Owners of Palehua Villas-Phase 1, both dated April 7, 1986, filed as Document No. 1364689 and Document No. 1364690, respectively. Condominium Map No. 588 has been designated to the floor plans of the project.

STATUS OF THE PROJECT: The Developer reports that construction of the project was substantially completed on February 25, 1986.

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 July 16, 1984 and information subsequently filed as of April 25, 1986.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1620 filed with the Commission on July 16, 1984.

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



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
Federal Housing Administration
Escrow Agent

REGISTRATION NO. 1620

May 13, 1986

Disclosure Abstract
for
Palehua Villas-Phase 1

1. Name of Project: Palehua Villas-Phase 1
2. Address of Project: 92-1120, 92-1124 and 92-1128 Panana Street
Makakilo, Ewa Beach, Hawaii
3. Developer Information: Finance Realty Company, Limited
195 S. King Street
Honolulu, Hawaii 96813
Phone: 548-3347
4. Project Manager: There is no project manager but the
Managing Agent for the project is Mahalo Nui Management,
Inc., 195 S. King Street, Honolulu, Hawaii 96813 (Phone:
672-9112).
5. Maintenance Fees: Schedules of the estimated annual main-
tenance fees for the project and the estimated monthly
maintenance fee for each apartment type are attached hereto.
6. Warranties:
 - a. The Developer warrants against structural defects in
an individual apartment and in any common elements of
the project of which written notice is given to the
Developer by the apartment owner at any time within
one year from the date of substantial completion of
the project; as that term is defined in the construc-
tion contract for the project. If a purchaser's
mortgage loan is HUD-insured or VA-guaranteed, the
Developer will also issue to the purchaser a "Warranty
of Completion of Construction in Substantial Conformity
with Approved Plans and Specifications" on a HUD and
VA approved form.
 - b. Warranties on appliances furnished with an apartment
shall be assigned by the Developer and shall thereafter
run in favor of the apartment purchaser directly from
the manufacturer. These warranties will expire at
different times, depending on the date of installation
of the appliances. The Developer will assure each
purchaser only that the appliances are in working order
at the time of occupancy by the purchaser.
7. The project is a residential project and does not contain
any apartments for hotel use.
8. There is no commercial or non-residential development in
the project.
9. Approximately one dollar and eleven cents (\$1.11) per unit
per month will be assessed for Palehua Community Association
to be used for insurance, audit fees, taxes and maintenance
expenses. Also, a one time \$100.00 initiation fee per unit
will be assessed for the Palehua Community Association's
reserve fund.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ANNUAL OPERATING BUDGET FOR COOPERATIVE HOUSING CORPORATIONS

PROJECT NO.(S) _____ c/o MahaIo Nui Management, Inc.
PROJECT NAME PALEHUA VILLAS - Phase I ADDRESS 92-850 Makakilo Dr.; Ewa Beach, HI

COVERING PERIOD FROM _____ TO _____

EXPENSES	ACCT. NO.	1 Prior Year Budget	2 Prior Year Actual	3 Over (Under)	4 Adjustments Incr. (Decr.)	5 New Annual Budget	6 Adjustments By HUD
1. Vacancy & Collection Loss	6370						
2. Employee Apartment Rent	6330						
3. Apartment Resale Expense	6200						
4. Management Fee	6320					4093.44	
5. Legal Expense	6340						
6. Audit Expense	6350					300.00	
7. Telephone	6360					84.00	
8. Office & Adm. Salaries	6310						
9. Office Expenses <u>Supplies</u>	6311					441.93	
10. Misc. Administrative Exp.	6390						
11. Resident Mgr. Salary						3000.00	
12. Palenua Community Assn.						546.12	
13.							
14.							
15. Fuel	6420						
16. Electricity	6450					2542.00	
17. Water & Sewer	6451					10290.00	
18. Vehs & Equip. Oper. Exp.	6441					184.50	
19. Janitor's Payroll	6430						
20. Janitor's Supplies	6431						
21. Exterminating	6462						
22. Rubbish Removal	6470					3360.00	
23. Parking Area Expense	6480						
24.							
25.							
26.							
27. Grounds Maintenance	6520					365.51	
28. Painting & Decorating	6560						
29. Structural Repairs	6540						
30. Heating & Air Cond. Maint.	6510						
31. Plumbing Maintenance	6511						
32. Electrical Maintenance	6512						
33. Elevator Maintenance	6550						
34. Pool Maintenance	6521						
35. Maintenance Supplies	6515					861.00	
36. Maintenance Payroll	6585					4830.00	
37. Misc. Maintenance Repair	6590						
38.							
39. Real Estate Taxes	6710						
40. Employer's Payroll Taxes	6711					1109.85	
41. Miscellaneous Taxes G. E.	6719					59.45	
42. Property & Liability Insurance	6720					3635.00	
43. Workmen's Compensation	6721					1624.50	
44. Fidelity Bonds	6723						
45. Miscellaneous Insurance <u>TDI</u>	6729					50.00	
46. Medical Ins.						492.00	
47. Income Taxes						184.50	
48.							
49. Ground Rent	6815						
50. Mortgage Ins. Premium	6850						
51. Mortgage Interest	6820						
52. Mortgage Principal	7320						
53. Replacement Reserve	1320					6150.00	
54. General Operating Reserve	1345					1336.20	
55. Painting Reserve	1330						
56. Project Equipment Purch.	1470						
57. Capital Improvements	1400						
58. TOTAL EXPENSE						45540.00	

Column #4 reflects necessary or desirable increases and decreases over prior year's budget (Col. #1) to arrive at New Annual Budget (Col. #5). Carrying Charges and other budgeted income (line #68) must at least equal the total expenses on line #58. Lines 52-57 provide for capital contributions by members, in excess of their downpayments, and should be entered in the books thru Account #3241 (Paid-in Surplus). Surcharges received from over-income occupants in Section 221(d)(3) and Section 236 cases are not budget items and should not be reflected in any of the columns in Line 59 nor in the Schedule of Carrying Charges, but should be reflected in a separate Schedule. Additional instructions for the preparation of this form are contained in HUD Handbook HM 4371.2, the Uniform System of Accounts for Cooperative Housing Corporations. HUD-9324b

INCOME	ACCT. NO.	1 Prior Year Budget	2 Prior Year Actual	3 Over (Under)	4 Adjustments Incr. (Deer.)	5 New Annual Budget	6 Adjustments By HUD
59. Carrying Charges	5110					45540.00	
60. Late Charges	5910	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
61. Interest Income	5410						
62.							
63.							
64.							
65.							
66.							
67.							
68.							
TOTAL INCOME						45540.00	
69. TOTAL EXPENSE (Line 58)						45540.00	
70. INCOME OVER (UNDER) EXPENSE						---	

STATUS OF FUNDED RESERVES

	ACCT. NO.	Required to Date	Actual on Deposit	Excess (Deficiency)
A. Replacement Reserve	1320			
B. Gen. Opr. Reserve	1365			
C. Painting Reserve	3230			
D.				
E.				
F.				

PROVISION FOR REPAYMENT OF ANY DEFICIENCIES SHOULD BE INCLUDED IN LINES 53, 54 AND 55.

SCHEDULE OF CARRYING CHARGES

DESCRIPTION OF UNIT	PER UNIT Per Month	No. of Units of this Type	MONTHLY CARRYING CHGS.		ANNUAL CARRYING CHARGES	
			Prior Year	New Year	Prior Year	New Year
A & AR (2BR)	\$ 85.00	18		1530.00		18360.00
B & BR (2BR)	91.00	9		819.00		9228.00
C (2BR)	102.00	8		816.00		8792.00
D & DR (3BR)	105.00	6		630.00		7560.00
TOTALS		41		3795.00		45540.00

Unless otherwise indicated it is assumed that all utilities, maintenance and replacements are provided by the cooperative and are included in the above carrying charges. If any of these items are paid for directly by the member check below. (Specify any other items not listed)

Utilities: Fuel Electricity Water

Replacements: Range Refrigerator Air Cond. Garb. Disp.

Maintenances: Range Refrigerator Air Cond. Garb. Disp.

Explanatory comments, including management agents opinion as to adequacy of proposed new budget:

*One dollar and eleven cents (\$1.11) per unit per month is included in the maintenance fee for Palehua Community Association to be used for insurance, audit fees and maintenance fee. Also, a one time \$100.00 initial fee per unit will be assessed for the Palehua Community Association's reserve fund.

Prepared By: MAHALO NUI MANAGEMENT, INC.

[Signature]
Managing Agent Vice President

Date February 18, 1986

Approved: Roy T. Shimizu
Chief, Housing Mgt. Branch

[Signature]
(Signature and Title of Authorized Official)

Date 2/24/86

Approved: FINANCE REALTY CO. LTD.

[Signature]
Title Vice President & Treasurer
(On Behalf of Cooperative)

Date February 18, 1986

Approved as indicated in column 6:

[Signature]
(Signature and Title of Authorized Official)

Date

PALEHUA VILLAS

PHASE 1

Monthly Maintenance Fees

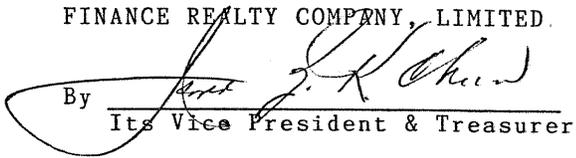
<u>Apartment Type</u>	<u>Maintenance Fee</u>
A/AR	\$ 85.00
B/BR	91.00
C	102.00
D/DR	105.00

The undersigned hereby certifies that the foregoing estimates of the Annual Operating Budget and monthly maintenance fees for Palehua Villas-Phase 1, were prepared in accordance with generally accepted accounting principles.

Dated: Honolulu, Hawaii; February 18, 1986.

FINANCE REALTY COMPANY, LIMITED.

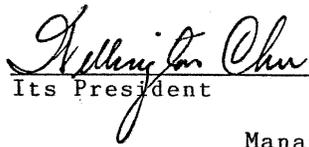
By


Its Vice President & Treasurer

Developer

MAHALO NUI MANAGEMENT, INC.

By


Its President

Managing Agent