

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

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

**FINAL
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

on
PUUALII, PHASE II, INCREMENT 2
Heeia, Koolaupoko, City and County of Honolulu
State of Hawaii

REGISTRATION NO. 1393

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: March 10, 1981

Expires: April 10, 1982

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following :

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 17, 1981 AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 26, 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. PUUALII, PHASE II, INCREMENT 2 is a leasehold condominium project consisting of fifty-eight (58) residential apartments, arranged throughout seven (7) separate apartment buildings (designated Buildings 20 through 26, inclusive) with one hundred and one (101) parking stalls (14 of which are guest stalls and 31 of which are compact stalls).
2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium project and issuance of this Final Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have been filed in the office of the recording officer. The Declaration is filed as Document No. 1054906 and in Liber 15346 at Page 5. The floor plans are filed as Land Court Condominium Map No. 450 and Condominium Map No. 787, hereinafter referred to as "Condominium Map".
4. Advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Hawaii Revised Statutes, Chapter 514A, as amended, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Final Public Report is made a part of the registration of PUUALII, PHASE II, INCREMENT 2 condominium project. The Developer has the responsibility of placing a true copy of the Final Public Report (white paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and obtaining a signed receipt for same.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, March 5, 1981 unless a Supplementary Public Report is published or the Commission, upon review of registration, issues an order extending the effective period of this report.

NAME OF PROJECT: PUUALII, PHASE II, INCREMENT 2

LOCATION: The approximate 3.958 acres of land committed to the regime is situated at Heeia, District of Koolaupoko, City and County of Honolulu, State of Hawaii.

TAX KEY: First Division, 4-6-02-8, 31 and 33 (portions).

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

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

The officers of SWIRE-McCORMACK LTD. are:

John Daniel Spink	President
F. Alan Fosler	Vice President
John Logan	Vice President/Assistant Secretary/Assistant Treasurer
C.E. Jeungling	Vice President
Rex W. Sorensen	Vice President
Michael T. McCormack	Vice President
Denis E. Johnson	Secretary/Treasurer

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

DESCRIPTION: The Declaration of Horizontal Property Regime reflects that the Project consists of fifty-eight (58) residential apartments arranged throughout seven (7) separate three-story buildings. Each apartment consists of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and measured vertically by the distance between the topside surface of the floor and the underside surface of the ceiling. The respective apartments are not deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed as common elements. Each apartment includes the adjacent lanai (and garden lanai, if applicable) shown on the Condominium Maps. Each apartment is deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the fixtures originally installed therein.

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

There are a total of twenty-nine (29) one-story apartments containing one (1) bedroom, one (1) bath, a kitchen, a living-dining area, a lanai and garden lanai; and twenty-nine (29) two-story apartments containing two (2) bedrooms, two (2) baths, a kitchen, a living-dining area and a lanai. The types of units consist of the following:

(a) Unit Types AR, A2, A2H, B, BR, BH, C, CR and CH each consists of one (1) bedroom, one (1) bath, a living-dining area, a kitchen, a lanai and a garden lanai.

(b) Unit Types A1R, A3, B1, B1R, C1 and C1R each consists of two (2) bedrooms, two (2) baths, a living-dining area, a kitchen and a lanai.

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

Each two-bedroom apartment has two (2) parking spaces assigned to it and each one-bedroom apartment has one (1) parking space assigned to it. There shall be a total of one hundred and one (101) parking stalls, including fourteen (14) guests parking stalls.

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

** Apt. No.	Parking Space Nos. Carport(C) /Open Stall (O)	Unit Type	No. of Rms.	No. of Flrs.	Approx. Sq. Ft. Living Area	Approx. Sq. Ft. Lanai	Approx. Sq. Ft. Garden Lanai	Approx. Total Square Feet	% of Common Interest
2011	32C(C)	A2	4	1	730	225	187	1,142	1.3682
2012	34C(C)	C	4	1	779	225	142	1,146	1.4601
2021	33C(C) & 37C(O)*	A3	6	2	1,085	128	-0-	1,213	2.0337
2022	35C(C) & 38C(O)*	C1	6	2	1,132	128	-0-	1,260	2.1217
2111	19C(C)	A2H	4	1	730	225	187	1,142	1.3682
2112	21C(C)	BH	4	1	729	225	142	1,096	1.3664
2113	23C(C)	BH	4	1	729	225	142	1,096	1.3664
2114	27C(C)	B	4	1	729	225	142	1,096	1.3664
2115	29C(C)	C	4	1	779	225	142	1,146	1.4601
2121	20C(C) & 25C(O)	A3	6	2	1,085	128	-0-	1,213	2.0337
2122	22C(C) & 24C(O)	B1	6	2	1,089	128	-0-	1,217	2.0412
2123	30C(C) & 26C(O)	B1	6	2	1,089	128	-0-	1,217	2.0412
2124	28C(C) & 31C(O)	B1	6	2	1,089	128	-0-	1,217	2.0412
2125	36C(C) & 39C(O)	C1	6	2	1,132	128	-0-	1,260	2.1217
2211	4C(C)*	A2	4	1	730	225	187	1,142	1.3682
2212	9C(C)*	B	4	1	729	225	142	1,096	1.3664
2213	2C(C)*	B	4	1	729	225	142	1,096	1.3664
2214	14C(C)*	B	4	1	729	225	142	1,096	1.3664
2215	12C(C)*	B	4	1	729	225	142	1,096	1.3664
2216	11C(C)*	C	4	1	779	225	142	1,146	1.4601
2221	5C(C)*& 6C(O)*	A3	6	2	1,085	128	-0-	1,213	2.0337
2222	7C(O)*& 8C(C)*	B1	6	2	1,089	128	-0-	1,217	2.0412
2223	1C(O)*& 3C(C)*	B1	6	2	1,089	128	-0-	1,217	2.0412
2224	15C(C)*& 16C(O)	B1	6	2	1,089	128	-0-	1,217	2.0412
2225	10C(C)*& 17C(O)	B1	6	2	1,089	128	-0-	1,217	2.0412
2226	13C(C)*& 18C(O)	C1	6	2	1,132	128	-0-	1,260	2.1217

** Apt. No.	Parking Space Nos. Carport(C) /Open Stall (O)	Unit Type	No. of Rms.	No. of Flrs.	Approx. Sq. Ft. Living Area	Approx. Sq. Ft. Lanai	Approx. Sq. Ft. Garden Lanai	Approx. Total Square Feet	% of Common Interest
2311	72A(C)	CR	4	1	779	225	142	1,146	1.4601
2312	76A(C)	BR	4	1	729	225	142	1,096	1.3664
2313	78A(C)	BR	4	1	729	225	142	1,096	1.3664
2314	80A(C)	AR	4	1	730	225	187	1,142	1.3682
2321	74A(C) & 75A(O)*	C1R	6	2	1,132	128	-0-	1,260	2.1217
2322	77A(C) & 83A(O)*	B1R	6	2	1,089	128	-0-	1,217	2.0412
2323	79A(C) & 81A(O)*	B1R	6	2	1,089	128	-0-	1,217	2.0412
2324	82A(C) & 84A(O)*	A1R	6	2	1,085	128	-0-	1,213	2.0337
2411	69A(C)	CR	4	1	779	225	142	1,146	1.4601
2412	65A(C)	BR	4	1	729	225	142	1,096	1.3664
2413	61A(C)	BR	4	1	729	225	142	1,096	1.3664
2414	53A(C)	BR	4	1	729	225	142	1,096	1.3664
2415	49A(C)	AR	4	1	730	225	187	1,142	1.3682
2421	57A(O) & 71A(C)	C1R	6	2	1,132	128	-0-	1,260	2.1217
2422	56A(C)*& 67A(C)	B1R	6	2	1,089	128	-0-	1,217	2.0412
2423	59A(O) & 63A(C)	B1R	6	2	1,089	128	-0-	1,217	2.0412
2424	55A(C) & 73A(O)	B1R	6	2	1,089	128	-0-	1,217	2.0412
2425	51A(C) & 70A(O)*	A1R	6	2	1,085	128	-0-	1,213	2.0337
2511	58A(C)	A2	4	1	730	225	187	1,142	1.3682
2512	62A(C)	B	4	1	729	225	142	1,096	1.3664
2513	66A(C)	C	4	1	779	225	142	1,146	1.4601
2521	45A(O)*& 60A(C)*	A3	6	2	1,805/1085	128	-0-	1,213	2.0337
2522	47A(O)*& 64A(C)*	B1	6	2	1,089	128	-0-	1,217	2.0412
2523	54A(O)*& 68A(C)	C1	6	2	1,132	128	-0-	1,260	2.1217
2611	34A(C)	A2H	4	1	730	225	187	1,142	1.3682
2612	36A(C)	BH	4	1	729	225	142	1,096	1.3664
2613	38A(C)	BH	4	1	729	225	142	1,096	1.3664
2614	40A(C)	CH	4	1	779	225	142	1,146	1.4602
2621	33A(O)*& 35A(C)	A3	6	2	1,085	128	-0-	1,213	2.0337
2622	37A(C) & 42A(O)*	B1	6	2	1,089	128	-0-	1,217	2.0412
2623	39A(C) & 43A(O)*	B1	6	2	1,089	128	-0-	1,217	2.0412
2624	41A(C) & 44A(O)	C1	6	2	1,132	128	-0-	1,260	2.1217

NOTE:

- * Compact
- ** Apartment numbers 2011 through 2012 inclusive and 2021 through 2022 inclusive are located at 46-064 Alii Kane Place.

Apartment numbers 2111 through 2115 inclusive and 2121 through 2125 inclusive are located at 46-058 Alii Kane Place.

Apartment numbers 2211 through 2216 inclusive and 2221 through 2226 inclusive are located at 46-048 Alii Kane Place.

Apartment numbers 2311 through 2314 inclusive and 2321 through 2324 inclusive are located at 46-160 Ki'owai Street.

Apartment numbers 2411 through 2415 inclusive and 2421 through 2425 inclusive are located at 46-158 Ki'owai Street.

Apartment numbers 2511 through 2513 inclusive and 2521 through 2523 inclusive are located at 46-154 Ki'owai Street.

Apartment numbers 2611 through 2614 inclusive and 2621 through 2624 inclusive are located at 46-146 Ki'owai Street.

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

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter and load-bearing walls, roofs, and walkways around and between said buildings;
- (c) All yards, grounds, landscaping, garden areas, roads, curbs, and like facilities;
- (d) All driveways and parking areas which are of common use by owners of more than one apartment;
- (e) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services, such as power, light, water, air conditioning, refuse, sewer, telephone and radio and television signal distribution;
- (f) Fourteen (14) guest automobile parking spaces designated on the Condominium Maps; and
- (g) Any and all apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.

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

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

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

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

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

OWNERSHIP OF TITLE: The preliminary report issued on February 11, 1981, by Security Title Corporation certifies that the Trustees of Bernice P. Bishop Estate have title to the land committed to the Project. By lease dated June 7, 1976, said Trustees leased the aforesaid property to Thomas Francis McCormack. A copy of said lease has been filed with the Real Estate Commission. By Master Construction Sublease dated June 7, 1976, said Trustees and Thomas Francis McCormack, as Lessors, leased the aforesaid property to Swire-McCormack Ltd., the Developer. Both lease and sublease are further described below.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report issued February 11, 1981 by Security Title Corporation identifies the following encumbrances on the land:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Nos. 1420 and 1559.
2. The terms and provisions of that certain Bishop Estate Lease No. 24,620 dated June 7, 1976, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 768125, and also recorded in the Bureau of Conveyances of the

State of Hawaii in Book 11460 Page 547, made by and between TRUSTEES OF THE ESTATE OF BERNICE PAUAHI BISHOP, as Lessor(s), to THOMAS FRANCIS McCORMACK, husband of Hilda Frances McCormack, as Lessee(s), for a term commencing from the first day of January, 1976; as amended by instrument dated June 3, 1977, filed as aforesaid as Document No. 838309, and also recorded as aforesaid in Book 12471 Page 444; as further amended by instrument dated March 6, 1978, filed as aforesaid as Document No. 872979, and also recorded as aforesaid in Book 12868 Page 431, and as further amended by instrument dated August 12, 1980, filed as aforesaid as Document No. 1035133, and also recorded as aforesaid in Book 15040 Page 29.

3. The terms and provisions of that certain Bishop Estate Sublease No. 24,620A dated June 7, 1976, filed as aforesaid as Document No. 768126, and also recorded as aforesaid in Book 11461 Page 1, made by and between TRUSTEES OF THE ESTATE OF BERNICE PAUAHI BISHOP, "Owners", and THOMAS FRANCES McCORMACK, husband of Hilda Frances McCormack, "Tenant", holder of the master lease dated June 7, 1976, filed as aforesaid as Document No. 768125, and also recorded as aforesaid in Book 11460 Page 547, as Lessor(s), to SWIRE-McCORMACK LTD., a Hawaii corporation, as Lessee(s), for a term of 61 years commencing from the first day of January, 1976; as amended by instrument dated June 6, 1977, filed as aforesaid as Document No. 838310, and also recorded as aforesaid in Book 12471 Page 451; as further amended by instrument dated March 6, 1978, filed as aforesaid as Document No. 872980, and also recorded as aforesaid in Book 12868 Page 440. Consent thereto filed as Document No. 872981 and also recorded in Book 12868 Page 444; as further amended by instrument dated August 12, 1980 filed as aforesaid as Document No. 1035134 and also recorded as aforesaid in Book 15040 Page 38. Consent thereto filed as Document No. 1035135 and also recorded in Book 15040 Page 41.
4. Grant dated September 30, 1977, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 839449, made by the TRUSTEES OF THE ESTATE OF BERNICE PAUAHI BISHOP, as Grantors, and THE CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, as Grantee, and THE BOARD OF WATER SUPPLY, City and County of Honolulu, as Board. Consents thereto filed as Document Nos. 839450, 839451 and 839452.
5. Mortgage dated June 9, 1976, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 768534, and also recorded on June 14, 1976 in the Bureau of Conveyances of the State of Hawaii in Book 11465 Page 261, made by SWIRE-McCORMACK LTD., as Mortgagor(s), to SWIRE PROPERTIES (Netherlands) B. V., as Mortgagee(s), to secure the repayment of the sum of \$1,000,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to.
6. Mortgage dated December 2, 1976, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 793973, and also recorded on December 14, 1976 in the Bureau of Conveyances of the State of Hawaii in Book 11880 Page 42, made by SWIRE-McCORMACK LTD., as Mortgagor(s), to SWIRE PROPERTIES (Netherlands) B. V., as Mortgagee(s), to secure the repayment of

the sum of \$2,400,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to.

By instrument dated January 24, 1978, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 861373, and also recorded on February 22, 1978, in the Bureau of Conveyances of the State of Hawaii in Book 12732 Page 205, the foregoing Mortgage was subordinated to the lien of that certain mortgage next hereinafter described.

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

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

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

8. Designation of Easements 626, 627, 628, 629, 630 and 631, all as shown on Map 194 of Land Court Application No. 1100 and set forth in Land Court Order No. 57482, filed August 20, 1980.
9. Easements E, F and 2 for road access and utility purposes over 6,457 square feet, 2,459 square feet and 145 square feet, respectively.
10. Declaration of Horizontal Property Regime of PuuAlii, Phase II, Increment 2 dated December 4, 1980, filed as aforesaid as Document No. 1054906, and also recorded as aforesaid in Book 15346 at Page 5 and the By-Laws attached thereto.
11. Condominium Map Nos. 450 and 787 filed in said Office of the Assistant Registrar and in said Bureau of Conveyances, respectively.
12. Declaration of Perpetual Covenants, Conditions and Restrictions for PuuAlii dated May 12, 1977, filed in said Office of the Assistant Registrar as Document No. 838312, and also recorded on October 4, 1977 in said Bureau of Conveyances in Book 12471 Page 469

and as amended by that certain Supplemental Declaration No. 1 for PuuAlii dated August 12, 1980, filed in said Office of the Assistant Registrar as Document No. 1030939, and recorded in said Bureau of Conveyances in Liber 14982 at Page 256.

13. Declaration as to Merger of Increments in a Condominium Project dated August 12, 1980, filed in said Office of the Assistant Registrar Document No. 1030940, and also recorded in said Bureau of Conveyances in Liber 14982 at Page 275.
14. Grant of Easement dated March 28, 1980 in favor of Hawaiian Electric Co. and recorded in the Land Court as Document No. 1015924 and in said Bureau in Book 14776, Page 334.
15. Real Property taxes as may be due and owing. For further information, check with the Tax Assessor, First Division.

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

The Developer has advised the Commission that appropriate easements will be granted to public utilities and others for the construction, installation, operation, maintenance, repair and replacement of lines and other transmission facilities and appurtenances for electricity, gas, telephone, radio and television signal distribution and other services and utilities which may be necessary in order to serve the property.

MERGER OF INCREMENTS; RESTRICTIVE COVENANTS: The Developer has placed on record a Declaration as to Merger of Increments in a Condominium Project. Said Declaration will affect the Project and approximately 2.313 acres of additional property. In addition, the Developer has placed on record a Declaration of Covenants, Conditions and Restrictions for PuuAlii and Supplemental Declaration No. 1 for PuuAlii affecting the Project.

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

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

The Declaration of Covenants, Conditions and Restrictions provides, among other things, for mandatory membership of each purchaser in the PuuAlii Community Association, which is created primarily to provide for the management, maintenance, protection, preservation, architectural control and development of "Association Property" (consisting of this Project and 15.141 additional acres), 3.796 acres of "Recreation Property", and any additional adjacent properties added to either category.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated January 21, 1981 identifies Security Title Corporation, a Hawaii corporation, as Escrow Agent. On examination the specimen Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514A, and particularly Sections 514A-37, 514A-39, 514A-40, 514A-63 through 514A-66 and 514A-105.

Among other provisions, the executed Escrow Agreement states that a purchaser under a Receipt and Sales Contract shall have the right to cancel his agreement to purchase and to obtain a refund of all moneys held by Escrow which were paid by such purchaser under such sales agreement if (a) (i) the Final Public Report is not issued by the Real Estate Commission within one (1) year from the date of issuance of the Preliminary Public Report, or (ii) there is any change in the condominium building plans subsequent to the execution of the Receipt and Sales Contract and prior to the issuance of said Final Public Report, which change requires the approval of a county officer having jurisdiction over issuance of permits for construction of buildings, and Seller fails to obtain the purchaser's written approval or acceptance of the specific change (unless ninety (90) days have elapsed since the purchaser has accepted in writing the apartment or he first occupied the apartment), or (iii) the Final Public Report differs in any material respect from the Preliminary Public Report, and (b) the purchaser delivers notice in writing to Seller and Escrow cancelling the Receipt and Sales Contract and requesting such refund prior to the expiration of thirty (30) days after the occurrence of any of the foregoing conditions.

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

PROGRAM OF FINANCING: The Developer has received loans from SWIRE PROPERTIES (Netherlands) B. V. and from Bank of Hawaii. The documents for the aforesaid loans and the Developer's Statement of Financing for the completion of the Project have been forwarded to the Commission and may be reviewed there.

MANAGEMENT AND OPERATIONS: The Developer has advised the Commission that it has entered into an Agency and Property Management Agreement with Certified Management, a division of A R Corporation, a Hawaii corporation, whose principal place of business and post office address is 98-1238 Kaahumanu Street, Suite 404, P. O. Box 547, Pearl City, Hawaii 96782.

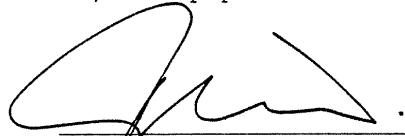
THE DEVELOPER AND ITS AGENTS ARE NOT OFFERING TO PROVIDE SERVICES RELATING TO THE SALE OR RENTAL OF APARTMENTS PURCHASED IN THE PROJECT, AND NO REPRESENTATION OR REFERENCE TO THAT EFFECT HAS BEEN OR WILL BE MADE BY OR ON BEHALF OF THE DEVELOPER.

STATUS OF PROJECT: The Developer has advised the Commission that it entered into a construction contract with CAWDREY-MARS-GENERAL on August 11, 1980, and that the estimated time of substantial completion of construction of the total Project is on or about July 1, 1981.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted on February 17, 1981 and information subsequently filed as of February 26, 1981.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1393 filed with the Commission February 17, 1981.

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

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ESCROW AGENT

REGISTRATION NO. 1393

March 10, 1981