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
PALOLO GARDEN
2138-2140 10th Avenue
Honolulu, Hawaii

REGISTRATION NO. 423

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: January 3, 1972
Expires: February 3, 1973

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED NOVEMBER 26, 1971, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS LATE AS JANUARY 3, 1972. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. Palolo Garden is a fee simple condominium project situated on 61,864 square feet of fee simple land and consisting of a five (5) story building having a total of twenty-nine (29) apartment units, 6 single family houses and a duplex for a total of thirty-seven (37) apartments. The five (5) story building, 6 single family houses and duplex units were completed on May 22, 1970. All apartment units have been occupied as rental units since their completion. There are fifty-nine (59) parking stalls available, of which eight (8) are covered carports assigned to the single family houses and duplex apartment units.

2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and issuance of this Final Public Report.

3. The Commission has determined that the basic documents (Declaration of Horizontal Property Regime, with the By-laws of Association of Apartment Owners attached, and a copy of the approved Floor Plans) have been filed in the office of the recording officer.

   The Declaration and By-laws dated December 20, 1971 have been filed in the Office of the Assistant Registrar of the Land Court as Document No. 563772. The Assistant Registrar has designated Condominium Map No. 125 to the project.

   The Declaration and By-laws were also recorded in the Bureau of Conveyances in Book 8025, Page 135. The Bureau of Conveyances has designated Condominium Map No. 212 to the project.

4. No advertising or promotional matter has been filed 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 the Horizontal Property Act, Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, January 3, 1972, unless the Commission, upon review of the registration, issues an order extending the period of this report.

NAME OF PROJECT: PALOLO GARDEN

LOCATION: 2138-2140 10th Avenue, Honolulu, Hawaii

TAX MAP KEY: 3-4-2-5,40,41; 3-4-3-6

ZONING: B-2 Community Business

DEVELOPER: VALLEY HI JOINT VENTURE, comprised of: Palolo Land Co., Ltd., C.E.I. Company, Ltd., and ELA-FLO-MAY, Inc., all Hawaii corporations, the principal place of business and post office address of each is 164 North Judd Street, Honolulu, Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Conroy & Hamilton (Attention: Dwight M. Rush and Ken Harimoto), 2000 Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813, Phone: 521-2611.

DESCRIPTION: The Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of a five (5) story hollow concrete block building, six (6) single family houses constructed principally of wood, and a duplex, also constructed principally of wood. There will be thirty-seven (37) freehold estates designated in the space within the perimeter walls of each of the thirty-seven (37) apartment units contained in the project, which spaces, referred to herein as "apartments", are designated on said plans and described as follows:

1. Five-Story Building.

   (a) There are 29 apartments in the five-story building, 6 units on each floor, except the first floor wherein the apartment designated 101 ("Laundry Room") on said plans is hereinbelow designated a common element. Apartments 102 to 106, inclusive, are located on the first floor; apartments 201 to 206, inclusive, are located on the second floor; apartments 301 to 306, inclusive, are located on the third floor; apartments 401 to 406, inclusive, are located on the fourth floor; and apartments 501 to 506, inclusive, are located on the fifth floor.

   (b) The apartments in the five-story building are all constructed according to the same floor plan, each consisting of a living

room-bedroom studio area (divided by a bi-fold room divider), 1 bathroom and a kitchenette, and each contains a floor area of approximately 392 square feet.

2. Houses and Duplex.

   (a) The apartment designated 2138 on said plans is a single-family dwelling consisting of 3 bedrooms, 1 bathroom, a living room, combined kitchen and dining room, a basement containing 512 square feet, an attached carport containing 200 square feet, and a privacy area containing 528 square feet, and contains a total area of approximately 1664 square feet, including the basement, carport and privacy areas.

   (b) The apartment designated on said plans as 2138-A is a single-family dwelling consisting of 2 bedrooms, 1 bathroom, a kitchen, a living room, an attached carport containing 180 square feet and a privacy area of 270 square feet, and contains a total area of approximately 1117 square feet, including the carport and privacy areas.

   (c) Apartments 2138-B, 2138-E, 2138-F and 2138-G each contains 3 bedrooms, 1 bathroom, a living room, kitchen, an attached carport containing an area of 260 square feet, also containing a laundry and toilet, and privacy areas of 1493, 1314, 1552 and 609 square feet, respectively, and total areas, respectively, of approximately 2503, 2324, 2562 and 1619 square feet, including the carport and privacy areas.

   (d) Apartments 2138-C and 2138-D are duplex units and each contains 1 bedroom, 1 bathroom, a combined living-dining area and kitchenette, a balcony, an attached carport containing 220 square feet and a privacy area of approximately 1222 square feet, including the carport and privacy areas.

3. Each apartment in the five-story building has access to the main corridor of the building on the floor on which it is located leading to the elevators which connect to the grounds of the project; all other apartments have direct access to the grounds of the Project.

4. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve any other apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein. Apartments 2138, 2138-A to 2138-G, inclusive, shall be deemed to include the privacy areas adjacent thereto as delineated on said plans in green, and the spaces enclosed by and within, but not including, the outside surfaces of the exterior walls and roofs and the plane of the bottom surfaces of the footings, foundations and supporting structures of each of them.

COMMON ELEMENTS: One freehold estate is hereby designated in all remaining portions of the project, herein called the "common elements", including specifically but not limited to:

1. Said land in fee simple;

2. All foundations, columns, beams, supports, load-bearing walls, roofs, chases, entry halls, stairs, walkways, entrances and exists of the five-story building and the outside surfaces of the exterior walls and roofs and the plane of the bottom surfaces of the footings, foundations and supporting structures of each of the houses and duplex units.

3. All yards, grounds, landscaping, refuse and service areas, and trash disposal equipment;

4. Parking areas and driveways; provided, however, that the right to use parking spaces in the parking areas may be rented or assigned for the exclusive use of certain apartments or otherwise disposed of by the Association under such terms and conditions as it determines; provided, further, that the single-family and duplex units shall be deemed to include the carports attached thereto;

5. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any;

6. One automatic electric passenger elevator with elevator housing and appurtenant equipment located in the five-story building; and

7. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

1. Each entry hallway adjoining an apartment or apartments shall be appurtenant to and for the exclusive use of such apartment or apartments which it adjoins; and

2. The corridors and elevator lobbies on any apartment floor of the five-story building above the first floor shall be appurtenant to and for the exclusive use of the apartments on such floor.

INTEREST TO BE CONVEYED TO PURCHASERS: The Declaration states that each apartment shall have appurtenant thereto an undivided 1/37th fractional interest (2.702+ percentage interest) in the common elements of the project. Such interest is hereby defined and referred to herein as the "common interest". The proportionate shares of the profits and common expenses of the Project and the proportionate representation for voting purposes in the Association of Apartment Owners of the Project, shall be in said percentage for each apartment.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the apartments shall be occupied and used as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartments are provided customary hotel services, such as room service for food and beverage, maid service, laundry and linen, or bellboy service. Except for such transient or hotel purposes, the owners of the respective apartments shall have the absolute right to lease the same subject to the limitations, restrictions, covenants and conditions of the Declaration, and to further restrictions contained in the By-laws for the project prohibiting children under 14 years of age and pets from occupying any apartment.

OWNERSHIP OF TITLE: The Developer in its Notice of Intention represents that the owner of the fee simple title to the property committed to the project is Palolo Land Co., Ltd., a Hawaii corporation, said property having been conveyed to it by ELA-FLO-MAY, INC., and C.E.I. COMPANY, LTD. (as to Parcels First, Second and Third), by Deed dated September 30, 1969, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 484954, and, as to Parcel Fourth, by Joseph P. Kaua, by Deed dated February 21, 1966, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5263, Page 217.

ENCUMBRANCES AGAINST TITLE: A Certificate of Title dated October 12, 1971, and a Continuation of Certificate of Title dated December 27, 1971 issued by Long & Melone, Ltd., as submitted to the Commission, provides that the following are encumbrances against title to the property:

1. The rights of the State of Hawaii in the water rights and water ways, which said rights are expressly excluded from this title, as mentioned in Transfer Certificates of Title Numbered 105,643; 103,675; and 104,030. (As to Tax Map Key: 3-4-2-41, 40 and 5 only.)

2. Designation of Easement 6 over Lots 336-B and 337-B, as shown on Maps 189, 270 and 305, respectively, as set forth by Land Court Order No. 15128, filed January 18, 1957. (As to Tax Map Key: 3-4-2-41 and 5 only.)

3. Grant dated May 6, 1932, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 26333, in favor of the CITY AND COUNTY OF HONOLULU, a cipal corporation, granting the right, privilege and authority to construct, operate and perpetually maintain a sewer main as part of a sanitary sewer system, through, under, over and across Lot A-2-B, and Easement 6 over Lots 336-B and 337-B. As to Tax Map Key: 3-4-2-41, 40 and 5 only.

4. RESERVING to the State of Hawaii, its successors and assigns, the Waiomao Stream and all reparian and other rights in and to said stream and the waters thereof; said Waiomao Stream being shown on plan attached hereto and made a part hereof.

   ALSO SUBJECT to perpetual easements for sanitary sewer purposes in favor of the City and County of Honolulu, over, under and across the above-described parcel of land, and as shown on plan attached hereto and made a part hereof.

   RESERVING ALSO to the State of Hawaii, its successors and assigns, in perpetuity, all minerals and surface and ground waters appurtenant to the land described, together with the right to enter, sever and remove minerals to or develop, capture, divert or impound water; provided that the State shall pay just compensation to the surface owner for improvements taken as a condition precedent to the exercise of such reserved rights.

   THE PATENTEE, for himself, his heirs and assigns, covenants that the use and enjoyment of the land herein granted shall not be in support of any policy which discriminates against anyone based upon race, creed, color or national origin, as contained in that certain Land Patent (Grant) No. S-14,453 dated February 18, 1966. (As to Tax Map Key: 3-4-3-6 only.)

5. A perpetual easement in favor of the City and County of Honolulu, a municipal corporation, for pedestrian access over and across Parcel A-2, being a portion of Lot 1 of the Palolo Homestead Leases and being also a portion of Grant S-14,453 to Joseph Kaua and including a portion of Waiomao Stream, situate at Waiomao, Palolo Valley, Honolulu, Oahu, Hawaii, as granted by instrument dated July 1, 1969, recorded on July 3, 1969 in the Bureau of Conveyances of the State of Hawaii in Book 6582, Page 470. (As to Tax Map Key: 3-4-3-6 only.)

6. Mortgage dated September 30, 1971, filed as Document No. 555010, and also recorded in Liber 7868, Page 390, from Palolo Land Co., Ltd. to Pacific Savings and Loan Association. To secure: $483,000.

7. Declaration of Horizontal Property Regime of Palolo Garden, dated December 20, 1971, filed in the Office of the Assistant Registrar of the Land Court as Document No. 563772, Condominium Map No. 125; and also recorded in the Bureau of Conveyances in Book 8025, Page 135, Condominium Map No. 212.

8. Real Property Taxes for the first half of the fiscal year 1971 - 1972 have been paid.

PURCHASE MONEY HANDLING: No formal Escrow Agreement is necessary since construction of the project has been completed.

MANAGEMENT OF THE PROJECT: The By-laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. Samuro Ichinose has been identified as the initial managing agent.

STATUS OF PROJECT: Construction of the project was completed on May 22, 1970.

OWNER'S AND DEVELOPER'S RESERVED RIGHT TO ALTER AND AMEND THE PROJECT: The prospective purchaser should be advised that, by the terms and provision of the Declaration, the Owner and Developer shall have the right at their sole option to amend the Project at any time up to, but not later than December 31, 1976, by the construction and addition to the Project of up to 17 additional apartment units with supporting and servicing common elements, substantially as described in Exhibit "B" attached thereto and on the condominium file plan filed therewith, by the construction of a 2-story duplex consisting of a 3-bedroom unit on each floor and the addition of 11 studio and 4 2-bedroom units to the 5-story building, such addition to be effective upon the execution and recordation by the Owner and Developer of an amendment to the Declaration together with a map or plans describing such addition; provided, however, that Owner and Developer shall not require the alteration or destruction of any existing apartment units. The Owner shall for all purposes be deemed the "apartment owner" as to such additional apartments.

In connection with the creation of such additional apartment units and common elements, the Owner and Developer shall have the right to decrease, pro rata, the common interest appurtenant to each apartment established hereby to the extent necessary to effectuate an equal allocation of common interests between and among all apartments of the Project, as amended, so that each apartment shall then have a fractional common interest of 1/54 (1.8518+ percentage interest); to remove, amend or add common elements; to remove, amend or add parking spaces; to enter upon the Project premises with employees, agents and contractors for all purposes reasonably necessary for or useful to construction and completing said additional apartment units and common elements according to plans and specifications or amended plans and specifications approved by the officer of the City and County of Honolulu having jurisdiction over the issuance of building permits, after having recorded amendments to the Declaration and condominium file plan and also having obtained a performance and payment bond in a sum of one hundred percent (100%) of the cost of construction naming all apartment owners as their interests may appear as obligees; to connect the said apartment units and additional common elements to utilities of the Project; to file amendments to the Declaration for purposes of certifying condominium file plans filed as reflecting the improvements shown therein to be "as built"; and to sell or designate grantees of the said additional apartment units and their appurtenant common elements.

In the event of such an amendment to the Declaration, each owner of an added apartment unit shall be required to advance to the Association upon filing of the final Amended Declaration with the "as built" certification of an architect or engineer an amount equal to the average existing apartment unit's share of funds on deposit with the Association for operation of the Project including the Maintenance Reserve Fund.

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 November 26, 1971, and additional information subsequently filed as late as January 3, 1972.

This is a FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of Registration No. 423 filed with the Commission November 26, 1971.

This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be white.

For DOUGLAS R. SODETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 423

January 10, 1972