

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

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

on
PARKER MANOR
Waimea
Island and County of Hawaii

REGISTRATION NO. 472

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: September 5, 1972
Expires: October 5, 1973

SPECIAL ATTENTION

A comprehensive reading of the report 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 JULY 12, 1972, AND ADDITIONAL INFORMATION FILED ON AUGUST 29, 1972. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO PRE-SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT AND AMENDMENTS THERETO BY ACT 244 (L. 1967) EFFECTIVE JUNE 6, 1967.

1. PARKER MANOR is the initial registration of a proposed leasehold condominium complex programmed by long-range planning, ultimately to include three development phases, which

shall be merged from time to time. This offering--i.e., the first increment--consists of eighteen (18) residential apartments arranged throughout three (3) two-story townhouse buildings, all in accordance with the Declaration of Horizontal Property Regime and the site, floor and elevation plans filed with the Commission and to be filed in the Bureau of Conveyances of the State of Hawaii. All of the apartments will be sold upon and subject to the terms and provisions of 68-year apartment leases to be issued by Richard P. Smart, the landowner, a specimen copy of which is also filed with the Commission. The specimen sales contract for the residential apartments provide that the term of each residential lease commences and the rents begin to accrue upon a second publication of the notice of completion of the project. There will be thirty-three (33) parking stalls in the project, eighteen of which will be specifically assigned to individual apartments, as a limited common element appurtenant to and for the exclusive use of each apartment so that the buyer of each residential apartment will have parking rights for at least one car per unit. Additionally, for additional consideration, the exclusive license to use an additional parking space may be granted to a buyer of any apartment on a first come--first served basis.

2. The Developer has filed all documents and exhibits deemed necessary by the Commission for the registration of the horizontal property regime venture and the issuance of a preliminary public report.
3. No promotional or advertising material have been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved site, floor and elevation plans) have not been recorded in the Bureau of Conveyances of the State of Hawaii.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the condominium rules and regulations which relate to horizontal property regimes.

6. This preliminary public report automatically expires thirteen (13) months after the date of issuance, September 5, 1972, unless a final public report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: PARKER MANOR

LOCATION: The land submitted to the Regime, approximately 1.819 acres, is situate on the northwesterly side of Mamalahoa Highway, the principal thoroughfare, at Waimea, Island, County and State of Hawaii.

TAX KEY: THIRD DIVISION 6-5-04- Portion of Parcel 14. The Planning Department of the County of Hawaii has granted approval of the subdivision of said portion of said Tax Key as Lot "A".

ZONING: Village Commercial (CV-7.5).

DEVELOPER: K. M. YOUNG & ASSOCIATES, INC., a Hawaii corporation, Suite 910, 1441 Kapiolani Boulevard, Honolulu, Hawaii 96814, Telephone 941-4477.

ATTORNEY REPRESENTING DEVELOPER: Carlsmith, Carlsmith, Wichman and Case, (Attention: Robert E. Warner, Esq.), 810 Richards Street, Honolulu, Hawaii, Telephone 531-2071.

DESCRIPTION: The land will be improved, according to the Developer's plans and intention to sell, by constructing thereon three (3) separate townhouse apartment buildings, each with two stories (including the ground level) but without any basement. The buildings are numbered 1, 2 and 3. Each apartment building is constructed principally of concrete floor slabs on the ground floor, and the remainder of wood, plywood siding, wall board, wood shake roofing and related materials.

Each building contains six (6) apartments, consisting of four (4) two-story, two-bedroom apartments and two (2) one-story, one-bedroom apartments. The apartments in Building 1 are numbered 1-A through 1-F inclusive; the apartments in Building 2 are numbered 2-A through 2-F inclusive; and the apartments in Building 3 are numbered 3-A through 3-F inclusive. Each apartment containing the letter "A", "B", "E" or "F" is a two-bedroom apartment. Each apartment containing the letter "C" or "D" is a one bedroom apartment.

Each two-bedroom apartment has the same area and configuration as every other two-bedroom apartment, except that some are the mirror image of others. Each two-bedroom

apartment includes a living-dining room, kitchen, storage area, laundry area, entry way on the ground floor, and on the second floor, two bedrooms (each with a closet), a bathroom, a storage closet and a hallway.

Each one-bedroom apartment has the same area and configuration as every other one-bedroom apartment, except that some are the mirror image of others, aside from the location of the door leading to the garage. Each one-bedroom apartment includes, on the ground floor, a living-dining room, a kitchen, a bedroom with adjoining closet, a bathroom, storage area and laundry area.

Each apartment will be equipped with a range, oven, range hood, refrigerator, garbage disposal, water heater, dishwasher, clothes washer, clothes dryer, and a fireplace or a heater, as the Developer shall designate.

Each apartment shall include all walls and partitions, and in the case of the two-bedroom apartments the stairways from the first floor to the second floor within its perimeters; the interior half of all perimeter walls which are also party walls; all the perimeter walls which are not party walls; the floor surface on the ground floor, concrete floor slabs; all doors, glass windows or panels along the perimeter; the interior exposed or finished surface of the ceiling over the second floor and over that portion of the first floor over which there is no second story in the case of the two-bedroom apartments or over the first floor in the case of the one-bedroom apartments; and all air space encompassed within the apartment.

AREA, PERCENTAGE INTEREST OF APARTMENTS: Each apartment has immediate access to an entry area on the grounds and also to the covered garage area, designated as a limited common element appurtenant to and for the exclusive use of such apartment.

The area and undivided percentage interest ownership in the common elements of each apartment is as follows:

<u>APARTMENT NUMBER</u>	<u>AREA IN SQUARE FEET</u>	<u>UNDIVIDED PERCENTAGE INTEREST</u>
(Building 1)		
1-A	965	6.22
1-B	965	6.23
1-C	652	4.21
1-D	652	4.21
1-E	965	6.23
1-F	965	6.22

(Building 2)

2-A	965	6.23
2-B	965	6.23
2-C	652	4.21
2-D	652	4.21
2-E	965	6.23
2-F	965	6.23

(Building 3)

3-A	965	6.23
3-B	965	6.23
3-C	652	4.21
3-D	652	4.21
3-E	965	6.23
3-F	965	6.23

The Declaration provides that each undivided percentage interest ownership in the common elements appurtenant to each apartment shall be reduced from time to time upon any merger of this increment with any additional increment(s) as follows: each apartment in each of the merged increments shall have appurtenant thereto an undivided interest in the common elements of all of the merged increments in the same proportion such apartment's square footage bears to the total square footage of all the apartments included in the merged increments.

COMMON ELEMENTS: The common elements will include the limited common elements described below, and all other portions of the land and improvements other than the apartments, including the apartment buildings, the land on which they are located and all elements mentioned in the Horizontal Property Act, which are actually constructed on the land described herein, and specifically shall include, but shall not be limited to: (a) Property in fee simple; (b) all foundations, concrete slabs on ground floors (except for the floor surface thereof within each apartment), supports, perimeter walls (except the inner decorated or finished surfaces of perimeter walls), roofs, and all other walls and structural portions of each building which are not within any apartment; (c) all entry areas, outside walkways, parking areas, planted areas, grounds, driveways, a garden building and garden area, a trash area and roadways; (d) all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

The Declaration provides that upon any merger from time to time of this initial development with the programmed second and/or third increments, all the common elements, including all the limited common elements, in such additional increment(s) shall become common elements of this initial development, and all the common elements, including all the limited common elements, of this initial development shall become common elements of such additional increment(s), and the apartments in each of the merged increments shall have the right to use the common elements of said increments to the same extent and subject to the same limitations as are imposed upon each apartment in each increment just as though the merged increments had been developed as one increment.

LIMITED COMMON ELEMENTS: The limited common elements will include (a) the entry area to each apartment which shall be appurtenant to and for the exclusive use of such apartment; (b) a covered garage space which shall be appurtenant to and for the exclusive use of each apartment; (c) each building shall be appurtenant to and for the exclusive uses of the apartments contained therein; and (d) a "Shelf-Sink" space which shall be appurtenant to and for the exclusive use of each apartment that abuts the "Garage Corridor" off which the "Shelf-Sink" space is located.

USE: The Declaration states that the apartments may be occupied and used only as permanent single family residences, but that the owner may sublease or rent the apartment, including the right to rent on a short-term or transient basis. The Declaration provides that each apartment owner shall not use his apartment for any purpose which will injure the reputation of the Project, or suffer anything to be done or kept in his apartment or elsewhere in the Project which will (a) jeopardize the soundness of any building or the premises, (b) interfere with or unreasonably disturb the rights of others, (c) obstruct the roadways, walkways or common driveways in the Project, (d) increase the rate of fire insurance on any building or the contents thereof, or (e) reduce the value of the premises. The use of each apartment is subject also to the By-Laws attached to the Declaration and to the House Rules, all of which are filed with the Commission.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment will have the undivided percentage interest, called herein its "common interest" in the common elements and in the common profits and expenses and for all other purposes including voting, as set forth above in those paragraphs under the heading "AREA AND PERCENTAGE INTEREST OF APARTMENTS", subject to the reduction upon any merger from time to time of this increment with any additional increment(s) as set forth in the Declaration and described under said heading. However, the apartments in any one of the merged increments shall not be assessed nor shall they have any obligation with respect to debts or obligations incurred or accrued prior to the effective date of the merger with respect to any other increment.

OWNERSHIP TO TITLE: The notice of intention reflects that title to the land is vested in Richard P. Smart, and is subject to an unrecorded option to lease to the Developer dated July 3, 1972. The Owner's Certificate of Title prepared May 16, 1967, by Title Guaranty of Hawaii, verifies that Richard P. Smart is the title owner. The Developer states his intention to presell the apartments based on a preliminary public report prior to executing the option, and upon securing satisfactory presales to insure the success of PARKER MANOR, the option will be exercised.

ENCUMBRANCES AGAINST TITLE: In addition to the option to lease set forth above, the Owner's Certificate of Title on the property reflects: Mortgage (covering additional properties also) from Richard P. Smart, as Mortgagor, to the Federal Land Bank of Berkeley, as Mortgagee, dated October 14, 1965, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5178, Page 297, in the amount of \$4,750,000.00. (The notice of intention reflects that the fee owner, Mr. Richard P. Smart, will release the land from the lien of this mortgage prior to conveyances to purchasers.) For any Taxes that may be due and owing and a lien on the lands, reference is made to the Tax Assessor of the Third Division.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement, dated July 10, 1972, between Title Guaranty Escrow Services, Inc., as "Escrow" and Developer has been filed with the Commission. On examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, as amended.

It is incumbent upon the purchaser and the prospective purchaser that he reads with care the sales contract and the executed escrow agreement. The latter establishes how the proceeds from the sale of residential apartments are placed in trust, as well as the retention, disbursement, and refund of said trust fund.

MANAGEMENT OF THE PROJECT: The By-Laws of the Association of Apartment Owners vest in the board of directors the power and duties necessary for the administration of the overall affairs of the Project, and that the board of directors has the responsibility of employing, at all times, a Hawaii corporation as a managing agent to manage and control the property. The notice of intention identifies the Developer as the manager-nominee. Upon any merger from time to time of this increment with any additional increment(s), the apartment owners of the merged increments shall constitute one Association of Owners and shall elect a new board of directors, both in the manner provided for by the By-Laws.

MERGER: The Declaration provides for a merger of this increment with any additional increment(s) at the option of Developer upon (i) the filing of a Declaration of Horizontal Property Regime containing an appropriate merger provision for such additional increment(s) in the Bureau of Conveyances

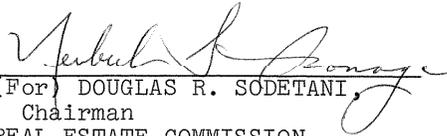
of the State of Hawaii, (ii) the issuance of a letter from any Title Insurance Company registered to do business in the State of Hawaii dated forty-six (46) days after the date of the filing in the Third Circuit Court of the State of Hawaii of an Affidavit of Publication of Notice of Completion of such additional increments, which letter shall certify that the period has expired within which mechanic's and materialmen's liens may be filed upon said additional increment pursuant to Chapter 507, Part II of the Hawaii Revised Statutes, as amended from time to time, and that no such lien has been filed or that if any such lien has been filed, that such lien has been discharged or released pursuant to Section 507-45 of said Chapter or otherwise; (iii) the filing in said Bureau of an amendment to such Declaration by Fee Owner and Lessee with an "as built" certificate; and (iv) the filing in said Bureau of an amendment to such Declaration by the Lessee containing a statement that by such amendment such merger is effected, with a copy of said Affidavit of Publication of Notice of Completion, file-stamped by the Clerk of the Third Circuit Court, and with a copy of said letter of certification. Developer and the land owner reserve the right to amend the Declaration to file from time to time Exhibit(s) setting forth the revised undivided percentage interest ownership in the common elements of the merger increments appurtenant to each apartment and a description of the land added as a common element. The effects of any merger are set forth under the headings "AREA AND PERCENTAGE INTEREST OF APARTMENTS", "INTEREST TO BE CONVEYED TO PURCHASER" and "MANAGEMENT OF THE PROJECT". To effect any merger, the Developer reserves the right to relocate the parking area adjacent to Building 3, and reserves an easement over the land comprising the Project, together with the right to redesignate such easement from time to time, but otherwise the development of any additional increment(s) shall not require the alteration or demolition of any existing part or building of PARKER MANOR.

STATUS OF THE PROJECT: The Developer in his notice of intention to sell states that the contractor is Gentry-Hawaii Limited, and that construction of the Project will start upon reaching 83-1/3 percentage presales of the units. The sales contract states that if less than 15 residential apartments are sold prior to February 28, 1973, Developer may at its option cancel all sales contracts, refund all amounts paid by buyers, and terminate the Project. The Developer estimates the construction on the Project will start on November 30, 1972, and it is estimated that the Project will be completed for occupancy by June, 1973.

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 July 12, 1972, and additional information filed on August 29, 1972.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 472 filed with the Commission on July 12, 1972.

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


(For) DOUGLAS R. SODEVANI,
Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Registration No. 472

September 5, 1972