

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

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

SECOND SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
PARKLAND GARDENS
(formerly known as Kuilei Plaza)
2714 Kahoaloha Lane
Honolulu, Hawaii

REGISTRATION NO. 673

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated April 15, 1974, November 19, 1974, and June 18, 1976, issued by the Real Estate Commission on the above 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: August 31, 1976
Expires: December 19, 1976

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED APRIL 1, 1974 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS LATE AS AUGUST 27, 1976. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND REPORTING MATERIAL CHANGES IN THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report of April 15, 1974, its Final Public Report of November 19, 1974 and its Supplementary Public Report of June 18, 1976 on PARKLAND GARDENS (formerly known as "Kuilei Plaza"), Registration No. 673, the Developer reports that changes have been made in the plan or setup as represented in the April 1, 1974 Notice of Intention to Sell.

The changes subsequently made are determined to be a material revision to the information disclosed earlier. This Second Supplementary Public Report (pink paper stock) amends the Preliminary Public Report (yellow paper stock), the Final Public Report (white paper stock) and the earlier Supplementary Public Report (pink paper stock), becoming a part of the PARKLAND GARDENS registration.

The Developer is responsible for placing a true copy of this Second Supplementary Public Report in the hands of all purchasers and prospective purchasers, along with copies of the Preliminary Public Report, the Final Public Report and the earlier Supplementary Report. The buyer shall sign the required receipt signifying that he has had an opportunity to read said reports.

2. Information disclosed to the Commission indicated that:

- (a) The proposed acquisition of the project by Parkland Gardens Joint Venture has been consummated and the original Developer, Kuilei Development Company, has conveyed fee simple title to the project to Parkland Gardens Joint Venture, by deed dated August 18, 1976 and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 777981.
- (b) Construction of a tennis court and other recreational facilities which will be part of the common elements of the project has commenced on the additional parcel of land located across the street from the residential building. It is estimated that completion of said tennis court and additional recreational facilities will be completed on or about November, 1976, subject to delays beyond the control of the Developer.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved floor plans) have been filed in the Office of the Assistant Registrar of the Land Court of the

State of Hawaii as Document No. 700034; a First Amendment to Declaration of Horizontal Property Regime dated May 28, 1976, was filed in said Office on June 4, 1976 as Document No. 767612, and a Second Amendment to Declaration of Horizontal Property Regime dated August 18, 1976, was filed in said Office on August 19, 1976 as Document No. 777982.

4. Promotional and advertising materials have been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser and prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Condominium Rules and Regulations promulgated thereunder which relate to Horizontal Property Regime.
6. The Developer has requested and the Commission has granted a second extension of the Final and earlier Supplementary Public Reports to December 19, 1976.
7. This Supplementary Public Report automatically expires December 19, 1976, unless another supplementary public report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

Except for the topical headings which follow, the information disclosed in the Preliminary Public Report of April 15, 1974, the Final Public Report of November 19, 1974 and the Supplementary Report of June 19, 1976 has not been disturbed.

DESCRIPTION OF THE PROJECT: The Commission has been advised that the construction of the additional recreational facilities has commenced. The Commission has been furnished with a copy of the construction contract for said recreational facilities, together with the required 100% performance and payment bond.

LIMITED COMMON ELEMENTS: The Developer has also advised the Commission that Stall No. B-28, originally designated as a guest stall, has been assigned to Apartment No. 405, and that Stall No. A-9, originally assigned to Apartment No. 405, has been designated as a guest stall.

SPECIAL NOTICE: The Declaration has been amended to provide that, on or after December 31, 1978, the Association of Apartment Owners shall have the right to sell or lease the parcel of land on which the additional recreational facilities will be located and to remove said parcel from the provisions of Chapter 514, Hawaii Revised Statutes. The Developer has indicated that the purpose of such amendment is to permit the Association the flexibility to obtain the maximum economic benefit from such parcel (which is presently zoned A-4) and to cause the parcel to be developed to its highest and best use. The amended Declaration provides that each apartment owner, by executing and accepting delivery of the deed to

his apartment, consents in advance to any such sale or lease and irrevocably appoints the President of the Association as his attorney-in-fact for purposes of consummating the sale or lease and executing any amendments to the Declaration and other documents required in connection therewith.

The amendment to the Declaration further provides that any such sale or lease shall be on the following terms and conditions:

1. Any offer to purchase or lease said property shall be first approved by the Board of Directors of the Association of Apartment Owners of Parkland Gardens and ratified by vote of the apartment owners owning eighty percent (80%) or more of the common elements of the project;
2. The purchase price or lease rent shall be not less than the then fair market value or fair rental value of said property, as determined by a qualified real estate appraiser who shall be a member of the American Institute of Real Estate Appraisers and who shall be appointed by the Board of Directors;
3. The purchase price, in the event of a sale, shall be paid in full on or before the expiration of twelve (12) months from the date of closing;
4. The Association shall not be required to demolish or raze the existing improvements or to restore the land to even grade;
5. The holders of all liens affecting any of the apartments shall consent in writing to the removal of said property from the provisions of Chapter 514, Hawaii Revised Statutes;
6. The Association shall have secured any and all necessary governmental and regulatory agency approvals required;
7. An Amended Declaration of Horizontal Property Regime and any other necessary instruments required to effectuate said sale or lease and removal of said property from the provisions of Chapter 514, Hawaii Revised Statutes, shall be executed by the proper officers of the Association and filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii; and
8. The net proceeds of any such sale or lease, after deduction of brokerage commissions, escrow fees, attorneys' fees, consent fees, recording and acknowledgment fees, conveyance taxes and other reasonable closing costs, shall be disbursed to the owners of the apartments and their mortgagees of record, as their interests may appear, in proportion to the respective common interests of said owners.

OWNERSHIP OF TITLE: Fee simple title to land and improvements submitted to the Horizontal Property Regime is now vested in Parkland Gardens Joint Venture, a Hawaii joint venture.

SPECIAL NOTE: The Commission has been advised that the Purchase and Sale Agreement, dated May 28, 1976, between Kuilei Development Company and Parkland Gardens Joint Venture has closed, and Parkland Gardens Joint Venture has acquired fee simple title to the entire project.

ENCUMBRANCES AGAINST TITLE: A Preliminary Public Report dated August 23, 1976, issued by Title Guaranty of Hawaii, Inc. reflects that the title to said parcels is subject to the following:

- (a) Real property taxes that are due and owing. Reference is hereby made to the Office of the Tax Assessor, First Division.
- (b) Grant dated October 2, 1956, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 195145, in favor of Hawaiian Electric Company, Inc., and Hawaiian Telephone Company, both Hawaii corporations, granting an easement for utility purposes over and across Lots 2 and 3.
- (c) Real Property Mortgage and Financing Statement dated August 7, 1974, filed in said Office of the Assistant Registrar as Document No. 692455, and also recorded in the Bureau of Conveyances of the State of Hawaii in Book 10152, Page 327, made by KUILEI DEVELOPMENT COMPANY, a registered Hawaii partnership, as Mortgagor, to STATE SAVINGS AND LOAN ASSOCIATION, a Utah corporation, as Mortgagee, to secure the repayment of the sum of \$4,000,000.00.
- (d) The restrictions on use and other restrictions and all other covenants, agreements, obligations, conditions and other provisions set forth in Declaration of Horizontal Property Regime dated October 21, 1974 and filed as Land Court Document No. 700034 and the By-Laws attached thereto, as amended by instruments dated May 28, 1976 and August 18, 1976 and filed in said Office as Document Nos. 767612 and 777982, respectively. (Project covered by Condominium Map No. 231).
- (e) Mortgage dated August 26, 1971, filed in said Office as Document No. 550759, made by Brillhante and Associates, Inc., a Hawaii corporation, Thomas Kanamu Lalakea, husband of Carolyn Lalakea, and James King Ingham, Jr., husband of Mary Lee Ingham, all as joint tenants, in favor of PIONEER FEDERAL SAVINGS & LOAN ASSOCIATION and given to secure repayment of the sum of \$115,000.00.

- (f) Easement "A" for sanitary sewer purposes in favor of the City and County of Honolulu.

STATUS OF PROJECT: The Commission has been advised that the residential building of the project has been completed. The tennis court, pavilion and other recreational facilities located on the parcel across Kahoaloha Lane from said building will be completed on or about November, 1976.

SPECIAL NOTICE: The Developer further reports that the Declaration and By-Laws have been further amended in certain other respects. The Declaration and By-Laws, as amended, are available for inspection at the Real Estate Commission and the Office of the Developer.

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 April 1, 1974 and information subsequently filed as of August 27, 1976.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 673 filed with the Commission on April 1, 1974.

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


AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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Bureau of Conveyances
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Escrow Agent

Registration No. 673
August 31, 1976