

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON

KAHALUU GARDENS
47-420 Hui Iwa Street
Kaneohe, Oahu, Hawaii

REGISTRATION NO. 746

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

It was prepared as a supplement to an earlier Report dated January 23, 1975 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: December 7, 1976
Expires: February 22, 1977

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 the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 15, 1975, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF DECEMBER 2, 1976. THE SELLER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING ADDITIONAL INFORMATION, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Final Public Report on Registration No. 746, dated January 23, 1975, the Seller (previously referred to as "Developer") has forwarded additional information reflecting material changes which have been made in the documents for the project.

2. This Supplementary Public Report is made a part of the registration of KAHALUU GARDENS condominium project. The Seller is responsible for placing this Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers receiving the Final Public Report (white paper stock) for KAHALUU GARDENS. Securing a signed copy of the Receipt for Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Seller.

3. The Seller of the project has filed all documents and materials deemed necessary by the Commission for the registration of this condominium project and the issuance of this Supplementary Public Report.

4. 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; the Declaration of Horizontal Property Regime executed December 3, 1974, and By-Laws attached thereto were filed as aforesaid as Document No. 704122 (Condominium Map No. 236), and amended by instrument dated October 27, 1976, and filed as aforesaid as Document No. 788377.

5. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.

6. 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 Regime.

7. Upon request of the Developer, the expiration date of the Final Public Report has been extended until February 22, 1977, at which time it shall automatically expire unless the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information in the topical headings LOCATION, DEVELOPER, ATTORNEY REPRESENTING DEVELOPER, DESCRIPTION OF THE PROJECT, OWNERSHIP OF TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, MANAGEMENT OF THE PROJECT and STATUS OF PROJECT has been altered as follows. All other topical headings have not been disturbed.

LOCATION: The correct address of the project, containing an area of approximately 1.060 acres, is 47-420 Hui Iwa Street, Kaneohe, Oahu, Hawaii.

DEVELOPER: The Commission has been advised that the information contained in the heading entitled "Developer" in the Final Public Report dated January 23, 1975, has been deleted. The original developer named therein is no longer involved

in the project. To distinguish between the Developer and present Seller of the project, the term "Seller" will be used hereinafter to mean the successor to the original developer's interests. The Seller of the project is Security Pacific Mortgage Corporation, a Delaware corporation, whose principal place of business and post office address in Hawaii is Suite 1100, Hawaii Building, 745 Fort Street, Honolulu, Hawaii. The officers of the Seller in Hawaii are: M. Stanley Hendrickson - Chairman of the Board; Frank Poole - Senior Vice President and Secretary; and James Groneman - Vice President and Treasurer, all of whose address is 2460 West 26th Avenue, Denver, Colorado; Clifford Jenkins - Vice President and General Manager; James M. Wayman - Assistant Vice President; and Philip Gray - Assistant Vice President, all of whose address is Suite 1100, Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813; Phone No. 521-0132.

ATTORNEY REPRESENTING SELLER: The attorney representing the Seller is: HAMILTON, GIBSON, NICKELSEN, RUSH & MOORE (Attention: Dwight M. Rush and Walter Beh, II) 20th Floor, Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813; Phone No. 521-2611.

DESCRIPTION OF THE PROJECT: The information in this topical heading has not been disturbed, except as follows:

MODEL "T": A one-story apartment with a floor area of 720 square feet, more or less, consisting of two bedrooms, one bath, kitchen, and living-dining room.

There are a total of fifty-six (56) parking stalls (43 standard size and 13 compact size).

OWNERSHIP OF TITLE: The Seller advises that it is the present owner of the lands of the project under Transfer Certificate of Title No. 181,695, pursuant to Deed dated March 31, 1976, filed as aforesaid as Document No. 759200.

ENCUMBRANCES AGAINST TITLE: Preliminary Report dated November 8, 1976, issued by Title Guaranty of Hawaii Incorporated, and other documents submitted to the Commission indicate that fee simple title to the lands of the project is subject to the following:

1. The reservation in favor of the State of Hawaii of all mineral and metallic mines of every description as reserved under Royal Patents 1423, 1554, 1555, 1664, 2011 and 6489.
2. Easement "18" for slope and storm drain purposes situate over the Westerly portion of Lot 71, as shown on Maps 11 and 30, as set forth by Land Court Order No. 21323, filed June 5, 1963.
3. Grant in favor of the City and County of Honolulu, dated May 3, 1963, filed in the Office of the Assistant Registrar of the Land Court of the State

of Hawaii as Document No. 312304, granting an easement over said Easement "18".

4. Restriction of access rights, affecting the Westerly portion of Lot 71, as shown on Maps 11 and 25, as set forth by Land Court Order No. 21323, filed June 5, 1963; revisions of the restriction of access rights affecting said Lot, as shown on Map 30, as set forth by Land Court Order No. 31331, filed February 19, 1970.

5. Easement "28" for water pipeline purposes situate over the Westerly portion of said Lot 71, as shown on Map 30, as set forth by Land Court Order No. 31331, filed February 19, 1970.

6. Grant in favor of the City and County of Honolulu, dated February 1, 1973, filed as aforesaid as Document No. 627492, granting an easement over said Easement "28".

7. For any taxes that are due and owing, reference is made to the Office of the Tax Assessor, First Division.

8. The Restrictions on use and other restrictions, and all other of the covenants, agreements, obligations, conditions and other provisions set forth in Declaration of Horizontal Property Regime dated December 3, 1974, and filed as Land Court Document No. 704122 and the By-Laws attached thereto as the same are or may hereafter be amended. Said Declaration amended by instrument dated October 27, 1976, and filed as Land Court Document No. 788377. (Project covered by Condominium Map No. 236, as amended.)

PURCHASE MONEY HANDLING: The Seller advises that a new Escrow Agreement dated October 27, 1976, between Title Guaranty Escrow Services, Inc., as Escrow, and Seller has been filed with the Commission. Upon examination, the specimen Condominium Sales Agreement, specimen Agreement of Sale and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Sections 514-36 through 514-40, thereof.

The specimen Condominium Sales Agreement contains the following provisions among others:

1. "Buyer hereby agrees that until Seller has closed out the sale of all the apartments in the condominium project or until December 31, 1979, whichever shall first occur, Buyer will not enter into any "rental pool" or similar agreement with any purchaser, lessee or owner of another apartment in the condominium project and/or any third party under which Buyer agrees to share expenses and/or rentals of apartments in the condominium project."

2. "It is expressly understood and agreed by and between Seller and Buyer that Buyer's apartment described in Paragraph "A" hereof will be conveyed to Buyer "AS IS" and that THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE, involved in this sale."

NOTE: The specimen Condominium Sales Agreement anticipates that purchasers will obtain their own permanent financing, and the Seller has advised the Commission that it does not intend to obtain a commitment from a lending institution for such financing. Instead, Seller will offer purchasers a 5-year agreement of sale with a minimum down payment of 5% of the sales price.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the Condominium Sales Agreement since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's funds. The Condominium Sales Agreement specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided. Purchasers and prospective purchasers are advised to read with care the provisions of the Condominium Sales Agreement.

MANAGEMENT OF THE PROJECT: Seller advises that it has selected as the initial managing agent for the project BISHOP TRUST COMPANY, LIMITED, 140 South King Street, Honolulu, Hawaii.

NOTE: The Seller advises that it is not offering to provide services relating to the sale or rental of apartments of the project and that no representation or reference to that effect has been made or will be made by or on behalf of the Seller. Rental of the apartments with the provision of management services in connection therewith is and shall be the sole responsibility of the purchaser.

STATUS OF PROJECT: The Seller advises that the project has been completed as evidenced by the Owner's Notice of Completion of Contract dated July 28, 1975 and filed in the First Circuit Court of the State of Hawaii, a copy of which the Seller has supplied to the Commission.

The purchaser or prospective purchaser should be cognizant of the fact that this Report represents information disclosed by the Seller in the required Notice of Intention submitted January 15, 1975, and information subsequently filed on December 2, 1976.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 746 filed with the Commission on January 15, 1975.

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.

Ah Kau Young

AH KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
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AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 746
December 7, 1976