

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
PUUHALE GARDENS
835 Puuhale Road
Honolulu, Hawaii

REGISTRATION NO. 877

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: October 7, 1976
Expires: November 7, 1977

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 purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED SEPTEMBER 1, 1976 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF OCTOBER 4, 1976. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. PUUHALE GARDENS is a leasehold condominium project consisting of a single 3-story building containing twenty-seven (27) apartments. The developer intends to sell the 27 apartments together with an undivided interest in the common elements of the project under Chapter 359G of the Hawaii Revised Statutes. There will be a total of thirty-three (33) parking spaces, one (1) of which shall be assigned as guest parking.

Each apartment will have appurtenant to it a minimum of one (1) parking space.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the registration of the condominium project and issuance of this Final Public Report.
3. The Commission has determined that the basic documents (Declaration of Horizontal Property Regime, with 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 August 4, 1976, have been filed in the Bureau of Conveyances of the State of Hawaii, in Liber 11616, Page 227.

The Bureau of Conveyances has assigned Condominium Map No. 468 to the project.

4. No 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 Chapter 514, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. The Final Public Report is made a part of the registration on PUUHALE GARDENS condominium project. The Developer has the responsibility of placing a true copy of the Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt for the Final Public Report from each purchaser and prospective purchaser is also the responsibility of the developer.
7. This public report automatically expires thirteen months after the date of issuance, October 7, 1976, unless a supplementary report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: PUUHALE GARDENS

LOCATION: The project is located on that certain parcel of land located at 835 Puuhale Road, Honolulu, Hawaii, and containing an area of 22,979 square feet or thereabouts.

TAX KEY: 1-2-01:49, 1st Division

ZONING: A-2, Medium Density Apartment

DEVELOPER: HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic of the State of Hawaii, 1002 North School Street, Honolulu, Hawaii, Telephone No. 845-6491.
Attention: Mr. Franklin Y. K. Sunn, Executive Director.

ATTORNEY REPRESENTING DEVELOPER: Mr. Hiram K. Kamaka,
1314 South King Street, Suite 657, Honolulu, Hawaii 96814,
Telephone No. 531-3588.

DESCRIPTION OF BUILDING: The building on said land is a three-story structure of hollow block and reinforced concrete consisting of three (3) apartment levels (1st through 3rd floors). The building is situated perpendicular to Puuhale Road.

The first floor area contains a laundry area, switching cabinet, trash enclosure and thirty-three (33) parking spaces.

The 1st through 3rd floors each contain nine (9) apartments, eight (8) two-bedroom apartments and one (1) one-bedroom apartment. Each apartment has immediate access to a corridor leading to two stairways. There is access to the trash enclosure at the rear of the building.

DESCRIPTION OF APARTMENTS: There are nine (9) apartments on each apartment level, making a total of twenty-seven (27) apartments. There are twenty-four (24) two-bedroom apartments and three (3) one-bedroom apartments.

The apartments on each floor are numbered ____01 through ____09 preceded by the number of the floor, numbered from the west end (____01) to the east end (____09).

The net living areas of 21 two-bedroom apartments are identical. Measured from the center of side walls and exterior surface of front and rear walls, the area is approximately 718 square feet. Each two-bedroom apartment contains five rooms; living-dining room, kitchen, bathroom, and two bedrooms.

The net living areas of three (3) two-bedroom apartments are identical. Measured from the center of side walls and the exterior surface of front and rear walls, the area is approximately 653 square feet. Each two-bedroom apartment contains five rooms; living-dining room, kitchen, bathroom, and two bedrooms.

The net living areas of three (3) one-bedroom apartments are identical. Measured from the center of side walls and the exterior surface of front and rear walls, the area is approximately 587 square feet. Each one-bedroom apartment contains four rooms; living-dining room, kitchen, bathroom and one bedroom.

The gross living areas of the 9 apartment units on the ground floor numbered 101 through 109, inclusive, and more particularly defined in Exhibit B attached to the declaration are measured from the exterior face at the front of the unit to the property line and from the centers of the units' side walls with the exception of units 101 and 109 which are measured at the center line of the adjoining

sidewall to the exterior face of the building.

The 27 apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided in Paragraph 5 of the declaration. Each apartment shall be deemed to include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; and all fixtures originally installed therein.

COMMON ELEMENTS: The Declaration states that the owners of apartments will have undivided interest in the common elements, including specifically but not limited to:

- a. Said land in fee simple.
- b. All foundations, columns, girders, beams, and supports, main walls, roofs, stairways, entrances and exists of said building.
- c. All driveways, parking spaces, loading areas, yards, gardens, walkways, and open areas.
- d. All central and appurtenant installations for common services, including power, sewer, gas, light, water, telephone and trash disposal.
- e. All central hot water heaters, tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.
- f. The laundry room located on the ground floor of the building, exclusive of the washers and dryers.

LIMITED COMMON ELEMENTS: The Declaration reflects that certain parts of the common elements, called the limited common elements are 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:

There are thirty-three (33) parking spaces in the project. Each space is identified by a number from 1 through 33 and unassigned as set forth in Exhibit "B" attached to the declaration and incorporated herein by reference and made a part hereof. The tandem parking spaces may be assigned only to the two-(2) bedroom apartment units. Any remaining parking spaces will not be assigned and shall remain as part of the common elements to be used as parking spaces in such manner and for such purposes as the Board of Directors of the Association of Apartment Owners may determine.

COMMON INTEREST: Each of the 27 apartments shall have appurtenant thereto a percentage interest, as shown in Exhibit B of the Declaration and attached hereto in all common elements of the project, such interest being defined and referred to herein as the "common interest", and

the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting.

PURPOSES AND RESTRICTIONS: The purposes for which said building and other improvements and each of the apartments are intended and shall be restricted as to use are as follows:

a. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to this Declaration duly recorded, shall not be separated from such apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument.

b. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by said Horizontal Property Act.

c. The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their families, domestic servants and social guests, and for no other purpose. (The House Rule further limits the occupancy to not more than two persons per bedroom contained in each unit.) The apartments and the interests appurtenant thereto, being sold by the Hawaii Housing Authority ("authority") pursuant to Chapter 359G Hawaii Revised Statutes, shall be subject to and governed by the restriction on transfer and use of the apartments under Section 359G-9.2 and Section 359G-9.3, Hawaii Revised Statutes, as it may be amended from time to time, which reads as follows:

"Section 359G-9.2, Hawaii Revised Statutes, as amended. Dwelling units; restrictions on transfer, waiver restrictions.

(a) The following restrictions shall apply to transfer of a dwelling unit purchased from the authority, whether fee simple or leasehold property;

(1) For a period of ten years after the purchase, whether by lease, assignment of lease, deed or agreement of sale, if the purchaser wishes to transfer title to the dwelling unit and the property or the lease, the authority shall have the first option to purchase the unit and property or lease at a price which shall not exceed the sum of:

(A) The original cost to the purchaser;

(B) The cost of any improvements added by the purchaser; and

(C) Simple interest on the purchasers' equity in the property at the rate of seven per cent a year.

The authority may purchase the unit either: (1) outright, free and clear of all liens and encumbrances; or (2) by transfer subject to an existing mortgage.

If by outright purchase, the authority shall insure that all existing mortgages, liens, and encumbrances are satisfactorily paid by the purchaser.

In any purchase by transfer subject to an existing mortgage, the authority shall agree to assume and to pay the balance on any first mortgage created for the purpose of enabling the purchaser to obtain funds for the purchase of the unit and any other mortgages which were created with the approval and consent of the authority. In such cases, the amount to be paid to the purchaser by the authority shall be the difference between the abovementioned price and the principal balance of all mortgages outstanding and assumed at the time of transfer of title to the authority.

(2) After the end of the tenth year from the date of purchase, or execution of an agreement of sale, the purchaser may sell the unit and sell or assign the property to any person free from any price restrictions; provided that the purchaser shall be required to pay to the authority the sum of:

(A) The balance of any mortgage note, agreement of sale, or other amount owing to the authority;

(B) Any subsidy made by the authority or the State not counted as cost under section 359G-8 but charged to the dwelling unit by good accounting practice as determined by the authority whose books shall be prima facie evidence of the correctness of the cost; and

(C) Interest on the subsidy prescribed under subparagraph (B) above computed from the date of purchase, or execution of the agreement of sale, at the rate of seven per cent a year; provided that if any proposed sale or transfer will not generate an amount sufficient to pay the authority the sum as computed under paragraph (2) above the authority shall have the first option to purchase the dwelling unit at a price which shall not exceed the sum as computed under paragraph (1) above.

(b) The restrictions prescribed in subsection (a) above may be waived if:

(1) The purchaser wishes to transfer title to the dwelling unit and the property or lease by devise or through the laws of descent to a family member who would otherwise qualify under rules established by the authority; or

- (2) The authority determines, in accordance with adopted rules, that the sale or transfer of a dwelling unit, at a price and upon terms as it shall set, preserves the intent of this section without the necessity of the State to repurchase the unit; provided that the restrictions prescribed in subsection (a) above shall be reinstated after the transfer of title and shall be fully effective and applicable to the transferee.

(c) The restrictions prescribed in subsection (a) above shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder becomes the owner of a dwelling unit and the land or leasehold interest pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced. Any law to the contrary notwithstanding a mortgagee under a mortgage covering a dwelling unit and land or leasehold interest encumbered by the first option to purchase in favor of the authority shall, prior to commencing mortgage foreclosure proceedings, notify the authority of (1) any default of the mortgagor under the mortgage within ninety days after the occurrence of the default, and (2) any intention of the mortgagee to foreclose the mortgage under Chapter 667. The authority shall be a party to any foreclosure action, and shall be entitled to all proceeds remaining in excess of all customary and actual costs and expenses of transfer pursuant to default, including liens and encumbrances of record; provided that the person in default shall be entitled to an amount which shall not exceed the sum of subparagraphs (a)(1)(B) and (C) and the purchaser's equity in the property.

(d) The provisions of this section shall be incorporated in any deed, lease, mortgage, agreement of sale, or other instrument of conveyance issued by the authority.

"Section 359G-9.3, Hawaii Revised Statutes, as amended. Dwelling units; restrictions on use. (a) A dwelling unit purchased from the authority shall be occupied by the purchaser at all times.

(b) Violation of subsection (a) shall be sufficient reason for the authority, at its option, to purchase the unit as provided in section 359G-9.2(a)(1), or 359G-9.2(a)(2), as applicable.

(c) Any deed, lease, agreement of sale, mortgage, or other instrument of conveyance issued by the authority shall expressly contain the restrictions on use prescribed in this section."

OWNERSHIP OF TITLE: Title to the land is vested in the State of Hawaii. The Preliminary Report dated August 18, 1976, issued by TITLE GUARANTY OF HAWAII, INC. confirms such ownership.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report issued by TITLE GUARANTY OF HAWAII, INC. reports that title to the land is subject to the following:

1. Real Property taxes for the fiscal year July 1, 1976 - June 30, 1977 are now a lien.

Taxes up to and including June 30, 1976 have been paid in full.

2. Covenants, conditions, restrictions, easements, reservations and all other provisions set forth in Declaration of Horizontal Property Regime dated August 4, 1976, recorded in the Bureau of Conveyances in Liber 11616 at Page 227 and the By-Laws attached thereto as the same are or may hereafter be amended in accordance with law, said declaration or by-laws. (Project covered by Condominium Map No. 468.)

RESERVATION OF EASEMENTS: In addition to the above easements, the Developer reserves unto itself any and all easements required to serve the project, and all rights-of-way now or hereafter granted or required to construct, install, operate, maintain, repair and replace lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage, radio and television signal distribution and other services and utilities over, across and under said easements according to the respective designations thereof, the right to enter for such purposes, and to trim any trees in the way of such lines and the right to grant to any public utility or governmental authority such easements, rights and rights-of-way.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the executed Escrow Agreement dated August 5, 1976, have been submitted as part of the registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc. as the Escrow. Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes.

Among other provisions, the specimen Sales Contract provides that in the event less than 18 apartment units are sold prior to July 1, 1977, the Seller shall have the option to cancel the sales contract, in which event Seller will cause Escrow to refund to Buyer all moneys paid, without interest.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter agreement establishes how the proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

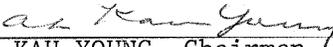
MANAGEMENT AND OPERATIONS: The Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. Operation of the project shall be conducted for the Association by Loyalty Enterprises, Ltd., a Hawaii corporation as Managing Agent who has been appointed by the Developer as the initial Managing Agent.

STATUS OF PROJECT: The project is scheduled for completion on November 7, 1976.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted September 1, 1976 and additional information subsequently filed with the Commission as of October 4, 1976.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 877 filed with the Commission on September 1, 1976.

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.



AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Taxation
Bureau of Conveyances
Planning Commission, City and
County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 877

October 7, 1976

EXHIBIT "B"

<u>Apartment No.</u>	<u>Unit Type</u>	<u>Net Living Area(S.F.)</u>	<u>Lanai Area (S.F.)</u>	<u>Gross Living Area (S.F.)</u>	<u>Undivided Common Interest</u>	<u>Percentage Common Interest</u>
101	2 BR	653	312	965	965/20,943	4.6077
102	1 BR	587	180	767	767/20,943	3.6623
103	2 BR	718	231	949	949/20,943	4.5313
104	2 BR	718	240	958	958/20,943	4.5743
105	2 BR	718	244	962	962/20,943	4.5934
106	2 BR	718	244	962	962/20,943	4.5934
107	2 BR	718	238	956	956/20,943	4.5647
108	2 BR	718	230	948	948/20,943	4.5265
109	2 BR	718	226	944	944/20,943	4.5074
201	2 BR	653		653	653/20,943	3.1179
202	1 BR	587		587	587/20,943	2.8028
203	2 BR	718		718	718/20,943	3.4284
204	2 BR	718		718	718/20,943	3.4284
205	2 BR	718		718	718/20,943	3.4284
206	2 BR	718		718	718/20,943	3.4284
207	2 BR	718		718	718/20,943	3.4284
208	2 BR	718		718	718/20,943	3.4284
209	2 BR	718		718	718/20,943	3.4284
301	2 BR	653		653	653/20,943	3.1179
302	1 BR	587		587	587/20,943	2.8028
303	2 BR	718		718	718/20,943	3.4284
304	2 BR	718		718	718/20,943	3.4284
305	2 BR	718		718	718/20,943	3.4284
306	2 BR	718		718	718/20,943	3.4284
307	2 BR	718		718	718/20,943	3.4284
308	2 BR	718		718	718/20,943	3.4284
309	2 BR	718		718	718/20,943	3.4284

20,943

Parking Spaces: 1(C), 2, 3, 4, 5, 6, 7, 8(C), 9(C), 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24/33T, 25/32(T), 26/31(T), 27/30(T), 28/29(C) (T).

(C) denotes Compact
(T) denotes Tandem