

**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

32 Pilipu Place  
Kailua, Oahu, Hawaii

REGISTRATION NO. 1096

**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: May 22, 1979  
Expires: June 22, 1980

SPECIAL ATTENTION

A comprehensive reading of this report 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 FILED February 26, 1979 AND INFORMATION SUBSEQUENTLY FILED AS OF May 15, 1979. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. 32 Pilipu Place is a fee simple condominium project consisting of three apartments contained in a one and one-half story building, a two-story building and a one-story building, all without basements, and seven (7) parking stalls.

2. The Developer 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 Final Public Report.

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.

The Declaration of Horizontal Property Regime dated April 18, 1979, with By-Laws attached was filed as Document No. 933976.

The approved Plans showing the layout, location, apartment numbers, etc., have been designated Condominium Map No. 365.

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 514A 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, May 22, 1979, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

7. This Final Public Report is made a part of registration on 32 PILIPU PLACE Condominium Project. The Developer has the responsibility of placing a true copy of this 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 Horizontal Property Regime Public Report from each purchaser is also the responsibility of the Developer.

NAME OF PROJECT: 32 PILIPU PLACE

LOCATION: The approximate 16,539 square feet of land to be committed to the regime is situated at 32, 32B and 32C Pilipu Place, Kailua, Hawaii.

TAX MAP KEY: FIRST DIVISION: 4-3-18-50

ZONING: R-3

DEVELOPER: MILTON YOLLES and PEGGY YOLLES, husband and wife, 32 Pilipu Place, Kailua, Hawaii 96734, Phone No. 262-0505.

ATTORNEY REPRESENTING DEVELOPER: Hamilton, Gibson, Nickelsen, Rush & Moore (Attention: Walter Beh II), 20th Floor Hawaii Building, 745 Fort Street, Honolulu, Hawaii, 96813, Phone No. 521-2611.

DESCRIPTION: The Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of three (3) apartments contained in a one and one-half story building, a two-story building and a one-story building, without basements, constructed principally of wood and stucco.

The location and description of the various apartments of the project are as follows:

1. Apartment A is located in Building A, consisting of a two-story building, without a basement, and thirteen (13) rooms. There are four (4) bedrooms, two (2) bathrooms, a living room, a dining room, a kitchen and an open deck located on the first floor, and a bedroom, a den, and two attic storage rooms located on the second floor. This apartment contains a floor area of approximately 3,637 square feet, including the open deck of approximately 286 square feet.

2. Apartment B is located in Building B, consisting of a one and one-half story building, without a basement and six (6) rooms. There are a bedroom, a bathroom, a living room, a kitchen and a laundry room located on the first floor, and a bedroom area located on the mezzanine floor. This apartment contains a floor area of approximately 629 square feet.

3. Apartment C is located in Building C, consisting of a one-story building, without a basement and five (5) rooms, including two (2) bedrooms, a bathroom, a dining room, a kitchen and a covered lanai. This apartment contains a floor area of approximately 936 square feet, including the covered lanai of approximately 214 square feet.

IN ACCORDANCE WITH LOCAL PRACTICE, THE APPROXIMATE GROSS FLOOR AREA OF EACH APARTMENT AS SET FORTH ABOVE INCLUDES ALL OF THE WALLS AND PARTITIONS WITHIN ITS PERIMETER WALLS, THE ENTIRETY OF ITS PERIMETER WALLS, WHETHER LOAD-BEARING OR NON-BEARING.

NOTE: The Declaration provides that the owner of Apartment A reserves the right, without any approvals or filing requirements, to construct a wall up to six (6) feet in height on the Northwest boundary line between the limited common area lots of Apartments A and C as shown on the condominium map.

The apartments have immediate access to the grounds of the project. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces

of walls built along the lot line (as hereinafter described in "Limited Common Elements") of each apartment (but not those walls which form a part of the structure of an apartment), and any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions within its perimeter walls, all walls, floors, ceilings and roofs, doors and door frames, windows and window frames, the lanai or deck air space (if any), and all fixtures therein.

Common Elements: One freehold estate is 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 yards, grounds and landscaping;
3. All driveways and parking areas;
4. The undecorated or unfinished surfaces of walls built along the lot line (as hereinafter described in "Limited Common Elements") of each apartment (but not those walls which form a part of the structure of an apartment), and 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;
5. 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. The lot upon which each respective apartment is built, as outlined in red on said condominium map, shall be appurtenant to and for the exclusive use of such apartment;
2. The parking space(s) designated on said condominium map with the same letters as the said respective apartments shall be for the exclusive use of such apartment.

INTEREST TO BE CONVEYED TO PURCHASERS: Documents filed with the Real Estate Commission indicate that the purchaser will

secure an Apartment Deed, conveying an apartment and an undivided interest in all common elements of the project and the same proportionate share of all common profits and expenses of the project and shall be used for all other purposes including voting, as follows:

Apartment A: 50%  
Apartment B: 25%  
Apartment C: 25%

NOTE: The Declaration provides that each apartment owner shall be responsible for the proper repair and maintenance of the limited common elements appurtenant to his apartment, and shall at all times keep the same in good order and condition, and maintain and keep the land of his appurtenant lot in a neat and attractive condition and all trees and shrubs and grass thereon in good cultivation and replant the same as may be necessary, and repair and make good all defects in the same for which notice shall be given by the Board of Directors or Managing Agent within thirty (30) days after the giving of such notice.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. 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 such apartments subject to all provisions of the Declaration and the By-Laws attached thereto; provided, however, that no apartment owner may lease less than the entire apartment. In addition, the maximum number of permanent residents (excluding temporary guests) of an apartment shall not exceed the following limits:

Apartment A: nine (9) persons  
Apartment B: four (4) persons  
Apartment C: four (4) persons

The By-Laws for the project provide:

"No dogs, livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project except that cats and other household pets in reasonable number may be kept by the apartment owners and occupants in their respective apartments but shall not be kept, bred or used therein for any commercial purpose; provided, however, that any such pet causing a nuisance or unrea-

sonable disturbance to any other occupant of the project shall be permanently removed therefrom promptly upon notice given by the Board of Directors or Managing Agent."

OWNERSHIP OF TITLE: A preliminary title report dated May 3, 1979, issued by Title Guaranty of Hawaii Incorporated, and other documents as submitted to the Commission, indicates that the Developer is the fee simple owner of the property submitted to the regime.

ENCUMBRANCES AGAINST TITLE: Said preliminary title report dated May 3, 1979, issued by Title Guaranty of Hawaii Incorporated, and documents submitted to the Commission, provide that the following are encumbrances against title to the property;

1. For any taxes that may be due and owing and a lien on the land, reference is hereby made to the Office of the Tax Assessor of the First Division, City and County of Honolulu, Hawaii.

2. Mortgage, Security Agreement and Financing Statement dated April 18, 1979, filed as aforesaid as Document No. 933975 in favor of Amfac Financial Corp.

3. Declaration of Horizontal Property Regime dated April 18, 1979, filed as aforesaid as Document No. 933976, with Condominium Map No. 365.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated February 21, 1979, between Title Guaranty Escrow Services, Inc., as Escrow, and Developer has been filed with the Commission. On examination, the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly Sections 514A-39, 514A-63 through 514A-66 thereof.

The specimen Sales Contract filed with the Commission states, among other things:

1. The project consists of fully constructed and existing buildings. Buyer has been offered an adequate opportunity to examine the plans for the project and the actual project and Apartment covered hereby, and accepts the same "AS IS", and understands 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.

2. Buyer waives any and all claims Buyer might otherwise have against Seller because of or arising out of any construction design work, including but not limited to, those on account of faulty or improper construction of improvements, patent or latent defects, and code violations in building construction.

The Developer has advised the Commission that no representation or references will be made to either purchasers or prospective purchasers concerning rental of the Apartment, income from the Apartment or any other economic benefit to be derived from the rental of the Apartment, including but not limited to, any reference or representation to the effect that Developer or the managing agent of the project will provide, directly or indirectly, any services relating to the rental of the Apartment. Rental of the Apartments and the provision of management services in connection therewith is and shall be the sole responsibility of the purchaser.

It is incumbent upon the purchaser and the prospective purchaser that he read 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 trusts, as well as the retention and disbursement of said trust funds. The specimen Sales Contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

MANAGEMENT OF THE PROJECT: Though the By-Laws, which are incorporated in said Declaration, provide that the operation of the project may be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent, the Developer advises that it does not plan to appoint a managing agent for the project.

STATUS OF PROJECT: The Developer has advised that it estimates construction of the project was completed in 1936.

NOTE: By letter dated May 3, 1979, a copy of which is attached, the Building Department of the City and County of Honolulu indicates that the three existing dwelling units of the project do not conform to the Comprehensive Zoning Code (CZC), as only one dwelling unit is allowed on the land of the project. In connection therewith, the Building Department states:

"We are considering the two additional dwelling units as "nonconforming uses of structure" as specified in Chapter 21, Article 1, Section 21-107(c), Revised Ordinances of Honolulu, 1969 as amended. However, if documentary evidence that these two (2) additional units are in violation of the Comprehensive Zoning Code becomes available, we will categorize it as a violation and not as nonconforming uses of structure."

Section 21-107(c) of the CZC provides:

"Nonconforming uses of structure.

- (1) Enlargement or extension. No nonconforming use of structure may extend to

any part of the structure which was not manifestly arranged or designed for such use at the time of adoption of the provisions of this Chapter; and no such use shall be extended to occupy any land outside the structure. Moreover, said structure shall not be enlarged, extended, constructed, reconstructed, moved or structurally altered.

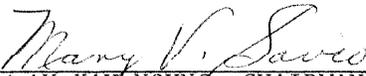
- (2) Discontinuance. No nonconforming use of structure shall continue if it is discontinued for 12 consecutive months or for eighteen months during any three-year period.
- (3) Change in use. If no structural alterations are made, any nonconforming use of a structure, or structure and premises in combination, may be changed to another nonconforming use of the same nature, or to a more restricted use, or to conforming use; provided, however, that change to a more restricted use or to another nonconforming use may be made only if the relation of structure to surrounding property is such that adverse effects on occupants and neighboring property will not be greater than if the original nonconforming use continued.
- (4) Repairs and maintenance. On any building devoted in whole or in part to any nonconforming use, work may be done in any period of twelve consecutive months on ordinary repairs, or on repair or replacement of nonbearing walls, fixtures, wiring or plumbing, to an extent not exceeding 10% of the current replacement value of the building, provided that the cubic content of the building as it existed at the time of the effective date of the provisions of this Chapter shall not be increased.

Nothing contained in this Chapter shall be deemed to prevent the strengthening or restoring to a safe condition of any building or any part thereof declared to be unsafe by any official charged with protecting the public safety, upon order of such official."

Also, in the future if any approval for a subdivision or a building permit for all or any part of the project is sought, compliance with City and County of Honolulu Ordinance 4621 (being the "Park Lands Dedication Ordinance") may be required.

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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 filed on February 26, 1979 and information subsequently filed as of May 15, 1979.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1096 filed with the Commission on February 26, 1979. This Report when reproduced shall be a true copy of the Commission's Public Report. The paper stock in making facsimiles must be white.

  
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(for) AH KAW YOUNG, CHAIRMAN  
REAL ESTATE COMMISSION  
STATE OF HAWAII

DISTRIBUTION:

DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING DEPARTMENT, CITY AND  
COUNTY OF HONOLULU  
FEDERAL HOUSING AUTHORITY  
ESCROW AGENT

REGISTRATION NO. 1096

May 22, 1979