

# 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

HALE PALMS  
2556 Lemon Road  
Honolulu, Hawaii

REGISTRATION NO. 1215

### 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: January 29, 1980  
Expires: March 1, 1981

#### 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 SUBMITTED ON December 19, 1979. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES.

1. Hale Palms is a leasehold condominium project consisting of two (2) buildings, containing a total of thirty-two (32) residential apartments. There will be sixteen (16) parking stalls, owned by the Association of Apartment Owners, available on the project. The Developer will grant each purchaser a Condominium Conveyance Document conveying an apartment together with the undivided interest in the common elements of the building in fee simple and

undivided fractional interest in the leasehold land upon which the project is located.

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 Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners and a copy of the approved Floor Plans) have been filed in the office of the recording officer.
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. The Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, January 29, 1980, unless a Supplementary or Final Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.
7. This Preliminary Public Report is made a part of the registration of HALE PALMS Condominium project. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock) and the Disclosure Abstract in the hands of all purchasers and securing a signed receipt therefor.

NAME OF PROJECT: HALE PALMS

LOCATION: The 9,500 square feet of lease land committed to the Project is situated at 2556 Lemon Road, Honolulu, Hawaii.

TAX MAP KEY: 2-6-27-23

ZONING: Resort-Hotel

DEVELOPER: THE WILLASH GROUP, a limited Partnership, registered in Hawaii, the principal place of business and post office address of which is Suite 910, 1441 Kapiolani Boulevard, Honolulu, Hawaii 96814, Telephone No. 949-2894. The general partners of the Developer are: Marvin K. Williams and R. Brian Ashton, Suite 910, 1441 Kapiolani Boulevard, Honolulu, Hawaii 96814, Telephone No. 949-2894. The limited Partners are:

Delmonico Developments, A Washington Partnership;  
Aloha Construction (U.S.) Ltd., a Washington Corporation;  
Courmont (U.S.) Ltd., a Washington Corporation; and  
Adera (U.S.) Ltd., a Washington Corporation.

ATTORNEY REPRESENTING DEVELOPER: MAURICE SAPIENZA, Suite 910, Ala

Moana Building, 1441 Kapiolani Boulevard, Honolulu, Hawaii 96814,  
Telephone No. 946-6552

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate that the project consists of two (2) buildings, without a basement, constructed of reinforced concrete and concrete blocks. The said buildings are designated Tower 1 and Tower 2. There will be sixteen separate freehold estates in the spaces within the perimeter walls, floors, and ceilings of each of the sixteen apartment units of the project, contained in each building, which spaces, together with appurtenant Lanais, if any, are referred to herein as "apartments", and are designated on said plans and described as follows:

TOWER 1: Apartment Garden Unit 101 is located on the first level; Apartments 201 to 205, inclusive, are located on the second level; Apartments 301 to 305, inclusive, are located on the third level; Apartments 401 to 405, inclusive, are located on the fourth level.

The Apartments are constructed according to two floor plans. Each Apartment contains the number of rooms and approximate floor area according to each floor plan, which plans are part of said project plan as follows:

Apartment Garden Unit 101 is built according to the ground floor plan and contains one bedroom, one bathroom, a living room, a kitchen, a dining area and a lanai, with a total floor area of approximately 591 square feet.

Apartments 201, 301, and 401 are built according to the second through fourth floor plan and each contains one bedroom, one bathroom, a living room, a kitchen, a dining area and a lanai, with total floor area of approximately 474 square feet.

Apartments 202, 203, 204, 205, 302, 303, 304, 305, 402, 403, 404, and 405 are built according to the second through fourth floor plan and each contains one bedroom, one bathroom, a living room, a kitchen, a dining area and a lanai, with total floor area of approximately 444 square feet.

TOWER 2: Apartment Garden Unit 101 is located on the first level; Apartments 201 and 205, inclusive, are located on the second level; Apartments 301 to 305, inclusive, are located on the third level; Apartments 401 to 405, inclusive, are located on the fourth level.

The Apartments are constructed according to two floor plans. Each Apartment contains the number of rooms and approximate floor area according to each floor plan, which plans are part of said project plan as follows:

Apartment Garden Unit 101 is built according to the

ground floor plan and contains one bedroom, one bathroom, a living room, a kitchen, a dining area and a lanai, with a total floor area of approximately 591 square feet.

Apartments 201, 301 and 401 are built according to the second through fourth floor plan and each contains one bedroom, one bathroom, a living room, a kitchen, a dining room, and a lanai, with total floor area of approximately 474 square feet.

Apartments 202, 203, 204, 205, 302, 303, 404, 305, 402, 403, 404, and 405 are built according to the second through fourth floor plan and each contains one bedroom, one bathroom, a living area, a kitchen, a dining area and a lanai, with total floor area of approximately 444 square feet.

Each apartment has immediate access to the stairways between the upper and ground floors of the building and walkways connecting such building to the street entrance and parking areas of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits, or other utilities or service lines running through such apartments 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 which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, and ceilings, doors, and door frames, windows and window frames, the exterior air space bounded by the interior of the lanai railing, and all fixtures originally installed including range, under-counter refrigerator and kitchen sink.

Description of the Parking Stalls: The proposed Declaration provides for sixteen (16) parking stalls designated in the spaces bounded by demarcation lines, floor and ceiling of each the eight (8) parking spaces located on the first level of each TOWER of the project, which spaces are referred to herein as "parking stalls," and are designated on the proposed condominium map and described as follows:

- (1) TOWER 1: Stall numbers and location: The parking stalls are numbered from mauka to makai from 1 to 8. Each parking stall has a basically rectangular floor except as necessary to accommodate the building superstructure. Accordingly, for purposes of computing the undivided percentage interest appurtenant to full size parking stalls, a rough average floor area of 179 square feet was attributed to such stalls.
- (2) TOWER 2: Stall numbers and location: The parking stalls are numbered from mauka to makai from 9 to 16. Each parking stall has a basically rectangular floor except as necessary to accommodate the building

superstructure. Accordingly, for purposes of computing the undivided percentage interest appurtenant to full size parking stalls, a rough average floor area of 179 square feet was attributed to such stalls.

Access to Common Elements: Each parking stall has immediate access to two (2) stairways, access lane or drive way leading to common elements and to Lemon Road.

Other Data Identifying and Defining the stalls: The respective parking stalls shall not be deemed to include the decorated or undecorated or finished or unfinished surfaces of perimeter or party walls or interior load-bearing walls and columns, the floor or ground and ceiling surrounding each stall or any pipes, wires, conduits or other utility or service lines which are utilized for or serve more than one apartment.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime states that the common elements shall provide all the remaining portions of the project including specifically, but not limited to:

(a) Said land in leasehold:

(b) All structural construction, such as foundations, columns, girders, beams, supports, main walls, roofs, corridors, entry court, exterior stairs and stairways, fire escapes, entrances, exits, floor slabs, unfinished perimeter, party and load-bearing walls, and walkways of said buildings;

(c) All common spaces such as planting areas, roof deck, other recreational facilities, storage space, trash collection area, all parking areas, including parking stalls, and all driveways leading to the parking areas;

(d) All common premises such as the entry court, transformer area, mechanical room, premises for lodging or use of janitors or other persons employed for operation of the property; if any;

(e) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, or across the project which serve more than one apartment for services such as power, light, gas, hot water, cold water, heating, refrigeration, air conditioning, incineration, sewage, telephone and television signal distribution, if any;

(f) Apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts and other such installations and apparatus, if any;

(g) The sixteen (16) parking stalls numbered 1 to 16 located on the first floor level of both TOWERS, available for use by all apartment owners, their tenants, and guests, if so permitted by the Assn.

(h) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime provides that certain parts of the common elements, called "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:

(a) The corridors, vestibules, foyers, balconies and all other areas except stairways, doorways, and equipment storage rooms, if any, on each floor shall be limited common elements appurtenant to all the apartments located on such floor;

(b) The decorated or finished surfaces of the perimeter, party and load-bearing walls and columns and the driveways leading to the parking apartments to and for the exclusive use of the parking apartments;

(c) The yards, gardens and planting areas shall be limited common elements appurtenant to and for the exclusive use of the residential apartments;

(d) All other common elements of the project which are rationally related to less than all of said apartments shall be limited common elements appurtenant to the apartments to which they are so related.

INTEREST TO BE CONVEYED TO PURCHASERS: The proposed Declaration states that each residential apartment shall have appurtenant thereto an undivided 1/32 fractional interest (3.125 plus percentage interest) in the common elements of the building of the project. Such interest is hereby defined and referred to herein as the "common interest". The proportionate shares of the profits and common expenses of the project and the proportionate representation for voting purposes in the Association of Apartment Owners of the project, shall be in said fractional interest for each apartment.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The proposed Declaration of Horizontal Property Regime provides that the residential apartments may be occupied and used only for purposes permitted from time-to-time by applicable zoning ordinances, rules, and regulations, including any permissible nonconforming use. The apartments may not be used for any other purpose without the written consent of the Lessor and the Board of Directors of the Association and any governmental agencies whose approval is necessary. The parking stalls may be used as a parking space for a motor vehicle or such other purposes as the Developer shall determine in its sole discretion, provided that such determination shall be made prior to the sale of any such parking stalls to a bona fide purchaser. The owners of the respective apartments shall have the absolute right to sublet or assign the lease of such apartments subject to all provisions of the Horizontal Property Act, the proposed Declaration and the proposed Bylaws attached thereto; provided, however, that no apartment owner may sublet or assign the lease of less than his entire apartment.

The extent of use of the Project for permanent or temporary residences or transient quarters shall depend upon the individual

apartment owners' use of their apartments. The apartments are subject to additional restrictions on the use as set forth in: (i) the proposed Declaration of Horizontal Property Regime of HALE PALMS, (ii) the proposed Bylaws attached thereto, (iii) the proposed apartment leases, (iv) the proposed sales contracts for the individual apartments, and (v) the proposed House Rules.

The proposed House Rules provide that no waterbeds shall be permitted in the apartments and that there are certain restrictions applicable to the number of occupants per unit, the keeping of pets, and the use of lanais. Purchasers are urged to read the House Rules and Bylaws with care. Copies of the foregoing documents are on file with the Real Estate Commission of the State of Hawaii.

OWNERSHIP OF TITLE: The Developer, in its Notice of Intention, has represented and a Title Insurance Policy issued by Title Insurance & Trust Company dated November 13, 1979 verified that the owner of the fee simple title to the property committed to the project is Properties Universal, Inc., hereinafter called the "Owner". Said property was demised by the Owner to THE WILLASH GROUP, a Hawaii Registered Limited Partnership, the Developer, by lease dated November 13, 1979, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14159, Page 150.

ENCUMBRANCES AGAINST TITLE: Said policy of Title Insurance issued by Title Insurance and Trust Company on November 13, 1979, states that title to the land is subject to the following encumbrances:

1. For any taxes that are due and owing, reference is made to the Office of the Tax Assessor, First Division.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. A set back line along Lemon Road as shown on the map prepared by Michael J. Batchelor, Registered Professional Architect dated June 21, 1979.
4. Mortgage, dated August 31, 1979, effective as of October 1, 1979, between THE WILLASH GROUP, a Hawaii Limited Partnership, as Mortgagor, and Properties Universal, Inc., a Hawaii Corporation, as Mortgagee, to secure \$800,000.00 and recorded in Liber 14159, Page 211.
5. Terms, agreements, reservations, covenants, conditions, and provisions contained in Lease dated November 13, 1979, and recorded in Liber 14159, Page 150, between Properties Universal, Inc., a Hawaii corporation, as Lessor and THE WILLASH GROUP, a registered Hawaii Limited Partnership, as Lessee.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated June 28, 1979, between Security Title Corporation as "Escrow", and THE WILLASH GROUP, as "Seller", has been filed with the Commission. On examination, the executed Escrow Agreement, as well as the specimen Condominium Reservation Agreement, Deposit, Receipt and Contract, filed with the Commission is found to be in compliance with Chapter 514A, Hawaii

Revised Statutes. Among other provisions, the executed Escrow Agreement states that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest and less Escrow's cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred: (1) Escrow receives a written request from the Developer to return to purchaser the funds of such purchaser then held thereunder; or (2) if the request is prior to the time the Final Public Report is issued, or if after such time, the Final Report differs in any material respect from the Preliminary Report, unless the purchaser has given written approval or acceptance of the differences; or (3) if the Final Report is not issued within one year from the date of issuance of the Preliminary Report. It is incumbent on the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the Condominium Reservation Agreement, Deposit, Receipt and Contract, since the Escrow Agreement prescribes the procedure for receiving and disbursing purchaser's funds. The specimen sales agreement specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided. Said Sales Agreement also provides for purchaser's subordination of his interest therein to an interim loan mortgage in favor of State Savings & Loan, and that until Seller has closed out the sale of all apartments in the Project, Buyer will not enter into any agreement with another Buyer to share apartment rentals or expenses for any apartments in the Project.

MANAGEMENT OF THE PROJECT: The Bylaws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The initial managing agent will be Condominium Resorts-Hawaii, Ltd. A copy of said agent's contract with the Developer dated November 30, 1979, has been provided to the Commission.

STATUS OF PROJECT: Documents submitted by the Developer indicate that the two towers were constructed approximately in 1965. Pursuant to section 514A-40(8) and (9), the Developer has obtained letters from government agencies and consulting engineers relative to compliance with codes and regulations and the condition of fixtures and has submitted same to the Commission for examination by the public.

The Developer plans to refurbish the entire project by painting, decorating, planting and replacing appliances and fixtures. It plans to complete refurbishment by June, 1980.

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 December 19, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1215 filed with the Commission on December 19, 1979. This report when reproduced shall be a true copy of the Commission's Public Report. The

paper stock used in making facismiles must be yellow.

 (for)  
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. 1215

January 29, 1980