

REAL ESTATE COMMISSION  
PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS  
STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

FINAL  
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)  
PUBLIC REPORT

on  
VALLEY ESTATES  
Ahuimanu Road  
Kahaluu, Hawaii

Registration No. 1602 (CONVERSION)

**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: June 8, 1984  
Expires: July 8, 1985

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order the 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 APRIL 23, 1984 AND INFORMATION SUBSEQUENTLY FILED AS OF MAY 25, 1984. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. VALLEY ESTATES is a fee simple residential condominium project, which consists of thirty (30) buildings built in 1968 containing thirty-one (31) three-bedroom one-bath units, and thirty-two (32) appurtenant parking stalls.
2. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Final Public Report.

3. The basic documents, the Declaration of Horizontal Property Regime dated March 8, 1984 and By-Laws attached thereto have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos. 1230370 and 1230371 and noted on Transfer Certificate of Title No. 172,719. The approved plan for the project was filed in said Office as Condominium Map No. 512.
4. No advertising or 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 514A, Hawaii Revised Statutes, as amended, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Final Public Report is made a part of the registration of the VALLEY ESTATES condominium project. The developer is responsible for placing a true copy of this Final Public Report (white paper stock) together with Disclosure Abstract in the hands of all purchasers and prospective purchasers and obtaining a signed receipt for the same.
7. This Final Public Report automatically expires thirteen (13) months after the date of issuance, June 8, 1984, unless a Supplementary Public Report is issued or the commission, upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: VALLEY ESTATES

LOCATION: The approximately 5.204 acres of property committed to the regime is situated at Anuimanu Road, Kahaluu, State of Hawaii.

TAX MAP KEY: First Division, 4-7-55-10, 11, 12

ZONING: Parcels 10 & 12 are zoned R-6 and Parcel 11 is zoned R-5

DEVELOPER: TERRITORIAL ENTERPRISES INC., a Hawaii corporation, whose principal place of business and post office address is Suite 1445 Grosvenor Center, 737 Bishop Street, Mauka Tower, Honolulu, Hawaii 96813, phone 526-3237. The President is Richard K. C. Lau.

ATTORNEYS REPRESENTING DEVELOPER: RICE, LEE & WONG, Attorneys at Law, a law corporation (Attention: Patrick K. Lau, Esq.), 345 Queen Street, Suite 700, Honolulu, Hawaii 96813; telephone 536-4421.

DESCRIPTION: The Declaration reflects that the project consists of thirty (30) buildings each containing one (1) single family dwelling (hereinafter called a "dwelling"), except for one (1) building that contains two (2) dwellings. The dwellings are constructed principally of glass, wood, and other building materials on wood post and pier foundations, with a corrugated aluminum roof and an oak floor. The carports have asphaltic concrete floors, wood posts and a corrugated

aluminum roof. Twenty-nine (29) of the buildings are one-story in height and one (1) of the buildings, more particularly described hereinbelow, is constructed on two levels.

Thirty-one (31) freehold estates are hereby designated in the space enclosed by and within the outside surfaces of the exterior walls and roof and the bottom surfaces of the footings and foundations of each of the thirty-one (31) dwellings, its type, description and number of rooms and post office address are as follows:

<u>Address</u>	<u>Type of Unit</u>	<u>Condo. Map Designation</u>	<u>No. of Rooms</u>
47-407 Ahuimanu Rd.	A	A-01	6
47-407A "	B	B-01	6
47-407B "	A	A-03	6
47-407C "	B	B-03	6
47-407D "	A	A-05	6
47-403 "	C	C-01	6
47-403A "	A	A-02	6
47-403B "	B	B-02	6
47-403C "	A	A-04	6
47-403D "	B	B-04	6
47-403E "	A	A-06	6
47-413 "	B	B-12	6
47-413A "	B	B-10	6
47-413B "	A	A-10	6
47-413C "	B	B-08	6
47-413D "	B	B-06	6
47-413E "	A	A-07	6
47-417 "	B	B-11	6
47-417A "	B	B-09	6
47-417B "	A	A-09	6
47-417C "	B	B-07	6
47-417D "	A	A-08	6
47-417E "	B	B-05	6
47-425 "	A	A-11	6
47-425A "	A	A-13	6
47-425B "	A	A-14	6
47-425C "	D	D-02	6
47-427 "	B	B-13	6
47-427A "	A	A-12	6
47-427B "	B	B-14	6
47-427C "	D	D-01	6

The foregoing addresses are the street number and addresses assigned to the respective dwellings.

(i) TYPE A. One (1) story dwelling, consisting of six (6) rooms: three (3) bedrooms, one (1) bathroom, a livingroom and kitchen. The interior living area is approximately 720 square feet. Parking is in a detached carport.

(ii) TYPE B. One (1) story dwelling, consisting of six (6) rooms: three (3) bedrooms, one (1) bathroom, a livingroom and kitchen. The interior living area is approximately 720 square feet. Parking is in a detached carport. Each Type B dwelling is identical to a Type A dwelling, except that the floor plans are reversed.

(iii) TYPE C. Two (2) story dwelling where the first (1st) floor is a basement and the second (2nd) floor consists of six (6) rooms: three (3) bedrooms, one (1) bathroom, a livingroom and kitchen. The interior

living area is approximately 1,140 square feet. Parking is in a detached carport.

(iv) TYPE D. One (1) story dwelling, consisting of six (6) rooms: three (3) bedrooms, one (1) bathroom, a livingroom and kitchen. The interior living area is approximately 720 square feet. Parking is in an adjacent carport that connects the two (2) Type D dwellings.

Each dwelling shall be deemed to include the footings and foundations on which it is constructed, the exterior walls and roof, all interior walls, ceilings, doors, door frames, windows, window frames, floors and partitions and the finished surfaces thereto, the basement (if any), patio areas, (if any), and all fixtures installed therein. However, the respective dwellings shall not be deemed to include any wires, pipes, conduits or any structural or service elements which are utilized by or serve more than one dwelling, the same being deemed common elements as hereinafter provided.

Each dwelling has immediate access to the walkways and driveways appurtenant thereto which connect the dwelling to the roadway of the project.

The sale and purchase of the dwelling shall include the following: an electric refrigerator, range, water heater, plumbing and lighting fixtures that are installed in the dwelling.

COMMON ELEMENTS: The Declaration reflects that the common elements will include all of the land and improvements other than the dwellings, including without limitation, the following:

- (a) The land in fee simple;
- (b) All yards, grounds and landscaped areas and walkways around and between the buildings;
- (c) All roadways, guest parking areas, sidewalks, walkways and driveways of the project;
- (d) All common trash and common storage areas;
- (e) All retaining walls of whatsoever kind or construction and wheresoever located with the Project, insofar as such walls are existing as retaining or supporting other common elements;
- (f) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under or across the project which serve more than one dwelling for services such as power, light, gas, water, sewer, refuse, telephone and radio and television signal distribution, if any;
- (g) Any and all other apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The Declaration reflects that certain parts of the common elements are designated as limited common elements and set aside for the exclusive use of certain dwellings, and such dwellings shall have appurtenant thereto easements for the use of such limited common elements as follows:

(a) The site of each dwelling, consisting of land beneath and immediately adjacent thereto, as shown and delineated on said Condominium Map, shall be a limited common element for the exclusive use of the dwelling to which it is appurtenant;

(b) The walkways and driveways connecting the dwellings to the roadway of the project shall be a limited common element for the exclusive use of the dwelling or dwellings to which said walkways and driveways are appurtenant;

(c) Each dwelling shall have for its exclusive use the mailbox bearing the address of the dwelling;

(d) Each dwelling shall have, as a limited common element appurtenant thereto, the exclusive use of the parking stall designated by number and set forth opposite the number of the dwelling to which it pertains in Exhibit "A" attached hereto and by reference made a part hereof, and as shown on the Condominium Map.

(e) All other common elements of the project which are rationally related to less than all of the dwellings shall be appurtenant to and for the exclusive use of the dwelling or dwellings served thereby.

INTEREST TO BE CONVEYED PURCHASERS: Each dwelling shall have appurtenant thereto an undivided percentage interest in all common elements of the project, and the same interest in all common profits and expenses of the project and for all other purposes, including voting. The common interest appurtenant to each dwelling except dwelling Nos. 47-403 and 47-403E shall be 3.16623%. The common interest for dwelling No. 47-403 shall be 4.66997% and the common interest for dwelling No. 47-403E shall be 3.50936%.

EASEMENTS: In addition to any easements established in connection with the designation of the limited common elements, the dwellings and common elements shall also have and be subject to the following easements:

(a) Each dwelling shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for, and support, maintenance and repair of such dwelling; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided hereinabove; and in all other dwellings for support.

(b) If any part of the common elements encroaches upon any dwelling or limited common element, or if any

dwelling or limited common element encroaches upon the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, does and shall exist. In the event that any dwelling or improvements of the project shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the project, minor encroachments by any common element upon any dwelling or limited common element, or by any dwelling or limited common element upon any other dwelling, limited common element or the common elements due to the same shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

(c) The Association of Apartment Owners of Valley Estates (hereinafter referred to as the "Association") shall have the right, to be exercised by the Board of Directors of the Association or Managing Agent, to enter each dwelling and limited common element from time to time during reasonable hours as may be appropriate for the operation of the project or at any time for making emergency repairs therein which may be necessary to prevent damage to any dwelling, common element or limited common element or for the installation, repair or replacement of any common elements.

(d) Each dwelling owner shall have an easement in common with the owners of all other dwellings to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other dwellings or limited common elements and serving his dwelling. Each dwelling and the limited common elements shall be subject to an easement in favor of the owners of all other dwellings to use the pipes, ducts, cables, wires, conduits, public utility lines and other common elements serving such other dwellings and located in such dwelling.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE: The Declaration states that the dwellings shall be occupied and used only for private dwelling purposes by the respective owners thereof, their tenants, families, domestic servants and social guests. The dwelling owners shall have the right to rent or lease their dwellings, subject to all provisions of the Declaration and the By-Laws; provided, however, that no dwelling shall be rented by the owner or owners thereof for transient or hotel purposes. As used in the Declaration "transient or hotel purposes" shall mean:

(i) rental for any period of less than thirty (30) days; or

(ii) any rental if the occupants of the dwelling are provided customary hotel services, such as room service for food and beverages, maid service, laundry and linen and bell boy services.

The Declaration also provides that the project shall not become a "Time Share Plan", as defined in Chapter 514E of the Hawaii Revised Statutes, as amended, unless 100% of the dwelling owners agree to submit the project to such "Time Share Plan".

The By-Laws of the Association of Apartment Owners provide, in part, that no livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project including, without limitation, dogs, cats and other household pets.

The House Rules provide, in part: (1) maximum occupancy will be limited to no more than two (2) adults per bedroom; (2) there shall be no riding of mopeds, two-wheeled bicycles or skateboards on common area sidewalks; and (3) garages may not be converted to workshops or additional living space.

OWNERSHIP OF TITLE: The Preliminary Title Report dated April 4, 1984, issued by TITLE GUARANTY OF HAWAII, INC., reports that fee simple title to the land is vested in FMA Consultants, Inc., a Hawaii corporation. By Agreement of Sale dated July 26, 1983, the fee owner contracted to sell the property to the Developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report of April 4, 1984 indicates that title to the land is subject to the following encumbrances:

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Real Property Taxes as may be due and owing. For further information, check with the Tax Assessor.
3. The right of the Dillingham Bros., Limited, at any time to change the location of said easements, roadways, or rights of way, other than the Kamehameha Highway, provided, the Dillingham Bros., Limited, furnishes the owners of said pieces of lands affected by such change with equally suitable easements, roadways, or rights of way, to those already existing and hereby provided of the same width at least as the existing roadways, easements or rights of way and if any dispute shall arise between the Dillingham Bros., Limited and the owners of the land affected by such change as to the suitability of the new easements, roadways, or rights of ways, such dispute shall be submitted to and settled by a Judge of the Land Court of the State of Hawaii.

Nothing herein contained shall be construed as determining the rights to water and/or easements for irrigation ditches in favor of the Dillingham Bros., Limited, and/or any of the parties interested in the lands covered by Land Court Certificate of Title No. 47,043.

4. AS TO LOT 379:
  - A. Easement "5" (10 feet wide) along Lot 379 as shown on Map 18, as set forth by Land Court Order No. 5497, filed August 5, 1943.
  - B. Restrictive covenants in Deed dated May 2, 1951, filed as Land Court Document No. 128343, to-wit:
    - "(1) That no hedge, building or structure, or any part thereof (except a boundary hedge, fence or wall not more than four (4) feet above the ground line) shall be grown,

erected or placed or allowed to remain upon the above described premises within twenty (20) feet from the front street property line, or within six (6) feet from any other street property line.  
(2) that no "quonset" type of building shall be erected, placed or maintained upon said premises."

5. AS TO LOT A-57: Lis Pendens in favor of City and County of Honolulu dated November 25, 1946, filed as Document No. 88675, re: water rights.

6. AS TO LOTS 378 and A-57:

(A) Restrictive covenants in Deed dated November 27, 1950, filed as Document No. 123914, to-wit:

"(1) That no hedge, building or structure, or any part thereof (except a boundary hedge, fence or wall not more than four (4) feet above the ground line) shall be grown, erected or placed or allowed to remain upon the above described premises within twenty (20) feet from the front street property line, or within six (6) feet from any other street property line.

(2) That no "quonset" type of building shall be erected, or placed or maintained upon said premises."

(B) Grant in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company dated October 6, 1970 filed as Document No. 518402, granting easement for utility purposes.

7. AS TO LOTS 378 and 379: Grant in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company dated October 31, 1972, filed as Document No. 607354, granting easement for utility purposes.

8. MORTGAGE

MORTGAGOR : FRANK MOTOSHI ARITA and PEGGY KUNIE ARITA, husband and wife  
MORTGAGEE : AMERICAN SECURITY BANK, a Hawaii banking corporation, now known as FIRST INTERSTATE BANK OF HAWAII, a Hawaii banking corporation  
DATED : February 29, 1972  
FILED : Land Court Document No. 571323  
AMOUNT : \$575,000.00

9. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : FMA CONSULTANTS, INC., a Hawaii corporation  
MORTGAGEE : GECC FINANCIAL CORPORATION, a Hawaii corporation  
DATED : August 14, 1981  
FILED : Land Court Document No. 1082561  
AMOUNT : \$308,000.00

10. AGREEMENT OF SALE

VENDOR : FMA CONSULTANTS, INC., a Hawaii corporation  
VENDEE : TERRITORIAL ENTERPRISES INC., a Hawaii corporation  
DATED : July 26, 1983  
FILED : Land Court Document No. 1182129  
AMOUNT : \$1,687,500.00  
CONSENT : By FIRST INTERSTATE BANK OF HAWAII, formerly known as AMERICAN SECURITY BANK, a Hawaii banking corporation, by instrument dated July 21, 1983, filed as Document No. 1182130, and by GECC FINANCIAL CORPORATION, a Hawaii corporation, by instrument dated July 22, 1983, filed as Document No. 1182131.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated January 30, 1984, identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation as Escrow Agent. On examination, the specimen Reservation and Sales Agreement and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514A, and particularly Section 514A-39 and Section 514A-63 through 514A-66, inclusive.

Among other provisions, the executed Escrow Agreement states that a purchaser under a Reservation and Sales Agreement shall have the right to obtain a refund of all moneys held by Escrow which were paid by such purchaser if (a) Seller instructs Escrow to return to the purchaser the funds of the purchaser then being held, or (b) Seller notifies Escrow of Seller's exercise of any right to rescind the Reservation and Sales Agreement, or (c) the conditions providing for a refund under Sections 514A-63, 64 or 66 of the Horizontal Property Regime Act have been met.

Among other provisions, the specimen Reservation and Sales Agreement states that (1) if by December 31, 1984, less than fifteen (15) dwellings in the project have been sold, Developer, at its option, may cancel the Reservation and Sales Agreement upon written notice to purchaser, in which event all sums paid by purchaser hereunder shall be refunded, without interest, to purchaser, and the Reservation and Sales Agreement shall be deemed to have been cancelled and both parties shall be released from all obligations and liability thereunder, and (2) the Seller makes no warranties, express or implied with respect to the dwelling, Project or appliances installed therein.

MANAGEMENT AND OPERATION: The By-Laws provide that the management, operation and maintenance of the project shall be vested in the Board of Directors of the Association of Apartment Owners, provided that the Board of Directors shall employ a responsible corporate Managing Agent who shall assist the Board of Directors in the management and operation of the project. The initial Managing Agent shall be CRI Management, Inc., a Hawaii corporation whose principal place of business and post office address is 1045 Mapunapuna Street, Honolulu, Hawaii 96819. The Developer has submitted a copy of the management agreement dated January 27, 1984 to the Real Estate

Commission.

STATUS OF PROJECT: The project was built in 1968 and is now in the process of being renovated. The renovation of the project commenced on October 12, 1983 and the estimated completion date is August 1, 1984. Purchasers and prospective purchasers should note that the Director and Building Superintendent of the City and County of Honolulu in his letter to the Developer dated February 28, 1984, indicated that the eleven (11) single-family dwellings on parcel 10 of the project met the code requirements when they were constructed; however, the twelve (12) single-family dwellings on parcel 11 of the project were not constructed according to approved plans, which called for six (6) duplex buildings. Building permits were issued for the six (6) single-family dwellings and a two-family detached dwelling (duplex) on parcel 12 of the Project and they met Building Code requirements. No variances or special permits were granted to allow deviations from any applicable codes. Although the Building Department of the City and County of Honolulu is aware of the deviations of the buildings on parcel 11 of the Project, as indicated by its letter dated February 28, 1984, the Developer claims it has never received a notice of violation from the Building Department relating to said deviations and is not aware of any outstanding notices of violation relating to said deviations. On checking with the Building Department, the Commission was informed and hereby advises that the original owner's failure to build on parcel 11 according to approved plans may have negative impact later should a subsequent owner of a dwelling on that parcel wish to rebuild or replace the same unit (due to destruction or deterioration thereof). Affected units are B-05, A-07, A-08, B-06, B-07, B-08, A-09, A-10, B-09, B-10, B-11 and B-12.

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 23, 1984, and information subsequently filed as of May 25, 1984.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1602 filed with the Commission on April 23, 1984.

The report, when reproduced, shall be a true copy of the Commission's Final Public Report. The paper stock used in making facsimiles must be white.

  
G.A. "RED" MORRIS, CHAIRMAN  
REAL ESTATE COMMISSION  
STATE OF HAWAII

DISTRIBUTION:

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

Registration No. 1602

Dated: June 8, 1984