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
KEALOHA ARMS
1658 Liholiho Street
Honolulu, Hawaii

REGISTRATION NO. 266

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: June 4, 1969
Expires: July 4, 1970

SPECIAL ATTENTION

A comprehensive reading of the report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 20, 1969 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS LATE AS MAY 29, 1969. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. KEALOHA ARMS is a proposed leasehold or fee simple condominium project consisting of thirty-two (32) apartments contained in a seven (7) story building, constructed principally of reinforced concrete, with one (1) parking space appurtenant to each apartment. Norman Schneider, the fee simple owner, will sell units in fee simple to purchasers desiring such or M. M. Ross, the Developer, will sell apartment leases from Norman Schneider to those purchasers who desire to purchase a leasehold interest.

2. The Developer of the project has submitted to the Commission for examination a filing of documents and exhibits which are complete except for some particular requirement, or requirements, which can be expected to be completed as part of this registration.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been filed in the office of the recording officer.

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 514, Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. If a Final Public Report is not issued within one year from the date of this Preliminary Report, June 4, 1969, purchasers shall be entitled to refund of moneys paid, less escrow charges, without further obligation.

7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, June 4, 1969, unless a Supplementary Public Report issues or the Commission upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: KEALOHA ARMS

LOCATION: The 11,334 square feet of land committed to the project is located at 1658 Liholiho Street, Honolulu, City and County of Honolulu, State of Hawaii.

TAX KEY: FIRST DIVISION 2-4-29-19

ZONING: Hotel-Apartment

DEVELOPER: M. M. ROSS, 2801 Coconut Avenue, Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Henshaw, Conroy & Hamilton (Mr. Dwight H. Rush), 1410 First Hawaiian Bank Building, Honolulu, Hawaii, telephone 536-1002.

DESCRIPTION: This will be a combination leasehold and fee simple condominium complex. The plan is to build thirty-two (32) apartment units in a seven (7) story building, constructed principally of reinforced concrete, designated on floor plans which are to be recorded and located as follows:

Apartments No. 101, 102, 103, 104, 105 and 106 are located on the second floor;
Apartments No. 201, 202, 203, 204, 205 and 206 are located on the third floor;
Apartments No. 301, 302, 303, 304, 305 and 306 are located on the fourth floor;
Apartments No. 401, 402, 403, 404, 405 and 406 are located on the fifth floor;
Apartments No. 501, 502, 503, 504, 505 and 506 are located on the sixth floor; and
Apartments No. 601 and 603 are located on the seventh floor.

Each apartment contains the number of rooms and approximate square foot area according to its respective plan as shown on the floor plans as follows:

1. Ten (10) studio apartments numbered 101, 106, 201, 206, 301, 306, 401, 406, 501 and 506 contain three rooms each, including one general purpose bedroom-living room and one bathroom. Each studio apartment includes approximately 450 square feet of covered area and a lanai of 120 square feet, or a total area of approximately 570 square feet;

2. Ten (10) one-bedroom apartments numbered 103, 104, 203, 204, 303, 304, 403, 404, 503 and 504 contain four rooms each, including one bedroom and one bathroom. Each one-bedroom apartment includes approximately 612 square feet to 636 square feet of covered area together with a lanai of 212 square feet, making a total square foot area of from approximately 824 square feet to approximately 848 square feet;

3. Ten (10) two-bedroom apartments numbered 102, 105, 202, 205, 302, 305, 402, 405, 502 and 505 contain five rooms each, including two bedrooms

and one bathroom. Each two-bedroom apartment includes approximately 825 square feet of covered area and a lanai of 308 square feet making a total area of approximately 1,133 square feet; and

4. Two (2) three-bedroom apartments numbered 601 and 603 contain seven rooms each, including three bedrooms and two bathrooms. Each three-bedroom apartment includes approximately 1,272 square feet of covered area together with a lanai of 424 square feet making a total square foot area of approximately 1,696 square feet.

Each of the apartments has direct access to a walkway across the face of the building which leads to the elevator and the stairs which connect to the ground floor at the street level.

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 the apartment or any pipes, wires, conduits, or other utility 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 residential 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 air space bounded by the lanai and the built-in fixtures, including ranges and garbage disposal units.

There will be thirty-two (32) partially covered parking stalls on the ground floor parking area. The floor plan indicates that there will be a kidney-shaped pool situated at the rear of the property.

COMMON ELEMENTS: The specimen Declaration states that an estate is to be designated of all remaining portions of the project, called "common elements", including but not limited to: (a) Said land in fee simple; (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, roofs, chases, entries, stairways and walkways of said building; (c) All yards, grounds, landscaping, swimming pool and appurtenant areas, all refuse facilities, all roads, parking areas and driveways; (d) All ducts, electrical equipment, wiring and other central and appurtenant installations, including power, light, water, sewer lines and telephone; and (e) One automatic electric elevator with elevator housing and appurtenant equipment.

LIMITED COMMON ELEMENTS: The specimen Declaration reflects that certain parts of the common elements, are designated and called "limited common elements", and are set aside for the exclusive use of certain apartments. Such apartments shall have appurtenant thereto easements for the use of such limited common elements consisting of one or more parking spaces designated on the floor plan by the designation corresponding to the designation of each apartment.

INTEREST TO BE CONVEYED TO PURCHASERS: According to the specimen Declaration, each apartment shall have appurtenant thereto an undivided percentage interest as follows:

Studio apartments	1.980%
One-Bedroom apartments	2.884%
Two-Bedroom apartments	3.952%
Three-Bedroom apartments	5.920%

in all of the common elements of the project and the same proportionate share in all profits and expenses of the project and for all other purposes including voting. As mentioned earlier, purchasers have the option to purchase apartment units in leasehold or fee simple.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The specimen Declaration states 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 apartment shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than thirty (30) days, or (b) any rental in which the occupants of the apartment 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 apartment subject to all provisions of the Declaration of Horizontal Property Regime.

OWNERSHIP TO TITLE: Developer has filed with the Commission a Preliminary Report of title dated May 20, 1969, prepared by Abstractor, Security Title Corporation, which reports that title to the land committed to the regime is vested in Hiroshi Yamamoto and Terue Yamamoto, husband and wife as Tenants By The Entirety.

ENCUMBRANCES AGAINST TITLE: The May 20, 1969 Preliminary Report discloses that the property is subject to the following: Real Property Taxes for the second half of the Fiscal Year 1968-1969 is a lien, delinquent after June 10, 1969. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant 2788. Restrictive Covenant contained in that certain Deed dated September 5, 1916 and recorded on September 9, 1916 in the Bureau of Conveyances of the State of Hawaii in Book 462, Page 2, to wit: "That no malt, vinous, spirituous or intoxicating liquors of any kind shall ever be sold or exposed for sale, or manufactured on the said premises or any part thereof." Undated Affidavit recorded on October 10, 1968 in said Bureau of Conveyances in Book 6253, Page 303. Said Affidavit executed by Michael M. Ross says that on August 23, 1968, he entered into an option agreement with Hiroshi Yamamoto and Terue Yamamoto, husband and wife, to purchase the fee simple property committed to the regime. The Affidavit further states that the option may be exercised any time up to and including December 23, 1968 or January 23, 1969 in the event the Sellers extend the time for exercise of the option.

NOTE: Developer has filed with the Commission a copy of an Initial Payment Receipt and Contract dated August 23, 1968 executed by and between Hiroshi Yamamoto and Terue Yamamoto, as Sellers, and Michael Ross and Norman Schneider, as Buyers, for the purchase of the property committed to the regime. This agreement appears to be the agreement referred to as the option agreement in the affidavit of Michael M. Ross.

Developer advises that as of the date of the Preliminary Public Report, he has not entered into an agreement of sale; however, he has arranged with Hiroshi Yamamoto and Terue Yamamoto to extend the option deadline on a month to month basis.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement identifies Security Title Corporation, a Hawaii corporation, as the Escrow Agent. On examination the specimen Reservation Agreement, Deposit Receipt and Contract and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes. The language in the specimen contract illustrates compliance with the requirements of Sec. 514-36 through 514-40, Hawaii Revised Statutes.

Among other provisions the Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to Purchaser, without interest and less Escrow's $10 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 proper Seller to return to Purchaser the funds of such Purchaser then held by Escrow; or (2) If Purchaser's funds were obtained prior to the issuance of a final report and if there is any change in the building plans, subsequent to the execution of Purchaser's contract, requiring the approval of a County officer having jurisdiction over the issuance of permits for construction, unless the Purchaser has given written approval or acceptance of the change; or (3) If the request is prior to the time the Final Public Report is issued, or if after such time, if the Final Report differs in any material respect from the Preliminary Report, unless the Purchaser has given written approval or acceptance of the difference; or (4) If the Final Report is not issued within one year from the date of issuance of the Preliminary Report.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Reservation Agreement, Deposit Receipt and Contract and the executed Escrow Agreement. The latter document, Escrow Agreement, establishes how the proceeds from the sale of the apartment units and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds.

MANAGEMENT AND OPERATIONS: The declarant discloses that the administration of the project shall be vested in the Association of Apartment Owners. The proposed By-Laws of the Association place the responsibility of employing a responsible Managing Agent to manage and control the project subject at all times to direction by the Board. Gordon W. Crabtree has been identified as the Managing Agent.

STATUS OF PROJECT: The declarant states that construction has not commenced. The Developer anticipates that construction will start on or about June 15, 1969. No construction contract has been entered into at this time.

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 March 20, 1969, and additional information subsequently filed as late as May 29, 1969.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 266 filed with the Commission on March 20, 1969.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be yellow in color.

Jack K. Palk

JACK K. PALK, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Distribution:
DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY & COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 266
June 4, 1969