

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
DEVLAND HALE
45-079 Waikalua Road
Kaneohe, Oahu, Hawaii
REGISTRATION NO. 672

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated April 17, 1974, issued by the Real Estate Commission on the above 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: March 27, 1975
Expires: May 17, 1975

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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 28, 1974 AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 24, 1975. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON MATERIAL CHANGES IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Final Public Report of April 17, 1974 on Devland Hale, Registration No. 672, the Developer reports that changes have been made in the plan or setup as heretofore presented in that the project will be a leasehold project, instead of a fee simple project as stated in the Final Public Report on April 17, 1974, and that the Developer shall issue individual apartment leases to purchasers, leasing the apartment to the

purchaser together with appurtenant easements and an undivided interest in the common elements. The apartment lease shall contain restrictions on the transfer and use of the apartments. The changes subsequently made are determined to be a material revision to the information disclosed earlier. This Supplementary Public Report (pink paper stock) amends the Final Public Report (white paper stock) of April 17, 1974, and becomes a part of the Devland Hale, Registration No. 672. The Developer is responsible for placing a true copy of this Supplementary Public Report in the hands of all purchasers and prospective purchasers, along with a copy of the Final Public Report. The purchaser shall sign the required receipt signifying that he has had an opportunity to read both reports.

2. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of the project and updating information disclosed herein.
3. The Commission has determined that the basic documents (Declaration of Horizontal Property Regime, with By-Laws 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 March 15, 1974 have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 673519. The First Amendment to said Declaration was filed by instrument dated July 25, 1974, as Land Court Document No. 692027. The Second Amendment to said Declaration was filed by instrument dated February 12, 1975, as Land Court Document No. 710984.

The Land Court has assigned Condominium Map No. 201 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 and prospective purchaser are advised to acquaint themselves with the provisions of Chapter 514, Hawaii Revised Statutes (as amended), and the Condominium Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.
6. This Supplementary Public Report and the Final Public Report filed under Registration No. 672, expires on May 17, 1975, unless another supplementary report is published or the Commission, upon review of the registration, issues an order extending the said effective period.

DEVELOPER: The original developer of the project was Edward Keiji Kageyama, as set forth in the Final Public Report of April 17, 1974. By deed dated July 29, 1974 and filed as Land Court Document No. 692028, Edward Keiji Kageyama sold all of the apartments together with appurtenant interests thereto constituting the whole of the Devland Hale condominium project to the Hawaii

Housing Authority, a public body and a body corporate of the State of Hawaii whose business and post office address is 1002 North School Street, Honolulu, Hawaii. The Hawaii Housing Authority intends to sell the apartments under Chapter 359G of the Hawaii Revised Statutes.

ATTORNEY REPRESENTING DEVELOPER: James T. Funaki, 1022 Bethel Street, Honolulu, Hawaii, Telephone 536-1791.

OWNERSHIP OF TITLE: The title to the land committed to the project is vested in Hawaii Housing Authority. A lien letter prepared by Long & Melone, Ltd. dated September 18, 1974 confirms such ownership.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report prepared by Title Guaranty of Hawaii, Incorporated dated March 12, 1975, certifies that the records reveal no liens or encumbrances against said title, save and except the following:

1. Easement A (4 feet wide), as shown on Map No. 1 filed in said Office of the Assistant Registrar with Land Court Application No. 1657, for foot path and utility purposes, along and within a portion of the Southeasterly boundary of said premises.
2. Easement (51 square feet), as shown on Map No. 2 filed in said Office of the Assistant Registrar with Land Court Application No. 1657, for sanitary sewer purpose, within the Northeast corner of said premises, as set forth by Land Court Order No. 23861, filed February 11, 1965; said easement was granted to the City and County of Honolulu by instrument dated August 26, 1965, filed as aforesaid as Land Court Document No. 353824.
3. Designation of Easement B (22 feet wide) (Area 4,742 square feet), as shown on Map No. 3 filed in said Office of the Assistant Registrar with Land Court Application No. 1657, for roadway and utility purposes, along and within the Southeasterly boundary of said premises, as set forth by Land Court Order No. 40282, filed July 26, 1974.
4. Reservation contained in Deed dated July 29, 1974, filed as aforesaid as Land Court Document No. 692028, from Edward Keiji Kageyama, husband of Jeanette Wo Sien Kageyama, to Hawaii Housing Authority to which reference is hereby made.
5. Covenants, conditions, restrictions, terms, agreements, obligations and provisions contained in Declaration of Horizontal Property Regime dated March 15, 1974, filed as Land Court Document No. 673519, as amended by instrument dated July 25, 1974, filed as Land Court Document No. 692027 and further amended by instrument dated February 12, 1975, filed as Land Court Document No. 710984; filed as Condominium Map No. 201.

FINANCING OF PROJECT: The Hawaii Housing Authority has paid for the completed project in cash and the project is not encumbered by any mortgage.

RESTRICTIONS ON TRANSFER AND USE OF APARTMENTS: The Hawaii Housing Authority ("authority") intends to sell the apartments under Chapter 359G of the Hawaii Revised Statutes which imposes certain restrictions on the transfer and use of apartments as follows:

"(a) For a period of ten years after the dwelling unit is purchased from the authority, or an agreement of sale is executed, whether on fee simple or leasehold property the following restrictions shall apply to the use and transfer of the unit and the property:

(1) Any such dwelling unit shall be owner occupied. Violation of this provision is sufficient for the authority, at its option, to repurchase the dwelling unit as provided for in paragraph (2).

(2) In the event that the purchaser wishes to transfer title to the dwelling unit and the property or the lease, the authority shall have the right to first refusal, at a price which shall not exceed the amount of the original cost to the purchaser together with the cost of any improvements added by the purchaser together with simple interest on all of the purchaser's equity in the property at the rate of seven per cent a year; provided, however, that title to a dwelling unit and the property or lease may pass to a family member by devise or through the laws of descent, who would otherwise qualify under the rules and regulations established by the authority.

(3) Any deed, lease, agreement of sale, mortgage, or other instrument of conveyance issued by the authority shall expressly contain the restriction on transfer and use of the dwelling unit as prescribed in this section.

(b) For a period from the tenth year until the twentieth after a dwelling unit is purchased or an agreement of sale is executed, whether on fee simple or leasehold property the following restrictions shall apply to the use and transfer of the unit and the property:

(1) Any such dwelling unit shall be owner occupied. Violation of this provision is sufficient for the authority, at its option, to repurchase the dwelling unit as provided for in paragraph (2).

(2) In the event that the purchaser wishes to transfer title to the dwelling unit and the property or the lease, the authority shall have the right of first refusal, at a price which shall not exceed the greater amount of the original cost to the purchaser together with the cost of any improvements added by the purchaser together with simple interest on all of the purchaser's equity in the property at the rate of seven per cent a year, or the fair market value of the premises less any amount subsidized by the State, as determined by the authority, and less also interest thereon

at the same rate as that paid by the purchaser on his mortgage or other security agreement, provided that title to a dwelling unit and the property or lease may pass to a family member by devise or through the laws of descent, who would otherwise qualify under the rules and regulations established by the authority.

(3) Any deed, lease, agreement of sale, mortgage or other instrument of conveyance issued by the authority shall expressly contain the restriction on transfer and use of the dwelling unit as prescribed in this section.

(c) Any time after twenty years have elapsed from the date a dwelling unit is purchased or an agreement of sale is executed, whether on fee simple or leasehold property, 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:

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

(2) To the extent that any profit is realized, 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.

(3) To the extent that any profit is realized, interest on the amount determined under paragraph (2) above computed from the date of occupancy, at the same rate as that paid by the purchaser on his mortgage or other security agreement.

(4) If any proposed sale or transfer would not generate sufficient profit to enable the repayment of all sums under paragraphs (1), (2), and (3) above the authority shall have the right of first refusal to repurchase the unit. These provisions of subsection (b) shall be incorporated in any deed, lease, agreement of sale, mortgage, or other instrument of conveyance issued by the authority.

(d) Notwithstanding the provisions of subsections (a), (b), and (c) above the authority may at any time consent to the sale or transfer of a unit for such a price and on such terms as the authority may determine, in accordance with adopted rules or regulations, to preserve the intent of those provisions without the necessity for the State to repurchase the unit.

(e) Notwithstanding the provisions of subsections (a), (b), and (c) above, the authority may at any time waive the restrictions of subsections (a) (2), (a) (3), (b) (2), (b) (3), and (c), if the State makes no subsidy in the form of unrecovered land costs or unrecovered development costs, except such tax relief granted under section 359G-15, and except such costs, if any, (1) allocable to the staff of the authority in the administration of the partnership, (2) for training of labor under section 359G-13, and (3) for the development of innovative techniques and research under section 359G-14.

In the event that the United States Department of Housing and Urban Development, through its Federal Housing and Administration, the United States Department of Agriculture, through its Farmers Home Administration or any other federal or state agency engaged in housing activity, shall at any time become the owner of a dwelling unit and the land or leasehold interest pursuant to a contract, mortgage, or mortgage insurance, this right to repurchase by the authority shall be suspended and be of no force and effect during the period of such ownership, the right to repurchase being automatically reinstated and fully effective and applicable from and after any period of such ownership. Title to a dwelling unit and the land or leasehold interest may pass to a family member by devise or through the laws of descent, who would otherwise qualify under the rules and regulations established by the authority. The authority may in accordance with Chapter 91 adopt rules to effectuate this section and to conform to the requirements of any federal or state program."

PURCHASE MONEY HANDLING: The Developer has submitted a copy of its amended Sales Contract and an executed copy of Escrow Agreement entered into with Title Guaranty Escrow Services, Inc. on February 14, 1975. Upon examination, the amended Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the amended Sales Contract and the newly 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.

MANAGING AGENT: The Developer has named AARON M. CHANEY, INC., Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii, as the initial Managing Agent of the project.

STATUS OF PROJECT: The Developer has advised the Commission that a verified statement of a professional engineer certifying that the final plans of the project fully and accurately depict the project as built. The statement was confirmed in the First Amendment to

the Declaration of Horizontal Property Regime dated July 25, 1974 and filed as Document No. 692027.

The purchaser or prospective purchaser shall be cognizant of the fact that this report represents information disclosed by the Developer in the required Notice of Intention submitted March 28, 1974 and information subsequently filed as of March 24, 1975.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 672 filed with the Commission on March 28, 1974.

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


~~(for)~~ DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

Registration No. 672

March 27, 1975