

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

OCEAN VILLA

Au Street

Waialua, Oahu, Hawaii 96791

REGISTRATION NO. 718

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: September 30, 1974

Expires: October 30, 1975

SPECIAL ATTENTION

A comprehensive reading of this 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 SEPTEMBER 12, 1974. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. OCEAN VILLA is a proposed fee simple condominium project containing thirty (30) apartments, consisting of six (6) two-bedroom apartments, sixteen (16) one-bedroom apartments and eight (8) studio apartments located in one five (5) story building. There will be a total of thirty-eight (38) parking stalls, consisting of thirty (30) regular size stalls and eight (8) compact stalls. Each apartment will have appurtenant to it a parking stall or stalls.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Preliminary Public Report.
3. The Developer has submitted to the Commission for examination a proposed Declaration of Horizontal Property Regime, proposed By-Laws of the Association of Owners and preliminary floor plans. In this Preliminary Public Report, the statements regarding the Declaration refer to the proposed Declaration submitted to the Commission.
4. As of this date, no advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The Developer advises the Commission that at such time as construction of the Project is commenced, it will have a recorded fee simple interest in the land.
6. 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 the Horizontal Property Regimes.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, September 30, 1974, unless a Final Public Report issues or the Commission, upon review of the registration, issues an order, extending the effective period of this report.

NAME OF PROJECT: OCEAN VILLA

LOCATION: The Project is located at Au Street, Kamananui, Waialua, Oahu, Hawaii, and consists of approximately 25,960 square feet of land.

TAX KEY: 6-8-11-44&45

ZONING: A-2

DEVELOPER: Ocean Villa Development Co., a Hawaii limited partnership, is the Developer of the Project, and has its principal place of business and post office address at Pacific Trade Center, Suite 1814, Honolulu, Hawaii. Telephone: 524-1880. The General Partners are Ted Crane and Howard Bugbee.

ATTORNEY REPRESENTING DEVELOPER: Paul, Margolis & Warner,
Suite 1300, Pacific Trade Center, Honolulu, Hawaii 96813.
(Attention: Robert E. Warner, Esq.); telephone number: 524-1212.

DESCRIPTION OF PROJECT: The project consists of a five-story apartment building and amenities, as follows: the building, set back 40 feet from the shoreline boundary, contains a total of thirty (30) apartments, consisting of six (6) two-bedroom apartments, sixteen (16) one-bedroom apartments, and eight (8) studio apartments. The apartments are located on the second through fifth levels, and are numbered, counting from left to right facing the ocean, on the second level, 201 through 207, on the third level, 301 through 307, on the fourth level, 401 through 408, and on the fifth level, 501 through 508. On each level there is at least one of each type of apartment.

On the first (ground) level is the parking area containing a total of thirty-eight (38) parking stalls, numbered 1 through 38. There are thirty (30) regular size parking stalls and eight (8) compact parking stalls, which are denoted by the letter "C" after the stall number. Sixteen (16) parking stalls, numbered 3 through 18, inclusive, are covered; the rest are uncovered.

Each two-bedroom apartment contains approximately 890 square feet gross area, plus a lanai of approximately 105 square feet, and includes an entrance way, living/dining room, kitchen, two bedrooms, one bathroom, a laundry appliance closet and linen closet. The bedroom facing the ocean has two closets and direct access to the bathroom; the second bedroom has one closet. Each two-bedroom apartment has the same configuration as every other two-bedroom apartment, except that some are the mirror image of others. The two-bedroom apartments are numbered 201, 202, 301, 302, 401 and 501.

Each one-bedroom apartment contains approximately 640 square feet, plus a lanai of approximately 105 square feet, and includes an entrance way, living/dining room, kitchen, one bedroom with closet, and bathroom. Access to the bedroom is through the bathroom. Each one-bedroom apartment has the same configuration as every other one-bedroom apartment, except that some are the mirror image of others, and except that some have bedrooms facing the ocean and others have bedrooms facing on the mauka side of the building. The one-bedroom apartments are numbered 204 through 207, 304 through 307, 405 through 408, and 505 through 508. One bedroom apartments numbered 204, 206, 304, 306, 405, 407, 505 and 507 have bedrooms facing the mauka side of the building; one-bedroom apartments numbered 205, 207, 305, 307, 406, 408, 506, and 508 have bedrooms facing the ocean.

Each studio apartment contains approximately 425 square feet gross area, plus a lanai of approximately 72 square feet, and includes in addition to the living/dining/sleeping area a kitchen and a bathroom with closet. Each studio apartment has the same configuration as every other studio apartment, except that some are the mirror image of others. The studio apartments are numbered 203, 303, 402, 403, 404, 502, 503, and 504.

Each type of apartment has drapes and carpeting throughout, except in the kitchen and bathroom, which have vinyl floors. The kitchen in each apartment contains a refrigerator/freezer, dishwasher, sink with garbage disposal and a range/oven. The two-bedroom apartments have a washer and dryer in the laundry appliance closet.

Each apartment has direct access to a balcony on the mauka side of each of the second, third, fourth and fifth levels of the building and from that balcony to the grounds and parking area by an elevator and two (2) stairways. The project has access to Au Street via a driveway leading into and exiting from the parking area on the first (ground) level.

There is a storage area on each of levels two through five. Two washers and two dryers are located in each of the storage rooms on the third and fourth level, and there is a stairway between the storage rooms on the second and third level and on the fourth and fifth level. On the first (ground) level an entry walk, electrical and machinery rooms, and a trash yard. Sewage disposal is provided through a private sewer treatment plant, which is located on an adjoining property. The building is of concrete and concrete block construction with the roof of composition over slabs of concrete.

The perimeter of each of the apartments into which the project is divided shall be established by and shall include the interior half of all perimeter walls which are also party walls (whether or not load bearing); all of the perimeter walls which are not party walls (whether or not load bearing); all of any glass windows, doors or panels along the perimeter; and the inner decorated or finished surfaces of the perimeter floors and ceilings. Each of the apartments shall also include all walls, partitions, floors, ceilings and other improvements within its perimeter; any adjacent lanai shown on said condominium File Plan and/or Map; all built-in appliances and fixtures and all furnishings and appliances described above; and all air space encompassed within the apartment; excluding therefrom, however, all elements herein established as common elements; and provided further, however, that each perimeter wall, whether load bearing or non-load bearing, included in any apartment, is a limited common element and appurtenant to said apartment (except for the inner decorated surface of any perimeter wall, which is not a limited common element).

COMMON ELEMENTS: The proposed Declaration reflects that the common elements will include all portions of the Project other than the apartments, including specifically, but not limited to, the limited common elements described below, all common elements mentioned in said Horizontal Property Act which are actually constructed, all portions of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, and the following:

(a) The Property is fee simple.

(b) All foundations, floors, ceilings and roof (except for the floor, ceiling and roof surfaces within each apartment), expansion joints, supports, perimeter walls (except the inner decorated or finished surfaces of perimeter walls), and all other walls and structural portions of the building which are not within any apartment.

(c) All driveway areas, parking areas, entry areas and walkways, landscaped areas, and grounds.

(d) All ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, hot and cold water, refuse, and telephone, all of Developer's interest in the underground sewerage treatment plant and related appurtenances as set forth in that certain Reciprocal Easement Agreement attached to the Declaration, elevator and associated equipment, elevator entrance areas, four balconies, two staircases, storage rooms with stairways and washers and dryers located therein, electrical panel and transformer rooms, machinery room and trash yard.

LIMITED COMMON ELEMENTS: The Declaration reflects that the limited common elements will include as an appurtenance to each apartment, each perimeter wall, whether load-bearing or nonload-bearing, included within that apartment, except for the inner decorated surface of any such perimeter wall, and as appurtenances to the apartments indicated below the following:

(a) Each access balcony on the second, third, fourth and fifth level, respectively, shall be a limited common element appurtenant to and for the exclusive use of all the apartments on that level.

(b) Each storage areas on the second and the third levels and the storage areas on the fourth and the fifth levels, including the two washers and two dryers in the storage area on the third level and in the storage area on the fourth level, shall be a limited common element appurtenant to and for the exclusive use of all the one-bedroom and studio apartments on the second and third levels and on the fourth and fifth levels.

(c) The exclusive use of the elevator and the two stairways (not the stairways between the storage rooms) above the second level is reserved and appurtenant, as a limited common element, to all the apartments on the third, fourth and fifth levels, except that the exclusive use of the same (i) above the third level is reserved and appurtenant, as a limited common element, to all of the apartments on the fourth and fifth levels, and (ii) above the fourth level is reserved and appurtenant, as a limited common element, to all the apartments on the fifth level.

(d) Upon the initial conveyance of each apartment, at least one parking stall (but no more than two) shall be assigned together with such apartment and thereupon shall be a limited common element appurtenant to and for the exclusive use of each apartment at all times; provided, in the case of an exchange or transfer of parking stalls between apartments as herein below provided, immediately subsequent to such an exchange or transfer at least one parking stall (but no more than two) shall be a limited common element appurtenant to and for the exclusive use of each apartment.

Any such exclusive easement as a limited common element appurtenant to and for the use of a parking stall may be conveyed to another apartment owner by a written instrument expressly identifying the apartment to which the parking stall is appurtenant, as well as the apartment to which the parking stall will become appurtenant, which written instrument shall be denominated as an amendment of the Declaration. To the extent that joinder of apartment owners in addition to those directly affected may be required in order to validate the amendment of the Declaration for the limited purpose of transferring any such easement, such joinder shall be accomplished by power of attorney from each of the owners not affected to the affected owners, the acceptance of ownership in an apartment subject to the Declaration being a grant of such power and the grant, being coupled with an interest, being irrevocable. The transfer and amendment of the Declaration shall be affective upon filing of the same in the Bureau of Conveyances of the State of Hawaii (or the Office of the Assistant Registrar of the Land Court of the State of Hawaii, or both, whichever is applicable). A copy of said conveyance and amendment of the Declaration shall be given to the Association by the affected owners within fifteen (15) days of the filing thereof.

PARKING: The Developer will assign at least one parking stall (but no more than two) to each apartment upon the original conveyance, so that at least one parking stall (but no more than two) shall become and at all times shall remain for the exclusive use of and appurtenant to such apartment as a limited common element; provided that, as reflected in the Declaration and as reflected above under the heading "Limited Common Elements", apartment owners may thereafter transfer parking stalls among each other so long as there is at least one parking stall (but no more than two) for the exclusive use of and appurtenant to each apartment at all times immediately after such transfer. Parking stalls not so assigned, if any, shall be available for use by guests.

PURPOSE FOR WHICH EACH APARTMENT MAY BE USED: The Declaration reflects that the apartments shall at all times be used as permanent or temporary residences, or as hotel rooms, and for no other purpose.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The undivided percentage (or fractional) interest in the common elements appurtenant to each apartment is as follows:

Two-bedroom apartments 201, 301, 401 and 501	4.57%
Two-bedroom apartments 202 and 302	4.56%
One-bedroom apartments 207, 307, 407 and 508	3.41%
One-bedroom apartments 204, 205, 206, 304, 305, 306, 405, 406, 407, 505, 506, and 507	3.40%
Studio apartments 203, 303, 402, 403, 404, 502, 503 and 504	2.27%

Each apartment shall have said percentage (or fraction) in all common profits and expenses of the Project, and for all other purposes including voting.

OWNERSHIP TO TITLE: The Notice of Intention reflects the title to the land, consisting of two lots, is vested in Alii Land, Inc., a Hawaii corporation. The foregoing is verified by Preliminary Report dated July 9, 1974, issued by Hawaii Escrow & Title, Inc. The Developer's interest in the land is presently that of a purchaser under the sub-agreements more particularly described under the heading "Encumbrances Against Title". The Developer states its intention to acquire the fee simple interest in the land at such time as construction of the improvements is commenced, the Declaration is recorded, and the Final Report is issued.

ENCUMBRANCES AGAINST TITLE: Said preliminary report reflects that the Property is subject to the following encumbrances:

1. Assessments for Improvement District 168.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines of every description.
3. Exception of that portion of the property lying below the high water mark as presently or hereafter established by law or ruling of the Courts.

The provisions of Section 205-31 to 37, inclusive, of Hawaii Revised Statutes, 1972 supplement, with reference to water front setback.

4. Agreement of Sale executed by ALII LAND, INC., a Hawaii corporation, to TROPICAL CONTRACTING, INC., a Hawaii corporation, dated and recorded December 30, 1971 in Liber 8037, Page 463 (covers other properties also).

5. Restrictive covenants set forth in said Agreement of Sale.
6. As to Lot denoted by Tax Key Number 6-8-11-44 only:
 - (a) Subagreement of Sale executed by TROPICAL CONTRACTING, INC., to CHLO INVESTMENT, INC., dated December 29, 1972 recorded in Liber 8841, Page 237. The Seller's interest in said Subagreement of Sale was assigned to HAWAII THRIFT & LOAN, INC. by Assignment dated January 29, 1973 and recorded in Liber 8900, Page 166.
 - (b) Sub-subagreement of Sale dated May 20, 1974 executed by FRANKLIN Y. LAU, trustee for the creditors and stockholders of Chlo Investment, Inc., a dissolved corporation, to the Developer recorded in Liber 9918, Page 344.
7. As to Lot denoted by Tax Key Number 6-8-11-45 only:
 - (a) Subagreement of Sale executed by TROPICAL CONTRACTING, INC., to HOWARD H. HAMAMOTO and JOANNE HAMAMOTO, dated July 27, 1973 and recorded in said Bureau in Liber 9519, Page 96.
 - (b) Mortgage from Alii Land, Inc., in favor of Hawaii Thrift & Loan, Inc., dated December 16, 1971, and recorded in said Bureau in Liber 8009, Page 290.
 - (c) Sub-subagreement of Sale dated May 20, 1974 executed by HOWARD H. HAMAMOTO and JOANNE HAMAMOTO to the Developer recorded in Liber 9917, Page 320.

NOTE: The Notice of Intention reflects that the property will be released from the foregoing agreements of sale and related encumbrances (items 6(a) and 6(b), and 7(a), 7(b) and 7(c)) at the time the Developer takes title. The Developer intends to construct jointly with a third party a sewage treatment plant which will be located on adjoining property and which will serve the project and a proposed condominium project to be developed on said adjoining land. Developer intends to subject the property to the terms and conditions of a Reciprocal Easement Agreement establishing a plan for the joint use, maintenance, repair and operation of the sewage treatment plant and related appurtenances, which terms and conditions shall be covenants running with the land and binding on purchasers and shall be incorporated into the Declaration of Horizontal Property Regime. The Developer also intends to subject the property to a mortgage to secure construction financing, which mortgage will be released prior to any transfer of title to a purchaser.

PURCHASE MONEY HANDLING: Copies of the specimen Sales Contract and executed Escrow Agreement have been submitted as part of the registration. On examination, specimen Sales Contract and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, as amended, and specifically, but without limitation, to §514-15(6) and §514-35 through 514-40. The Escrow Agreement is dated August 19, 1974, and identifies Escrows, Inc. as the Escrow Agent.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the specimen Sales Contract, the executed Escrow Agreement and the specimen Apartment Deed, which has also been submitted as a part of the registration. The Escrow Agreement establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said Trust Fund and in particular discloses that downpayment funds may be released from escrow for the payment of certain development costs of the Project, and the specimen Sales Contract determines the time for and the amount of installment payments on the purchase price, and the sharing of closing costs.

The Specimen Sales Contract also provides in part that purchaser shall have no right to assign his rights to said Sales Contract without the prior written consent of the Seller and any such attempted assignment shall be null and void. Also Seller expressly reserves the right to sell or lease unsold apartments free from any restrictions of such sale or lease which may under the Declaration and By-Laws apply to Buyer and to engage in any sales promotional activities deemed necessary by Seller, including, without limitation, having open houses and placing signs in the common area.

MANAGEMENT OF THE PROJECT: The By-Laws of the Association of Apartment Owners vest in the Board of Directors the power and duties necessary for the administration of the overall affairs of the Project, and state that the Board of Directors has the responsibility for employing, at all times, a Hawaii corporation as a managing agent to manage and control the Project. The specimen Sales Contract provides that the

Developer acting on the behalf of the Association has the authority to appoint an initial managing agent for a term not exceeding two (2) years, commencing with the date of completion as that term is defined in Section 507-43 of the Hawaii Revised Statutes, as amended.

STATUS OF PROJECT: The Notice of Intention reflects that construction of the Project has not yet commenced, nor has the contractor been selected as yet, nor has interim or permanent financing for the Project been arranged. The Developer estimates that these conditions will be met by March 31, 1975, which is set as the estimated date for commencement of construction, and the Developer estimates that construction will be completed on March 31, 1976.

The specimen Sales Contract states that if construction has not commenced for any reason prior to September 30, 1975, the Sales Contract shall automatically terminate and the buyers' deposits will be refunded without interest. The Developer has an obligation to construct the Project within two years from the effective date of the Sales Contract subject to extension for causes beyond its control.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted September 12, 1974.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 718 filed with the Commission on September 12, 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 yellow.

Dh. Kan. Young
(for) Douglas R. Sodehani, Chairman

REAL ESTATE COMMISSION
STATE OF HAWAII

DISTRIBUTION:

Department of Taxation
Bureau of Conveyances
Planning Department, City and County of Honolulu
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Federal Housing Administration

REGISTRATION NO. 718
September 30, 1974