

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

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

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
THE KALAKAUAN
1911 Kalakaua Avenue
Honolulu, Hawaii

REGISTRATION NO. 886

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: December 3, 1976
Expires: January 3, 1978

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that the 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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 4, 1976 AND INFORMATION SUBMITTED AS OF NOVEMBER 29, 1976. THE DEVELOPER BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, HAWAII REVISED STATUTES, CHAPTER 514, AS AMENDED.

1. The KALAKAUAN is a proposed leasehold condominium project containing 63 apartments located in one six-story building consisting of 6 studio apartments, 55 one-bedroom apartments and 2 commercial apartments. There will be a total of 36 parking stalls, all of which will be allocated to specific apartments.

2. The Developer has fulfilled all the requirements of Chapter 514, Hawaii Revised Statutes, as amended, for the issuance of a Final Public Report.
3. This Final Public Report (white paper stock) is made a part of the registration of the KALAKAUAN condominium project. The Developer is responsible for placing a true copy of this Final Public Report in the hands of all purchasers and prospective purchasers. The Developer is also responsible for obtaining a signed receipt from each purchaser and prospective purchaser that he has received a copy of said Final Public Report and has had an opportunity to read same.
4. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of the Condominium Project and the issuance of this Final Public Report.
5. The Developer reports that the Declaration of Horizontal Property Regime and attached Bylaws have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 786441 and in the Bureau of Conveyances in Book 11750, Page 40, and that the Condominium Map has been filed in said Office of the Assistant Registrar as Map No. 291 and in the Bureau as Map No. 475.
6. Advertising and promotional materials have been submitted pursuant to the rules and regulations promulgated by the Commission.
7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, as amended, and the condominium rules and regulations which relate to Horizontal Property Regimes.
8. This Final Public Report automatically expires thirteen (13) months after the date of issuance December 3, 1976, unless a Supplementary Report issues or the Commission upon review of the registration issues an order extending the effective date of this report.

NAME OF PROJECT: The KALAKAUAN

LOCATION: The project is located at 1911 Kalakaua Avenue, Honolulu, Hawaii, and consists of approximately 11,055 square feet of land.

TAX KEY: First Division 2-6-7 Por. 4

ZONING: Resort Commercial

DEVELOPER: Kalakauan Development Corporation is the developer of the project and has its principal place of business at Suite 2101, Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813.

Officers

Larry L. Bortles	President & Treasurer
H. Myron Gates	Executive Vice President
Leinani K. Bortles	Vice President & Secretary
Robert F. Bekeart	Vice President

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Douglas E. Prior or Ralph B. Palmer), 17th Floor, First Hawaiian Bank Building, P. O. Box 939, Honolulu, Hawaii 96808; telephone 531-7232.

DESCRIPTION OF PROJECT: The project consists of one six-story concrete block building with a basement, containing a total of 63 apartments consisting of six (6) studio apartments, fifty-five (55) one-bedroom apartments and two (2) commercial apartments. The location of the sixty-three (63) apartments within the building and the location of the building on the land are shown on the Condominium Map on file at the Real Estate Commission.

Residential Apartment 101 is a one room studio unit with a combination living/sleeping area, a kitchenette, one bathroom and no lanai and contains a floor area of approximately 296 sq. ft.

Residential apartments 212, 312, 412, 512 and 612 are one room studio units with a combination living/sleeping area, one bathroom, a kitchenette and a lanai. They each contain a floor area of approximately 325 sq. ft. with a lanai of approximately 48 sq. ft.

The one-bedroom residential apartments contain two rooms including a combination living/dining area, one bathroom, kitchenette, and one bedroom, and contain a floor area of the approximate amount as shown in the schedule below with or without a lanai.

<u>Residential Apartment</u>	<u>Approx. Floor Area</u>	<u>Approx. Lanai Floor Area</u>
211	454 sq. ft.	90 sq. ft.
311, 411, 511, 611	454 sq. ft.	No lanai
205, 207, 209	437 sq. ft.	144 sq. ft.
201 through 204 206, 208, 210 301 through 310 401 through 410 501 through 510 601 through 610	437 sq. ft.	66 sq. ft.

Each residential apartment will have a refrigerator, a stove with an oven, a garbage disposal, window air conditioner, and drapery and will be carpeted throughout.

Commercial apartment "A" and Commercial apartment "B" each consist of two rooms divided by an eight inch thick concrete block wall which runs the full length of the apartment, with doorways, and contain a floor area of approximately 2,000 square feet with no lanai. Neither apartment is furnished.

The project also contains the parking and driveway areas and landscaping areas.

Each residential and commercial apartment shall include as its boundary lines interior unfinished surfaces, exclusive of paint, paper, wood, tile, enamel or other finishings of its perimeter walls, bearing walls, floors and ceiling, exclusive of any common element. All doors and door frames, and windows and window frames, (excepting external finished surfaces facing a common element) and non-load bearing walls within an apartment, are part of the apartment.

NOTE: The Developer has advised the Commission that the water table in Waikiki fluctuates and at times causes puddles of water to collect in the basement floor parking areas. The Developer advises that the puddles are not substantial in size and in the past have not caused the parking area to become unusable. The Commission advises each purchaser or prospective purchaser that they should conduct their own examination regarding this potential problem.

COMMON ELEMENTS: The common elements will include all of the project except the apartments, specifically, but not limited to the following: (a) the land; (b) all foundations, floorslabs, columns, girders, beams, supports, bearing walls, roofs, chases, chutes, corridors, stairs, walkways, entrances and exits of said project; (c) all yards, storage, and refuse areas; (d) all parking areas, driveways and ramps; (e) all ducts, electrical equipment, wiring and other central and appurtenant installations for service of more than one apartment including power, light, cold and hot water, refuse and telephone; (f) common laundry areas; (g) an automatic electric passenger elevator, elevator housing and appurtenant equipment; (h) the area on the first floor which is designated as a lobby; (i) all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Each of the thirty-six (36) covered parking stalls will be a limited common element reserved for the exclusive use of the apartment to which it is appurtenant and said owners shall be responsible for the maintenance, repairs and prorated insurance premiums for said parking stalls. The utility meters serving the residential apartments and any pipes, wiring or other conduits served by such meters will be limited common elements for the residential apartments. The utility meters serving each commercial apartment and any pipes or wiring and other conduits served by such meters will be limited common elements for the commercial apartment which they serve. All utility charges based on such meters shall be paid by the owners of the commercial apartments directly to the billing authority.

PERCENTAGE OF UNDIVIDED INTEREST TO BE CONVEYED: The percentage of undivided interest in all of the common elements appertaining to each apartment will be 1.15110 for studio apartments, 1.57594 for one-bedroom apartments and 3.20835 for commercial apartments. The voting rights of apartment owners, as well as their share of the common expenses shall be in proportion to the common interest.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The apartments hereinabove described shall at all times be used only for lawful purposes permitted by the applicable zoning ordinances, subject to the restrictions set out in the Declaration of Horizontal Property Regime, the Bylaws of The Kalakauan, and the apartment leases. The Declaration of Horizontal Property Regime provides that apartment owners shall have the absolute right to lease or rent their apartments subject to the limitations, restrictions, covenants and conditions contained in the Declaration, the Bylaws or the apartment leases. The Bylaws provide that livestock, poultry or rabbits or other animals may not be kept in the apartments or in the project without the prior written consent of the Board of Directors except that fish and similar pets in a reasonable number may be kept but not bred or used for commercial purposes.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Title Insurance Policy dated November 3, 1976, prepared by Security Title Corporation, which states that title to the leasehold estate is vested in Kalakauan Development Corporation as lessee under the Master Lease from Bishop Museum.

ENCUMBRANCES: The Title Insurance Policy dated November 3, 1976, prepared by Security Title Corporation states that title to the land of which the project is a portion is subject to:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 6303 and in Royal Patent Grant No. 2789, (as to Land Court land only).
2. Lease of an easement for utility purposes dated August 26, 1966, filed as Land Court Document No. 402852, made by and between Ray Jerome Baker and Hawaiian Electric Company, Inc., for a term of 70 years from August 26, 1966. Consent thereto filed as Document No. 402853.
3. An unrecorded Sublease entered into on October 21, 1971 between Francis Isami Tsuzuki and Calvin Camp McGregor and Cesar's Inc. for a term of 10 years commencing October 21, 1971 and ending on the 20th day of October 1981 and for the portion of and adjoining the office-lobby of the Kalakauan Apt-Hotel of an approximate 2,000 square feet of floor area together with and including all improvements installed therein (comprising Commercial Apartment B), as disclosed by that certain instrument dated December 31, 1971, filed as Land Court Document No. 564717 and also recorded in the Bureau of Conveyances in Book 8037, Page 333.

Said unrecorded Sublease is subject to the following:

- (a) Sub-Sublease dated April 22, 1975, recorded on April 25, 1975 in the Bureau of Conveyances in Book 10595, Page 344, made by and between Cesar's Inc. and Limelight Inc. for a period beginning March 21, 1975 and ending October 20, 1981, unless said term shall be sooner terminated. Guaranty thereto recorded in Book 10595, Page 363.
 - (b) Agreement of Sale dated April 22, 1975, recorded on April 25, 1975, in the Bureau of Conveyances in Book 10595, Page 368, made by and between Cesar's Inc. and Limelight Inc. Guaranty thereto recorded in Book 10595, Page 385.
4. Unrecorded Sublease, under a certain restaurant sublease effective as of the 1st day of September, 1974, made by and between Kalakauan Partners and Anree Incorporated for a term terminating on October 20, 1981, unless said term shall be sooner terminated (covers Commercial Apartment A). By an Assignment dated April 22, 1975, recorded on May 12, 1975 in the Bureau of Conveyances in Book 10627, Page 568, said Sublease is now held by P.A.M. Inc. Consent thereto recorded in Book 10627, Page 568.
5. The covenants as set forth in that certain Deed dated March 11, 1975, filed as Land Court Document No. 713227 and recorded in the Bureau of Conveyances in Book 10509, Page 523.
6. Declaration of Horizontal Property Regime filed as Land Court Document No. 786441 and recorded in the Bureau of Conveyances in Book 11750, Page 40.
7. Mortgage dated October 28, 1976, filed as Land Court Document No. 787922, and also recorded in the Bureau of Conveyances in Book 11774, Page 137, made by Kalakauan Development Corporation to State Savings and Loan Association.
8. Assignment of Sales Agreements and Escrow Deposits dated October 28, 1976, filed as Land Court Document No. 787924, and also recorded in the Bureau of Conveyances in Book 11774, Page 183, between Kalakauan Development Corporation and State Savings and Loan Association.
9. Assignment of Leases and Rent dated October 28, 1976, recorded in the Bureau of Conveyances in Book 11774, Page 203, between Kalakauan Development Corporation and State Savings and Loan Association.
10. Two undated Financing Statements filed in the Bureau of Conveyances in Book 11774, Page 178 and Book 11774, Page 197.

11. Mortgage dated October 28, 1976, filed as Land Court Document No. 787925, and also recorded in the Bureau of Conveyances in Book 11774, Page 213, made by Kalakauan Development Corporation to Kalakauan Partners.
12. The terms and provisions of that certain lease dated January 30, 1960 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 255384 and also recorded on April 14, 1960 in the Bureau of Conveyances of the State of Hawaii in Book 3815, Page 289 made by Jay Jerome Baker, an unmarried person, as Lessor, for a term of 75 years from February 1, 1960; as amended by instrument dated July 1, 1965, filed in said Office of the Assistant Registrar as Document No. 364992 and also recorded on July 8, 1965 in said Bureau of Conveyances in Book 5081, Page 347.
13. For any taxes that are due and owing and a lien on the land, reference is made to the Office of the Tax Assessor, First Division.

The Developer has advised the Commission that all of the above Mortgages, Assignments and Financing Statements will be partially released at the time each sale of an apartment is closed.

PURCHASE MONEY HANDLING: A copy of the specimen Purchase Agreement and the executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement dated October 7, 1976, identifies State Savings & Loan Association as the escrow agent. Upon examination, the specimen Purchase Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly with Section 514-35 and Section 514-36 through Section 514-40, Hawaii Revised Statutes.

The Purchase Agreement provides, in part, that (1) the purchaser agrees that the seller's mortgage loan and any renewals and extensions of such mortgage shall be and remain at all times a lien on the project prior to and superior to any and all liens or charges on the project and purchaser subordinates all of his rights to the lien upon the project of mortgagee; (2) in the event seller shall default in the performance of any obligation as required in the Purchase Agreement, seller shall repay to purchaser all sums paid by purchaser to seller or escrowee together with interest at ten percent (10%) per annum from the date of deposit.

A prospective purchaser should carefully examine the form of Purchase Agreement and Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the estimated common monthly expenses and the sharing of the closing costs.

MANAGEMENT AND OPERATION: Article IV, Section 2, of the Bylaws states that the Board of Directors shall employ a responsible managing agent to manage and control the property subject at all times to direction by the Board of Directors. Developer has filed with the Commission a form of Property Management Agreement by which Tropic Shores Realty, Ltd. will provide fiscal and management services to the Association of Apartment Owners for a fee of \$6.00 per apartment per month. The agreement will be terminable anytime after August 2, 1977, by either party on thirty (30) days' written notice.

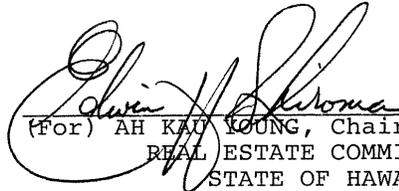
FINANCING: The Developer has obtained a letter of commitment from State Savings and Loan Association to provide financing for individual apartment purchasers. A copy of this commitment has been filed with the Commission.

STATUS OF PROJECT: The project was built and completed in 1966 and has recently been repainted and new carpets and drapes installed in the apartments. The Developer has advised the Commission that all apartments will be sold "as is" and there are no warranties of merchantability or fitness of the apartment for a particular purpose.

A 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 November 4, 1976, and information subsequently filed with the Commission on November 29, 1976.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 886 filed with the Commission on November 4, 1976.

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



(For) AH KAU YOUNG, 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

December 3, 1976
REGISTRATION NO. 886