

# 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

NANI KOOLAU  
46-232 Kahuhipa Street  
Kaneohe, Hawaii

REGISTRATION NO. 989

### **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: April 28, 1978  
Expires: May 28, 1979

#### 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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED APRIL 6, 1978, AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 21, 1978. 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.

1. NANI KOOLAU is a proposed leasehold condominium project consisting of six 3-story structures containing 66 apartment units with 84 parking stalls (9 of which are for compact-size autos), a swimming pool, various laundry and storage facilities, and planted and landscaped recreational areas.
2. The Developer of the Project has submitted to the Commission for examination all documents necessary for the registration of the Project and issuance of

this Preliminary Public Report. The Developer shall be responsible for placing this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor from each recipient.

3. The basic documents, to-wit, the Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners of Nani Koolau and a copy of the approved floor plans, have not been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
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, and the condominium rules and regulations which relate to horizontal property regimes.
6. This Preliminary Public Report automatically expires 13 months after date of issuance, April 28, 1978, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of the report.

NAME OF PROJECT: NANI KOOLAU

LOCATION: The Project will be located on approximately 84,537 square feet of land, situate at Heeia, District of Koolaupoko, City and County of Honolulu, State of Hawaii, fronting along Kahuhipa Street, which is the public road and highway providing access to the Project.

TAX KEY: 4-6-31:10

ZONING: Apartment A-2 District

DEVELOPER: NANI KOOLAU COMPANY, a registered Hawaii general partnership, comprised of the following copartners whose names, addresses and telephone numbers are designated below:

I & I Investors & Associates, a Hawaii  
general partnership  
Room 200, 81 South Hotel Street  
Honolulu, HI 96813  
Phone: 524-1522

K & M Construction, Inc.; a Hawaii  
corporation  
744 F Kohou Street  
Honolulu, HI 96817  
Phone: 845-6647

Milton Sher  
575 Cooke Street  
Honolulu, HI 96813  
Phone: 536-1765

Ritchie K. Kunichika  
1453 B Glen Avenue  
Wahiawa, HI 96786  
Phone: 622-1380

Clarence Shima  
1172 Akipola Street  
Kailua, HI 96734  
Phone: 259-9921

ATTORNEY REPRESENTING DEVELOPER: Hong and Iwai (Attention: Carol L. Hong), 190 South King Street, Suite 2300, Honolulu, HI 96813; Telephone 524-4900.

DESCRIPTION: The Project will consist of sixty-six freehold estates designated in the spaces within the perimeter walls, floors and ceilings of each of the 66 apartment units of the Project, contained in six (6) three-story buildings constructed principally of wood and gypsum board, designated as Buildings A, B, C, D, E and F, containing nine, twelve, fifteen, six, twelve and twelve units, respectively. These spaces, together with lanais or yards, if any, are shown and described in a proposed Condominium Map, a copy of which has been furnished the Commission.

Each apartment has immediate access to its entry or entries by stairways or walkways connecting the building to the street entrance and parking areas of the Project. There are no entries to any apartment in the 200 configuration from the third floor of any building; access to the third floor is available by way of internal stairways contained in each apartment unit in the 200 designation.

There are basically two types of apartment units which are more specifically described as follows:

(a) The type A apartments each consists of two bedrooms, one and one-half bathrooms, a kitchen, a living and dining room area, a lanai and yard space enclosed by fences or hedges. Each type A apartment contains a gross floor area of approximately 857 square feet (of which approximately 75 square feet is attributable to the area of the lanai), including perimeter walls (to the outside faces of the end units and to center lines of party walls in interior units), interior walls and lanais, but excluding pipe chases, duct shafts, utility conduits and yard. The type A apartments each has adjoining it, a yard, which, by reason of fencing, hedges or other means of limiting ingress and egress, is accessible only from the interior of such apartment. The yards vary in size from apartment to apartment in the type A configuration, and the space attributable to the area of the yard is not included in the determination of the gross floor area of the apartment. There are 20 type A apartments in the Project.

(b) The type B apartments each consists of a split-level unit containing two bedrooms, one and one-half bathrooms, a kitchen, a living and dining area and an interior staircase

connecting the two levels. Each contains a total gross floor area of approximately 900 square feet, including perimeter walls (to the outside faces of end units and to the center lines of party walls in interior units), interior walls, and the internal staircase, but excluding pipe chases, duct shafts and utility conduits. The type B apartments have no lanais. There are 46 type B apartments in the Project.

Among the fixtures and furnishings the Developer will provide in each apartment are the following: oven/range/range hood, garbage disposal, dishwasher, refrigerator with ice maker, plumbing and lighting fixtures, carpeting and drapes in the bedrooms and living/dining room. The Developer will have available for purchase by interested apartment purchasers, certain washer/dryers for installation in the apartment at the purchaser's cost.

COMMON ELEMENTS: The proposed Declaration states that the common elements shall include, but are not limited to, the following:

- (a) The land in fee simple;
- (b) All foundations, slabs, columns, girders, beams, studs, supports, unfinished perimeter, party and load-bearing walls, roofs, chases, entries, stairways, lobby, walkways, entrances and exits of said buildings;
- (c) All grounds, landscaping and planting areas which, by reason of the lack of fencing, hedges or other means of limiting access, are open to the use of all residents of the Project, all refuse facilities, transformer room, electrical room, laundry room, mail room, manager's office and apartment designated as Apartment No. D-101 with attached yard; parking stall No. 33 and storage areas;
- (d) All driveways and loading areas;
- (e) The swimming pool, recreation areas, play areas, pool equipment, public restrooms and other recreational facilities;
- (f) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, and across the Project, which serve more than one apartment for services, such as power, gas, water, sewer, telephone and television signal distribution; and
- (g) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, which are normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration provides that portions of the common elements are set aside and designated as limited common elements. The limited common elements are:

- (a) Each apartment will have as an appurtenance thereto at least one parking space designated for the exclusive use of such apartment, although certain apartments may have more than one parking space so designated. The respective apartments and the parking spaces which are appurtenant thereto are as follows:

<u>Apt. No.</u>	<u>Stall No.</u>	<u>Apt. No.</u>	<u>Stall No.</u>	<u>Apt. No.</u>	<u>Stall No.</u>
A101	75	C103	42	E201	15
A102	76	C104	43	E202	16
A103	77	C105	58	E203	29
A201	78	C201	57	E204	28
A202	79	C202	56	E205	27
A203	80	C203	55	E206	26
A204	81	C204	54	E207	25
A205	82	C205	53	E208	24
A206	83	C206	52	F101	1*, 2*, 3,
B101	59	C207	51		4, 5, 6, 17,
B102	60	C208	50		30*, 31*, 32*,
B103	61	C209	49		44*, 45*, 46*,
B104	62	C210	48		47*, 70, 71,
B201	63	D201	34		72, 73 & 74
B202	64	D202	35	F102	18
B203	65	D203	36	F103	19
B204	66	D204	37	F104	20
B205	67	D205	38	F201	7
B206	68	D206	39	F202	8
B207	69	E101	21	F203	9
B208	84	E102	22	F204	10
C101	40	E103	85	F205	11
C102	41	E104	23	F206	12
				F207	13
				F208	14

\*For use by compact-sized automobiles.

It is the intent of the Developer to offer certain of the parking stalls currently shown as appurtenant to Apartment F-101 for sale to purchasers of other apartments in the Project. The Developer further intends to retain title to Apartment F-101, and will not sell the same, so long as said apartment has more than two stalls appurtenant to it or so long as more than two stalls remain unsold.

(b) The mailboxes assigned to each apartment shall be limited to the use of such apartment.

(c) All other common elements of the Project which are rationally related to less than all of the apartments or buildings shall be limited to the use of such apartments or buildings.

INTEREST TO BE CONVEYED PURCHASER: The Developer proposes to convey apartments by way of an Assignment of 55 year Apartment Leases, executed by the Developer, as Assignor, and each apartment purchaser, as Assignee. Subject to the approval of the Trustees of the Estate of Bernice Pauahi Bishop (herein sometimes referred to as the "Trustees"), the Developer may cause the purchasers of an apartment to enter into an Apartment Lease directly with the Trustees, rather than to accept an Assignment of Apartment Lease. Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the Project and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting as set forth below:

<u>Apartment No.</u>	<u>Common Interest</u>
A101	1.46395%
A102	"
A103	"
A201	1.53741%
A202	"
A203	"
A204	"
A205	"
A206	"
B101	1.46395%
B102	"
B103	"
B104	"
B201	1.53741%
B202	"
B203	"
B204	"
B205	"
B206	"
B207	"
B208	"
C101	1.46395%
C102	"
C103	"
C104	"
C105	"
C201	1.53741%
C202	"
C203	"
C204	"
C205	"
C206	"
C207	"
C208	"
C209	"
C210	"
D201	"
D202	"
D203	"
D204	"
D205	"
D206	"
E101	1.46395%
E102	"
E103	"
E104	"
E201	1.53741%
E202	"
E203	"
E204	"
E205	"
E206	"
E207	"
E208	"
F101	1.46409%
F102	1.46395%
F103	"
F104	"

F201	1.537418
F202	"
F203	"
F204	"
F205	"
F206	"
F207	"
F208	"

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartment 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 purposes. The apartments shall not be rented for transient or hotel purposes, defined as (a) rental for any period less than 30 days, (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 purposes, the owners of the respective apartments shall have the absolute right to lease such apartments subject to the provisions of the Declaration.

OWNERSHIP OF TITLE: The Notice of Intention states the ownership of the lands to be submitted to the Horizontal Property Regimes is owned in fee simple by the Trustees under the Will and of the Estate of Bernice Pauahi Bishop, deceased, and that Developer, by mesne assignments, has a leasehold estate therein.

A Land Court Letter prepared by Long & Melone dated March 22, 1978, certifies that said land is covered by Transfer Certificate of Title No. 171,012 issued to the Trustees under the Will and of the Estate of Bernice Pauahi Bishop, deceased, and that title to Lease No. 24,260-1 is vested in the Developer.

ENCUMBRANCES AGAINST TITLE: Said Land Court Letter also certifies that there are no liens or encumbrances against the land, except the following:

(a) Easement 397 for transformer vault purposes, and Easement 421 for electric transmission line purposes, as shown on Maps 103 and 145, designated by Land Court Order No. 33667, filed August 13, 1971.

(b) Easement 451 for electric transmission purposes, as shown on Maps 120 and 145, designated by Land Court Order No. 35887.

(c) Grant of Easement in favor of Hawaiian Electric Company, Inc., dated June 16, 1972, filed as Land Court Document No. 597975, granting Easement 397 for transformer vault purposes, Easement 421 for underground lines and Easement 451 for pole and wire lines.

(d) Declaration of Conditional Zoning affecting Lot 1580, dated November 14, 1974, filed as Land Court Document No. 702713, changing the zoning of the land from R-5, Residential, to A-2, Apartment District.

(e) Master Lease No. 24,260 dated May 5, 1975, made by and between Trustees of the Estate of Bernice Pauahi Bishop, as Lessor, and Kihalani Investment, Inc., as Lessee, filed in the Office of the Assistant Registrar of the Land Court as Document No. 719539, as amended by instrument dated March 1, 1977, filed as aforesaid as Document No. 808039.

(f) Lease No. 24,260-1, dated February 28, 1977, made by and between Trustees of the Estate of Bernice Pauahi Bishop and Kihalani Investment, Inc., as Lessors, and James Philip Ing, husband of Toshiko Ing, as Lessee, filed as aforesaid as Document No. 819131.

(g) Assignment of Lease No. 24,260-1, dated April 11, 1977, made by and between James Philip Ing, husband of Toshiko Ing, as Assignor, and Nani Koolau Company, a registered Hawaii partnership, as Assignee, and filed as aforesaid as Document No. 819132, consent thereto being given by Kihalani Investment, Inc., by instrument dated April 11, 1977, filed as aforesaid as Document No. 819133.

(h) Mortgage dated May 24, 1977, made by and between Nani Koolau Company, a registered Hawaii partnership, as Mortgagor, and International Savings and Loan Association, Limited, as Mortgagee, filed as aforesaid as Document No. 819134.

(i) Taxes for fiscal year July 1, 1977, to June 30, 1978. First installment has been paid. For further information, check with the Tax Assessor, First Division.

PURCHASE MONEY HANDLING: It is incumbent upon the purchaser and prospective purchaser that they read with care the executed Escrow Agreement and the Reservation and Contract. The Escrow Agreement establishes how the proceeds from the sale of apartments are placed in trust as well as the retention, disbursement and refund of said trust funds. The Reservation and Contract establishes conditions relative to the sale of units.

A copy of the Escrow Agreement duly executed and dated March 1, 1978, between the Developer, as Seller, and Long & Melone Escrow Company, Ltd., as Escrow has been submitted to the Commission as part of this registration. Among other conditions, the Escrow Agreement provides for the payment of all moneys under the Reservation and Contract to the escrow agent and that the escrow agent shall not disburse any funds to the Developer unless and until all of the requirements of Chapter 514A, Hawaii Revised Statutes, have been met. The Escrow Agreement also provides that the escrow agent shall refund all moneys of the purchaser held by the escrow agent upon the happening of, among other things, any of the following: (i) the Developer has requested escrow agent in writing to return to purchaser the funds of purchaser then being held by escrow agent; or (ii) purchaser's funds were obtained prior to the issuance of a final public report and there is a change in the condominium building plans subsequent to the execution of purchaser's sales contract requiring approval of a county officer having jurisdiction over the issuance and supervision of construction of buildings, unless purchaser has given written approval or acceptance of the specific

change; or (iii) the final public report differs in any material respect from the preliminary public report unless the purchaser has given written approval or acceptance to such difference; or (iv) the final public report is not issued within one year from the date of issuance of the preliminary public report; or (v) upon receipt of written notice by the Developer that the Developer is prevented by law from completing the construction of the Project and that the Developer has elected to cancel all Reservation and Contracts in accordance with the provisions therein contained; or (vi) if the purchaser after diligent effort shall be unable to obtain a loan commitment in the amount and in the manner required under Reservation and Contract, and escrow agent shall have received written notice signed by the Developer that the Developer has elected to cancel the Reservation and Contract; provided, however, that the escrow agent shall retain from the moneys of the purchaser and pay to such persons entitled thereto any costs incurred by the Developer or the proposed lender in processing purchaser's loan application and any escrow cancellation fee.

The requirements of Sections 514A-37, 514A-39, 514A-40 and 514A-63-66, Hawaii Revised Statutes, have been met in the Reservation and Contract. Among other provisions, the specimen Reservation and Contract provides that the agreement shall be and serve only as a reservation or declaration of intent to purchase on the part of the purchaser without binding effect on either of the parties, except that the agreement shall be binding and enforceable upon the happening of the following events: (i) the issuance of a final report by the Real Estate Commission one year from the date of issuance of the preliminary public report; (ii) the delivery of said final public report to purchaser, permitting purchaser to have full opportunity to read and approve the same; and (iii) the final public report not differing in any material respect from the preliminary report. Further, in the event that there shall be any change in the condominium building plans subsequent to the execution of the Reservation and Contract, which change shall require the approval of the county officer having jurisdiction thereof, the Developer is required to refund to purchaser all payments made by purchaser unless purchaser shall approve or accept in writing such change or changes in the condominium building plans.

The specimen Reservation and Contract also provides that the Developer shall have the right and option to cancel the Reservation and Contract by giving written notice to purchaser if, prior to September 1, 1979, less than 35 apartments are sold, and that the purchaser's rights under the Contract are subordinate to the lien of any mortgage made by Seller to finance construction of the Project.

MANAGEMENT AND OPERATION: The proposed Declaration states that the administration of the Horizontal Property Regime shall be vested in the "ASSOCIATION OF APARTMENT OWNERS OF NANI KOOLAU," who shall appoint a responsible corporate Managing Agent. The Developer has submitted to the Commission a proposed Management Contract with KIPCO, INC.

FINANCING OF THE PROJECT: The Notice of Intention indicates that the Developer has obtained a loan secured by a mortgage, from International Savings and Loan Association, Limited, a Hawaii corporation, in the principal amount of \$1,400,000. The amount representing the difference between the loan amount and the cost of completing the Project is to be funded by the Developer from equity capital.

The Developer has obtained a firm commitment for permanent mortgages on individual apartment units from International Savings and Loan Association, Limited.

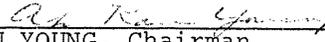
STATUS OF THE PROJECT: The Developer entered into an Agreement dated April 7, 1977, with K & M Construction, Inc., for construction of certain improvements in the Project. Construction of the Project commenced in April of 1977 and the anticipated completion date is May, 1978.

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The purchaser or prospective purchaser should be aware of the fact that this preliminary report presents information disclosed by the Developer in the required Notice of Intention submitted April 6, 1978, and information subsequently filed as of April 21, 1978.

This Preliminary Horizontal Property Regimes (Condominium) Public Report is made a part of Registration No. 989 filed with the Commission on April 6, 1978.

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

  
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AH KAU YOUNG, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Bureau of Conveyances  
Department of Taxation  
Planning Department, City  
and County of Honolulu  
Escrow Agent

Registration No. 989

April 28, 1978