

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
THE 222 KAIULANI APARTMENTS
222 Kaiulani Avenue
Honolulu, Hawaii 96815

REGISTRATION NO. 1052

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

It was prepared as a supplement to an earlier Report dated December 20, 1978 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: February 23, 1979
Expires: January 20, 1980

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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 6, 1978, AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 20, 1979. THE DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Final Public Report of December 20, 1978, on THE 222 KAIULANI APARTMENTS, Registration No. 1052, the Developer reports that certain material changes have been made in the project, namely, the change in the Developer; encumbrances; purchase money handling; statement of financing; and status of project. The information contained in this Supplementary Public Report (pink paper stock) amends the Final (white paper stock) Public Report and becomes part of THE 222 KAIULANI APARTMENTS registration. 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. Securing a signed receipt for the Final and Supplementary reports shall also be the responsibility of the Developer.

2. 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 Supplementary Public Report.

3. No advertising or promotional matter has yet been submitted pursuant to the Rules and Regulations promulgated by the Commission.

4. The prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, and the condominium Rules and Regulations which relate to Horizontal Property Regimes.

5. This Supplementary Report automatically expires on January 20, 1980, unless a further Supplementary Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information under the following topical headings in the Final Public Report have been changed: DEVELOPER, ENCUMBRANCES, PURCHASE MONEY HANDLING, STATEMENT OF FINANCING and STATUS OF PROJECT. The information under the remaining topical headings of the Final Public Report remains unchanged.

DEVELOPER: The Developer is Neil Petagno, Inc., a Hawaii corporation, whose business address is 745 Fort Street, Suite 2101, Honolulu, Hawaii 96813, telephone 521-5022. The officers of Neil Petagno, Inc. are Neil P. Petagno, President, Gail M. H. Petagno, Vice President-Secretary, and Thomas J. Burns, Treasurer.

ENCUMBRANCES: A copy of the lien letter dated December 29, 1978, issued by Long & Melone, Ltd. reflects the following encumbrances on the project property:

1. The terms, covenants, conditions, reservations and restrictions contained in Declaration of Trust dated November 10, 1965, filed as Document No. 646086, as amended by instruments dated December 30, 1966 and August 1, 1973, filed as Documents Nos. 646087 and 646088, respectively.

2. The terms, covenants, conditions, reservations and restrictions contained in Lease dated January 15, 1959, filed as Document No. 230943.

3. Mortgage dated August 24, 1962, filed as Document No. 295065 in favor of Honolulu Trust Company, Limited.

4. Assignment of Rents dated August 24, 1962, in favor of Honolulu Trust Company, Limited, filed as Document No. 295066.

5. Assignment of Mortgage dated August 27, 1962, in favor of Northwestern National Life Insurance Company, a Minnesota corporation, filed as Document No. 295666 (assigns

Mortgage filed as Document No. 295065 and Assignment of Rents filed as Document No. 295066).

6. Agreement of Sale dated October 2, 1978, filed as Document No. 903946, in favor of The 222 Kaiulani Joint Venture, a registered Hawaii joint venture.

7. Sub-Agreement of Sale dated September 29, 1978, filed as Document No. 903949, in favor of Project 222 Limited, a Hawaii corporation.

8. Mortgage of Vendee's interest in Agreement of Sale in favor of Hawaii Thrift & Loan dated October 2, 1978, filed as Document No. 903948 and Financing Statement in Liber 13215, Page 772.

9. Mortgage of Sub-Vendor's Interest in Sub-Agreement of Sale in favor of Hawaii Thrift & Loan dated September 29, 1978, filed as Document No. 903951 and Financing Statement in Liber 13215, Page 773.

10. Declaration of Horizontal Property Regime and By-Laws attached thereto dated October 2, 1978, filed as Document No. 903952, Condominium Map No. 346.

11. Assignment of Sub-Agreement of Sale dated November 20, 1978, in favor of Neil Petagno, Inc., a Hawaii corporation, filed as Document No. 916485.

12. Mortgage by Neil Petagno, Inc. of Sub-Vendor's Interest in Sub-Agreement of Sale in favor of Project 222 Limited, a Hawaii corporation, filed as Document No. 916486.

13. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.

The Developer also advises that any and all existing unrecorded or recorded rental agreements, rental arrangements, and leases relating to the premises, together with all modifications, amendments, and additions thereto, extensions and renewals thereof, and replacements and substitutions therefor, constitute encumbrances but shall be terminated prior to the conveyance of the particular apartment so encumbered.

PURCHASE MONEY HANDLING: The executed escrow agreement dated October 25, 1978, identifies Bank of Hawaii as the "Escrow" and provides in part that purchasers who exercise their right of refund within 30 days of receipt of Final Public Report shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest and less Escrow's cancellation fee, if purchaser shall in writing request refund of his funds and if Escrow receives a written request from Seller to return to purchaser the funds of such purchaser then held by Escrow.

Upon refund of said funds to purchaser as aforesaid, Escrow shall return to Seller such purchaser's sales contract and any Apartment Lease therefore delivered to Escrow, and thereupon neither the purchaser nor Seller shall be deemed obligated thereunder.

Among other provisions, the specimen Sales Contract provides: (1) that Developer may terminate all sales contracts if by

December 31, 1979, less than 26 apartments have been sold; (2) the purchaser agrees to purchase the apartment as renovated, including new appliances, carpets and drapes, "as is"; and (3) Purchaser agrees that all rights of Purchaser are subject and subordinate to the lien of any mortgage(s) made to finance the cost of acquisition, renovating and refurbishing of project by Seller and to any and all sums which may become a lien pursuant to the terms of such mortgage(s).

Upon examination, the specimen Sales Contract and the executed escrow agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with Sections 514A-37, 514A-39 and 514A-63 to 514A-66. A prospective purchaser should carefully examine the form of specimen sales contract and escrow agreement to determine the time for and the amount of the installment payments on the purchase price and the payment of closing costs.

STATEMENT OF FINANCING: The Developer has informed the Commission that it intends to cause the issuance of apartment leases from the fee owner to purchasers upon the confirmed sale of 26 apartments and use proceeds from its sale of the 36 apartments to pay off the Sub-Agreement of Sale and other liens.

STATUS OF PROJECT: The apartment building was constructed about 1960. The Developer intends to renovate each apartment unit with new appliances, carpeting, paint and drapes. The renovation work will be completed by April 15, 1979.

Note: The building and other improvements is a non-conforming structure meaning that the building and other improvements were lawfully built but does not now comply with the bulk, yard, setback or height regulations of the district in which it is located, and other requirements of the City or State laws and regulations.

The purchaser or prospective purchaser should recognize that this Supplementary Public Report represents information disclosed by the developer in the required Notice of Intention submitted on November 6, 1978, and information subsequently filed as of February 20, 1979.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1052 filed with the Commission on November 6, 1978.

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

Ralph D. Young
Sr

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

REGISTRATION NO. 1052

Dated: February 23, 1979

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