

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

of

CORAL SURF
2584 Lemon Road
Honolulu, Hawaii
Registration No. 1175

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 6, 1979
Expires: January 6, 1981

SPECIAL ATTENTION

A comprehensive reading of this report by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON SEPTEMBER 13, 1979, AND INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 21, 1979. THE DEVELOPERS, IN NOTIFYING THE COMMISSION OF THEIR INTENTION TO SELL, ARE COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES.

1. CORAL SURF is a leasehold condominium project situated on 5,000 square feet of land and consists of sixteen (16) apartment units. There is one four-story building containing three two-bedroom apartments, nine one-bedroom apartments and four studio apartments. The building was built in 1964 and has been rented since being constructed as an apartment and apartment-hotel. There are eight (8) unassigned parking stalls.

2. The Developers of the project have filed all documents and materials deemed necessary by the Commission for the registration of this condominium project and issuance of this Final Public Report.

3. The Commission has determined that the basic documents (Declaration of Horizontal Property Regime, with the By-Laws of Association 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 August 10, 1979, were filed in the Bureau of Conveyances of the State of Hawaii on September 12, 1979, in Liber 13986, Page 338. The Bureau has designated Condominium File Plan No. 641 to the project.

4. No advertising or promotional matters have 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 the Horizontal Property Act, Chapter 514A of the Hawaii Revised Statutes as amended and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Final Public Report is made a part of the CORAL SURF registration. The Developer is responsible for placing a true copy of the Final Public Report (white paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and obtaining a signed receipt therefor.

7. This Final Public Report automatically expires thirteen (13) months after the date of issuance, December 6, 1979, unless the Commission, upon review of the registration, issues an order extending the period of this report or unless a supplementary public report is published.

NAME OF PROJECT: CORAL SURF

LOCATION: The site is located at 2584 Lemon Road, Waikiki, HONOLULU, Hawaii, and comprises an area of 5,000 square feet.

TAX MAP KEY: First Div: 2-6-27:19

ZONING: Resort Hotel Precinct

DEVELOPER: STEPHEN FREDERICK SANTANGELO and EVELYN RUTH SANTANGELO, husband and wife, as tenants by the entireties as to an undivided one-half interest and LOUIS J. CARNESALE, husband of Lucie B. Carnesale, as tenant by the severalty as to an undivided one-half interest. The Developers' office is located at 4614 Kilauea Avenue, Suite 105, Honolulu, Hawaii, and the telephone number is 732-0707.

ATTORNEY REPRESENTING DEVELOPER: BARLOW & O'CONNOR, (Attention MICHAEL F. O'CONNOR) Suite 1010, Amfac Building, Honolulu, Hawaii 96813. Telephone No. 537-5381.

DESCRIPTION OF APARTMENTS: The Declaration of Horizontal Property Regime and plans submitted by the Developers indicate a leasehold parcel of 5,000 square feet, consisting of sixteen (16) leasehold apartment units constructed in 1964 principally of hollow tile and reinforced concrete, according to the four (4) different floor plans. There is one building with four levels. On the ground level is located one studio apartment and eight (8) parking stalls. Located on each of the second, third and fourth (upper) levels is one studio apartment, three one-bedroom apartments and one two-bedroom apartment. There are eight (8) on-grade parking stalls on the project which shall not be assigned to apartment owners.

The four apartment floor plans and 16 units are more particularly described as follows:

1. Apartment 101 is a one-story apartment located on the ground level consisting of one room, a kitchenette and one bathroom. It consists of 364.63 square feet.

2. Apartments 202, 307 and 412 are one-story apartments consisting of a living room, kitchenette, two bedrooms and one bathroom. They each consist of 584.54 square feet. Apartment 202 is located on the second level; Apartment 307 is located on the third level and Apartment 412 is located on the fourth (upper) level.

3. Apartments 203, 204, 205, 308, 309, 310, 413, 414 and 415 are one-story apartments consisting of a living room, kitchenette, one bedroom and one bathroom. They each consist of 420 square feet. Apartments 203, 204 and 205 are located on the second level; Apartments 308, 309 and 310 are located on the third level and Apartments 413, 414 and 415 are located on the fourth (upper) level.

4. Apartments 206, 311 and 416 are one-story apartments consisting of one living/sleeping room, a kitchenette and one bathroom. They each consist of 398.84 square feet. Apartment 206 is located on the second level; Apartment 311 is located on the third level and Apartment 416 is located on the fourth (upper) level.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

COMMON ELEMENTS. One freehold estate has been designated in all remaining portions of the project, called the "common elements", including specifically but not limited to:

1. Said land in leasehold;
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, walkways, entrances and exits of said building;
3. All yards, grounds and landscaping;
4. All parking areas;
5. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any;
6. 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, or normally in common use.

LIMITED COMMON ELEMENTS. Certain parts of the common elements, called the "limited common elements" and consisting of the corridors on any floor above the first floor, have been designated and set aside for the exclusive use of the apartments located on each such floor. Such apartments shall have appurtenant thereto easements for the use of such limited common elements.

COMMON INTEREST. 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:

- Apt. 101 - 5.1394% each
- Apt. 202, 307 & 412 - 8.2390% each
- Apt. 203, 204, 205, 308, 309, 310, 413, 414, & 415 - 5.9198% each
- Apt. 206, 311 & 416 - 5.6216% each

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: Except when a first mortgagee has entered into possession of an apartment following (i) default under a first mortgage, (ii) a foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the apartments 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 purpose except that the apartments may also be used for transient or hotel purposes. The owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration and the By-Laws attached hereto.

The proposed House Rules provide that no dogs, cats, household pets, livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project.

OWNERSHIP TO TITLE: The Policy of Title Insurance issued by Title Insurance and Trust Company on May 14, 1979, and updated by preliminary report dated August 14, 1979, shows that the leasehold title to the land is vested in Stephen Frederick Santangelo and Evelyn Ruth Santangelo, husband and wife, as Tenants by the Entirety as to an undivided one-half interest and in Louis J. Carnesale, husband of Lucie B. Carnesale, as Tenant in the Severalty, as to an undivided one-half interest. By letter dated November 21, 1979, attorney for the Developer represents that he is unaware of any change in title.

ENCUMBRANCES AGAINST TITLE: Said Policy of Title Insurance issued by Title Insurance and Trust Company on May 14, 1979, and updated on August 14, 1979, shows that the property is encumbered as follows:

1. Reservation in favor of State of Hawaii of all mineral and metallic mines.

2. Mortgage dated June 24, 1974, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9989, Page 193, made by Business Investment, Ltd., as Mortgagor(s) to Territorial Savings & Loan Association, as Mortgagee(s), to secure the repayment of \$160,000.00, and additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to by substitution of mortgaged premises dated May 9, 1979, recorded in the Bureau of Conveyance in Liber 13683, Page 247, said mortgage was recorded as a lien against that certain lease dated April 22, 1979, recorded in the Bureau of Conveyance in Liber 13683, Page 222.

3. Mortgage dated April 30, 1979, recorded in the Bureau of Conveyance in Liber 13683, Page 255, made by Developers, as Mortgagor(s) and Amfac Financial Corp., as Mortgagee(s) to secure the repayment of \$335,000.00 and additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said Mortgagor(s) therein referred to.

4. Assignment of Lessor's interest under lease as security dated April 30, 1979, recorded in said Bureau in Liber 13683, Page 270 made by Developers, as Assignor(s) and Amfac Financial Corp., as Assignee(s), to secure payment of the certain mortgage dated April 30, 1979, referred to in paragraph 3 above.

5. Unrecorded leases and tenancy agreements, if any.

6. Real Property taxes as may be due and owing. For further information, check with the Tax Assessor, First Division.

7. In addition, the property is subject to the aforementioned Declaration of Horizontal Property Regime, By-Laws and Condominium File Plan. By letter dated November 21, 1979, Developer's attorney represents that he is unaware of any further encumbrances in addition to the foregoing.

PURCHASE MONEY HANDLING: An executed escrow agreement dated August 22, 1979, has been filed with the commission. The Escrow agent is Bank of Hawaii. Upon examination, the specimen Sales Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

Among other things, the Escrow Agreement provides that escrow agent shall refund all or purchaser's funds, without interest, less a cancellation fee of \$25.00, if purchaser shall request refund of his funds and any one of the following have occurred:

a. Escrow receives a written request from seller to return to purchaser the funds of such purchaser then held hereunder by escrow; or

b. If purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the building plans, subsequent to the execution of purchaser's contract, requiring the approval of the city and county officer having jurisdiction over the issuance of permits for construction, unless the purchaser has given written approval or acceptance of the change; or

c. If the purchaser's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has given written approval of acceptance of the differences; or

d. If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

Upon refund of said funds to purchaser as afore-said, escrow shall return to seller such purchaser's sales contract and any Apartment deed theretofore delivered to escrow, and thereupon neither the purchaser nor Seller shall be deemed obligated thereunder.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Sales Agreement, since the Escrow Agreement prescribed the procedure for receiving and disbursing purchaser's funds and the Sales Agreement specifically provides that the purchaser approve said Escrow Agreement.

The Specimen Sales Agreement includes a provision wherein purchaser will agree that until developer has closed out the sale of all sixteen (16) apartments, or until October 31, 1979, whichever event first occurs, purchaser will not enter into an agreement with owner of another apartment or with a third party under which purchaser agrees to share expenses and/or rentals of apartments in the project. However, the Developer has indicated an intention to waive this provision.

The Specimen Sales Contract also provides that if the project is not ready for occupancy within 12 months from the estimated completion date of August 31, 1979, that seller may, at its option, terminate said contract and refund buyer money and be relieved of all further liability. However, the Developer has indicated that the revised estimated completion date is now December 1, 1979.

CONVERSION OF PROPERTY: The project involves the conversion of an apartment building constructed in 1964. The Developer has represented that to the best of his information and belief, the building built on the subject premises is in compliance with all ordinances, codes, rules and regulations or other requirements in force at that time of its construction thereof, and that no variance was granted from any ordinance, code, rule, regulations or other requirement in force at the time of construction thereof or from any current ordinance, code, rule, regulation or other requirement. Also, there are no current outstanding notices to the owners of the improvements of uncured violations or building codes or of other municipal regulations. The Developer has submitted letters to the Commission from an architect and the City's Building Department Director in support of the foregoing statements.

STATUS OF PROJECT: The Developer advises the Commission that the existing apartment buildings were constructed in 1964 and that he is refurbishing the apartments to add new appliances, carpets and drapes. The apartments are presently being occupied on a month to month basis.

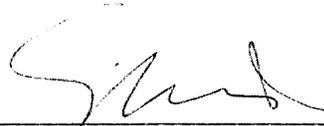
NOTE: The Disclosure Abstract states that the Developer will not warrant any appliances, materials or installations contained in the units.

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The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted September 13, 1979, and information subsequently filed as of November 21, 1979.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of the REGISTRATION NO. 1175 filed with the Commission on September 13, 1979.

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



(for)

AH KAP YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
State of Hawaii

DISTRIBUTION:

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

REGISTRATION NO. 1175

December 6, 1979.