

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

THE KUAHINE
2328 Seaview Avenue
Honolulu, Hawaii

REGISTRATION NO. 1265

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: April 2, 1980
Expires: May 2, 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 the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 14, 1980 AND INFORMATION SUBSEQUENTLY SUBMITTED AS OF MARCH 28, 1980. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. THE KUAHINE is a leasehold condominium project, consisting of twenty-one (21) apartment units contained in one (1) existing building of four (4) stories without a basement. There will be a total of twenty-seven (27) parking stalls with one (1) or more parking stalls assigned to each apartment. There will be no guest parking stalls.
2. The Developer of the project has filed all documents and material deemed necessary by the Commission for the registration of this project as a condominium and issuance of the Final Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, with Bylaws of the Association of Apartment Owners attached, and a copy of the Approved Floor Plans) have been recorded in the Bureau of Conveyances of the State of Hawaii. The Declaration of Horizontal Property Regime, executed on February 26, 1980 was recorded in said Bureau in Liber 14605 at Page 565. The Approved Floor Plans (Condominium File Plan) showing the layout, location, apartment numbers, etc., have been designated No. 705 by the Bureau of Conveyances of the State of Hawaii.
4. Advertising and promotional matters have not 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 Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.
6. This Final Public Report is made a part of the registration of THE KUAHINE. The Developer has the responsibility of placing a true copy of the Final Public Report (white paper stock) and Disclosure Abstract in the hands of all purchasers and obtaining a receipt therefor.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, April 2, 1980, unless a Supplementary Public Report issues, or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: THE KUAHINE.

LOCATION: The site comprising approximately 11,700 square feet is located at 2328 Seaview Avenue, Honolulu, Hawaii.

TAX MAP KEY: 2-8-16:26 (First Division).

ZONING: R-6.

DEVELOPER: Condominium Corporation, a California corporation of 14011 Ventura Boulevard, Suite 200-B, Sherman Oaks, California 91423, whose Officers are Joseph Bobker, President/Secretary/Treasurer; Donald Ensley, Vice President. Developer's Agent: F & I Real Estate Holding Company (Attention: Mr. Franklin Winkler), Suite 1915, 733 Bishop Street, Honolulu, Hawaii 96813, Telephone: (808) 523-0707.

ATTORNEY REPRESENTING DEVELOPER: Case, Kay & Lynch (Attention: Michael L. Biehl, Esq.), Suite 1100, 165 South King Street, P.O. Box 494, Honolulu, Hawaii 96809, Telephone: (808) 536-7261.

DESCRIPTION:

1. Building Description. Twenty-one (21) separate condominium apartments are located within the perimeter and party walls, floors and ceilings of each of the twenty-one (21) apartment units of the project contained in one (1) existing building of four (4) stories without a basement constructed principally of concrete, concrete block, gypsum board and relating building materials. There will be no apartments on the first floor (ground floor) which area

provides for parking stalls. There will be seven (7) apartments on each of the floors above.

The apartments are identified by a numerical code. The first digit will signify the floor level.

The next two digits will signify the apartment location. The next two digits for the 7 apartments on each of the floors above the ground floor will be 01, 02, 03, 04, 05, 06 and 07 beginning at the southern end of the building and proceeding north (i.e. 303).

2. Description of Apartments. Each apartment will contain one bedroom, one bathroom, a living-dining room, a kitchen and a lanai. The approximate floor area of each 02, 03, 04, 05 and 06 apartment including the lanai is 632 square feet. The approximate floor area of each 01 and 07 apartment including the lanai is 643 square feet.

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 lanai air space, the inner decorated or finished surface of all walls, floors and ceilings, and all fixtures originally installed therein, including a refrigerator, electric range, disposal, carpeting and drapes.

COMMON ELEMENTS: The remaining portions of the project are designated "common elements". The common elements shall include, but not be limited to:

- a. The land in fee simple;
- b. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, walkways, entrances and exits of said buildings;
- c. All yards, grounds and landscaping;
- d. All parking areas;
- e. 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;
- f. 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, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

a. Parking Stalls. One or more parking stalls will be assigned to each apartment. Each apartment shall always have at least one parking stall assigned to it at all times. The assignment by apartment of each numbered stall is as shown on Exhibit A attached hereto. The location of each numbered stall is as shown on the Condominium Map.

b. Mail Boxes. Each apartment shall have appurtenant to it the exclusive right to use a mail box in the mail facilities located as shown on the Condominium File Plan.

EASEMENT AND/OR LICENSE RIGHTS. In addition to the easements established in the limited common elements, the apartments and common elements shall also have and be subject to the following:

a. Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress and egress, utility services and support for such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided herein; and in all other apartments in the building in which the apartment is located for support.

b. If any part of the common elements now or hereafter encroaches upon any apartment or limited common element, or if any apartment now or hereafter encroaches upon any other apartment or common element, an easement for such encroachment and the maintenance for as long as it continues does and shall exist. If the project is partially or totally destroyed and/or if minor shifts or settlement of any improvements occurs, minor encroachments by any limited or common element upon any apartment or by any apartment upon any other apartment or common element due thereto shall be permitted and easements for such encroachments and maintenance thereof shall exist.

c. The Association of Apartment Owners of the project shall have the right to be exercised by the Board or Managing Agent to enter each apartment and the limited common elements from time to time during reasonable hours as may be appropriate for the operation of the property or at any time for making emergency repairs which may be necessary to prevent damage to any apartment or common element.

d. Reservation unto the Developer and the fee owner of the project, Timothy J. Holzer, Trustee under that certain unrecorded indenture of trust granted by Marjorie Kaoru Miyahara, dated December 8, 1971, as amended, of easement and/or license rights for electrical, gas, communications and other utility or recreational or walkway purposes and for sewer, drainage and water facilities, or for purposes of existing encroachments, over, under, along, across and through the property committed to the project, together with the right to grant to the State of Hawaii, City and County of Honolulu, Board of Water Supply of the County of Honolulu or any other appropriate governmental agency or public utility, or to adjoining landowners or their lessees, or to any other individual, corporation or association, easement and/or license rights for such purposes over, under, across,

along and through the property under the usual terms and conditions required by the grantee for such rights; provided, however, that such rights must be exercised in such manner as to not unreasonably interfere with the use of the project by the apartment owners, and in connection with the installation, maintenance or repair of any facilities pursuant to any such rights, the land shall be promptly restored by and at the expense of the person owning and exercising such rights to the condition existing immediately prior to the exercise thereof, and each apartment owner, by purchasing an apartment in this project, agrees that such apartment owner and any person claiming an interest in the property by, through or under such apartment owner, will, upon request, join in and execute any and all documents designating and granting any such rights.

INTEREST TO BE CONVEYED TO PURCHASER: An interest in each apartment will be conveyed to each purchaser under an apartment lease. The apartment lease will issue either directly from the fee owner, Timothy J. Holzer, Trustee under that certain unrecorded indenture of trust granted by Marjorie Kaoru Miyahara, dated December 8, 1971, as amended. Each apartment shall have appurtenant thereto an undivided interest in all the common elements of the project (herein called the "common interest") and the same proportionate share in the common profits and expenses of the project as follows:

<u>APARTMENT NO.</u>	<u>UNDIVIDED INTEREST IN COMMON ELEMENTS</u>
201	4.821%
202	4.739%
203	4.739%
204	4.739%
205	4.739%
206	4.739%
207	4.821%
301	4.821%
302	4.739%
303	4.739%
304	4.739%
305	4.739%
306	4.739%
307	4.821%
401	4.821%
402	4.739%
403	4.739%
404	4.739%
405	4.739%
406	4.739%
407	4.821%
<u>TOTAL</u>	<u>100.000%</u>

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments shall be occupied and used for residential purposes only. Apartment owners have the absolute right to rent or lease their apartments, subject to the Declaration, the Bylaws and the House Rules, provided, however, that no apartment shall be rented for hotel operations which are defined as (a) rental for a period of less than 30 days, or (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, provided, further, that no apartment owner may lease less than the entire apartment.

OWNERSHIP OF TITLE: According to a Preliminary Report issued by Title Guaranty of Hawaii, Incorporated, on February 29, 1980, title to the land committed to the project is vested in Timothy J. Holzer, Trustee under that certain unrecorded indenture of lease granted by Marjorie Kaoru Miyahara dated December 8, 1971, as amended.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report dated February 29, 1980 identifies the following encumbrances on the land committed to the project:

1. Any taxes that may be due and owing and a lien on the property for same; reference is hereby made to the Office of the Tax Assessor of the First Division, City and County of Honolulu, Hawaii.

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

3. Easement for perpetual right-of-way in favor of others entitled thereto.

4. Terms, agreements, reservations, covenants, conditions and provisions contained in that certain unrecorded Lease dated February 19, 1980, made and executed by and between Timothy J. Holzer, Trustee under that certain unrecorded indenture of trust granted by Marjorie Kaoru Miyahara dated December 8, 1971, as amended, and Condominium Corporation, a California corporation, a short form of which was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14504 at Page 263.

5. Mortgage and Security Agreement dated February 13, 1980 in favor of Realty Mortgage Corporation, a Hawaii corporation, recorded in said Bureau in Liber 14504 at Page 282, and that certain Assignment dated February 13, 1980 in favor of Realty Mortgage Corporation, recorded in said Bureau in Liber 14504 at Page 282.

6. Terms, conditions and provisions contained in unrecorded indenture of trust dated December 8, 1971, as amended.

NOTE: Since the issuance of the above title report issued by Title Guaranty of Hawaii, Inc., the Developer has submitted to the Commission, fully executed, and recorded in the Bureau of Conveyances of the State of Hawaii, the Declaration of Horizontal Property Regime of The Kuahine, recorded in Liber 14605, Page 565, with Condominium File Plan designated as No. 705. The Declaration and Condominium File Plan are therefore encumbrances against title.

NOTE: The above item 5 Mortgage will be satisfied upon the sale of units to purchasers.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated February 26, 1980, identifies Bank of Hawaii, a Hawaii corporation, as Escrow Agent. On examination the specimen Deposit Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Section 514A-37, Section 514A-39 and Sections 514A-63 through Section 514A-66. A prospective purchaser should carefully examine the form

of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement. Among other provisions the executed Escrow Agreement states that no money received by Escrow Agent shall be disbursed until the Seller has a valid and binding contract for the sale of the unit for which money was received and the requirements of Sections 514A-39, 514A-63, 514A-64 and 514A-66 have been met, all as provided in Section 514A-65, Hawaii Revised Statutes.

The specimen Sales Contract also states: (1) All of Purchaser's right, title and interest under the Sales Agreement are and shall be subject and subordinate to the lien of any mortgages or other security instruments made by Developer to any institutional lender for the purpose of securing the repayment of certain loans made to the Developer; and (2) The apartments and common elements in this project are being sold on an "as is" basis. Developer makes NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT OR ANY FIXTURES, FURNISHINGS OR APPLIANCES INSTALLED THEREIN FOR A PARTICULAR PURPOSE.

The Sales Contract, among other things, contains acknowledgments by each purchaser: (i) that the Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of apartments in the project other than apartments owned by the Developer upon completion of the project, if any; (ii) that the purchaser must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (iii) that the Developer has not authorized agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the project; (iv) that the purchaser acknowledges that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the project; and (v) that until the Developer closes the sales of all the apartments in the project, the buyer shall not enter into any agreement with any purchaser, lessee or owner of another apartment in the project or any third party under which the buyer agrees to share rental income from apartments in the project.

It is incumbent upon the purchaser and prospective purchaser to read with care and to understand the Escrow Agreement and Sales Agreement as both agreements provide for the benefits and obligations therein outlined.

MANAGEMENT OF THE PROJECT: The Declaration of Horizontal Property Regime provides that the operation of the property shall be conducted by a responsible corporate entity as managing agent. By virtue of a Management Contract dated February 26, 1980, the initial managing agent shall be Johnson Associates, Inc., a Hawaii corporation, whose principal place of business and post office address is Suite 1900, 700 Bishop Street, Honolulu, Hawaii.

STATUS OF PROJECT: The project involves the conversion of an existing apartment building originally constructed in 1962. Based upon the report of Stanley F. S. Wong, Inspecting Architect (Registration No. 01054), a copy of which has been filed with the Real Estate Commission, the building appears to be structurally sound with no evidence of unstable structural components; the mechanical installations consisting of water and plumbing lines appear to be in good condition; and the electrical installations consisting of electrical meter boxes, switches, fans and installations within the individual units appear to be in good condition. No representations are made herein or in the reports described hereinabove concerning the useful life of said existing improvements. As indicated in that certain letter dated December 14, 1979, from Howard M. Shima, Director and Building Superintendent, Building Department, City and County of Honolulu, a copy of which has been filed with the Real Estate Commission, the building met the building code requirements and the requirements of a conditional use permit for student dormitories at the time of construction. Presently, there are no outstanding notices of uncured violations of the building code.

The Developer is refurbishing the apartments by installing new appliances, carpets and drapes. It is the intent of the Developer that the refurbishing shall be completed prior to occupancy of the dwellings by the purchasers. The building is currently a rental apartment building.

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 March 14, 1980 and information subsequently submitted as of March 28, 1980.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1265 filed with the Commission March 14, 1980.

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

 (for)

AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 1265

April 2, 1980.

EXHIBIT A

APARTMENT BY NUMERICAL DESIGNATION
AND APPURTENANT PARKING STALL

<u>APARTMENT NO.</u>	<u>STALL NO.</u>
201	21
202	22
203	5
204	23
205	18
206	19
207	20
301	4
302	3
303	24
304	25
305	12
306	16
307	17
401	2
402	1
403	26
404	27
405	14
406	13
407	15, 6, 7, 8, 9, 10, 11