

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

CLARK APARTMENTS
1336 Lusitana Street
Honolulu, Hawaii

REGISTRATION NO. 1307 (CONVERSION)

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: May 9, 1980
Expires: June 9, 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 FILED MAY 5, 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.

1. CLARK APARTMENTS is a fee simple condominium project consisting of eighteen (18) apartments contained in a five (5) story building, without a basement, and six (6) unassigned parking stalls.

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

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners 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 dated April 14, 1980, with By-Laws attached was recorded in Liber 14694, Page 620.

The approved Plans showing the layout, location, apartment numbers, etc., have been designated Condominium File Plan No. 724.

4. No advertising or promotional matter has been filed 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 and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, May 9, 1980, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

7. This Final Public Report is made a part of registration on CLARK APARTMENTS Condominium Project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) and the Disclosure Abstract in the hands of all purchasers and prospective purchasers, and securing a signed copy of the Receipt therefor from each purchaser.

NAME OF PROJECT: CLARK APARTMENTS

LOCATION: The approximate 5,955 square feet of land to be committed to the regime is situated at 1336 Lusitana Street, Honolulu, Hawaii.

TAX MAP KEY: FIRST DIVISION: 2-1-35-05.

ZONING: A-2 (Apartment).

DEVELOPER: MARSHALL HUNG, c/o Suite 967, 190 South King Street, Honolulu, Hawaii 96813, phone 536-1858; FREDERICK A. ZANE, 1704 Laukahi Street, Honolulu, Hawaii 96821, phone 373-3371; ROBERT HUNG, c/o 1750 Kalakaua Avenue, Suite 1701, Honolulu, Hawaii 96826, phone 941-9491; and WILLIAM WON, 1532 Laukahi Street, Honolulu, Hawaii 96821, phone 373-4692.

ATTORNEY REPRESENTING DEVELOPER: Hamilton, Gibson, Nickelsen, Rush & Moore (Attention: Walter Beh II), 20th Floor Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813, phone 521-0400.

DESCRIPTION: The Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of eighteen (18) apartments contained in a five (5) story building, without a basement, constructed principally of hollow tile and concrete.

The location and description of the various apartments of the project are set forth in the Exhibit attached hereto and made a part hereof.

The apartments have immediate access to an open corridor leading to two stairways, each of which leads to the grounds of the project. 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 (if any), the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

NOTE: The Disclosure Abstract contains the following statement by the Developer:

"To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or other municipal regulations of the City and County of Honolulu, except as set forth in the attached letter from the City and County of Honolulu."

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

1. The land in fee simple;
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 and 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; and

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: No part of the common elements, herein called the "limited common elements", are designated or set aside for the exclusive use of certain apartments.

INTEREST TO BE CONVEYED TO PURCHASERS: Documents filed with the Real Estate Commission indicate that the purchaser will secure an Apartment Deed, conveying an apartment and an undivided interest in all common elements of the project, as set forth in the Exhibit attached hereto, and the same proportionate share of all common profits and expenses of the project and shall be used for all other purposes including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that 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. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartments 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 or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and the By-Laws attached thereto; provided, however, that no apartment owner may lease less than the entire apartment.

OWNERSHIP OF TITLE: A preliminary title report dated March 18, 1980, issued by Long & Melone, Ltd., indicates that the Developer is the fee simple owner of the property submitted to the regime.

ENCUMBRANCES AGAINST TITLE: Said preliminary title report dated March 18, 1980, issued by Long & Melone, Ltd., and documents submitted to the Commission, provide that the following are encumbrances against title to the property:

1. For any taxes that may be due and owing and a lien on the land, reference is hereby made to the Office of the Tax Assessor of the First Division, City and County of Honolulu, Hawaii.

2. Declaration of Horizontal Property Regime dated April 14, 1980, recorded as aforesaid in Liber 14694, Page 620, with Condominium File Plan No. 724.

3. Mortgage and Financing Statement made by Robert Hung, unmarried, William Won, husband of Margaret L. Won, Marshall Hung, unmarried, and Frederick A. Zane, husband of Eva L. Zane, as Mortgagors, and International Savings and Loan Association, Limited, dated October 5, 1977, recorded in the Bureau of Conveyances in Liber 12480, Page 181.

4. Assignment of Rents made by Robert Hung, unmarried, William Won, husband of Margaret L. Won, Marshall Hung, unmarried, and Frederick A. Zane, husband of Eva L. Zane, as Assignors, and International Savings and Loan Association, Limited, as Assignee, dated October 5, 1977, recorded in the Bureau of Conveyances in Liber 12480, Page 192.

5. The lien and the unpaid balance of assessment levied against the above described property by the City and County of Honolulu under Improvement District No. 165, Assessment Lot No. 12.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated April 8, 1980, between Long & Melone Escrow, Ltd., as Escrow, and Developer has been filed with the Commission. On examination, the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly Sections 514A-39, 514A-63 through 514A-66 thereof.

Among other provisions, the executed Escrow Agreement states that a purchaser under contract of sale, upon written request, shall be entitled to a refund of all moneys deposited with Escrow, without interest and less Escrow's cancellation fee, if any of the following events shall 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 county officer having jurisdiction over the issuance of permits for construction, unless the purchaser has given written approval or acceptance of the change, or ninety (90) days have elapsed since the purchaser has accepted in writing the apartment or he has first occupied the apartment; 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 or acceptance of the difference; or

(d) If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report; provided that if the Final Public Report is issued after the one year period and a copy of the Final Public Report is delivered to the purchaser either personally or by registered or certified mail with return receipt requested, notwithstanding any law to the contrary, the purchaser shall have thirty days from the date of delivery to exercise his right of refund and cancellation of obligation, after which period such right shall be deemed waived; provided, further, that such waiver shall be effective only if at the time the purchaser receives a copy of the Final Public Report, he is notified in writing of his right of refund and cancellation of obligation and the waiver of such right upon his failure to act within the thirty day period.

The specimen Sales Contract filed with the Commission contains, among others, the following provisions:

1. Buyer acknowledges that neither Seller nor any of its representatives has made any representation or reference as to rental of the apartment, income from the apartment or any other economic benefit to be derived from the rental of the apartment, including, but not limited to, any reference or representation to the effect that seller or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental of the apartment. It is understood and agreed that rental or other disposition of the apartment and the provisions of management services in connection therewith is and shall be the sole responsibility of the Buyer.

2. It is expressly understood and agreed by and between Seller and Buyer that the project consists of a fully constructed and existing building. Buyer acknowledges that Buyer has been offered an

adequate opportunity to examine the plans for the project (which are on file in the Bureau of Conveyances of the State of Hawaii as Condominium File Plan No. 724 and open to public inspection) and the actual project and apartment covered hereby, and accepts the same "AS IS" and that THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE, involved in this sale.

3. Buyer further agrees and declares that as part of the consideration for this agreement, Buyer has and does hereby waive any and all claims Buyer might otherwise have against Seller because of or arising out of any construction design work, including but not limited to, those on account of faulty or improper construction of improvements, patent or latent defects, and code violations in building construction.

4. The Condominium File Plan for the project which is filed with the Bureau of Conveyances and the Real Estate Commission is intended only to show the layout, location, apartment numbers and dimensions of the apartments and the Buyer acknowledges that the Condominium File Plan, consisting of the floor plans and elevations, is not intended to be and does not constitute any other representation or warranty by Seller.

5. In the event any payment to be made by Buyer hereunder is not made when due, such late payment shall bear interest at the rate of one percent (1%) per month until paid.

6. Buyer hereby agrees for the sole benefit of Seller that until Seller has closed out the sale of all the apartments in the condominium project or until December 31, 1982, whichever shall first occur, that Buyer will not enter into any "rental pool" or similar agreement with any purchaser, lessee or owner of another apartment in the condominium project and/or any third party under which Buyer agrees to share expenses and/or rentals of apartments in the condominium project.

7. Buyer understands that the Reservation Agreement shall not be assignable without the prior written consent of Seller, which consent may be withheld at Seller's sole discretion.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust funds. The specimen Sales Contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Onwers under the direction of the Board of Directors by a responsible managing agent. The specimen Sales Contract provides that the Developer may appoint the initial managing agent for the project. The Developer indicates that it has appointed as initial managing agent: Urban Management Corp., a Hawaii corporation, whose principal place of business and post office address is 1711 Dole Street, Suite 101, Honolulu, Hawaii 96822.

STATUS OF PROJECT: The Developer has advised that it estimates that construction of the project was completed in 1957.

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 May 5, 1980.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1307 filed with the Commission on May 5, 1980. This report when reproduced shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be white.



AH/KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:
DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING COMMISSION,
CITY AND COUNTY OF HONOLULU
FEDERL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 1307

May 9, 1980

EXHIBIT

The building of the project contains five (5) floors and no basement.

1. Apartment Nos. 101 and 102 are located on the first floor.

2. Apartment Nos. 201 through 205 are located on the second floor.

3. Apartment Nos. 301 through 305 are located on the third floor.

4. Apartment Nos. 401 through 405 are located on the fourth floor.

5. The Penthouse Apartment is located on the fifth floor.

6. Studio Type: Two (2) apartments, being Apartment Nos. 101 and 102, are built according to a floor plan or its mirror image, consisting of three (3) rooms, including a living/dining/sleeping room, a bathroom and a kitchen. Each of these apartments contains a floor area of approximately 220 square feet, and shall have an appurtenant common interest of 2.4309%.

7. One Bedroom Type: Fifteen (15) apartments, being Apartment Nos. 201, 202, 203, 204, 205, 301, 302, 303, 304, 305, 401, 402, 403, 404 and 405, are built according to this floor plan or its mirror image, consisting of four (4) rooms, including a living/dining room, one (1) bedroom, a bathroom, a kitchen and a lanai. Each of these apartments contains a floor area of approximately 490 square feet, including the lanai of approximately 60 square feet, and shall have an appurtenant common interest of 4.7514%.

8. Penthouse Type: One (1) apartment, being the Penthouse Apartment, is built according to this floor plan, consisting of eight (8) rooms, including three (3) bedrooms, a living room, a dining room, two (2) bathrooms, a kitchen and a lanai. This apartment contains a floor area of approximately 2,160 square feet, including the lanai of approximately 790 square feet, and shall have an appurtenant common interest of 23.8672%.