

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
HALE MAHIAI
2015 Wilder Avenue
Honolulu, Hawaii

REGISTRATION NO. 1352 (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: October 15, 1980
Expires: November 15, 1981

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers is urged in order that 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 ON SEPTEMBER 15, 1980, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 10, 1980. 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, AS AMENDED.

1. HALE MAHIAI is a leasehold condominium project consisting of an existing three (3) story apartment building containing twenty (20) apartment units, and twenty (20) assigned parking stalls.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Final Public Report. The Developer shall be responsible for placing this Final Public Report (white paper stock) and the Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed copy of the receipt therefor from each purchaser and prospective purchaser is also the responsibility of the Developer.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the Floor Plans) have been recorded in the office of the recording officer.

The Declaration of Horizontal Property Regime, dated September 10, 1980, together with the By-Laws of Association of Apartment Owners, was recorded in the Bureau of Conveyances at Honolulu, Hawaii in Book 15015, at page 350, and the Recording Officer designated the plans as Condominium Map No. 755.

4. No advertising and promotional matter, other than the Condominium Pre-Sale Offering to Owner-Occupants required under Act 189, Session Laws of 1980, 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 Chapter 514A of the Hawaii Revised Statutes, and the Condominium Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after date of issuance, October 15, 1980, unless a Supplementary Public Report is issued or the Commission, upon review of the registration, issues an Order extending the effective period of this report.

NAME OF PROJECT: HALE MAHIAI

LOCATION: The project is located at 2015 Wilder Avenue, Honolulu, Hawaii. The land consists of 16,691 square feet, more or less.

TAX KEY: First Division, 2-8-13; Parcel 87.

ZONING: Apartment (A-2).

DEVELOPER: Universal Guide, Ltd., a Hawaii corporation, whose principal place of business is 1575 South Beretania Street, Honolulu, Hawaii 96814, (Telephone No.: 946-1171). The officers of Universal Guide, Ltd., are:

President: Setsue Thompson
 Vice-President: Michael H. Lau
 Secretary/
 Treasurer: Colin Q. C. Lau

ATTORNEY REPRESENTING DEVELOPER: Damon, Key, Char & Bocken, 10th Floor, City Bank Building, Honolulu, Hawaii 96813 (Attn: Charles W. Key), Telephone No.: 531-8031.

DESCRIPTION OF THE BUILDING: The project consists of one (1) three (3) story building containing twenty (20) residential apartments. The building is constructed principally of concrete, glass and appropriate trim. The building does not contain a basement.

Description of Apartments: The Declaration of Horizontal Property Regime reflects that each apartment contains two bedrooms, bathroom, kitchen, and living-dining area, and has the following approximate floor area:

<u>APT. NO.</u>	<u>SQ. FT.</u>
<u>FIRST FLOOR</u>	
1A	684
1B	684
1C	684
1D	684
<u>SECOND FLOOR</u>	
2A	684
2B	676
2C	684
2D	693
2E	684
2F	684
2G	684
2H	684
<u>THIRD FLOOR</u>	
3A	684
3B	676
3C	684
3D	693
3E	684
3F	684
3G	684
3H	684

The floor area of an apartment includes all the walls and partitions within its perimeter walls, any glass windows or panels along the perimeter; the entirety of perimeter nonparty walls and the interior half of the perimeter party walls, whether load-bearing or

nonload-bearing; and the interior decorated or finished surfaces of the floors and ceiling.

Each apartment is designated as a separate freehold estate. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter 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. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, any doors, windows or panels along the perimeters, and all fixtures originally installed therein.

Each apartment has access to a corridor and stairways adjacent to each apartment and walkways connecting to the parking area of the project.

Each apartment is to include refrigerator, stove, sink, garbage disposal, washer and dryer and water heater.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime states that the common elements shall include all portions of the project other than the apartments and all other common elements mentioned in the Horizontal Property Act which are actually included in the project, including specifically but not limited to:

- (a) Said land;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, chases, entries, stairways and roof;
- (c) All yards, grounds, landscaping, walls, and planters;
- (d) All parking areas and spaces, driveways and walkways;
- (e) All ducts, electrical equipment, wiring, pipes, and other central and appurtenant transmission facilities and installations on, over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone, and radio and television signal distribution;
- (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;
- (g) The limited common elements described below.

LIMITED COMMON ELEMENTS: The Declaration of Horizontal Property Regime provides that certain portions of the common elements, called "limited common elements" are 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) The parking spaces are numbered on said Condominium Map in the same manner as the apartments, and the parking space having the same number as an apartment shall be a limited common element for the exclusive use of said apartment.

(b) All common elements of the project which are rationally related to less than all of said apartments or building shall be limited to the use of such apartments or building.

All limited common elements, costs and expenses, including but not limited to, maintenance, repair, replacement, additions and improvements, shall be charged to the owner of the apartment to which the limited common elements are appurtenant; provided, however, payment of same shall be made by all owners in accordance with their respective ownership of the common elements.

INTEREST TO BE CONVEYED TO PURCHASERS: Each apartment shall have appurtenant thereto an undivided five per cent (5%) interest in the common elements of the project and the same percentage share in all the common profits and expenses of the common elements of the project and all other purposes, including voting.

EASEMENTS: In addition to any easements of record, the apartments and common elements shall have and be subject to the following easements:

(a) Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support, maintenance and repair of 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 and common elements 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 if any apartment now or hereafter encroaches upon any other apartment or upon any portion of the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any buildings of the Project shall be partially or totally destroyed and then rebuilt, minor encroachments by any common element upon any apartment or by any apartment upon any other apartment due to such construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

(c) The Association of Apartment Owners, hereinafter referred to as the "Association", shall have the right, to be exercised by its Board of Directors, hereinafter referred to as the "Board", or the Managing Agent, to enter each apartment and the limited common elements from time to time during reasonable hours as may be necessary for the

operation of the Project or at any time for making emergency repairs therein necessary to prevent damage to any apartments or common elements.

(d) Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other apartments and serving his apartment. Each apartment shall be subject to an easement in favor of the owners of all other apartments to use and for access to the pipes, ducts, cables, wires, conduits, public utilities, and other common elements serving such other apartments and located in such units.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall at all times be occupied and used only for temporary and permanent residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests, and for no other purpose. The respective apartment owners shall have the absolute right to rent or lease such apartments subject to all provisions of the Declaration.

The House Rules provide, in part: (1) No livestock, poultry, rabbits, dogs, cats or other animals shall be allowed or kept in any part of the project without the prior written consent of the Board; and (2) Waterbeds may be used in an apartment only with the prior written consent of the Board of Directors.

OWNERSHIP OF LAND: Developer has submitted to the Commission a Preliminary Title Report, dated September 29, 1980, prepared by Long & Melone, Ltd. This report reflects that the fee simple title to the property upon which the project is situated is owned by Alexander Stephen Farm and Edwin Francis Farm.

The Owners leased this property to James W. Y. Wong by Lease dated December 31, 1967, and recorded in the Bureau of Conveyances in Book 5948, Page 416. This lease was amended by instrument dated October 3, 1968 and recorded as aforesaid in Book 6266, Page 94.

Said Lease, as amended, was assigned to the Developer, Universal Guide, Ltd., by assignment of lease dated June 18, 1980 and recorded in the Bureau of Conveyances in Book 14867, Page 467.

The Developer has submitted copies of the Lease, Amendment of Lease, and Assignment of Lease to the Commission.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report, dated September 29, 1980, prepared by Long & Melone, Ltd., reflects that title to the property is subject to:

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

3. Mortgage and Financing Statement made by James W. Y. Wong, as Mortgagor, and Amfac Financial Corp., dated May 2, 1968, recorded in the Bureau of Conveyances in Book 6055, Page 103. Amended by instrument dated October 7, 1968, recorded in the Bureau of Conveyances in Book 6266, Page 97. This Mortgage was, by mesne Assignments, assigned to First Federal Savings and Loan Association of Pittsburgh, by Assignment of Mortgage dated October 18, 1968, recorded in the Bureau of Conveyances in Book 6266, Page 115.

4. Mortgage made by Universal Guide, Ltd., as Mortgagor, and Finance Factors, Ltd., dated August 11, 1980, recorded in the Bureau of Conveyances in Book 14942, Page 337.

5. Declaration of Horizontal Property Regime dated September 10, 1980, with By-laws attached, recorded in the Bureau of Conveyances in Book 15015, Page 350; Condominium Map No. 755.

PURCHASE MONEY HANDLING: The Developer has submitted to the Commission a specimen sales contract and an escrow agreement dated July 9, 1980, identifying Long & Melone Escrow, Ltd. as the escrow agent. Upon examination, the specimen sales contract and the executed escrow agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

The escrow agreement provides that the Developer shall:

(a) Cause to have recorded in the Bureau of Conveyances at Honolulu, Hawaii, a Declaration submitting said land and improvements thereon to the Horizontal Property Regime, together with attached by-laws, and a copy of the floor plans required to be filed therewith.

(b) Arrange for the delivery to Escrow of ten (10) or more condominium conveyance documents for execution by the respective purchasers of condominium units.

(c) Enter into contracts for certain renovations to the project and improvements thereon.

(d) Cause to have delivered to Escrow bonds in a sum not less than one hundred percent (100%) of the renovation and construction costs conditioned upon full and faithful performance of the construction contracts, free and clear of all claims for labor and materials incidental thereto and used in connection with such construction.

(e) Cause to have issued a final report on said project by the Real Estate Commission of the State of Hawaii.

Upon performance of the provisions contained in subparagraphs (a) (b) (c) (d) and (e) set forth immediately above, Escrow shall, when and as directed by Seller (Developer), obtain a preliminary report showing that good title can be conveyed to the respective purchasers of the various apartments, and shall record the various documents

and indentures placed in its possession under the terms of paragraphs (a) and (b) above, in the Bureau of Conveyances at Honolulu, Hawaii, together with any mortgage or mortgages executed by the individual purchasers of the apartments; and shall request the respective purchasers to pay over monies due and payable under the terms of their respective purchase agreements.

Simultaneously and thereafter, the Escrow shall make the following disbursements (not necessarily in the order herein set forth):

(a) As and when approved in writing by Developer, Escrow shall disburse funds to pay off any existing mortgages on Developer's lease.

(b) As and when approved in writing by the Developer, Escrow shall disburse funds to the contractors in proportion to the valuation of the work completed by the general contractor as certified by a registered architect or professional engineer.

(c) As and when approved in writing by the Developer, Escrow shall disburse funds in payment of appliances, carpeting, drapes, etc., as certified to by a registered architect or professional engineer.

(d) As and when approved in writing by the Developer and Mortgagee, Escrow shall disburse funds for the payment of architectural, engineering, finance and legal fees, interest on purchasers' mortgage loans, sales commissions, closing costs, and other incidental fees incurred by Developer in connection with the Project.

The specimen Sales Contract also provides: (1) that if Developer does not obtain executed sales contracts for ten (10) apartments on or before July 31, 1981, the obligations under executed contracts shall terminate, and all sums paid by Buyers shall be refunded without interest; (2) that Buyer has entered into the contract without any reference or representation by Seller (Developer) or any sales person as to the possibility or probability of rental or other income from the apartment, including, but not limited to, any reference or representation to the effect that Seller (Developer) or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental or sale of the apartment or as to possible advantages from the rental of the apartment under federal or state tax laws. It is understood and agreed that the rental or other disposition of the apartment shall be the sole responsibility of Buyer; and (3) Buyer acknowledges that he has personally inspected the apartment in the project, and accepts same "as is" in its present condition, and that any warranties obtained by the Developer under the contract for the renovations and improvements shall inure to the benefit of the Buyer and that all warranties on appliances shall inure directly to the Buyer. No warranties expressed or implied are being made by Developer to Buyer.

FINANCING: The Developer has submitted its program of financing the project and a statement of the estimated costs

involved in completing the renovations and improvements to the project. The escrow agreement and sales contracts provide that purchasers' deposits and loan proceeds shall be used to renovate the project and make certain improvements thereto.

MANAGEMENT OF THE PROJECT: The proposed by-laws, which are incorporated in the Declaration, provide that the operation of the project shall be conducted by the Association of Owners under the direction of the Board of Directors, and the Board of Directors shall annually employ a responsible corporation authorized to do business in Hawaii as Managing Agent for the project. The Developer has submitted to the Commission a property management agreement by and between the Developer and Realty Management and Sales Corp.

STATUS OF THE PROJECT: The project consists of an apartment building completed in 1968. A letter from the City and County of Honolulu Building Department confirms that this building met all code requirements at the time of construction and no variances or special permits were granted to allow deviations from any applicable codes. Developer has stated that renovations have commenced and has submitted copies of the contracts for the renovations, together with copies of performance and labor and material bonds for each contract. The estimated date of completion of the renovations is October 15, 1980.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the Notice of Intention submitted September 15, 1980, and information subsequently filed as of October 10, 1980.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1352, filed with the Commission on September 15, 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.



G.A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

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Registration No. 1352

October 15, 1980