

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

## PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON

OHANA KEWALO  
1508 Kewalo Street  
Honolulu, Hawaii

REGISTRATION NO. 1430 (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 but may only take reservations therefore after

- (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: July 28, 1981  
Expires: August 28, 1982

#### SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 1, 1981, AND INFORMATION FILED AS OF JULY 20, 1981. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. OHANA KEWALO is a proposed fee simple condominium conversion project consisting of 18 residential apartments and one resident manager's apartment in two (2) two-story buildings with 6 parking stalls.

2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners and the Condominium Map have not been recorded in the Bureau of Conveyances of the State of Hawaii.
4. No advertising or promotional materials 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 Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report expires thirteen (13) months after issuance, July 28, 1981, unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is part of the registration of OHANA KEWALO. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and securing a signed copy of the receipt therefor.

NAME OF PROJECT: OHANA KEWALO.

LOCATION: The Project is located at 1508 Kewalo Street, Honolulu, Hawaii and has a land area of approximately 7,850 square feet.

TAX KEY: 2-4-20:8 (1st Tax Division-City and County of Honolulu).

ZONING: Apartment District (A-4) under the Ordinances of the City and County of Honolulu.

DEVELOPER: HONOFED DEVELOPMENT CORP., a Hawaii corporation, whose principal place of business and post office address is 188 Merchant Street, Honolulu, Hawaii 96813 (telephone: (808) 546-8587). The officers of the corporation are: Harvey A. Wilson, Jr., President; William A. Borthwick, Jr.,

Vice President; Ian A. MacDonald, Vice President & Secretary; Shirley C. Takaoka, Assistant Secretary; Kenneth S. Fujinaka, Treasurer.

ATTORNEYS REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Stanley M. Kuriyama), Suite 1100, 1000 Bishop Street, P. O. Box 939, Honolulu, Hawaii 96808 (telephone: (808) 521-9200).

DESCRIPTION OF PROJECT: The proposed Project contains 18 residential apartments and one resident manager's apartment in two (2) two-story buildings with 6 parking stalls. The Project and the apartments are more specifically described as follows:

A. Project. The Project consists of two (2) two-story buildings (Buildings A and B), each containing a basement, together with six (6) on-site parking stalls, all of which stalls are designated as limited common elements. (Parking stalls nos. 1, 2, 3, 4 and 5 are standard size parking stalls and parking stall no. 6 is a compact size parking stall.) Building A is constructed of concrete masonry exterior walls with concrete floor slabs, wood-sheathing and wood-framed composition shingle roofing. Building B is constructed of concrete masonry exterior walls in the basement and on the first floor, and wood-framed and sheathed walls on the second floor, wood-framed floors and wood-framed composition shingle roofing. The two buildings contain 18 residential apartments of thirteen models (A, B-1, B-2, B-3, B-4, B-5, C-1, C-2, D-1, D-2, E-1, E-2 and E-3), and one resident manager's apartment (a model B-4 type apartment).

B. Apartments. The Project contains 18 residential apartments (eleven (11) studio apartments without a basement; two (2) two-bedroom, one-bath apartments; one (1) one-bedroom, one-bath apartment; and four (4) studio apartments with a basement) based on thirteen different models, and one resident manager's apartment (a studio type apartment, without a basement). All apartments are furnished with a bathtub, disposal, refrigerator, gas range/oven, carpeting and curtains. Each apartment on the first floor has immediate access to the Project grounds and parking areas, and each apartment on the second floor has immediate access to stairways providing access to the Project grounds and parking areas.

Building A contains twelve apartments (including the Resident Manager's Apartment) and is rectangular in shape, single-load bearing and situated closest to and perpendicular to Kewalo Street. The length of Building A runs in a Diamond Head-Ewa direction. Four apartments are located in the basement of Building A, each immediately adjacent to one another. Five apartments are located on the first floor of Building A, each immediately adjacent to one another. Three apartments are located on the third floor of Building A, each immediately adjacent to one another. Beginning at the Diamond Head end of Building A, the apartments are consecutively numbered on each floor as follows:

Basement: 101A, 102A, 103A, 104A

First Floor: 201A (Resident Manager's Apartment), 202A,  
203A, 204A, 205A

Second Floor: 301A, 302A, 303A

Building B contains seven apartments and is rectangular in shape, single-load bearing and situated farthest from and parallel to Kewalo Street. The length of Building B runs in a makai-mauka direction. Four apartments are located on the first floor of Building B, each immediately adjacent to one another, and each of which contains a basement room. Three apartments are located on the second floor of Building B, each immediately adjacent to one another. Beginning at the mauka end of Building B, the apartments are consecutively numbered as follows:

First Floor: 101B, 102B, 103B, 104B

Second Floor: 201B, 202B, 203B

Apartment No. 101A consists of one bedroom, one bath, one living/dining area and one kitchen area. Apartment Nos. 102A, 103A, 104A, 201A, 202A, 203A, 204A, 205A, 303A, 201B, 202B and 203B are all studio apartments and consist of one bath, one living/dining room and one kitchen area. Apartment Nos. 301A and 302A consist of two bedrooms, one bath, one living/dining room and one kitchen area. Apartment Nos. 101B, 102B, 103B and 104B each consists of one bath in the basement, one living/dining room and one kitchen area on the first floor, and one basement room.

Each apartment shall be deemed to include: (i) any adjacent lanai, veranda or entry court area to which such apartment has direct, exclusive access, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iv) any doors, windows or panels along the perimeters, and (v) all fixtures originally installed therein. The respective apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, interior load-bearing walls or party walls, (b) the undecorated or unfinished surfaces of the floors and ceilings surrounding each apartment, or (c) any pipes, shafts, 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.

**COMMON ELEMENTS:** The common elements will include the limited common elements described below, and all portions of the Project, other than the apartments, including, but not limited to:

(a) all of the land in fee simple.

(b) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, walkways, boardwalks, ducts, pumps, pipes, wires, conduits, and generally all equipment, apparatus, installations and personal property existing for common use in the buildings or located on the Project lands.

(c) All driveways, roads and other common ways, landscaping, yards, fences, retaining walls, refuse collection areas, mail box areas, accessory equipment and parking areas situate on the Project lands.

(d) Apartment No. 201A, which is designated as the resident manager's apartment.

(e) The storage room located in the basement of Building A.

LIMITED COMMON ELEMENTS: Certain apartments shall have ap-  
purtenant thereto exclusive easements for the use of the  
parking space(s) as designated on Exhibit "A" attached hereto.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: Each apart-  
ment shall have an undivided percentage interest in the common  
elements of the Project as set forth in Exhibit "A" attached  
hereto and the same percentage in all common profits and  
expenses of the Project and for all other purposes, including  
voting. Interests in each apartment will be transferred by the  
Developer to each buyer under an apartment Deed, consisting of  
a deed of the improvements comprising the particular apartment,  
and an undivided percentage interest in the common elements,  
inclusive of the land.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: Each apart-  
ment shall be occupied and used only for residential purposes  
and no apartment shall be used as a tenement or rooming house  
or for or in connection with the carrying on of any business,  
trade or profession whatsoever. The respective apartments  
shall not be rented by the Owners thereof for transient or  
hotel purposes, which shall be defined as (i) rental for any  
period less than thirty days, or (ii) any rental in which  
the occupants of the apartment are provided customary hotel  
services, such as room service for food and beverage, maid  
service, furnishing of laundry and linen, and bellboy service.  
Neither the apartments nor any interest therein shall be sold,  
transferred, conveyed, leased, occupied, rented or used for or  
in connection with any time-sharing purpose or under any  
time-sharing plan, arrangement or program, including without  
limitation any so-called "vacation license", "travel club  
membership" or "time-interval ownership" arrangement. The  
term "time-sharing" as used herein shall be deemed to include,  
but is not limited to, any plan, program or arrangement under  
which the right to use, occupy, own or possess an apartment  
or apartments in the Project rotates among various persons  
on a periodically recurring basis according to a fixed or  
floating interval or period of time, whether by way of deed,  
lease, association or club membership, license, rental or use

agreement, co-tenancy agreement, partnership or otherwise.

The House Rules state in part: (1) A dog or cat may be kept and maintained within the apartment unit and/or enclosed areas related to that specific unit. Each owner of a dog or cat must deposit \$100.00 with the Board of Directors to defray the cost of repairing any damage to or maintaining the sanitation or cleanliness of the common elements caused by or attributable to such pet. Should the owner cease to occupy his apartment or keep a dog or cat the \$100.00 deposit of any unexpended portion thereof will be refunded; (2) Walking of the dog and/or cat outside of the confines of the apartment unit shall be on a leash and shall be in an area prescribed by the Board of Directors. Owners shall be responsible for cleaning up after their animals on the premises; and (3) Outdoor cooking will be allowed only in designated areas.

OWNERSHIP OF TITLE: Title search dated June 30, 1981, issued by Hawaii Escrow & Title, Inc., states that fee simple title to the land is held by the Developer.

ENCUMBRANCES: Said title search states that the title to the property is subject to the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, first division.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Instrument dated December 13, 1911, recorded in the Bureau of Conveyances of the State of Hawaii on December 15, 1911, in Liber 350, Page 491.

PURCHASE MONEY HANDLING: A copy of a specimen Deposit Receipt and Sales Contract (the "Sales Contract") and an executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated May 15, 1981, identifies Title Guaranty Escrow Services, Inc. as the "Escrowee." 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, 39, 40 and 63 through 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 Escrow Agreement provides that a purchaser shall be entitled to a return of his funds,

and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) The Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held under the Escrow Agreement by Escrow; or

(b) The Developer shall have notified Escrow of the Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to the Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans, subsequent to the execution of the purchaser's Sales Contract, requiring approval of a county officer having jurisdiction over the issuance of building permits, unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the Sales Contract or unless the purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the purchaser has accepted in writing the apartment or the purchaser has first occupied the apartment; or

(d) The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived or has not been deemed to have waived his right to a refund; or

(f) The Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held under the Escrow Agreement by Escrow because:

(1) The purchaser has been unable to obtain adequate financing or a commitment for adequate financing, for the purchase of his apartment unit, within thirty (30) calendar days following the end of the ten (10) day calendar period during which the Developer is limited to selling to owner-occupants, as required by Chapter 514A, Part VI, Hawaii Revised Statutes, or

(2) The Developer desires to cancel the Sales Contract because of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes, or because the purchaser indicates an intent not to become an owner-occupant of the apartment unit covered by the Sales Contract.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a), (b) or (f) above

or upon receipt of a written request for a refund from the purchaser upon the occurrence of an event described in (c), (d) or (e) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee to Escrow of not less than \$25.00 per apartment or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said Sales Contract and any conveyance document theretofore delivered to Escrow shall be returned to the Developer and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by the Developer of written notice from Escrow of its intent to make such refund.

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 authorized no 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; (v) that the purchaser's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Developer in favor of any lending institutions to secure one or more loans for the purpose of constructing the Project; (vi) THAT THE PURCHASER UNDERSTANDS AND AGREES THAT THE DEVELOPER IS DISCLAIMING ANY WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN; AND (vii) THAT EACH APARTMENT WILL BE DEEMED TO BE SOLD "AS IS", AND THE DEVELOPER WILL NOT BE LIABLE TO THE PURCHASER FOR ANY CONSTRUCTION OR OTHER DEFECTS, INCLUDING ANY LATENT OR HIDDEN DEFECTS IN THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN. THIS MEANS THAT THE PURCHASER WILL NOT HAVE THE RIGHT TO FILE ANY LAWSUIT FOR DAMAGES AGAINST THE DEVELOPER FOR ANY DEFECTS LATER DISCOVERED BY THE PURCHASER.

MANAGEMENT AND OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors may at all times employ a responsible managing agent to manage and control the Project, subject at all times to direction by the Board of Directors. No managing agent has been selected as of the date of this report.

STATUS OF PROJECT: The Project is a condominium conversion, and the buildings and apartments were constructed in the years 1954 and 1958. A letter from the Building Department of the City and County of Honolulu reveals that no variances or deviations were granted from any codes at the time of construction. However, investigation reveals that deficiencies presently exist which must be corrected by the Developer to meet the code requirements in effect at the time of construction. Additionally, the Developer intends to convert the proposed Apartment No. 101A from a storeroom to an apartment.

The Developer currently estimates that the Project will be ready for occupancy on or about December 1, 1981.

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The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted June 1, 1981 and information subsequently filed as of July 20, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1430 filed with the Commission on June 1, 1981.

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

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

Distribution:

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

Registration No. 1430

July 28, 1981.

<u>Model</u>	<u>Apartment Nos.</u>	<u>Area in Square Feet (Approximate)</u>			<u>Percentage Interest In Common Elements</u>	<u>Parking Stall No.</u>
		<u>Total</u>	<u>Veranda/Lanai</u>	<u>Basement</u>		
A	101A	531			6.479	1
B-1	102A	326			3.983	
B-2	103A	333			4.067	
B-3	104A	364			4.435	
B-4	205A, 303A	357			4.350	
B-5	202A, 203A, 204A	340			4.152	
C-1	301A	697			8.502	2
C-2	302A	681			8.301	3
D-1	101B, 104B	608		304	7.411	
D-2	102B, 103B	591		295	7.212	
E-1	201B	428	162		5.225	4, 5, 6 (compact)
E-2	202B	352	58		4.292	
E-3	203B	354	88		4.314	

Note: The letter "A" in an Apartment Number means that the apartment is located in Building A; the letter "B" in an Apartment Number means that the apartment is located in Building B. Apartment 201A is the Resident Manager's Apartment, and is a Model B-4 type apartment.

EXHIBIT " A "