

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION

DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON

HEALANI TERRACE
Ikeanani Drive
Kaneohe, Hawaii

REGISTRATION NO. 1553

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: August 25, 1983

Expires: September 25, 1984

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 28, 1983, AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 22, 1983. 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. HEALANI TERRACE is a proposed fee simple condominium project consisting of 62 residential apartments in five (5) three-story buildings and three (3) two-story buildings, with 124 residence parking stalls and 16 guest 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 filed in the Office of the Assistant Registrar of the Land Court 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, August 25, 1983 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 HEALANI TERRACE. 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: HEALANI TERRACE

LOCATION: The Project is located at Ikealani Drive, Kaneohe, Hawaii and has a land area of approximately 19.618 acres.

TAX KEY: 4-4-13:88 (1st Tax Division-City and County of Honolulu).

ZONING: Residential District (R-4) and Preservation under the Ordinances of the City and County of Honolulu.

DEVELOPER: HEALANI VENTURES, a Hawaii joint venture, whose principal place of business and post office address is 188 Merchant Street, Honolulu, Hawaii 96813 (telephone: (808) 546-8580). The venturers comprising Healani Ventures are: Home Properties, Inc., a Hawaii corporation, and Koolaupoko Ventures, a Hawaii general partnership.

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Stanley M. Kuriyama), Suite 1200, 1000 Bishop Street, P. O. Box 939, Honolulu, Hawaii 96808 (telephone: (808) 521-9200).

DESCRIPTION OF PROJECT: The proposed Project consists of five (5) three-story buildings and three (3) two-story buildings containing 62 residential apartments, with 124 residence parking stalls and 16 guest parking stalls. Each building has one level of basement parking. All buildings are constructed of wood frames, plywood exterior siding, gypsum board interior walls and built-up asphalt shingle roofs. The basements are constructed of concrete slab and CMU retaining walls.

The 62 residential apartments are based on 6 models (A, AR, B, BR, C and CR). There are 12 Model A apartments, 12 Model AR apartments, 13 Model B apartments, 13 Model BR apartments, 6 Model C apartments and 6 Model CR apartments. Model A and Model AR apartments have identical floor plans except that they are mirror images of each other. Model B and Model BR apartments have identical floor plans except that they are mirror images of each other. Model C and Model CR apartments have identical floor plans except that they are mirror images of each other.

Buildings 1 and 2 each contains three floors of residential apartments and one parking basement. Each floor contains four apartments. The first floor of each Building consists of two Model A apartments and two Model AR apartments. The second and third floors of each Building are similar to each other. There is one Model C apartment, one Model CR apartment, one Model B apartment and one Model BR apartment on each of these two floors.

Buildings 3 and 4 each contains two floors of residential apartments and one parking basement. The first floor of each Building consists of two Model A apartments and two Model AR apartments. The second floor of each Building consists of one Model C apartment, one Model CR apartment, one Model B apartment and one Model BR apartment.

Buildings 5, 6 and 7 each contains three floors of residential apartments and one parking basement. There are two apartments on each floor. The first floor consists of one Model A apartment and one Model AR apartment. The second and third floors each consists of one Model B apartment and one Model BR apartment.

Building 8 contains two floors of residential apartments and one parking basement. There are two apartments on each floor. The first floor consists of one Model A apartment and one Model AR apartment. The second floor consists of one Model B apartment and one Model BR apartment.

Each Model A, AR, B and BR apartment consists of 2 bedrooms, 2 baths, a living/dining area and a kitchen.

Each Model C and CR apartment consists of 3 bedrooms, 2 baths, a living/dining area and a kitchen.

Each apartment on the first floor of each building has immediate access to the Project grounds and the parking areas. Each apartment on the second and third floors has immediate access to a stairwell providing access to the Project grounds and the parking areas.

All apartments are furnished with a refrigerator, dishwasher, disposal, range/oven, washer/dryer, water heater and carpeting or vinyl floor tiling.

The first digit of each apartment number indicates the building number of the building in which the apartment is located; the second digit of each apartment number indicates the floor on which the apartment is located; and the third digit of each apartment number indicates the apartment's location on its floor. The end apartment unit on each floor which is closest to Kaneohe Bay Drive has the number "1" as its third digit. The apartment unit which is immediately adjacent to that end unit ends with the digit "2". If the building has four apartments on each floor, then the apartment unit which is immediately adjacent to the unit ending with the digit "2" ends with the digit "3", and the apartment unit which is immediately adjacent to that unit ends with the digit "4".

For example, Apartment 231 is located in Building 2, on the third floor, and is the unit which is closest on that floor to Kaneohe Bay Drive; Apartment 423 is located in Building 4, on the second floor, and is the unit which, on that floor, is the third closest to Kaneohe Bay Drive.

The building number, apartment number, apartment model, building floor on which the apartment is located, net living area of each apartment, percentage of common interest appurtenant to each apartment and parking stalls assigned to each apartment are set forth in Exhibit A attached hereto and made a part hereof.

Each apartment shall be deemed to include: (i) all the walls and partitions which are not load-bearing within its perimeter walls, (ii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iii) any doors, windows or panels along the perimeters, and (iv) 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, stairs, stairways, 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 and other common ways, landscaping, recreational facilities, landscaping, yards, fences, retaining walls, mail box areas, trash areas, accessory equipment and parking areas situate on the Project lands including 16 guest parking stalls.

LIMITED COMMON ELEMENTS: Each apartment has been assigned and shall have appurtenant thereto exclusive easements for the use of the two parking stalls designated on Exhibit A attached hereto. The location of each parking stall is shown on the Condominium Map.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: Each apartment 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.

The percentage of common interest appurtenant to each apartment is based upon the approximate net living area of each apartment and shall be valid and effective whether or not the Developer's calculations of such interest are accurate or mathematically correct.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: Each apartment 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: A Commitment for Title Insurance dated June 27, 1983, issued by First American Title Insurance Company, states that fee simple title to the land is held by Ella B. Ackerman, Trustee, from whom the Developer is purchasing the land under an Agreement of Sale dated November 9, 1982, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1140702.

ENCUMBRANCES: Said Commitment for Title Insurance 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, City and County of Honolulu, Hawaii.

2. Easement (10 feet wide) for powerline purposes, as shown on Maps 14 and 104 of Land Court Application No. 743.

3. Easement V (20 feet wide) for water purposes over and across Lot 151-A-1, as shown on Maps 84 and 104 of Land Court Application No. 743.

4. Grant in favor of the City and County of Honolulu, a municipal corporation of the State of Hawaii, and Board of Water Supply, dated August 31, 1967, filed in said Office of the Assistant Registrar as Document No. 430059, to install underground water pipeline(s) over under and across Easement V.

5. Restriction of vehicle access rights as set forth by Land Court Order No. 31968, filed July 24, 1970.

6. AGREEMENT OF SALE

Seller: Ella Brockie Ackerman, widow
Purchaser: Development, Inc., a Hawaii corporation
Dated: May 21, 1980
Filed On: June 13, 1980
Document No.: 1016912
Consideration: \$207,500.00
(Besides other land)

7. ASSIGNMENT OF AGREEMENT OF SALE

Assignor: Development, Inc., a Hawaii corporation,
R & F Enterprises, Ltd., a Hawaii corpo-
ration, and James Masayoshi Hiqa and
Merle Nobue Higa, husband and wife
Assignee: Koolaupoko Ventures, a Hawaii Registered
General Partnership, by its General
Partners, Moka-Ha Partners, a Hawaii
Registered Limited Partnership, and RFJ
Partners, a Hawaii Registered Limited
Partnership
Dated: ---
Filed: January 28, 1981
Document No.: 1052853
Consent thereto filed as Document No. 1052854
(Besides other land)

8. ASSIGNMENT OF AGREEMENT OF SALE

Assignor: Koolaupoko Ventures, a Hawaii general
partnership
Assignee: Healani Ventures, a Hawaii joint venture
consisting of Koolaupoko Ventures, a
Hawaii general partnership, and Home
Properties, Inc., a Hawaii corporation
Dated: November 9, 1982
Filed: November 22, 1982
Document No.: 1140702
Consent thereto filed as Document No. 1140703

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 June 20, 1983, identifies First American Title Co. of Hawaii, 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, as amended, 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 for the manner in which purchasers may obtain refunds of their escrow deposits. Paragraph 6 of the Escrow Agreement provides as follows:

"6. Refunds to Purchasers.

a. When Will Refunds Be Made. The Sales Contract explains when purchasers may obtain refunds of their escrow deposits. Escrow agrees to make the refunds promptly if Seller tells Escrow in writing that a refund should be made according to the Sales Contract. No refund is to be made at a purchaser's request unless Escrow receives written approval from the Seller.

b. Interest. The refunds will be made without any interest unless the Sales Contract states differently.

c. Deduct Cancellation Fees. Under the Sales Contracts there are times when Escrow is to deduct cancellation fees from the refund amount. Escrow will deduct the cancellation fees from the refund unless Seller instructs Escrow not to do so. The words "cancellation fees" mean Escrow's cancellation fees which are defined in Paragraph 11.b of this Agreement and any cancellation fees of the lender from whom the purchaser has arranged a loan to buy the apartment.

d. Notice of Refunds. Escrow shall give each purchaser entitled to a refund notice of the refund by registered mail. It will be addressed to such purchaser at his address on his Sales Contract. If purchaser gives Escrow another address, then Escrow will send the notice to that address.

e. Owner/Occupant Refunds. Escrow will also refund a purchaser's deposits as required by Part IV of the Condominium Law, if the purchaser and the Seller request it in writing and if the purchaser is on the Developer's reservation list as an intended owner/occupant under Section 514A-104 of the Condominium Law, and

i. the Developer does not offer such purchaser a Sales Contract, or

ii. the purchaser fails to obtain financing satisfactory to Developer within the time required by Part VI of the Condominium Law, or

iii. the purchaser asks to cancel because of hardship circumstances as described in Section 514-104(1) of the Condominium Law, or

iv. the purchaser does not plan to occupy the unit he is buying.

Except for refunds under subparagraph (i) above, Escrow will first deduct cancellation fees from the 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 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; that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to the possible economic benefit arising from ownership of an apartment in the Project; (iii) 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; and (iv) the Sales Contract provides that if at the time of execution a Final Public Report for the Project has not been issued by the Real Estate Commission, the Sales Contract shall not be legally binding on either the Purchaser or the Developer and both the Developer and the Purchaser shall each have the right to cancel the Sales Contract for any reason whatsoever without any liability to the other.

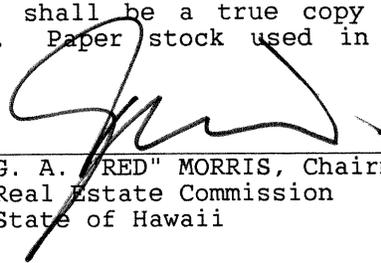
MANAGEMENT AND OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the Project, subject at all times to direction by the Board of Directors. No managing agent has been selected as of the date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

STATUS OF PROJECT: The Developer currently estimates that construction of the Project shall commence in October, 1983 (approx.).

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 28, 1983 and information subsequently filed as of August 22, 1983.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1553 filed with the Commission on June 28, 1983.

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



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. 1553

August 25, 1983

EXHIBIT A

Bldg.	Apt. No.	Flr.	Model	Net Living Area (Measured in Square Feet) (Approx.)	Percentage Interest In Common Elements	Assigned Parking Stall No.	
						Covered	Uncovered
1	111	1st	A	959	1.597	1A	1M
1	112	1st	AR	959	1.597	1F	1R
1	113	1st	A	959	1.597	1I1(Tandem)	1I2
1	114	1st	AR	959	1.597	1J1(Tandem)	1J2
1	121	2nd	CR	1046	1.742	1B	1N
1	122	2nd	BR	941	1.568	1E	1Q
1	123	2nd	B	941	1.568	1G1(Tandem)	1G2
1	124	2nd	C	1046	1.742	1L1(Tandem)	1L2
1	131	3rd	CR	1046	1.742	1C	1O
1	132	3rd	BR	941	1.568	1D	1P
1	133	3rd	B	941	1.568	1H1(Tandem)	1H2
1	134	3rd	C	1046	1.742	1K1(Tandem)	1K2
2	211	1st	A	959	1.597	2A	2M
2	212	1st	AR	959	1.597	2F	2R
2	213	1st	A	959	1.597	2G	2S
2	214	1st	AR	959	1.597	2L	2X
2	221	2nd	CR	1046	1.742	2B	2N
2	222	2nd	BR	941	1.568	2E	2Q
2	223	2nd	B	941	1.568	2H	2T
2	224	2nd	C	1046	1.742	2K	2W
2	231	3rd	CR	1046	1.742	2C	2O
2	232	3rd	BR	941	1.568	2D	2P
2	233	3rd	B	941	1.568	2I	2U
2	234	3rd	C	1046	1.742	2J	2V
3	311	1st	A	959	1.597	3C	3M
3	312	1st	AR	959	1.597	3D	3N
3	313	1st	A	959	1.597	3I	3O
3	314	1st	AR	959	1.597	3J	3P
3	321	2nd	CR	1046	1.742	3A & 3B	
3	322	2nd	BR	941	1.568	3E & 3F	
3	323	2nd	B	941	1.568	3G & 3H	
3	324	2nd	C	1046	1.742	3K & 3L	
4	411	1st	A	959	1.597	4C	4M
4	412	1st	AR	959	1.597	4D	4N
4	413	1st	A	959	1.597	4I	4O
4	414	1st	AR	959	1.597	4J	4P
4	421	2nd	CR	1046	1.742	4A & 4B	
4	422	2nd	BR	941	1.568	4E & 4F	
4	423	2nd	B	941	1.568	4G & 4H	
4	424	2nd	C	1046	1.742	4K & 4L	
5	511	1st	A	959	1.597	5A	5I
5	512	1st	AR	959	1.597	5F	5J
5	521	2nd	B	941	1.568	5C	5K
5	522	2nd	BR	941	1.568	5D	5L
5	531	3rd	B	941	1.568	5B	5G
5	532	3rd	BR	941	1.568	5E	5H
6	611	1st	A	959	1.597	6A	6G
6	612	1st	AR	959	1.597	6F	6L
6	621	2nd	B	941	1.568	6B	6H
6	622	2nd	BR	941	1.568	6E	6K
6	631	3rd	B	941	1.568	6C	6I
6	632	3rd	BR	941	1.568	6D	6J

Bldg.	Apt. No.	Flr.	Model	Net Living Area (Measured in Square Feet) (Approx.)	Percentage Interest In Common Elements	Assigned Parking Stall No.	
						Covered	Uncovered
7	711	1st	A	959	1.597	7A	7G
7	712	1st	AR	959	1.597	7F	7L
7	721	2nd	B	941	1.568	7B	7H
7	722	2nd	BR	941	1.568	7E	7K
7	731	3rd	B	941	1.568	7C	7I
7	732	3rd	BR	941	1.568	7D	7J
8	811	1st	A	959	1.597	8C	8G
8	812	1st	AR	959	1.597	8D	8H
8	821	2nd	B	941	1.568	8A & 8B	
8	822	2nd	BR	941	1.568	8E & 8F	

Note: All parking stalls are standard sized, ~~except~~ where indicated as "Tandem". In the case of tandem stalls, the cars must be parked behind one another.