

# 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

PUNCHBOWL PLACE  
255 Huala Street  
Honolulu, Hawaii 96813

REGISTRATION NO. 1591

### 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: April 5, 1984  
Expires: May 5, 1985

#### 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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED MARCH 15, 1984 AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 30, 1984. 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. PUNCHBOWL PLACE is a proposed leasehold condominium project consisting of one (1) five-story building, with a basement and a sub-basement, containing thirty-two (32) residential apartments and thirty-two (32) assigned covered parking stalls, of which two (2) stalls are compact size.

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

3. The basic condominium documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been recorded in the Bureau of Conveyances of the State of Hawaii.

4. Advertising and promotional matter has not yet 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, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance on April 5, 1984, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

7. This Preliminary Public Report is made a part of the registration on PUNCHBOWL PLACE condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor.

NAME OF PROJECT: PUNCHBOWL PLACE

LOCATION: 255 Huala Street, Honolulu, Hawaii, with approximately 14,771 square feet of land committed to the Regime.

TAX MAP KEY: FIRST DIVISION: 2-2-3-11.

ZONING: A-2

DEVELOPER: Punchbowl Place Ventures, a Hawaii general partnership, 1520 Liliha Street, Suite 707, Honolulu, Hawaii 96817, telephone: 521-0061. The general partners of the partnership are G.K.O. Corp., a Hawaii corporation, Michael Ventures, Ltd., a Hawaii corporation, both at 1520 Liliha Street, #707, Honolulu, Hawaii 96817, and Marshall Ventures, Ltd., a Hawaii corporation, of 1188 Bishop Street, #3509, Honolulu, Hawaii 96813.

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

DESCRIPTION:

1. Apartments. The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a leasehold condominium project consisting of one (1) five-story building, with a basement and sub-basement, constructed principally of concrete, concrete block and glass. The two basement levels contain a total of thirty-two (32) covered parking spaces. There will be thirty-two (32) apartments designated in the spaces within the perimeter walls of each of the thirty-two (32) apartment units contained in the building, which spaces, together with appurtenant garden areas (lanai), if any, are referred to herein as "apartments" and are designated on said plans and described as follows:

The apartments are situated on five (5) floors, as shown on said Condominium File Plan. Apartment Nos. 101, 102, 103, 104, 105, 106 and 107 are situated on the first floor. Apartment Nos. 201, 202, 203, 204, 205, 206 and 207 are situated on the second floor. Apartment Nos. 301, 302, 303, 304, 305, 306 and 307 are situated on the third floor. Apartment Nos. 401, 402, 403, 404, 405 and 406 are situated on the fourth floor. Apartment Nos. 501, 502, 503, 504 and 505 are situated on the fifth floor.

The apartments are constructed according to eight (8) different floor plans, or their reverse or mirror image. The apartments each contain either one (1) or two (2) bedrooms, one (1) bathroom, a kitchen, a dining/living room and a garden area, as shown on said Condominium File Plan. The type of floor plan, number of bedrooms, approximate interior area and approximate garden area for each apartment are as follows:

<u>Apartment No.</u>	<u>Floor Plan</u>	<u>No. of Bedrooms</u>	<u>Interior Area (Sq. Ft.)</u>	<u>Garden Area (Lanai) (Sq. Ft.)</u>
106, 205, 206, 305, 306, 405, 406	A	2	581	113
105	A (modified)	2	581	180
102	B	2	562	424
202, 302, 402, 502	B	2	562	94
104	B (modified)	2	569	196
204, 304, 404, 504	B (modified)	2	569	105
201, 301, 401, 501	C	2	562	163

<u>Apartment No.</u>	<u>Floor Plan</u>	<u>No. of Bedrooms</u>	<u>Interior Area (Sq. Ft.)</u>	<u>Garden Area (Lanai) (Sq. Ft.)</u>
107, 207 307	D	2	581	168
103	E	1	386	180
203, 303, 403, 503, 505	E	1	386	75
101	E (modified)	1	386	170

NOTE: The floor areas described above are approximate net living areas measured from the interior surfaces of the apartment perimeter walls.

The apartments have immediate access to the grounds of the project or to an elevator and stairways leading to the grounds of the project.

2. 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 appurtenant garden area, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

COMMON ELEMENTS: The proposed Declaration provides that one (1) fee simple 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 buildings;
3. All yards, grounds and landscaping, except the garden areas which are part of the apartments;
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: The proposed Declaration provides that parking spaces shall be appurtenant to and for the exclusive use of the respective apartments as indicated below (the letter "c" denotes a compact parking space):

<u>Apartment No.</u>	<u>Parking Space No.</u>	<u>Common Interest</u>
101	A-1c	2.2714
102	A-2	3.3642
103	A-3	2.2714
104	A-4	3.3642
105	A-5	3.3641
106	A-6	3.3641
107	A-7	3.3641
201	A-8	3.3640
202	A-9	3.3640
203	A-10	2.2713
204	A-11	3.3640
205	A-12	3.3640
206	A-13	3.3640
207	A-14	3.3640
301	A-15	3.3640
302	A-16	3.3640
303	A-17	2.2713
304	B-2	3.3640
305	B-3	3.3640
306	B-4	3.3640
307	B-5	3.3640
401	B-6	3.3640
402	B-7	3.3640
403	B-1c	2.2713
404	B-8	3.3640
405	B-9	3.3640
406	B-10	3.3640
501	B-11	3.3640
502	B-12	3.3640
503	B-13	2.2713
504	B-14	3.3640
505	B-15	2.2713

INTEREST TO BE CONVEYED TO PURCHASERS: The proposed Declaration states that each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project (hereinabove called the "common interest"), and the same proportionate share of all common profits and expenses of the project and for all other purposes, including voting, as set forth above. The

percentage common interests were determined approximately on the basis of the number of bedrooms and the size of the garden area of the apartment. The seven one-bedroom apartments were allocated a total of 5.9 percent common interest, equal to the percentage of the aggregate interior area of all of the one-bedroom apartments to the total interior area of all of the apartments. The twenty-five two-bedroom apartments were allocated a total of 84.1 percent common interest, equal to the percentage of the aggregate interior area of all of the two-bedroom apartments to the total interior area of all of the apartments. Generally, each one-bedroom apartment was allocated a 2.2713 percent common interest and each two-bedroom apartment was allocated a 3.3640 percent common interest. Slightly higher percentages of common interest were allocated to apartments with garden areas that are larger than garden areas of the other apartments.

Each purchaser will secure an Apartment Lease conveying an apartment, together with said undivided interest in the common elements of the project.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration states that the apartments shall be occupied and used for residential use and for any other use as from time to time permitted by the zoning and other ordinances, rules and regulations of the City and County of Honolulu, State of Hawaii and permitted by the Board of Directors of the Association. 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, and any amendments thereto.

OWNERSHIP OF TITLE: A preliminary title report dated June 13, 1983, as updated by report dated January 4, 1984, issued by Long & Melone, Ltd., indicates that the fee simple title to the property submitted to the regime is vested in Young Ho Ko and Gladys Yuk Hoong Ching Ko, husband and wife, Marvin Matthew Hyung Sik Ko, unmarried, Preston Peter Hyung Kun Ko, unmarried, and Wendel Waldemar Hyung Dai Ko, husband of Elaine Hideko Kaneshiro Ko. The property was leased to PP Ventures, a Hawaii general partnership, by unrecorded Master Lease, and said leasehold interest has been assigned to the Developer by unrecorded Assignment of Lease. The Developer has submitted to the Commission the Master Lease and the Assignment of Lease and intends to record said documents in the Bureau of Conveyances of the State of Hawaii prior to the issuance of the Final Public Report.

ENCUMBRANCES AGAINST TITLE: The preliminary title report dated as of June 13, 1983, as updated by report dated January 4, 1984, issued by Long & Melone, Ltd., provides 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 Finance Director, City and County of Honolulu, State of Hawaii.

2. Reservations contained in Land Patent Grant No. 6440, to-wit:

The Government reserves the right to lay sewers along the boundary lines of this lot, using such width of ground for the same as may be reasonably necessary.

The Government reserves the right to make such cuts and fills and do such other work as it may deem necessary, or proper, for the construction of the roads along this lot as indicated on the present map without liability for any damages that may result therefrom to said lot.

PURCHASE MONEY HANDLING: Copies of the executed Escrow Agreement dated March 7, 1984, between Long & Melone, Ltd., as Escrow, and the Developer and a specimen Condominium Reservation Agreement, Deposit Receipt & Contract have been filed with the Commission. On examination, the executed Escrow Agreement and the specimen Sales Contract filed with the Commission are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

Among other provisions, the executed Escrow Agreement states that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest and less Escrow's cancellation fee (which shall not be less than Twenty-Five Dollars (\$25.00), if any one of the following shall have occurred:

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

(b) Developer shall have notified Escrow of 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 Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, if there shall have been a change in the building plans subsequent to the execution of 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 a purchaser's written approval or acceptance of the specific change is obtained or ninety (90) days have

elapsed since the purchaser has accepted in writing the unit or the purchaser has first occupied the unit; 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; 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 (30) 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 (30) day period.

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

(a) Seller anticipates BUT DOES NOT WARRANT that the construction contract with the general contractor for the project will contain a clause similar to Section 13.2.2 of AIA Document A201, which provides in pertinent part that:

"If, within one year after the Date of Substantial Completion . . . , any of the Work is found to be defective or not in accordance with the Contract Documents, the Contractor shall correct it promptly after receipt of a written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition."

Seller makes no warranties itself, but Seller agrees that the assignment by Seller to purchaser of any and all warranties given Seller by the general contractor for the project, including the above-described contractor's agreement to promptly correct any of its work found to be defective or not in conformance with the construction contract for a period of one (1) year after the "Date of Substantial Completion" of the apartment as defined in the construction contract and the benefit of such agreement shall accrue to purchaser on closing without further instruments or documents. Seller hereby agrees to cooperate with Buyer during the effective period of such agreement in asserting any claims based thereon. Buyer acknowledges and agrees that Seller is not adopting the

contractor's warranty or acting as co-warrantor but is merely attempting to pass through to Buyer the benefit of any such contractor's warranty, if any.

Seller shall also assign to Buyer the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances in the apartment. Buyer acknowledges that the Seller is only passing through to Buyer any such manufacturer's or dealer's warranties; Seller is not undertaking to adopt any such warranties or to act as co-warrantor with respect to any furnishings, fixtures or appliances covered hereby. The terms of the manufacturer's or dealer's written warranties are available for Buyer's examination at the Seller's sales office.

Except for the agreements above, SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROJECT OR ANYTHING INSTALLED THEREIN, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE.

(b) Reservation Agreement. Notwithstanding any other provision in the Sales Contract to the contrary, unless and until Seller both (i) obtains the issuance by the Real Estate Commission of the State of Hawaii of the Final Public Report on the project, and (ii) has received from purchaser a fully executed receipt for the Final Public Report, the Sales Contract shall represent only a reservation by the purchaser and shall not be binding upon either party hereto, and until such time, the Sales Contract may be terminated at the option of either party. In the event of such termination, Seller shall cause Escrow to refund all payments previously made by purchaser (less Escrow's cancellation fee), without interest, and neither party shall have any other or further liability thereunder. If the Sales Contract is entered into after the issuance of the Final Public Report, this paragraph shall be of no force or effect and this Agreement shall be fully binding upon purchaser and Seller upon acceptance of the Sales Contract by Seller as provided in Paragraph "F-24" of the Sales Contract.

(c) Until Seller has closed out the sale of all the apartments in the condominium project or until February 28, 1987, whichever shall first occur, purchaser 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 purchaser agrees to share expenses and/or rentals of apartments in the condominium project.

(d) Final closing shall occur on the Date of Closing. However, Buyer is advised that Seller intends to preclose, regardless of the status of the construction of

the apartments, by having all documents necessary for closing executed prior thereto and deposited with Escrow, and Buyer agrees to execute all necessary documents for such closing, including irrevocable escrow instructions, upon request by Seller.

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

(f) Owner-Occupant Sales. In addition, the specimen Sales Contract complies with the requirements of Section 514A-105, Hawaii Revised Statutes, and provides:

(1) Within thirty (30) calendar days following the end of the ten (10) calendar day period during which Seller is limited to selling to owner-occupants under the provisions of Part VI, Chapter 514A, Hawaii Revised Statutes, the Buyer shall obtain such statements and documents as Seller may reasonably require to satisfy itself that Buyer is financially capable of making, when due, all the required payments as set forth herein, either by way of cash payments and/or a commitment for financing such noncash portion of the purchase price; if such proof of financing or commitment for financing is not obtained within said period, the contract shall be cancelled by Seller, subject, however, to the approval of such cancellation by the lender financing the project.

(2) If during the ten (10) calendar day period following the issuance of the first public report on the project by the Real Estate Commission (i) the Buyer desires to cancel the contract on account of hardship circumstances such as serious illness of the Buyer or a member of Buyer's family, job or military transfer, unforeseeable change in marital status, or the birth of a child, or (ii) Buyer indicates an intent not to become an owner-occupant of the apartment, Seller shall cancel the contract, subject, however, to the approval of such cancellation by the lender financing the project.

(3) Upon cancellation of the contract for any of the reasons set forth above, Seller shall return all moneys paid pursuant thereto, without interest, but may deduct from the moneys returned any reasonable amount representing expenses incurred by the Seller to process the contract, and thereafter neither Seller nor Buyer shall have any further obligation under the Sales Contract.

(4) If after the initial period set forth above, Buyer's application or commitment for Buyer's mortgage financing or eligibility and credit approval therefor is rejected by such lending institution at any time or Seller shall determine, in its sole opinion, that Buyer is incapable of making when due all the required payments as set forth in the Sales Contract, Seller shall have the option to terminate the contract and cause Escrow to refund to

Buyer all monies previously paid (less Escrow's cancellation fee), without interest, less the cost of any credit reports and all other costs including escrow charges incurred by Seller. Seller shall give written notice of such termination to Buyer and a copy thereof shall be given to Escrow.

NOTE: PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THE SELLER'S MORTGAGE LOANS (CONSTRUCTION, RENEWALS AND EXTENSIONS) FOR THE PROJECT SHALL BE AND REMAIN AT ALL TIMES A SUPERIOR LIEN ON THE PROJECT, AND PURCHASERS INTENTIONALLY WAIVE AND SUBORDINATE THE PRIORITY OF LIEN UNDER THE SALES CONTRACT IN FAVOR OF THE MORTGAGE LOANS.

NOTE: DEVELOPER ADVISES THAT NO REPRESENTATIONS OR REFERENCES WILL BE MADE TO EITHER PURCHASERS OR PROSPECTIVE PURCHASERS CONCERNING 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 DEVELOPER OR THE MANAGING AGENT OF THE PROJECT WILL PROVIDE, DIRECTLY OR INDIRECTLY, ANY SERVICES RELATING TO THE RENTAL OR SALE OF THE APARTMENT. RENTAL OF THE APARTMENT AND THE PROVISIONS OF MANAGEMENT SERVICES IN CONNECTION THEREWITH IS AND SHALL BE THE SOLE RESPONSIBILITY OF THE PURCHASER.

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 residential apartments are placed in trusts, 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 provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The Developer anticipates selecting City Properties, Inc., whose post office address is 1520 Liliha Street, Suite 706, Honolulu, Hawaii 96817, as the initial managing agent.

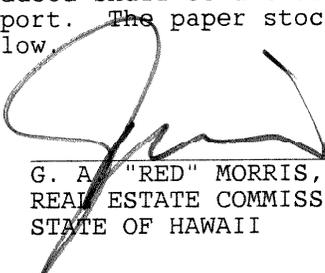
STATUS OF PROJECT: The Developer has advised the Commission that construction of the project has not commenced but that it estimates construction of the project will begin by April, 1984 with an estimated date of completion of February, 1985.

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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 15, 1984 and information subsequently filed as of March 30, 1984.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 1591 filed with the Commission on March 15, 1984.

This report when reproduced shall be a true copy of the Commission's Public Report. The 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:

DEPARTMENT OF FINANCE,  
CITY AND COUNTY OF HONOLULU  
BUREAU OF CONVEYANCES  
PLANNING COMMISSION,  
CITY AND COUNTY OF HONOLULU  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

REGISTRATION NO. 1591

DATED: April 5, 1984