

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**

OF

NALANUI APARTMENTS
636 Nalanui Street
Honolulu, Hawaii

REGISTRATION NO. 1010

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: July 28, 1978
Expires: August 28, 1979

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 MAY 26, 1978, AND INFORMATION SUBSEQUENTLY SUBMITTED AS OF JULY 25, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. The NALANUI APARTMENTS is a proposed fee simple condominium project consisting of twenty four (24) units contained in a four-story concrete hollow tile building. There are twenty-four (24) parking stalls available.
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.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have been filed in the office of the recording officer.

The Declaration submitting the property to the Horizontal Property Regime dated May 1, 1978 with the By-Laws of the Association of Apartment Owners attached, was recorded in the Bureau of Conveyances of the State of Hawaii, on May 26, 1978, in Liber 12918, Page 669, as amended June 13, 1978, and recorded in Liber 12951, Page 158.

Condominium Map No. 544 has been assigned to the Project by the Registrar of Conveyances, State of Hawaii.

4. No advertising or promotional matter has been submitted pursuant to 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, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. This Final Public Report automatically expires thirteen (13) months after date of issuance, July 28, 1978, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: NALANUI APARTMENTS

LOCATION: The subject 7,942 square feet property is situate at 636 Nalanui Street, Honolulu, City and County of Honolulu, State of Hawaii.

TAX MAP KEY: First Taxation Division: 1-7-35-45.

ZONING: Apartment.

DEVELOPER: Nalanui, Inc., a Hawaii corporation, whose principal place of business and post office address is 3381 Kamaaina Place, Honolulu, Hawaii, telephone number 595-3358. The officers are:

KIYOTO HORIUCHI - President
JAMES G. Y. HO - Vice-President/Secretary
FLORENCE J. HO - Treasurer

ATTORNEY REPRESENTING DEVELOPER: Allen I. Marutani, Attorney At Law, A Law Corporation, Suite 602 Capital Investment Building, 850 Richards Street, Honolulu, Hawaii, telephone number 537-6575.

DESCRIPTION: The Declaration of Horizontal Property Regime and the plans submitted by the Developer indicate a fee simple condominium project consisting of a four-story concrete hollow tile building containing twenty-four (24) one bedroom, 1 bath units. All parking stalls are located on the ground level.

The building has four stories, of which the first floor is for parking, driveways, and the like. The apartment units are located on the second through the fourth floors. Each of the apartments is designated in a numerical fashion. Each of the apartment numbers contains three digits. The first number of each of the three digit number denotes the floor on which the apartment is located. The second number is a zero. The last number denotes the location of the apartment. Those apartments having numbers 4 and 8 as the third digit are located closest to Nalanui Street, and those apartments having numbers 3 and 7 as the third digit are located next to the apartments having numbers 4 and 8 as the third digit, and those apartments having numbers 2 and 6 as the third digit are located next to apartments having numbers 3 and 7 as the third digit, while those apartments having numbers 1 and 5 as the third digit, are located farthest away from Nalanui Street.

The gross floor area for each apartment is 340 square feet.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits, or other utility lines running through each apartment which are utilized for or serve more than one apartment the same being the common element as hereinafter provided. 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 and all fixtures and other such improvements located therein, including range, heater, refrigerator, and garbage disposal unit.

COMMON ELEMENTS: The Declaration identifies the following as common elements:

- (a) Said land in fee simple;

- (b) All foundations, columns, girders, beams, supports, bearing walls, roofs, chases, entries, stairways, walkways, balconies, entrances and exits of said building;
- (c) All storage, multi-purpose and laundry areas and appurtenant facilities;
- (d) All hallways and lobbies;
- (e) All yards, grounds, landscaping, refuse, and recreation area;
- (f) All parking and driveway areas;
- (g) 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 such as power, light, gas, water, and sewer, telephone and television signal distribution, if any;
- (h) All other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated as "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto an exclusive easement for the use of such limited common elements; the limited common elements so set aside and reserved are as follows:

- (a) One parking stall designated on the Condominium Map with the same number as the apartment shall be appurtenant to and for the exclusive use of such apartment;
- (b) All other elements of the project which are rationally of limited common use for less than all of said apartments.

INTEREST TO BE CONVEYED TO PURCHASER: Each owner of an apartment, whether owned jointly or singly, shall have an undivided 1/24th fractional interest in and to the land, building, and the common elements herein described. For purposes of voting on all matters requiring action by the apartment owners, there shall be twenty four (24) votes, the number of votes being dependent on the number of units. There shall be one (1) vote for each such unit, whether owned jointly or singly.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration states that each unit shall be used only in accordance with the uses permitted under the applicable laws and ordinances, unless such uses are prohibited by the Association, in accordance with the terms of the Declaration, the By-Laws of the Association of

Apartment Owners, and the House Rules as they exist or as they may be amended from time to time, and each owner shall observe, comply with, and perform all rules, regulations, ordinances, and laws made or adopted by the various governmental agencies. The By-Laws provide in part that no livestock, poultry, rabbits, or other animals whatsoever including dogs, cats and other household pets shall be allowed or kept in any part of the project.

OWNERSHIP TO TITLE: A Preliminary Report issued by First Land Title Corporation dated April 19, 1978, states that ownership to the fee title is in Nalanui, Inc., a Hawaii corporation.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated April 19, 1978 issued by First Land Title Corporation, shows the following encumbrances against title to the property:

- (a) For any taxes that may be due and owing on the land, reference is hereby made to the Office of Tax Assessor of the First Taxation Division;
- (b) Reservation in favor of the State of Hawaii of all mineral and metallic mines;
- (c) Easement "A" 10 feet wide for drainage as shown on File Plan No. 799;
- (d) An easement for drainage purposes in favor of the City and County of Honolulu, as granted by instrument dated March 9, 1962 recorded in Book 4257, page 195;
- (e) Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Deed dated April 8, 1963, recorded in the Bureau of Conveyances, in Book 4491, page 184.
- (f) That certain mortgage dated January 14, 1964 made in favor of Bishop Trust Company, Limited, as Mortgagee, and recorded in the Bureau of Conveyances, in Book 4667, page 593;
- (g) A Financing Statement made by and between James G. Y. Ho and Florence Judith Ho, husband and wife (Debtors) and Bishop Trust Company, Limited, a Hawaii corporation, (Secured Party) and recorded in the Bureau of Conveyances, State of Hawaii, in Book 4667, page 594, continuation thereto recorded on November 4, 1977 in Book 12536, page 158.
- (h) That certain mortgage dated August 8, 1967, made in favor of Finance Factors, Limited, as Mortgagee, and recorded in the Bureau of Conveyances, State of Hawaii, in Book 5756, page 313.

- (i) That certain mortgage dated October 31, 1968 made in favor of Finance Factors, Limited, as Mortgagee, and recorded in the Bureau of Conveyances, State of Hawaii, in Book 6278, page 433.
- (j) That certain mortgage dated April 25, 1974 made in favor of Finance Factors, Limited, as Mortgagee, and recorded in the Bureau of Conveyances, State of Hawaii, in Book 9987, page 311.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated April 24, 1978, between Real Estate Finance Corporation, as "Escrow" and Nalanui, Inc., as "Seller", has been filed with the Commission. On examination, the executed Escrow Agreement, as well as the specimen Condominium Reservation Agreement Deposit Receipt and Contract filed with the Commission are found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

It is incumbent on the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing since the Escrow Agreement prescribes the procedure for receiving and disbursing purchaser's funds. The specimen sales agreement specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

Among other provisions the executed Escrow Agreement provides that if at any time prior to the recordation of any deed, (a) Escrow receives a written request from Seller to return to a purchaser such purchaser's funds held hereunder by Escrow, or (b) Seller notifies Escrow in writing that the Project cannot be completed within the time specified in the agreements with Buyers and that Seller has exercised the option of cancellation granted Seller in such event; (c) if a purchaser's funds were obtained prior to the issuance of a final public report and if there is any change in the building plan subsequent to the execution of the sales agreement requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings unless the purchaser has given written approval or acceptance of the specific change; or (d) if the final public report differs in any material respect from the preliminary public report, unless the purchaser has given written approval or acceptance of the difference; then in any such event Escrow shall return such purchaser's funds, without interest, together with such sales agreement, marked "cancelled", and the Seller and purchaser shall be deemed no longer held hereunder.

Among other provisions the specimen sales agreement provides: (a) in the event that less than 12 apartment units are sold prior to December 31, 1978, Seller may at its option cancel this agreement, in which event Seller will cause Escrow to refund to Buyer all monies paid, without interest, and Seller shall be relieved and released of all further liability hereunder. In the event development and construction of the project is delayed due to governmental restrictions or regulations enacted after the date of this agreement or by occurrence of a contingency, the nonoccurrence of which was a basic assumption on which this agreement was

made, and Seller determines that increases in development and construction costs because of such delay required increases in Apartment sales prices to maintain financial feasibility of the project, then and in any such event Seller may at its option terminate this agreement and cause Escrow to refund to Buyer all monies paid, without interest, and Seller shall be released from all liability hereunder; provided, however, that Seller shall offer to Buyer the first right to execute a new reservation agreement in a similar form at the increased Apartment unit price. Said termination and offer by Seller to Buyer shall be in writing, and Buyer shall have fifteen (15) days to notify Seller in writing of his acceptance of such offer. If no response from Buyer is received within said fifteen (15) day period, Seller may offer said Apartment unit to another party at said increased sales price, free and clear of any claims or rights thereto, if any, on the part of the Buyer; (b) buyer shall not assign this Agreement without the prior written consent of Seller; and (c) seller reserves the right to modify the Declaration, By-Laws and Apartment Deed as may be required by law, any title insurance company or any institutional mortgagee, provided that no such modification shall:

- (1) Increase the Buyer's share of common expenses.
- (2) Reduce the obligations of Seller from common expenses on unsold Apartments; or
- (3) Reduce the size of the Apartments.

Seller reserves the right to make minor changes that may, in the opinion of the Seller, improve the Apartment, the other Apartments and the common elements, but no changes shall be made which affect the physical location or design of the Apartment covered hereby or reduce or increase the number of the other Apartments or substantially change their design.

DEVELOPER'S OPTION TO CHANGE FLOOR PLANS AND APARTMENT SIZE.

Notwithstanding anything to the contrary in this Declaration, the Owner shall, from time to time, and at any time, have the right at its option, up to but not later than December 31, 1982, to require alteration of the project as follows:

1. At any time prior to the sale of an apartment, to change the number or arrangement of rooms and make any alterations of any non load-bearing walls or partitions within the perimeter of such apartment in accordance with complete plans and specifications therefor prepared by a licensed architect;

2. To change the configuration of, or to decrease or increase the size of any building, or to increase the size of any apartment within such building, or to change the number of apartments within such building in accordance with complete plans and specifications therefor prepared by a licensed architect; provided, however, that the Owner shall not have the option of increasing or decreasing the total number of apartments in the project pursuant to this subparagraph (2) and provided further, however, that no change in configuration, or decrease or increase in the size of such building or change in the number of apartments within any building and no increase in the size of an apartment shall increase

the undivided percentage interest in the common elements appertenant to any other apartment in the Project;

3. The Owner, at its expenses and without being required to obtain the consent of any apartment owner or lienholder, shall execute and file an amendment to the Declaration and the condominium map: (i) to show such changes, alterations, or increase or decreases in size of apartments or buildings; (ii) to increase or decrease the common interest appurtenant to each apartment in the Project as provided below; and (iii) when applicable, to add, delete, relocate, realign, reserve and grant all easements and rights-of-way over, under and on the common elements necessary or desirable including but not limited to easements and rights-of-way for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways provided that such easements and rights-of-way do not materially impair the use of any apartment previously sold or its appurtenant interest in the common elements;

4. Every apartment owner and all holders of liens affecting any apartments in the Project will, if required by law or by the Owner, join in and execute all instruments and documents necessary or desirable to effect the provisions herein for changes, alterations, or increases or decreases in size, of apartments or buildings;

5. If the size of any apartment is increased as provided in subparagraph (2), or if the number or arrangement of rooms in an apartment is changed, or if any non load-bearing walls and partitions within the perimeter of any apartment are altered as provided in subparagraph (1), the common interest appurtenant to that apartment shall remain the same or be increased (as the case may be) and the common interest appurtenant to all other apartments in the Project shall remain the same or be decreased so that after said increase and decrease, respectively, the common interest appurtenant to each apartment shall bear the same ratio to the total of the common interests appurtenant to all apartments as the gross area of each apartment bears to the total gross areas of all apartments combined;

6. As used in paragraph T of the Declaration, the word "sale" means the existence of a binding contract for the sale of an apartment to an initial purchaser, and an apartment shall be deemed sold when such binding contract comes into existence; provided, however, that a previously sold apartment shall be deemed unsold if the contract for the sale of that apartment is subsequently terminated or cancelled.

MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The initial managing agent as set forth in the Condominium Reservation Agreement list Real Estate Finance Corporation.

STATUS OF PROJECT: The Condominium Reservation Agreement Deposit, Receipt and Contract provides that the units are being sold in an "as built" condition and that there are no warranties relating to said building.

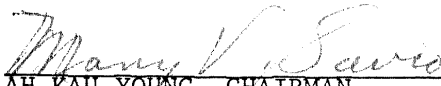
The Developer has advised the Commission that the building was completed as of May, 1964 and has been used for rental purposes since that time on a month-to-month basis.

NOTE: The existing buildings are non-conforming structures as defined under Section 21-110 Revised Ordinances, meaning "any structure which was previously lawful but which does not comply with the bulk, yard, set-back or height regulations of the district in which it is located, either on the effective date of Chapter 21 Revised Ordinances, or as a result of any subsequent amendment thereto."

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted May 26, 1978.

This is a FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 1010, filed with the Commission May 26, 1978.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be white in color.

(for) 
AH KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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Registration No. 1010

July 28, 1978