

# 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  
WAIKIKI KUHIO-NUI  
2118 Kuhio Avenue  
Waikiki, Oahu

REGISTRATION NO. 1068

### 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: January 24, 1979  
Expires: February 24, 1980

#### 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 20, 1978, AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 18, 1979. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES.

1. WAIKIKI KUHIO-NUI is a proposed leasehold condominium project consisting of one building constructed primarily of concrete slabs, hollow tile and wood, containing twenty-two (22) one and two bedroom apartment units, all of which will be offered for sale. There are eleven (11) wholly or partially covered parking stalls.
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 the Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the Floor Plans) have not been filed in the Office of the Recording Officer.
4. The Developer has advised the Commission that advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the registration of WAIKIKI KUHIO-NUI condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor from each such person.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, January 24, 1979, unless a Final or 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: WAIKIKI KUHIO-NUI

LOCATION: Waikiki, Oahu, Hawaii. The site, comprising approximately 4,414 square feet is located at 2118 Kuhio Avenue, Honolulu, Hawaii.

TAX MAP KEY: 2-6-17:38

ZONING: Apartment Precinct under Waikiki Special Design District.

DEVELOPER: Honolulu Resort Hotels, Inc., a Hawaii corporation, 2118 Kuhio Avenue, Honolulu, Hawaii. The officers are as follows:

President          Frederick C. Flemming          Suite 1400  
555 West Hastings Street  
Vancouver, B.C.

Secretary/  
Treasurer          Michael Francis          1055 West Georgia Street  
Vancouver, B.C.

ATTORNEY REPRESENTING DEVELOPER: Mukai, Ichiki, Raffetto & MacMillan (Attention: Richard G. MacMillan), Suite 800, 345 Queen Street, Honolulu, Hawaii. Phone No. 531-6277.

DESCRIPTION: 1. Building. The proposed Declaration of Horizontal Property Regime and the plans submitted by the Developer reflect that the Project consists of an existing seven story building without a basement. The first floor of said building consists of eleven (11) parking stalls, an office, elevator lobby, exterior access corridors, storage and utility rooms and a laundry room. Each of the second through sixth floors contains an elevator lobby, exterior access corridors, utility room and four residential apartments (hereinafter called "apartments"). The seventh floor contains an elevator lobby, exterior access corridors, utility room and two apartments. The building is constructed of reinforced concrete beam and girder framing, concrete slabs, hollow tile, wood, and allied building materials.

2. Division of Property. The Project will be divided into twenty-two (22) separately described and delineated apartment units. The numbering, unit type, number of rooms, and percentage common interest of said apartments are as follows:

<u>Apartment No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Percentage Common Interest</u>
201	201	5	5.223
202	202	4	3.780
203	203	4	3.711
204	204	4	3.574
301	A	5	5.842
302	B	4	3.780
303	C	4	3.711
304	D	4	3.574
401	A	5	5.842
402	B	4	3.780
403	C	4	3.711
404	D	4	3.574
501	A	5	5.842
502	B	4	3.780
503	C	4	3.711
504	D	4	3.574

601	A	5	5.842
602	B	4	3.780
603	C	4	3.711
604	D	4	3.574
701	P1	7	9.280
702	P2	6	<u>6.804</u>

100.000

### 3. Description of Apartments.

(1) The apartment designated hereinabove as Type 201 contains an area of approximately 760 square feet plus a lanai of approximately 25 square feet, and consists of two bedrooms, one bath, kitchen, living room, and lanai.

(2) The apartment designated hereinabove as Type 202 contains an area of approximately 550 square feet plus a lanai of approximately 25 square feet, and consists of one bedroom, one bath, kitchen, living room, and lanai.

(3) The apartment designated hereinabove as Type 203 contains an area of approximately 540 square feet plus a lanai of approximately 20 square feet, and consists of one bedroom, one bath, kitchen, living room, and lanai.

(4) The apartment designated hereinabove as Type 204 contains an area of approximately 520 square feet plus a lanai of approximately 65 square feet, and consists of one bedroom, one bath, kitchen, living room, and lanai.

(5) Each apartment designated hereinabove as a Type A unit contains an area of approximately 850 square feet plus a lanai of approximately 130 square feet, and consists of two bedrooms, one bath, kitchen, living room, and lanai.

(6) Each apartment designated hereinabove as a Type B unit contains an area of approximately 550 square feet plus a lanai of approximately 75 square feet, and consists of one bedroom, one bath, kitchen, living room, and lanai.

(7) Each apartment designated hereinabove as a Type C unit contains an area of approximately 540 square feet plus a lanai of approximately 70 square feet, and consists of one bedroom, one bath, kitchen, living room, and lanai.

(8) Each apartment designated hereinabove as a Type D unit contains an area of approximately 520 square feet plus a lanai of approximately 65 square feet, and consists of one bedroom, one bath, kitchen, living room, and lanai.

(9) Each apartment designated hereinabove as a Type P1 unit contains an area of approximately 1,100 square feet plus a patio of approximately 250 square feet and a lanai of approximately 270 square feet, and consists of two bedrooms, 2-1/2 baths, kitchen, living room, patio, and one lanai.

(10) Each apartment designated hereinabove as a Type P2 unit contains an area of approximately 990 square feet plus two lanais of approximately 135 square feet and 65 square feet respectively, and consists of two bedrooms, 2 baths, kitchen, living room, and two lanais.

Notwithstanding the designation of the limits of the apartments hereinbelow, all areas set forth above are computed by measuring from the centerline of exterior end walls and from the centerline of interior party walls, and no reduction has been made to account for interior walls, ducts, vent shafts and the like located within the perimeter walls.

4. Access. Each apartment above the ground floor has immediate access to an exterior corridor leading to an elevator and to two stairways which service all of the floors of the Project and connect with the grounds and parking areas of the Project.

5. Limits of Apartments. 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, any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Subject to the foregoing, each apartment shall include all of the walls and partitions which are not load-bearing and are within its perimeter walls, any glass windows or panels within its perimeter, the inner decorated or finished surfaces of all walls, floors and ceilings, all adjacent lanais, and any fixtures and appliances originally installed therein.

COMMON ELEMENTS: The common elements will include the limited common elements herein described and all other portions of the land and improvements other than the apartments, and they shall specifically include but not be limited to: (a) the land in fee simple; (b) all foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surface within each unit), roof, stairways, walkways, elevator, entrances and exits of said Building; (c) all yards, grounds, walkways, landscaping, refuse facilities, laundry facilities, office, and appurtenances; (d) all driveways and parking areas, except those parking stalls which may be assigned as limited common elements pursuant to the following paragraph; (e) all ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution; and (f) any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, and normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, hereinafter called and designated "limited common elements",

are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) The utility rooms on each of the second through the seventh floors and corridor immediately adjacent to same are restricted solely for the use of apartments situate on the same floor as said utility rooms.

(b) Each parking stall shall be a limited common element and shall be appurtenant to an apartment of the Project. The Declaration provides that all of said stalls shall initially be assigned to Apartment P1; provided, that the Developer shall have the right to sell and assign the parking stalls to purchasers of other apartments, and to amend the Declaration of Horizontal Property Regime to reflect such assignments.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided interest in the common elements of the Project as set forth herein, for all purposes, including voting and representation in the Association of Apartment Owners, and shall have the same proportionate share in all common profits and expenses of the Project. The undivided percentage interest appurtenant to each apartment shall be as more particularly set forth under the topical heading "Description" above. Each purchaser will either receive an apartment lease directly from the fee owners demising his apartment and an undivided interest in the common elements, or an assignment of an apartment lease issued to the Developer.

OWNERSHIP OF LAND: The Preliminary Public Report dated October 27, 1978, issued by Title Guaranty of Hawaii, Inc. discloses that fee simple title to the property is vested in Olive Omakawaikuolaa Miller, unmarried, and Olive Patience Walker, wife of Alan Carl Walker, as joint tenants, by Deed dated October 18, 1952, recorded in the Bureau of Conveyances in Liber 2631 at Page 121. The Developer is the present owner and holder of the Master Lease described below. The Commission has been furnished with a copy of an unrecorded Option Agreement dated December 6, 1978, whereby the Developer has been granted an option by the Fee Owners to cause said property to be submitted to a Horizontal Property Regime and to cause apartment leases to be issued to Developer or the ultimate purchasers of the apartments.

ENCUMBRANCES: The Preliminary Title Report, dated October 27, 1978 and other information submitted to the Commission reflect the following encumbrances on the property:

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.

2. Reservation of mineral and metallic mine rights in favor of the State of Hawaii.

3. A portion of the property is subject to a Grant in favor of Hawaiian Electric Company, Inc., dated October 4, 1927, and filed as Land Court Document No. 14080; granting a perpetual right and easement for electrical purposes through, along, across and under a strip of land (5 feet wide) along the northeasterly side of said parcel.

4. Master Lease dated January 19, 1959, filed as Land Court Document No. 230536 and recorded in the Bureau of Conveyances in Liber 3558 and Page 139. By mesne conveyances said Lease has been assigned to the Developer by Assignment dated January 25, 1978, filed as Land Court Document No. 862745 and recorded in the Bureau of Conveyances in Liber 12747 at Page 203.

5. First mortgage in favor of American Savings and Loan Association, dated August 5, 1971, filed as Land Court Document No. 548337 and recorded in the Bureau of Conveyances in Liber 7729 at Page 70.

6. Second mortgage in favor of Dennis Takemi Aoki, husband of Inez Fumiko Aoki, dated January 26, 1978, filed as Land Court Document No. 862747 and recorded in the Bureau of Conveyances in Liber 12747 at Page 212, which second mortgage has been assigned to Servco Financial Corp., a Hawaii corporation, and Amfac Financial Corp., a Hawaii corporation, by assignment dated January 6, 1978, filed as Land Court Document No. 862748 and recorded in the Bureau of Conveyances in Liber 12747 at Page 223.

RESTRICTIONS AS TO USE: The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and may be utilized for long-term or transient rentals. The owners of the respective apartments shall have the absolute right to rent or lease such apartments subject to all provisions of the proposed Declaration. However, the specimen Apartment Lease provides that the apartment shall not be used for any form of time sharing. Time sharing is defined as being a system under which any person owns an interest in the apartment or is affiliated with or owns an interest in an organization under an arrangement which entitles such person to have the use of the apartment on a periodic basis or to occupy the apartment or some other apartment for a specified period of time which is less than the remainder of the term of the Apartment Lease.

The House Rules provides, in part, that no livestock, poultry, rabbits, or other pets whatsoever shall be allowed or kept in any part of the Project, without the prior written consent of the Board.

PURCHASE MONEY HANDLING: An executed Escrow Agreement dated December 20, 1978, identifies Title Guaranty Escrow Services, Inc. as the escrow. Upon examination of the Escrow Agreement it is found to be in consonance with Chapter 514A, Hawaii Revised Statutes.

Among other provisions, the Escrow Agreement provides that a purchaser under a Sales Contract shall be entitled to a return of his funds, without interest and less the \$25.00 escrow cancellation fee, after purchaser has requested such return and if Escrow shall have received from Developer a written notice that any one of the following has occurred:

(a) Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held by Escrow; or

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

(c) There shall have been a change in the building plans of the Project subsequent to the date of Developer's execution of the Sales Contract which change requires the approval of a county officer having jurisdiction over the issuance of building permits unless the purchaser gives his written approval or acceptance of the specific change; or

(d) The Final Report differs in a material respect from this Preliminary Report unless the purchaser has given written approval or acceptance of the changes in said Final Public Report; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of this Preliminary Report.

The specimen Deposit Receipt and Sales Contract states in part: (1) in the event that less than eighteen (18) apartments in the Project are sold prior to July 1, 1979, or if Developer is unable to deliver to Buyer title and/or possession of the apartment due to the actions of lenders, governmental agencies, or any other cause beyond Developer's control, then, in any of such events, Developer may, at its option, cancel the contract and cause the escrow agent to refund to Buyer all monies paid without interest and less a cancellation fee of \$25.00; (2) all of Buyer's right, title and interest under the Sales Contract are and shall be subject and subordinate to the lien of any mortgage made by Developers for the purpose of acquiring, renovating or refurbishing the Project; and (3) Buyer acknowledges that neither the apartment nor the appliances and fixtures therein are in a new condition and that the same are being purchased "as is". It is understood that seller makes no warranties or representations, either express or implied, regarding the condition of the building, the common elements, the apartment, or any appliances or furnishings contained therein.



NOTE: The specimen Sales Contract also contains the following exculpatory provisions with respect to the Fee Owners' participation in the Project:

"Buyer understands that Fee Owners have not controlled or otherwise participated in, in any way, either as joint venturer, or in any other capacity, the planning or construction of the demised premises or any other improvements in the Project, and that Fee Owners do not own any goods, as said term is defined in Section 490:2-105, Hawaii Revised Statutes, as amended, which are situated in said apartment, and that the Lease to be issued by Fee Owners do not cover any goods, and that Fee Owners make no warranty, express or implied, with respect to any goods. All approvals of plans and specifications by Fee Owners were given without regard to and without conducting any investigation into, the structural soundness of the improvements in the Project, code violations or other matters relating to the legality or integrity of the improvements. Accordingly, Buyer agrees and declares as part of the consideration to Fee Owners for granting a Lease, that Buyer has and does hereby waive any and all claims which Buyer might otherwise have against Fee Owners, on account of faulty or improper construction of improvements, latent defects, code violations in building construction or representations concerning the demised premises, it being understood and agreed that the Buyer's right to make such claims, to the extent such claims are recognizable at law or equity, shall be against the Seller of this Project or against any person or persons in privity of contract with said Seller, but not Fee Owners. Nothing in this paragraph, however, shall be deemed to constitute or create any warranty by the Seller as to said matters, express or implied."

It is incumbent upon the purchaser or prospective purchaser to read and understand the Escrow Agreement before executing the Deposit Receipt and Sales Contract, since the Escrow Agreement describes the procedure for receiving and disbursing purchasers' funds, and the Deposit Receipt and Sales Contract specifically provides that the purchaser approves that Escrow Agreement and assumes the benefit and obligations therein provided.

MANAGEMENT OF PROJECT: The By-Laws, which are incorporated in the Declaration, provide that the operation of the Project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the

Association in accordance with the By-Laws. The initial managing agent has not yet been selected.

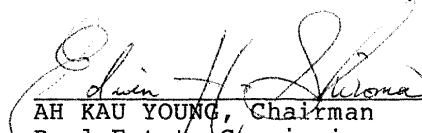
STATUS OF PROJECT: The Project was completed in 1963 and has been used and occupied since completion as an apartment-hotel.

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".

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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 December 20, 1978 and information subsequently submitted as of January 19, 1979.

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.

 (for)  
AH KAU YOUNG, Chairman  
Real Estate Commission  
State of Hawaii

Distribution: Department of Taxation  
Bureau of Conveyances  
Planning Commission,  
City and County of Honolulu  
Federal Building Administration  
Escrow Agent

Registration No. 1068

January 24, 1979