

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

HEALANI HALE
1252 Kinau Street
Honolulu, Hawaii

REGISTRATION NO. 1444

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: February 12, 1982
Expires: March 12, 1983

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 SUBMITTED JULY 7, 1981, AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 8, 1982. DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. The HEALANI HALE is a proposed fee simple condominium project consisting of four (4) residential apartments located in a three-level building with ground floor open parking area to be constructed on the property. There will be six (6) parking spaces.

2. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of this proposed condominium project and the issuance of this Preliminary Public Report.
3. The basic 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 filed in the office of the recording officer.
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 Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, February 12, 1982, unless a Supplementary or Final Public Report issues or the Commission upon review of the registration issues an order extending the effective period of this report.
7. This Preliminary Public Report is made a part of the registration of HEALANI HALE. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing from each purchaser or prospective purchaser a signed receipt therefor.

NAME OF PROJECT: HEALANI HALE

LOCATION: The project is located at 1252 Kinau Street, Honolulu, Hawaii, on a parcel of 4,500 square feet.

TAX MAP KEY: 2-4-11-31 (1st Division).

ZONING: The property is presently zoned A-4 under the Comprehensive Zoning Code of the City and County of Honolulu, State of Hawaii.

DEVELOPER: The Developer is J & M Higa & Sons, Inc., a Hawaii corporation, whose business address is 934 Maninihola Street, Honolulu, Hawaii 96825, telephone: 845-6477. The officers are James M. Higa, President; Scott Higa, Vice President; and Merle Higa, Secretary-Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Tamotsu Tanaka, Attorney at Law, A Law Corporation, 333 Queen Street, Suite 600, Honolulu, Hawaii 96813, telephone: 523-7581.

DESCRIPTION OF PROJECT: The project consists of a three-level building to be constructed primarily of reinforced concrete,

hollow tile and wood materials, has six (6) open parking stalls on the ground level, and contains a total of four (4) apartment units.

1. Apartments. Four (4) separate freehold estates are hereby designated within the perimeter walls, floors and ceilings of each of the four (4) apartment units contained in the project, which spaces, together with appurtenant lanais, if any, defined and referred to herein as "apartments", are designated on the Condominium Map and described as follows:

(a) Apartment 1 is located on the second level on the makai side of the building; Apartment 2 is located on the second level on the mauka side of the building; Apartment 3 is located on the third level on the makai side of the building; Apartment 4 is located on the third level on the mauka side of the building.

(b) Each apartment has a combination living room-dining room, kitchen, two bedrooms, two baths and a storage closet and contains a net living area of approximately 842 square feet.

2. Net Living Area of Apartments. The approximate apartment net living areas set forth above are based on measurements taken to the interior of all perimeter walls, except that no reduction has been made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls. All net living areas set forth above are not exact but are approximations based on the floor plans of each type of apartment.

All of the net living areas set forth above have been measured in accordance with local architectural practice. These measurements do not follow the designation of the limits of the apartments (the legally designated areas of the apartments) set forth below and the net living areas set forth above are normally greater than the floor areas of the apartments as so designated and described below.

3. Access of Apartments. Each of the apartments on the second and third levels have access to stairways leading to upper and lower levels of the building and to the first level.

4. Limits of Apartments. Notwithstanding the net living areas set forth above and the manner in which such net living areas have been measured, the respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, supports, roofs, skylights, ceilings and floors located within or at the perimeter of or surrounding such apartment, or any fire sprinklers or their components and any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust or air conditioning running through or otherwise located within 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 walls, the inner decorated or finished

surfaces of all walls, floors and ceilings, all windows, window frames, door and door frames along the perimeter, the planter bed shown on the Condominium Map to the inner decorated or finished surfaces of the exterior perimeter walls, if any, of such planter bed or to the exterior of any railings where there is no such wall, and the built-in fixtures, if any, within the apartment.

COMMON ELEMENTS: One freehold estate is hereby designated in all remaining portions of the project, being described and referred to herein as "common elements", including specifically, but not limited to:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter walls and load-bearing walls, roofs, chases, corridors, stairs, stairways, entry halls, walkways, entrances and exits of said building;
- (c) All yards, grounds, landscaping, refuse areas, lockers, planter boxes and mailboxes;
- (d) All parking areas, driveways and curbing;
- (e) 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;
- (f) Any and all other apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: A part of the common elements, the six parking stalls, shall be limited common elements, which are hereby set aside and reserved for the exclusive use of the following apartments and each apartment shall have appurtenant thereto an exclusive easement for the use of such limited common element:

<u>Apartment</u>	<u>Parking Stall No</u>
1	1, 5 and 6
2	2
3	3
4	4

Notwithstanding the foregoing assignment of parking spaces, the owners of the respective apartments have the right to change their designation of parking spaces which are appurtenant to their respective apartments by amending the Declaration, which

amendment shall be executed solely by the respective owners of such apartments, provided that such amendment shall be effective only upon the filing of the same in the Bureau of Conveyances of the State of Hawaii, and provided further that at all times at least one parking space shall be appurtenant to each apartment in the project.

Notwithstanding anything to the contrary contained in the Declaration and the By-Laws attached thereto as Exhibit "B", the apartment owner of any parking space shall be responsible for the cost of maintaining the surface of any parking stall, such as but not limited to broom cleaning and removing of oil stains; provided that such maintenance by the apartment owner of any parking stall shall not extend to any repair or maintenance of the asphaltic concrete. Any such repair or maintenance problem involving the common element surface shall be a common expense of the project pursuant to paragraph I of the Declaration.

COMMON INTEREST: Each apartment shall have appurtenant thereto an undivided twenty-five percentage interest in the common elements of the project, hereinafter referred to as the "common interest", and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting, as follows:

<u>Apartments</u>	<u>Percentage (each apartment)</u>	<u>Percentage (Total)</u>
1, 2, 3, and 4	25%	100%

Such interest is hereby defined and referred to herein as the "common interest". The proportionate shares of the profits and common expenses of the project and the proportionate representations for voting purposes in the Association of Apartment Owners of the project, shall be in said percentage for each unit. The aggregate common interest in the common elements of the units is allocated between them on the basis of their interior floor area. The undivided interest in the common areas and facilities and the title to the respective units to be conveyed shall not be separated or separately conveyed and each said undivided interest shall be deemed to be conveyed or encumbered with its respective unit even though the description in the instrument of conveyance may refer only to one or other of the interests.

PURPOSE OF BUILDING AND USE RESTRICTIONS: The apartments shall be occupied and used as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, laundry and linen, or bellboy service. Except for such transient or hotel purposes, the owners of the respective apartments shall have the absolute right to lease or rent the same subject to the limitations, restrictions, covenants and conditions of the Declaration.

The By-Laws attached to the Declaration provide in part:

1. "No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project except that dogs, cats and other household pets having such diminutive size and weight that they may be comfortably and easily hand-carried by any person over the common elements of the project in reasonable number may be kept by the apartment owners and occupants in their respective apartments ..."; and
2. "The maximum number of occupants to be permitted to occupy any apartment shall be six (6) persons; provided that the Association, by majority vote of its members at a meeting duly called for such purpose, may increase the number of occupants;..."

OWNERSHIP OF TITLE: The Preliminary Report by Title Guaranty of Hawaii, Incorporated, dated September 15, 1981, reflects that the ownership of the property is vested in City Mill Company, Limited, a Hawaii corporation.

NOTE: The Developer is purchasing said property from the fee owner pursuant to an Agreement of Sale dated October 9, 1981, recorded in the Bureau of Conveyances in Liber 16027, Page 639.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report dated September 15, 1981, shows title to the property to be subject to the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. For any real property taxes due and owing, reference is made to the Office of the Tax Assessor, First Division.

PURCHASE MONEY HANDLING: The executed escrow agreement dated May 15, 1981, identifies Title Guaranty Escrow Services, Inc. as the "Escrow" and provides that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, without interest, and less \$25.00 cancellation fee promptly after purchaser has requested such return if Escrow shall have received from Developer a written notice that any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing 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 cancel or rescind the sales contract pursuant to any right of cancellation or rescission stated 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, 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 unless a purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the purchaser has accepted in writing the apartment or the purchaser has first occupied the apartment; or

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

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

(f) The Final Report is not issued within one (1) year from the date of issuance of the Preliminary Report.

Upon refund of said funds to purchaser as aforesaid, Escrow shall return to Developer such purchaser's sales contract and any Apartment Deed theretofore delivered to Escrow, and thereupon neither the purchaser nor Developer shall be deemed obligated thereunder.

Among other provisions, the specimen Sales Contract provides: (1) that Developer may terminate all sales contracts and cause Escrow to refund to purchaser all monies paid by purchaser, without interest, if by April 30, 1982, less than 3 apartments have been sold; (2) Purchaser agrees that all rights of Purchaser are subject and subordinate to the lien of any mortgage(s) made to finance the cost of development of the project by Developer and to any and all sums which may become a lien pursuant to the terms of such mortgage(s) or any other agreement relating to such mortgage.

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, 514A-39 and 514A-63 to 514A-66. A prospective purchaser should carefully examine the form of specimen sales contract and escrow agreement to determine the time for and the amount of the installment payments on the purchase price and the payment of closing costs.

MANAGEMENT AND OPERATION: The Developer, J & M HIGA & SONS, INC., whose principal place of business and mailing address is 934 Maninihola Street, Honolulu, Hawaii, will be the initial property manager.

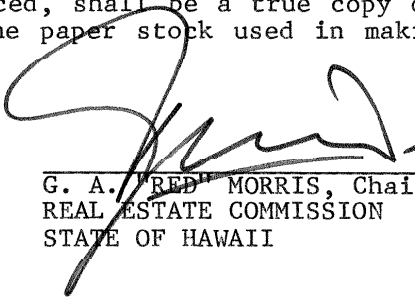
STATEMENT OF FINANCING: The Developer has informed the Commission that it intends to cause the issuance of apartment deeds to purchasers upon the confirmed sale of 3 apartments and use proceeds from its sale of the 3 apartments to pay off the mortgages and other liens. Developer has not submitted any institutional financing program for the purchase of individual units.

STATUS OF PROJECT: Construction of the building has commenced and the estimated completion date is September 30, 1982.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted July 7, 1981, and information subsequently filed as of February 8, 1982.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1444 filed with the Commission on July 7, 1981.

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



G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

REGISTRATION NO. 1444

Dated: February 12, 1982