

**DEVELOPER'S PUBLIC REPORT  
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	<b>1533 NEHOA STREET</b>
Project Address	1533 Nehoa Street, Honolulu, Hawaii 96822
Registration Number	<b>6882 (Conversion)</b>
Effective Date of Report	<b>October 26, 2009</b>
Developer(s)	HIDC NEHOA / KINAU, INC., a Hawaii corporation

**Preparation of this Report**

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; or (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.*

## SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

1. Washer/Dryer Appliances. To comply with the limits of the Project building's existing electrical system, Unit owners shall be subject to the restrictions on use of washer/dryer units currently set forth in the Declaration and in the House Rules. Unless otherwise permitted by the Association following the Developer's upgrade of the electrical system described below, Unit owners may install and maintain within their respective lanai area or Yard Area one (1) appliance-type washer/dryer combination unit connected to a dedicated circuit. The washer/dryer unit shall be rated 1800 amps or less. Following the upgrade of the building's electrical system described below, the Association may, but shall not be obligated to, add 220V connections to each Unit, which will increase the system's capability and possibly allow for washer/dryer units with greater capacity. The Association may at any time impose additional rules and regulations governing the use of the washer/dryer units in the House Rules which must be approved by a majority of the Board of Directors. Any washer/dryer unit or the use thereof that does not comply with such restrictions shall be grounds for removal of such washer/dryer unit at the owner's cost and expense.
2. Developer's Contribution to Association's Reserves. Exhibit F contains the schedule of estimated maintenance fees for the Units in the Project. One of the items included in the Project budget is a reserve for major or capital improvements. Developer will contribute a total sum of approximately \$233,760 to the initial reserves of the Association, which shall be used to cover the following common area repair and maintenance expenses: (a) \$75,000 for spalling repair; (b) \$17,950 to repave the parking lot; (c) \$24,600 to paint the building exterior (\$8,000 of which has already been paid by Developer and the \$16,600 balance of which will be contributed to the Association for payment upon completion); (d) \$64,000 to upgrade the existing circuit breaker panel and to install two 220V circuits per Unit; (e) \$1,700 to repair the building's fire control stations; and (f) \$510 to repair the building's exterior light fixtures. With respect to the first three items listed as (a), (b) and (c) above, Developer has entered into contracts for such services and such services are already underway but may not be completed prior to the sale of the Units; accordingly, Developer will assign such contracts to the Association following the formation of the Association. Copies of the contracts are attached to Exhibit I. Except for the \$8,000 already paid by Developer directly to the painting contractor as described in item (c) above, the Developer will pay the balance of the total sum in increments at the closing of each Unit. Developer will not contribute additional sums to the Association's reserve in excess of the foregoing sums. The Units and the Project are being sold in "As Is" condition with "All Faults" and the foregoing sums may be insufficient to make all necessary repairs.
3. Developer's Maintenance Fee Subsidy. The maintenance fees set forth in Exhibit F reflect the Developer's decision to pay for a portion of the cost of administering the Association. Developer will contribute to the Association each Unit's proportionate share of the Managing Agent's management fees for a four-year period upon the closing of each Unit sale, for a total management fee contribution of \$50,000. At the end of the four-year period, the Developer's contributions will end and each Unit owner will be responsible for paying the full amount of such Unit's maintenance fees.
4. Limited Common Element Yard Areas. Each Unit located on the ground floor has exclusive use of its respective Yard Area, which is shown on the Condominium Map as a Limited Common Element appurtenant to such Unit. As provided in the Declaration, the owner of a Unit to which a Yard Area is appurtenant may, at such owner's sole cost an expense and subject to the approval of the Board and all applicable laws, install a fence along and within the boundary of the Yard Area; provided, however, that if any such fence is installed, the Unit owner shall also install a gate within the fence located between the Yard Area and the Common Elements so as to allow reasonable access to and from the gas meters located at the rear of the Project building. The Unit owner will be permitted to install a lock on the gate; provided, however, that the owner shall supply the Association with a key, password, combination or other applicable device needed to permit access to the Yard Area for the purpose of reading, maintaining and/or repairing such gas meters.

5. Alterations to Unit Interiors. The Unit owners will be permitted, at their sole cost and expense and without Board approval or the need to amend the Declaration and/or Condominium Map, to remove any sliding partition door that may be existing within the area marked "Bedroom" on the Condominium Map, and replace the same with a permanent interior wall so as to create two separate rooms within the Unit; provided, however, such improvements do not affect the structural integrity of the Unit or the building. The Unit owners shall also have the right, at their sole cost and expense, to remove the square closet space marked "CL" next to the bathroom on the Condominium Map, and reconstruct such area so that there is a separate doorway leading to the area marked "Bedroom" and/or to the newly created room described immediately above.

6. Amendment to Declaration and Condominium Map. As of the date of this report, Developer has had the Yard Areas and perimeter of the Project land surveyed by a professional land surveyor. The survey provides metes and bounds descriptions of the limited common element Yard Areas that are appurtenant to each of Unit Nos. 1 through 4 on the ground floor of the building. The Developer has amended the Declaration and the Condominium Map to include the survey and such metes and bounds descriptions.

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## **General Information On Condominiums**

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

## **Operation of the Condominium Project**

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

## 1. THE CONDOMINIUM PROJECT

### 1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	N/A
Address of Project	1533 Nehoa Street, Honolulu, Hawaii 96822
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(1) 2-4-023-025
Tax Map Key is expected to change because	Individual CPR numbers will be assigned to the Units.
Land Area	8,526 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

### 1.2 Buildings and Other Improvements

Number of Buildings	1
Floors Per Building	3
Number of New Building(s)	0
Number of Converted Building(s)	1
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	The building is of reinforced concrete and concrete masonry block wall construction. Ground floor consists of poured in place slab on grade. The floor and roof slabs are poured in place reinforced concrete supported by plastered reinforced concrete block masonry walls. All interior walls inside the units are non load bearing dry wall construction.

### 1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
1	1 (Ground Flr.)	1BR/1BA	494 s.f.	182 s.f.	Lanai/Yard Area #1	676 s.f.
1	1 (Ground Flr.)	1BR/1BA	494 s.f.	102 s.f.	Lanai/Yard Area #3	596 s.f.
1	6 (2 <sup>nd</sup> & 3 <sup>rd</sup> Flrs.)	1BR/1BA	494 s.f.	69 s.f.	Lanai	563 s.f.
2	1 (Ground Flr.)	1BR/1BA	494 s.f.	104 s.f.	Lanai/Yard Area #2	598 s.f.
2	6 (2 <sup>nd</sup> & 3 <sup>rd</sup> Flrs.)	1BR/1BA	494 s.f.	69 s.f.	Lanai	563 s.f.
3	1 (Ground Flr.)	2BR/1BA	661 s.f.	267 s.f.	Lanai/Yard Area #4	928 s.f.
See Exhibit <u>A</u> .						

16	<b>Total Number of Units</b>
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Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.