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

on
WALINA APARTMENTS
435 Walina Street
Honolulu, Hawaii

REGISTRATION NO. 300

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: January 14, 1971
Expires: February 14, 1972

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 SEPTEMBER 18, 1969, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 7, 1971. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on Registration No. 300 dated October 31, 1969, the Developer has prepared, assembled and forwarded additional information to that filed in the September 18, 1969 submittal. This Final Public Report is made a part of the registration on WALINA APARTMENTS condominium project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers receiving the Preliminary Public Report (yellow paper stock).

   Securing a signed copy of the Receipt for Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Final Public Report prior to the completion of construction.

3. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.

4. 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 Assistant Registrar of the Land Court.

   The Declaration of Horizontal Property Regime, executed November 5, 1970, together with the By-Laws of the Association of Apartment Owners, was filed in the Office of the Assistant Registrar of the Land Court as Document No. 519212. The Land Court has designated Condominium Map No. 108 to the project.

5. The Purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to horizontal property regimes.

6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, January 14, 1971, unless a Supplementary Public Report issues or the Commission, upon review of the Registration, issues an order extending the effective period of this report.

The information in the topical headings of the Preliminary Public Report of October 31, 1969, with the exception of ENCUMBRANCES AGAINST PROPERTY, MANAGEMENT AND OPERATIONS and STATUS OF PROJECT have not been disturbed. The topical headings of FINANCING OF PROJECT and CONTRACTOR have been added. The Master Lease, Apartment Lease and Declaration have been amended.

ENCUMBRANCES AGAINST PROPERTY: The Developer has submitted a copy of Release of Mortgage executed by Sun Life Assurance Company of Canada, dated April 2, 1970, which is filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 498407.

The Developer has also submitted a copy of a Mortgage in favor of Island Federal Savings and Loan Association of Honolulu dated May 28, 1970, which is filed as Document No. 502499. Said Mortgage secures the construction loan made to the Developer.

Note: The Developer reports to the Commission that the property will be released of said mortgage prior to the issuance of the first apartment lease.

MANAGEMENT AND OPERATIONS: Bishop Trust Company, Limited has been named by the Developer as the corporate managing agent of the condominium project and the Developer has filed with the Commission a copy of the Management Agreement entered into with Bishop Trust Company, Limited dated September 18, 1969.

STATUS OF PROJECT: Construction has been started. It is estimated that improvements will be completed on or about August 1, 1971.

FINANCING OF PROJECT: The Developer has filed with the Commission a notarized statement showing the estimated total project cost which will be met by sales proceeds. The payment program by a purchaser of an apartment is contemplated to be as follows: Each purchaser will pay 20% of the purchase price in cash as a down payment, and upon being given an apartment lease, such purchaser will thereupon borrow up to 80% of the sale price of the apartment from Island Federal Savings & Loan Association, such loan to be repayable over a period of 20 years.

Down payment moneys and proceeds from the individual mortgage loan will be placed in Escrow with Security Title Corporation.

CONTRACTOR: The Developer has submitted a construction contract for the construction of the building, dated April 7, 1970, naming HARVIS CONSTRUCTION, INC., as the contractor. Performance and Payment Bonds equal to 100% of construction costs have been filed with the Commission. Argonaut Insurance Company, a California corporation, is named as surety in said bond.

The Developer has submitted to the Commission a copy of the Amendment to the Master Lease.

The Master Lease was amended as follows:

1. The lease term shall be "for a term of seventy-seven (77) years commencing on July 1, 1969 and expiring on June 30, 2046."

2. Paragraphs (a) and (b) on page 2 of the Master Lease relative to lease rent were amended to read as follows:

   "(a) For and during the initial thirty-two (32) year period of the term, a monthly basic rental of ONE THOUSAND THREE HUNDRED AND NO/100 DOLLARS ($1,300.00);

   "(b) For each of the two twenty-two and one-half (22 1/2) year periods thereafter ensuing such sum of money per month as shall be mutually agreed upon; Provided, However, that in the event the parties shall be unable to agree upon such sum at least ninety (90) days prior to the commencement of any such period, the monthly rent for such period, net above taxes, assessments and charges of all kinds, shall be determined by an arbitrator or arbitrators appointed as in paragraph A hereinafter provided, whose determination of a fair monthly rent shall in no event be less than one-twelfth (1/12th) of seven per cent (7%) of the fair market value in fee simple of the land hereinabove demised exclusive of improvements thereon as of the commencement of the period for which the rent is sought to be determined; Provided, Further, said monthly rent determined by agreement or by arbitration as aforesaid shall in no event be less than the monthly rent payable for the period immediately preceding. It is agreed that if and whenever the fixing of rent is under arbitration, the Lessee, pending the determination thereof, shall continue to pay the same rent which it has been paying during the last preceding rental period, and shall promptly pay the deficiency, if any, upon the conclusion of the arbitration proceedings."

3. Insertion of the following paragraph, designated "K", on page 19 after paragraph "J", as follows:

   "K. Consents and Approvals. In those instances where consent or approval of Lessor is required, the Lessor will not unreasonably, capriciously or arbitrarily withhold such consent or approval nor required the payment of any money therefor, except for reasonable expenses incurred by Lessor in connection with such consent or approval."

The Developer has submitted to the Commission a revised Declaration of Horizontal Property Regime. In said Declaration, the fee simple interest is submitted to the horizontal property regime.

The Developer has also submitted a revised Apartment Lease which will be executed by the fee simple owners of the property. Prior to the issuance of the first apartment lease, the Master Lease issued to the Developer will be cancelled.

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 September 18, 1969, and information subsequently filed on January 7, 1971. The information disclosed in the Commission's Preliminary Public Report of October 31, 1970 should be carefully reviewed by purchaser and prospective purchaser.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 300 filed with the Commission on September 18, 1969.

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

HERBERT S. ISONAGA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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ESCROW AGENT

January 14, 1971
Registration No. 300