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

HILO TERRACE
485 Waianuenue Avenue
Hilo, Hawaii

Registration No. 763

## 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: May 19, 1975
Expires: June 19, 1976

SPECIAL ATTENTION

A comprehensive reading of the 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED APRIL 4, 1975 AND INFORMATION SUBSEQUENTLY FILED AS OF MAY 16, 1975. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514, HAWAII REVISED STATUTES.

1. HILO TERRACE is a proposed leasehold condominium project of 100 two-bedroom units (consisting of ninety-two (92) two bedroom apartments of 695 square feet more or less and eight (8) two bedroom apartments of 743 square feet (1st story) and 764 square feet (2nd story) more or less). The units are located in ten (10) 2-story walk-up apartment buildings. In addition, there is a recreation and laundry building. There are one hundred twenty-seven (127) open parking stalls located in proximity of the buildings.

2. The Developer of the project has submitted to the Commission for examination all the documents deemed necessary for the registration of the condominium project and issuance of this Final Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners, and a copy of the approved Floor Plans) have been filed with the Bureau of Conveyances, State of Hawaii.

   The Declaration of Horizontal Property Regime with Bylaws of the Association of Apartment Owners attached, dated April 1, 1975, is recorded in Liber 10618 at page 264. The Floor Plans have been filed as Condominium Map No. 407.

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

5. The Developer advises the Commission that the buildings are completed.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes and the condominium rules and regulations which relate to the Horizontal Property Regime.

7. This Final Public Report automatically expires thirteen (13) months after the date of issuance, May 19, 1975, unless a supplementary report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

8. This Final Public Report is made a part of the registration on Hilo Terrace condominium project. The Developer is responsible for placing this Final Public Report in the hands of all purchasers and prospective purchasers, and of securing a signed copy of the receipts for the Final Public Report from each purchaser and prospective purchaser.

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| NAME OF PROJECT: | HILO TERRACE |
| LOCATION: | The corner of Waianuenue Avenue and Laimana Street, Hilo, Hawaii. |
| TAX KEY: | 2-3-16-66 |
| ZONING: | Commercial |
| DEVELOPER: | James W. Y. Wong, 1575 S. Beretania Street, Honolulu, Hawaii 96814. |

ATTORNEY REPRESENTING DEVELOPER: Ted Gamble Clause, of the law firm of Case, Stack, Kay, Clause & Lynch, 11th Floor, First Hawaiian Bank Building, Honolulu, Hawaii 96813. Telephone: 536-7261.

DESCRIPTION: HILO TERRACE consists of eleven 2-story buildings designated Building A through Building K. Building A through Building I contain ninety-two (92) 2 bedroom, 1 bath apartments of 695 square feet more or less. The plans on file show the net floor area of each unit and indicate a maximum variation of ± 1.5%. There is a storage room and manager's office at the end of Building I. Each building is constructed with a reinforced concrete slab-on-grade and wood structural framing with cedar siding and aluminum roofing. A stairway is located between every second apartment to provide second floor access. Each apartment unit consists of two bedrooms with wardrobes having sliding doors, a hallway with linen closet, a bathroom with a combination shower over tub and a curtain rod, a water closet, and a lavatory with a cultured marble or laminated plastic counter. There is a living room and combination dining-kitchen area with a double stainless steel sink, laminated plastic counter and kitchen cabinets. Each unit is provided with a 9.3 cubic foot electric refrigerator, garbage disposal and a 4-burner gas or electric range with single oven. Each apartment has access to a concrete walkway or stairway.

The recreation and laundry building, designated Building J, is a 2-story wood frame structure with aluminum roof. The first floor consists of a laundry area, storage rooms, pool pump and filter room, water heater room and two toilet and shower rooms. The second floor consists of two storage rooms, two toilets and a large party room.

Building K is a 2-story building containing eight 2 bedroom, 1 bath apartments of 743 square feet (1st story) and 764 square feet (2nd story) more or less. The plans on file show the net floor area for each unit and indicate a maximum variation of ± 1.5%. The building is constructed with a reinforced concrete slab-on-grade, a masonry bearing wall for the first story, wood structural framing with cedar siding for the second floor, and wood shake roofing. Stairways are located between each pair of apartment units. A laundry-storage area is located adjacent to each stairway on the second floor. Each apartment consists of two bedrooms with sliding wardrobes, a hallway with linen closet, a bathroom with shower over tub with sliding door enclosure, lavatory and water closet. There is a living room and combination kitchen-dining area with a single sink, kitchen cabinets and a pantry closet and a broom closet. Access to a lanai area is from the living room through sliding glass doors. Each apartment is provided with a 9.3 cubic foot refrigerator, a garbage disposal, a 4-burner gas or electric range with single oven.

All apartments are identified on each entrance door with a three digit number. The first digit represents either the first or second floor and the second and third digits are numbered consecutively from 1 to 50.

An apartment owner shall be deemed to own the walls and partitions which are contained in his apartment; in addition, he shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors, and ceilings, including plaster, paint, wallpaper, etc. The apartment owner shall be deemed not to own the undecorated and/or unfinished, obverse surfaces of the perimeter walls, floors, and ceilings surrounding his apartment or the pipes, wires, conduits, or other public utility facilities running through his apartment which are utilized for, or serve more than one apartment, except to the extent of his interest as an owner of the common elements in common with the other apartment owners.

COMMON ELEMENTS: The common elements will consists of all parts of the property, other than the apartments, including without limitation, the limited common elements and the following:

a. The land hereby subject to the Horizontal Property Regime, described in Exhibit 1 attached to the Declaration;

b. The foundations; beams; supports, rock and concrete retaining walls; all walls with the exception of the finished surfaces inside each apartment which inside surfaces shall be elements of the respective apartments; the beams and columns of the buildings; and the stairs and stair landings; the entrances and exits to the condominium as follows: The vehicular entry/exit to the parking area, the pedestrian walks, the pedestrian entrances, all other concrete walks, planting areas, and gardens giving access to the various buildings, the pedestrian entrances from the parking area; and the walkways onto which each apartment directly opens;

c. The roofs, yards, gardens; swimming pool; provided pool equipment; storage areas not specifically included in any apartment; laundry rooms and equipment; maintenance shops and equipment; recreation rooms and equipment; parking stalls and pavement area (provided, however, each apartment shall have as a limited common element appertaining thereto the parking stall described in the file plan and identified with the number corresponding to the number of apartment similarly described and identified);

d. Central and appurtenant installations for services including plumbing; sprinkler system; telephone equipment; electrical installations; television antenna system; and trash enclosure; and all ducts and fans;

e. All intangible personal property, choses in action, debts, monies, reserves, funds, and other assets held by the Association of Apartment Owners for the benefit of the several apartment owners;

f. And all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use and which are not part of any apartment.

LIMITED COMMON ELEMENTS: Certain parts of the common elements herein called "Limited Common Elements" are designated and set aside and reserved for the exclusive use of certain apartments, such apartments shall have appurtenant thereto an exclusive easement for the use of such Limited Common Elements. The Limited Common Elements to be set aside and reserved are as follows: One (1) parking space for each apartment marked with the apartment number.

INTEREST TO BE CONVEYED: Each apartment shall have appurtenant thereto undivided one hundredth (1/100) interest, expressed in terms of a percentage as 1.00000% in the common elements of the Project (herein called the "Common Interest") for all purposes including expenses of the Project and voting. Each apartment is to be subject to an apartment lease described in the Declaration. The interest to be conveyed to apartment owners under the apartment lease is a leasehold interest in the apartment and the appurtenant common interest. There is a master lease which, under the Declaration, will be terminated upon the closing of all apartment leases.

PURPOSES OF THE BUILDINGS AND RESTRICTIONS AS TO USE: The Declaration provides that the buildings of the condominium and the apartments therein are intended for and are hereby restricted to use in accordance with the covenants, servitudes, and restrictions contained in the Declaration and contained in the Bylaws of the Association of Apartment Owners and any House Rules as they all shall have been amended from time to time. Subject to the limitations, restrictions, covenants, and conditions contained in the Declaration, the Bylaws of the Association of Apartment Owners, the Master Lease, and the Apartment Lease, apartment owners may lease and rent their apartments.

OWNERSHIP TO TITLE: The preliminary title report prepared by Long and Melone, Ltd., on Novebmer 8, 1974 and updated as of March 20, 1975, reflects that the fee title to the land, consisting of one hundred forty-seven thousand eight hundred seventy-two (147,872) square feet, is vested in the Roman Catholic Church in the State of Hawaii and is presently under lease to James W. Y. Wong.

ENCUMBRANCES AGAINST TITLE: The preliminary title report prepared by Long and Melone, Ltd. as of November 8, 1974 and updated as of March 20, 1975 reports that title to the land as of March 20, 1975 is subject to:

1. Terms, covenants, conditions, reservations, and restrictions contained in Lease dated January 1, 1971, recorded in the Bureau of Conveyances in Liber 7949, page 156, as amended.

2. An easement (25 feet wide) in favor of Lot 6 for ingress and egress.

3. A drainage easement (20 feet wide).

4. A mortgage in favor of American Savings & Loan Association, dated March 30, 1972, and recorded in the Bureau of Conveyances of Hawaii in Liber 8329, page 381.

5. An additional security mortgage to American Savings & Loan Association dated April 20, 1972, recorded in Liber 8329, page 408.

6. An Assignment and Agreement and Financing Statement by and between James W. Y. Wong and American Savings & Loan Association dated March 30, 1972, recorded in Liber 8329, page 421.

7. A mortgage in favor of Finance Factors, Limited, dated June 5, 1974, recorded in said Bureau of Conveyances in Liber 9958, page 259.

NOTE: A survey of the property made by the Developer indicated that a portion of the concrete decking on the southwest side of the swimming pool was constructed on the adjacent lot. The area beyond the boundry line is 509 square feet. Developer advises that the adjacent lot is owned by the Roman Catholic Church and is leased to Developer. Developer further advises that the swimming pool fence has been relocated along the boundry line as surveyed and that the concrete decking beyond the fence on the adjacent lot is in no wise included within the property of the condominium. Developer advises that neither Developer, as Lessee, or the Church, as Lessor, of the adjacent lot have any objections in the premises.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated April 14, 1975 by and between James W. Y. Wong as "Developer" and Long and Melone, Ltd. as "Escrow", has been submitted to the Commission.

On examination the specimen Deposit Receipt, Offer and Acceptance (DROA), Agreement of Sale (Sales Contract), and the executed Escrow Agreement are found to be in compliance with Chapter 514 of the Hawaii Revised Statutes.

The Escrow Agreement establishes how the proceeds from the sale of apartments and all sums received from any source are placed in Escrow as well as the retention and disbursement of said Escrow funds.

The specimen Agreement of Sale (Sales Contract) states, among other things, that purchaser agrees to the removal of the property from the provisions of the Horizontal Property Regime Act and agrees to execute the documents necessary for the removal if the Developer fails to complete the sale of 80% of the condominium apartments prior to expiration of this Final Report. Prospective purchasers should also note that all acquisitions will be by way of an Agreement of Sale and that in addition to the foregoing right of removal, the Developer has reserved certain other rights. Particular attention is invited to

Paragraphs 5 through 12 and Exhibit "B" therein. Further, the Agreement of Sale provides that the interest of the purchaser is subordinate to the liens of the first and second mortgages.

It is incumbent upon the purchaser and prospective purchaser that they read with care the specimen DROA, Agreement of Sale (Sales Contract) and the executed Escrow Agreement.

MANAGEMENT OF THE PROJECT: The Bylaws reflect that operation of the project may be conducted for the Association of Apartment Owners by a Managing Agent who shall be appointed in accordance with the Bylaws. The Bylaws provide that the Managing Agent is subject at all times to direction by the Board, with all administrative functions set forth in said Bylaws and such other powers and duties as the Board may establish. The initial Managing Agent shall be Realty Management Co., a division of General Realty Corporation, whose principal place of business is 485 Waianuenue Avenue, Hilo, Hawaii. The term of the agreement is for one year.

STATUS OF PROJECT: The construction of Buildings A through J was completed by May 4, 1974, as certified by a Certificate of Occupancy issued by the County of Hawaii. The Developer has advised the Commission that Building K was completed sometime in 1962.

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The purchaser or prospective purchaser shall be cognizant of the fact that this public report represents information disclosed by the Developer in the required Notice of Intention submitted April 4, 1975 and information subsequently filed as of May 16, 1975.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 763 filed with the Commisssion on April 4, 1975.

This report, when reproduced, shall be a true copy of the Commission's Final Public Report. The paper stock must be white in color.

(for) DOUGLAS R. SODETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:
DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING COMMISSION, COUNTY OF HAWAII
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 763
May 19, 1975