

**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

THE WARD LANAI  
1443 Ward Avenue  
Honolulu, Hawaii

Registration No. 853

**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: November 20, 1979  
Expires: December 20, 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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON APRIL 1, 1976, AND INFORMATION SUBSEQUENTLY SUBMITTED AS OF NOVEMBER 15, 1979. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON MATERIAL CHANGES IN THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report on April 26, 1976, and its extensions thereof, on THE WARD LANAI, Registration No. 853, the Developer reports that certain changes have been made in the development plan as presented in the earlier Public Report. These changes have been determined by Developer to be a material revision to the information disclosed earlier. Therefore, this Final Public Report (white paper stock) amends the Preliminary Public Report (yellow paper stock), becoming a part of THE WARD LANAI registration. Developer is responsible for placing a true copy of this Final Public Report in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Public Report and Disclosure Abstract. The buyer shall sign the required receipt signifying that he has had an opportunity to read the three reports.

NOTE: All Purchasers entering into sales contracts prior to the issuance of this Final Public Report are entitled to a refund of all moneys paid by the purchasers, since the Final Report was not issued within one year from the date of issuance of the Preliminary Public Report. If the purchaser shall receive a copy of the Final Report and not take any action after receipt hereof and of notice that he must take action within said period his right to rescind and for refund will be waived.

2. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report.
3. The Developer advises that the Declaration of the Horizontal Property Regime and attached By-Laws are recorded in the Bureau of Conveyances, State of Hawaii, in Book 14093, Page 422, October 24, 1979. The Condominium Map has been filed in the Bureau as Map No. 660.
4. Advertising and 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 Final Public Report automatically expires thirteen (13) months from the date of issuance, November 20, 1979, unless a Supplementary Public Report issues or the Commission, upon review of this registration, issues an order extending the effective period of this report.

The information under the topical headings in the Preliminary Public Report issued April 26, 1976, has not been disturbed with the exception of the following:

DEVELOPER: WARD LANAI CORP., a Hawaii corporation, whose principal place of business and post office address is 190 South King Street, Suite 1404, Honolulu, Hawaii 96813 (Telephone No. 524-2500). The officers of WARD LANAI CORP. are:

Carl L. Finseth	President and Secretary
John M. Thompson	Vice President and Treasurer

ATTORNEY REPRESENTING DEVELOPER: Rother & Bybee (Attention: Edward J. Bybee), 735 Bishop Street, Suite 322 Dillingham Transportation Building, Honolulu, Hawaii 96813, Telephone 537-5311.

INTEREST TO BE CONVEYED TO PURCHASER: Each purchaser of an apartment shall receive a Condominium Conveyance Document which shall convey to such purchaser ownership of this apartment purchased by such purchaser (exclusive of any interest in the land) and lease to such purchaser for a term of sixty (60) years from the date of issuance of the first of such Condominium Conveyance Documents an undivided interest in the land included within the Project. The leasehold interest of each purchaser shall be equal to the percentage interest in the common elements appurtenant to such purchaser's apartment. The document shall provide for the payment of monthly lease rent for and during the first, second and third ten (10) year periods of said term fixed amount as appears in the following tabular form:

<u>Apt. Type</u>	<u>Apt. No.</u>	<u>Monthly Lease Rent for First Ten (10) Year Period</u>	<u>Monthly Lease Rent for Second Ten (10) Year Period</u>	<u>Monthly Lease Rent for Third Ten (10) Year Period</u>
A	301	\$56.50	\$73.45	\$95.49
B	302	76.90	85.67	111.37

Apt. Type.	Apt. No.	Monthly Lease Rent for First Ten (10) Year Period	Monthly Lease Rent for Second Ten (10) Year Period	Monthly Lease Rent for Third Ten (10) Year Period
A	303	\$56.50	73.45	95.49
B	304	76.90	85.67	111.37
A	401	56.50	73.45	95.49
B	402	76.90	85.67	111.37
A	403	56.50	73.45	95.49
B	404	76.90	85.67	111.37
A	501	56.50	73.45	95.49
B	502	76.90	85.67	111.37
A	503	56.50	73.45	95.49
B	504	76.90	85.67	111.37
A	601	56.50	73.45	95.49
B	602	76.90	85.67	111.37
A	603	56.50	73.45	95.49
B	604	76.90	85.67	111.37
A	701	56.50	73.45	95.49
B	702	76.90	85.67	111.37
A	703	56.50	73.45	95.49
B	704	76.90	85.67	111.37
A	801	56.50	73.45	95.49
B	802	76.90	85.67	111.37
A	803	56.50	73.45	95.49
B	804	76.90	85.67	111.37
A	901	56.50	73.45	95.49
B	902	76.90	85.67	111.37
A	903	56.50	73.45	95.49
B	904	76.90	85.67	111.37

For and during the remaining three ten (10) year periods of the term of said lease, the document shall provide for the payment of monthly lease rent in an amount equal to each of the then apartment owner's percentage of undivided interest in the land multiplied by the total monthly rental established for the land at the commencement of each of said periods as shall be determined in the manner provided in said document by agreement in writing between a majority of the Board of Directors of the Association of Apartment Owners and the Lessor, or failing such agreement, by appraisal, provided, however, that the monthly lease rent for any such period in no event shall be less than the monthly lease rent for any preceding period. The document shall provide for the payment of lease rent on a monthly basis, in advance and on the first day of each and every month during the entire term of said lease.

The Declaration provides that except with respect to parking stalls as hereinabove mentioned, the interests in the common elements and easements appurtenant to each apartment shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected as expressed in an amendment to the Declaration duly recorded. The

Condominium Conveyance Document provides that the ownership of the lease of an undivided interest in the land.

OWNERSHIP OF TITLE: Preliminary Title Report issued October 24, 1979, by Hawaii Escrow and Title Co., Inc., certifies that Harry T. H. Au and Doris W. O. Au, husband and wife, Jan Choy Lum and Kwai Chang Lum, husband and wife, and Carl L. Finseth Investments, Inc., and John M. Thompson have title to the land committed to the Project.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report issued by Hawaii Escrow and Title, Inc., October 24, 1979, identifies the following encumbrances against the three parcels comprising the land:

1. For Real Property Taxes, reference is made to Tax Assessor, First Division, State of Hawaii.
2. Assessments  
Assessments or charges levied by Municipal or Governmental Authority or imposed by any other lawfully constituted body authorized by Statute to assess, levy and collect the same, if any.
3. Title to all minerals and metallic mines reserved to the State of Hawaii.
4. A Lease affecting the premises therein stated, upon the terms, covenants and conditions therein provided,  
Dated : January 1, 1976.  
Recorded : January 6, 1976, in Liber 11158, Page 1, in the Bureau of Conveyances.  
Lessor : Harry T. H. Au and Doris W. O. Au, husband and wife.  
Lessee : Ward Lanai Corp., a Hawaii corporation.  
Term of : 62 years from January 1, 1976.  
  
Said Lease was amended by instrument dated January 1, 1979, recorded February 2, 1979, in Liber 13464, Page 276, in said Bureau.  
(Affects Parcel I)
5. A Lease affecting the premises therein stated, upon the terms, covenants and conditions therein provided,  
Dated : January 1, 1976.  
Recorded : January 6, 1976, in Liber 11158, Page 91, in the Bureau of Conveyances.  
Lessor : Jan Choy Lum and Kwai Chang Lu, husband and wife.  
Lessee : Ward Lanai Corp., a Hawaii corporation.  
Term of : 62 years from January 1, 1976.  
  
Said Lease was amended by instrument dated January 1, 1979, recorded February 2, 1979, in Liber 13464, Page 282, in said Bureau.  
(Affects Parcel II)

6. A Lease affecting the premises therein stated, upon the terms, covenants and conditions therein provided,  
Dated : January 1, 1979.  
Recorded : February 2, 1979, in Liber 13463, Page 153, in the Bureau of Conveyances.  
Lessor : The Iron Viking, Incorporated, a Hawaii corporation.  
Lessee : Ward Lanai Corp., a Hawaii corporation.  
Term of : 62 years commencing January 1, 1979, ending at midnight on December 31, 2040.  
(Affects Parcel III)
7. The certain Affidavit, pursuant to the provisions of Chapter 18, R. O. 1969, as amended, (Ordinance No. 4339), dated March 8, 1976, recorded on March 1976 in said Bureau of Conveyances, in Liber 11302, Page 511. (Besides other lands).  
Re: In consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit for multi-family dwellings provided that is clearly agreed upon and understood that no lanai or portion of lanai shall be enclosed.
8. A Mortgage, to secure an indebtedness of the amount stated herein and any other amounts payable under the terms thereof,  
Dated : March 9, 1979.  
Amount : \$2,100,000.00  
Mortgagor : Ward Lanai Corp.  
Mortgagee : State Savings and Loan Association, a Utah corporation.  
Recorded : April 17, 1979, in Liber 13618, Page 419, in the Bureau of Conveyances.
9. Estoppel Certificate dated April 16, 1979, by Harry T. H. Au and Doris W. O. Au, husband and wife, recorded April 17, 1979, in the Bureau of Conveyances, State of Hawaii, in Liber 13618, Page 455.
10. Estoppel Certificate dated March 10, 1979, by Jan Choy Lum and Kwai Chang Lum, husband and wife, recorded April 17, 1979, in the Bureau of Conveyances, State of Hawaii, in Liber 13618, Page 460.
11. Estoppel Certificate dated April 11, 1979, by Piedra Properties Corporation, a California corporation, recorded April 17, 1979, in the Bureau of Conveyances, State of Hawaii, in Liber 13618, Page 465.
12. An Additional Security Mortgage, Security Agreement and Financing Statement to secure an indebtedness of the amount stated herein and any other amounts payable under the terms thereof,  
Dated : April 11, 1979.  
Amount : \$2,100,000.00  
Mortgagor : Harry T. H. Au and Doris W. O. Au, husband and wife, Jan Choy Lum and Kwai Chang Lum, husband and wife, and Piedra Properties Corporation, a California corporation.

Mortgagee : State Savings and Loan Association, a Utah corporation.  
Recorded : April 17, 1979, in Liber 13618, Page 470, in the Bureau of Conveyances.  
(Affects Fee Simple Interest)

13. Matters as shown on Condominium File Plan No. 660, filed in the Bureau of Conveyances.
14. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Horizontal Property Regime,  
Dated : October 11, 1979.  
Recorded : October 24, 1979, in Liber 14093, Page 422, in the Bureau of Conveyances.

NOTE:

The Developer has advised the Commission that the Additional Security Mortgage, Security Agreement and Financing Statement encumbering the three parcels comprising the land will be released at the time of recording Condominium Conveyance Documents for each apartment.

MANAGEMENT AND OPERATIONS: Developer has executed a Management Agreement dated February 7, 1979, with Aaron M. Chaney, Inc. The By-Laws, which are incorporated in the Declaration, provide that the Board of Directors of the Association of Apartment Owners shall annually employ a responsible Hawaii corporation as Managing Agent to manage and control the Project subject at all times to direction by the Board. Examination of the Management Agreement reveals that it will be for a term of one year, subject to termination by either party upon thirty (30) days' notice thereof to the other party.

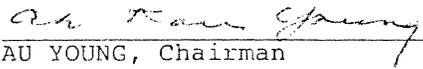
STATUS OF PROJECT: The project is presently under construction and Developer estimates that it will be completed and ready for occupancy in December, 1979.

FINANCING OF PROJECT: Developer has advised the Commission that as of the date hereof, commitments have been obtained through State Savings and Loan Association of Honolulu, Hawaii, for both interim construction and permanent purchase money mortgage financing. These commitments have been accepted by Developer and are in full force and effect.

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A 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 April 1, 1976, and additional information filed as of November 15, 1979.

THIS FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 853, filed with the Commission on April 1, 1976.

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.

  
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AH KAU YOUNG, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

Registration No. 853

Dated: November 20, 1979