

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
KAIOO TERRACE
1863 Kaioo Drive
Honolulu, Hawaii

REGISTRATION NO. 1034

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: October 17, 1978
Expires: November 17, 1979

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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 ON SEPTEMBER 14, 1978, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 12, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. KAIOO TERRACE is a leasehold condominium project consisting of an existing four (4) story apartment building containing forty (40) apartment units. The project contains forty (40) unassigned parking spaces, all designated common elements.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Final Public Report. The Developer shall be responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the receipt for this Final Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the Floor Plans) have been recorded in the office of the recording officer.

The Declaration of Horizontal Property Regime, dated July 25, 1978, together with the By-Laws of Association of Apartment Owners, was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 901026, and the Recording Officer designated the plans as Condominium Map No. 342.

4. No advertising or promotional matter has been submitted to the Real Estate Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after date of issuance, October 17, 1978, unless a Supplementary Public Report is issued or the Commission, upon review of the registration, issues an Order extending the effective period of this report.

NAME OF PROJECT: KAIOO TERRACE

LOCATION: The project is located at 1863 Kaiwoo Drive, Hono'lulu, Hawaii 96815. The land consists of 19,884 square feet, more or less.

TAX KEY: First Division, 2-6-12; Parcel 27.

ZONING: Apartment Precinct - Waikiki Special Design District.

DEVELOPER: Kaiio Terrace Ventures, a Hawaii limited general partnership, whose principal place of business is 1027-A Bishop Street, Honolulu, Hawaii 96813, (Telephone No.: 521-6987). The general partner of the Developer is Century Pacific, Inc., a Hawaii corporation, whose principal place of business is 1027-A Bishop Street, Honolulu, Hawaii 96813. The officers of Century Pacific, Inc., are:

President:	Helen A. Kanda
Vice-President:	Brion Kanda
Secretary:	Carole Kleveland
Treasurer:	Dean J. Kanda

ATTORNEY REPRESENTING DEVELOPER: Damon, Key, Char & Bocken, 10th Floor, City Bank Building, Honolulu, Hawaii 96813 (Attn: Charles W. Key), Telephone No.: 531-8031.

DESCRIPTION OF THE BUILDING: The project consists of one (1) four (4) story building containing forty (40) residential apartments. The building is constructed principally of wood, glass, concrete, and appropriate trim. The building does not contain a basement.

Description of Apartments: The Horizontal Property Regime provides for forty (40) apartments, and reflects that each apartment has an approximate floor area of four hundred forty-eight (448) square feet and contains a bedroom, bathroom and living-dining area. The apartment floor area includes all the walls and partitions within its perimeter walls, any glass windows or panels along the perimeter; the entirety of perimeter nonparty walls and the interior half of the perimeter party walls, whether load-bearing or nonload-bearing; and the interior decorated or finished surfaces of the floors and ceiling.

Each apartment is designated as a separate freehold estate. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements. 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, any doors, windows or panels along the perimeters, and all fixtures originally installed therein.

Each apartment has access to a corridor and stairways adjacent to each apartment and walkways connecting to the parking area of the project.

Each apartment is to include refrigerator, stove, sink and garbage disposal (one unit), carpeting, drapes, and exhaust hood.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime states that the common elements shall include all portions of the project other than the apartments and all other common elements mentioned in the Horizontal Property Regime Act which are actually included in the project, including specifically but not limited to:

(a) Said land (which is intended to be leased to an apartment owner separately and apart from a conveyance or other transfer of the apartment);

(b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, chases, entries, stairways and roof;

(c) All yards, grounds, landscaping, walls, planters and recreational facilities, including swimming pool;

(d) All parking stalls, areas and spaces, driveways and walkways;

(e) The elevator and all ducts, electrical equipment, central water heating system, wiring, pipes, and other central and appurtenant transmission facilities and installations on, over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone, and radio and television signal distribution;

(f) The laundry area;

(g) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use;

(h) The limited common elements described below.

LIMITED COMMON ELEMENTS: The Declaration of Horizontal Property Regime provides that certain portions of the common elements, called "limited common elements" are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

All common elements of the project which are rationally related to less than all of said apartments or building shall be limited to the use of such apartments or building.

INTEREST TO BE CONVEYED TO PURCHASERS: Each apartment shall have appurtenant thereto an undivided two and five-tenths per cent (2-5/10%) interest in the common elements of the project and the same percentage share in all the common profits and expenses of the common elements of the project and all other purposes, including voting.

EASEMENTS: In addition to any easements of record, the apartments and common elements shall have and be subject to the following easements:

(a) Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support, maintenance and repair of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive of the limited common elements as provided herein; and in all other apartments and common elements in the building in which the apartment is located for support.

(b) If any part of the common elements now or hereafter encroaches upon any apartment, or if any apartment now or hereafter encroaches upon any other apartment or upon any portion of the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any buildings of the Project shall be partially or totally destroyed and then rebuilt, minor encroachments by any common element upon any apartment or by any apartment upon any other apartment due to such construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

(c) The Association of Apartment Owners, hereinafter referred to as the "Association", shall have the right, to be exercised by its Board of Directors, hereinafter referred to as the "Board", or the Managing Agent, to enter each apartment and the limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein necessary to prevent damage to any apartments or common elements.

(d) Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other apartments and serving his apartment. Each apartment shall be subject to an easement in favor of the owners of all other apartments to use and for access to the pipes, ducts, cables, wires, conduits, public utilities, and other common elements serving such other apartments and located in such units.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall at all times be occupied and used only for temporary and permanent residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests, or for hotel purposes and for no other purpose. The respective apartment owners shall have the absolute right to rent or lease such apartments subject to all provisions of the Declaration.

OWNERSHIP OF LAND: Developer has submitted to the Commission a Preliminary Title Report, dated August 25, 1978, prepared by Long & Melone, Ltd. This report reflects that the fee

simple title to the property upon which the project is situated is owned by Henry Chung & Company, a Hawaii limited partnership.

NOTE: The Developer has submitted to the Commission a copy of an Assignment dated October 12, 1978 of an Option Agreement under which it acquired the option to purchase the improvements on the land upon which the project is situate and to obtain a long-term lease on the land, together with an executed copy of the Option Agreement and extension thereof and letter agreement exercising said option.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report, dated August 25, 1978, prepared by Long & Melone, Ltd., reflects that title to the property is subject to:

1. EASEMENT 7

As shown on: Map 18, filed with said Application No. 852
Purpose: Sanitary sewer
Location: Over and across the Westerly corner of said Lot 61

2. GRANT OF EASEMENT

In Favor Of: The City and County of Honolulu
Dated: January 16, 1967
Filed as Land Court Document No. 411358
Purpose: Underground sewer pipe line
Location: Through, under and across foregoing Easement 7

3. MORTGAGE AND FINANCING STATEMENT

Mortgagor(s): Henry Chung & Company, a Hawaii limited partnership
Mortgagee(s): Honolulu Mortgage Co., Ltd., a Hawaii corporation
Dated: December 19, 1973
Filed as Land Court Document No. 661929
To Secure: \$500,000.00

4. ASSIGNMENT AS SECURITY

Assignor(s): Henry Chung & Company, a Hawaii limited partnership
Assignee(s): Honolulu Mortgage Co., Ltd., a Hawaii corporation
Dated: December 19, 1973
Filed as Land Court Document No. 661930
Assigns all of the right, title and interest of Assignor in and to any and all leases, written or verbal, together with all rents and income arising thereunder, whether existing now or which may hereafter exist on said premises or any part thereof, as security for the repayment of the foregoing Mortgage

5. ASSIGNMENT OF MORTGAGE

Assignor(s): Honolulu Mortgage Co., Ltd.

Assignee(s): National Life Insurance Company, a
Vermont corporation

Dated: December 21, 1973

Filed as Land Court Document No. 661931

Assigns Mortgage and Financing Statement filed as
Land Court Document No. 661929 and Assignment as
Security filed as Land Court Document No. 661930.

6. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.

PURCHASE MONEY HANDLING: The Developer has submitted to the Commission a specimen sales contract and an escrow agreement dated September 12, 1978, identifying Long & Melone Escrow, Ltd. as the escrow agent. Upon examination, the specimen sales contract and the executed escrow agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

The escrow agreement provides that the Developer shall:

(a) Cause to have filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, a Declaration submitting said land and improvements thereon to the Horizontal Property Regime, together with attached by-laws, and a copy of the floor plans required to be filed therewith.

(b) Arrange for the delivery to Escrow of thirty-five or more condominium conveyance documents for execution by the respective purchasers of condominium units.

(c) Enter into contracts for certain renovations to the project and improvements thereon.

(d) Cause to have delivered to Escrow bonds in a sum not less than one hundred percent (100%) of the renovation and construction costs conditioned upon full and faithful performance of the construction contracts, free and clear of all claims for labor and materials incidental thereto and used in connection with such construction.

(e) Cause to have issued a final report on said project by the Real Estate Commission of the State of Hawaii.

Upon performance of the provisions contained in subparagraphs (a) (b) (c) (d) and (e) set forth immediately above, Escrow shall, when and as directed by Seller (Developer), obtain a preliminary report showing that good title can be conveyed to the respective purchasers of the various apartments, and shall file the various documents and indentures placed in its possession under the terms of paragraphs (a) and (b) above, with the Land Court of the State

of Hawaii, together with any mortgage or mortgages executed by the individual purchasers of the apartments; and shall request the respective purchasers to pay over monies due and payable under the terms of their respective purchase agreements.

Simultaneously and thereafter, the Escrow shall make the following disbursements (not necessarily in the order herein set forth):

(a) As and when approved in writing by the Mortgagee and Seller (Developer), Escrow shall disburse funds to pay for the existing improvements on said land.

(b) As and when approved in writing by the Mortgagee and Seller (Developer), Escrow shall disburse funds to the contractors in proportion to the valuation of the work completed by the general contractor as certified by a registered architect or professional engineer.

(c) As and when approved in writing by the Mortgagee and Seller (Developer), Escrow shall disburse funds in payment of appliances, carpeting, drapes, etc., and architectural, engineering, finance and legal fees, interest, sales commissions, closing costs, and other incidental fees incurred by Seller (Developer) in connection with the project.

NOTE: The specimen sales contract provides that if the Buyer is not in default, Seller (Developer) shall arrange for the payment of any and all interest payments due and payable under any mortgages of Buyer on said property (not to exceed ten percent (10%) per annum) until Buyer shall be entitled to occupancy of said property.

The specimen Sales Contract also provides: (1) that if Developer does not obtain executed sales contracts for thirty-five (35) apartments on or before December 31, 1978, the obligations under executed contracts shall terminate, and all sums paid by Buyers shall be refunded without interest; (2) that Buyer has entered into the contract without any reference or representation by Seller (Developer) or any sales person as to the possibility or probability of rental or other income from the apartment, including, but not limited to, any reference or representation to the effect that Seller (Developer) or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental or sale of the apartment or as to possible advantages from the rental of the apartment under federal or state tax laws. It is understood and agreed that the rental or other disposition of the apartment shall be the sole responsibility of Buyer. Buyer further agrees that until Seller (Developer) has closed the sale of all apartments in the project or until December 31, 1982, whichever shall first occur, that Buyer will not enter into an agreement with any buyer, lessee or owner of another apartment in the project and/or any third party under which

Buyer agrees to share expenses and/or rentals of apartments in the project; and (3) Buyer acknowledges that he has personally inspected the apartment in the project, and that any warranties obtained by the Developer under the contract for the renovations and improvements shall inure to the benefit of the Buyer and that all warranties on appliances shall inure directly to the Buyer. No warranties expressed or implied are being made by Seller (Developer) to Buyer.

FINANCING: The Developer has submitted its program of financing the project and a statement of the estimated costs involved in completing the project. The Commission has been advised that the Developer has secured a commitment from State Savings & Loan Association to provide mortgage loans to qualified individual purchasers of the apartment units, and the escrow agreement and sales contracts provide that purchasers' deposits and loan proceeds shall be used to renovate the project and make certain improvements thereto.

MANAGEMENT OF THE PROJECT: The proposed by-laws, which are incorporated in the enclosed Declaration, provide that the operation of the project shall be conducted by the Association of Owners under the direction of the Board of Directors, and the Board of Directors shall annually employ a responsible corporation authorized to do business in Hawaii as Managing Agent for the project. The Developer has submitted to the Commission a property management agreement by and between the Developer and State Management, Inc.

STATUS OF THE PROJECT: The project consists of an existing apartment building. Developer has stated that renovations and improvements including construction of a swimming pool shall be commenced upon close of escrow. The Developer has submitted copies of the construction contracts for the renovations and improvements to the project, together with copies of performance and labor and material bonds for each contract. The Developer has stated that the estimated date of completion of the renovations and improvements is December 15, 1978.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the Notice of Intention submitted September 14, 1978, and information subsequently filed as of October 12, 1978.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1034, filed with the Commission on September 14, 1978.

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.


AH KAU YOUNG
Real Estate Commission
State of Hawaii

DISTRIBUTION:

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and County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1034
October 17, 1978