

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT ON

WEST LAKE TERRACE ONE
926 and 926-A Kahikolu Place
Honolulu, Hawaii

REGISTRATION NO. 1044

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 but may only take reservations therefore after

- (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: December 12, 1978
Expires: January 12, 1980

SPECIAL ATTENTION

A comprehensive reading of this report by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED SEPTEMBER 27, 1978, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 21, 1978. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. WEST LAKE TERRACE ONE is a proposed leasehold condominium project consisting of one (1) building, without a basement, consisting of two (2) apartments, each with a two (2) car garage.

2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

4. No advertising and promotional matter has been filed 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 the Horizontal Property Act, Chapter 514A of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regime.

6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, December 12, 1978, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

7. This Preliminary Public Report is made a part of registration on WEST LAKE TERRACE ONE condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt for the Preliminary Horizontal Property Regime Public Report from each such person is also the responsibility of the Developer.

NAME OF PROJECT: WEST LAKE TERRACE ONE

LOCATION: The approximately 11,621 square feet of land to be committed to the regime is situated at 926 and 926A Kahikolu Place, Honolulu, Hawaii.

TAX MAP KEY: FIRST DIVISION: 1-1-71-16.

ZONING: R-5

DEVELOPER: MIDPAC DEVELOPMENT, LTD., a Hawaii corporation, 1001 Ahua Street, Honolulu, Hawaii, Phone 847-8111, whose officers are: Wallace J. D. Lai, President; Richard T. G. Choy, Vice President/Treasurer; Melvin R. Hardy, Vice President/General Manager; Charles W. McKeon, Vice President, Hatsue S. Kinoshita, Secretary/Asst. Vice President; and Tadayoshi Kimura, Asst. Secretary/Asst. Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Hamilton, Gibson, Nickelsen, Rush & Moore (Attention: Dwight M. Rush and Walter Beh, II), 20th Floor Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813, Phone 521-2611.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a proposed leasehold condominium project consisting of two (2) separate apartments contained in a one-story building without a basement, containing two (2) dwellings, constructed principally of wood.

Apartment Nos. 926 and 926A are located in Building B on Lot No. 3447 as shown on the Condominium Map. Both apartments are built according to a floor plan, or its mirror image, consisting of two (2) stories and ten (10) rooms, without a basement, with a garage and storage room located on the first floor, and three (3) bedrooms, two (2) bathrooms, a kitchen, a dining room, a living room, an entry and a laundry area located on the second floor. Each of these apartments contains a total floor area of approximately 1,624 square feet, including the garage and storage room of approximately 436 square feet, and the entry of approximately 24 square feet.

The apartments have immediate access to the grounds of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing 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 as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

COMMON ELEMENTS: One freehold estate is designated in all remaining portions of the project, herein called the "common elements", including specifically but not limited to:

1. The land in fee simple;
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, walkways, entrances and exits of said buildings;
3. All yards, grounds and landscaping;
4. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any; and

5. 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.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called the "limited common elements", are designated and set aside for the exclusive use of certain apartments, and such apartments having appurtenant thereto easements for the use of such limited common elements as follows:

1. The lot upon which each respective apartment is built, as outlined in red on said Condominium Map, shall be appurtenant to and for the exclusive use of such apartment;

2. The roof, perimeter walls (but excluding any party wall), ceilings and floors of each apartment shall be appurtenant to and for the exclusive use of such apartment.

Each apartment owner shall be responsible for the proper repair and maintenance of such limited common elements appurtenant to his apartment.

INTEREST TO BE CONVEYED TO PURCHASERS: Documents filed with the Real Estate Commission indicate that the purchaser will secure an Apartment Lease, demising an apartment and an undivided fifty percent (50%) interest in all common elements of the project and the same proportionate share of all common profits and expenses of the project and shall be used for all other purposes including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that, except when a holder of a first mortgage has entered into possession of an apartment following (i) a default under its first mortgage, (ii) a foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartments are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and the By-Laws attached hereto; provided, however, that no apartment owner may lease less than the entire apartment.

OWNERSHIP OF TITLE: A Preliminary Title Report dated August 3, 1978, and issued September 14, 1978 by Hawaii Escrow & Title, Inc., indicates that the fee simple owner of the property committed to the project is The Roman Catholic Bishop of Honolulu, a corporation sole, 1184 Bishop Street, Honolulu, Hawaii 96813.

NOTE: The fee simple owner will issue the individual apartment leases directly to the purchasers.

ENCUMBRANCES AGAINST TITLES: Said Preliminary Title Report, dated August 3, 1978, and issued September 14, 1978 by Hawaii Escrow & Title Inc., as supplied, to the Commission provides that the following are encumbrances against title to the property:

1. For any taxes that may be due and owing and a lien on the land, reference is hereby made to the Office of the Tax Assessor of the First Division, Island of Oahu, Hawaii.

2. Assessments or charges levied by Municipal or Governmental Authority or imposed by any other lawfully constituted body authorized by Statutes to assess, levy and collect the same, if any.

3. Title to all minerals and metallic mines reserved to the State of Hawaii.

4. Reservation of all artesian and other underground water and rights as reserved in Deed dated October 24, 1962, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 298835.

5. Reservation of all artesian and other underground water and rights as reserved in Deed dated October 7, 1965, filed as aforesaid as Document No. 372554, and as amended by instrument dated October 12, 1965, filed as aforesaid as Document No. 372562.

6. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration, dated November 29, 1965, filed as Document No. 375915.

7. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration, dated December 21, 1977, filed as Document No. 852475.

8. Mortgage dated December 23, 1976, filed as Document No. 796659, to secure the repayment of \$750,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof in favor of Bank of Hawaii, a Hawaii corporation.

9. Mortgage dated November 1, 1977, filed as Document No. 845327, to secure the repayment of \$275,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof, in favor of Bank of Hawaii, a Hawaii corporation.

10. A Financing Statement covering certain personal property therein described recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11907, Page 360, in favor of Bank of Hawaii, a Hawaii corporation.

11. Lease dated February 4, 1974, executed by and between The Roman Catholic Bishop of Honolulu, a corporation sole, as Lessor, and Midpac Development, Ltd., a Hawaii corporation, as Lessee, filed as aforesaid as Document No. 674161, as amended by instrument dated December 22, 1976, filed as aforesaid as Document No. 796658.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated November 15, 1978, between Hawaii Escrow & Title, Inc., as Escrow, and Developer has been filed with the Commission. On examination, the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly Sections 514A-39, 514A-63 through 514A-66 thereof.

The specimen Sales Contract filed with the Commission contains, among others, the following provisions:

1. The Construction Contract for the project will contain an agreement by the Contractor that it will promptly correct any of its work found to be defective or not in conformance with its Construction Contract, for a period of one (1) year after the "Date of Substantial Completion" as defined in the standard form AIA Construction Contract. Seller agrees that if the Buyer informs Seller of any construction within Buyer's Apartment which does not conform to those standards within 330 days after the "Date of Substantial Completion" as defined in said Construction Contract, that Seller will direct and will employ all reasonable efforts to have the Contractor correct any such fault(s) or defect(s) pursuant to its agreement with Seller; provided, however, that written notice thereof shall be given to Seller by Buyer within said 330 day period.

Except for the agreement set forth above, it is expressly understood and agreed by and between Seller and Buyer that Buyer's Apartment will be conveyed to Buyer "AS IS" and that THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE, involved in the sale.

2. Buyer agrees for the sole benefit of Seller that until Seller has closed out the sale of all the apartments in the condominium project or until December 31, 1980, whichever shall first occur, that Buyer will not enter into any "rental pool" or similar agreement with any purchaser, lessee or owner of another apartment in the condominium project and/or any third party under which Buyer agrees to share expenses and/or rentals of apartments in the condominium project.

3. Final closing shall occur on the Date of Closing as defined herein. However, Buyer is hereby advised that Seller intends to preclose, regardless of the status of the construction of the apartments, by having all documents

necessary for closing executed prior thereto and deposited with Escrow, and Buyer hereby agrees to execute all necessary documents for such closing, including irrevocable escrow instructions, upon request by Seller.

4. In the event any payment to be made by Buyer hereunder is not made when due, such payment shall bear interest at the rate of one percent (1%) per month until paid.

NOTE: Prospective purchasers should be aware that the Seller's mortgage loans (construction, renewals and extensions) for the project shall be and remain at all times a superior lien on the project, and purchasers intentionally waive and subordinate the priority of lien under the Sales Contract in favor of the mortgage loans.

NOTE: Developer advises that no representation or references will be made to either purchasers or prospective purchasers concerning rental of the apartment, income from the apartment or any other economic benefit to be derived from the rental of the apartment, including but not limited to, any reference or representation to the effect that Developer or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental or sale of the apartment. Rental of the apartments and the provisions of management services in connection therewith is and shall be the sole responsibility of the purchaser.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust funds. The specimen Sales Contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

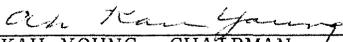
MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project may be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent, but there is no requirement that a managing agent be appointed. At this time, the Developer does not propose to appoint an initial managing agent.

STATUS OF PROJECT: The Developer advises that construction of the project commenced on October 1, 1978, and that the estimated completion date for the project is February 28, 1979.

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 27, 1978, and additional information subsequently filed as of November 21, 1978.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1044 filed with the Commission September 27, 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 yellow.



AH KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

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

REGISTRATION NO. 1044

December 12, 1978