

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
HALE WALINA
424 Walina Street
Honolulu, Hawaii

REGISTRATION NO. 1145

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: August 27, 1979
Expires: September 27, 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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 22, 1979, AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 21, 1979. 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.

1. HALE WALINA is a leasehold condominium conversion project consisting of twenty-one (21) residential dwelling units and eight (8) standard size parking spaces, all in accordance with plans prepared by Walter Leong & Associates, Inc., dated June 6, 1979, filed in

the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Condominium Map No. 386.

2. The Developer has submitted to the Commission for examination all documents necessary for the issuance of this Final Public Report.
3. No advertising or promotional matter has been submitted pursuant to Chapter 514A of the Hawaii Revised Statutes and the rules and regulations promulgated by the Commission.
4. The Developer advises that the Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached, dated August 14, 1979, has been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 957466. The Condominium Map has been filed in said Office as Condominium Map No. 386.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, the Horizontal Property Act 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, August 27, 1979, unless a Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Final Public Report is made a part of the registration on the HALE WALINA condominium project. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) and the Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt therefor.

NAME OF PROJECT: HALE WALINA.

LOCATION: The land submitted to the Regime, approximately 6,346 square feet, is located on Walina Street, Waikiki, Honolulu, Hawaii.

TAX MAP KEY: FIRST DIVISION 2-6-21-19.

ZONING: Apartment Precinct--waikiki Special Design District.

DEVELOPER: MONTE VISTA LIMITED, a Hong Kong corporation authorized to do business in the State of Hawaii, whose office address in Hawaii is 850 Kawaiahao Street, Honolulu, Hawaii, and whose telephone number is 536-0019.

Officers:

| <u>Name</u> | <u>Office</u> | <u>Address</u> |
|--------------------------|-------------------|--|
| John R. Tait | Managing Director | 850 Kawaiahao Street Honolulu, Hawaii 96813 |
| Grant G. Pitcher | Director/Chairman | 310 North Grove Street Alpine, Utah 84003 |
| Marfan and Associates | Secretary | 64-66 Wellington Street Hong Kong |

ATTORNEY FOR DEVELOPER: Carlsmith, Carlsmith, Wichman and Case, 190 South King Street, Honolulu, Hawaii 96813 (Attention: Ray Iwamoto or Deborah M. Chun), Telephone 523-2500.

DESCRIPTION: The Project consists of one five (5) story building, without basement, containing a total of twenty-one (21) apartments and eight (8) partially covered parking stalls. The building is constructed principally of reinforced steel, concrete, and concrete block. The ground floor of the building includes a parking area, laundry area, a refuse area, an elevator machine room, elevator shaft, mail boxes, electric and gas meters, water heater, swimming pool and one apartment. The Declaration of Horizontal Property Regime describes the Project as follows:

1. The location of the apartments are shown on the Condominium Map and further described and numbered as follows:

| <u>Floor</u> | <u>Apartment No.</u> | <u>Unit</u> | <u>Percent Common Interest</u> |
|--------------|----------------------|-------------|------------------------------------|
| 1 | 11 | D | 4.36% |
| 2 | 21 | A | 4.12 |
| | 22 | B | 4.69 |
| | 23 | B-1 | 4.69 |
| | 24 | B | 4.69 |
| | 25 | C | 5.72 |
| 3 | 31 | A | 4.12 |
| | 32 | B | 4.69 |
| | 33 | B-1 | 4.69 |
| | 34 | B | 4.69 |
| | 35 | C | 5.72 |
| 4 | 41 | A | 4.12 |
| | 42 | B | 4.69 |
| | 43 | B-1 | 4.69 |
| | 44 | B | 4.69 |
| | 45 | C | 5.72 |
| 5 | 51 | A | 4.12 |
| | 52 | B | 4.69 |
| | 53 | B-1 | 4.69 |
| | 54 | B | 4.69 |
| | 55 | C | 5.72 |
| | | TOTAL | 100.00% |

2. The apartments are further described as follows:

(a) UNIT A. The UNIT A type apartment is a studio type apartment consisting of a single room/kitchen, one bathroom and one lanai for a floor area of approximately 413 square feet, counting the lanai. The lanai has a floor area of approximately 36 square feet.

(b) UNIT B. The UNIT B type apartment consists of one bedroom with a louvered shutter partition, one bathroom, a living-dining-kitchen room, and one lanai for a floor area of approximately 470 square feet, counting the lanai. The lanai has a floor area of approximately 52 square feet.

(c) UNIT B-1. The UNIT B-1 type apartment is the same as the B type except that the floor plan of the B-1 type apartment shall be the reverse or mirror-image of the floor plan of the B type apartment.

(d) UNIT C. The UNIT C type apartment consists of one bedroom with a louvered shutter partition, one bathroom, a living-dining room, a kitchen and a lanai for a floor area of approximately 574 square feet, counting the lanai. The lanai has a floor area of approximately 54 square feet.

(e) UNIT D. The UNIT D type apartment is a studio type apartment consisting of a single room/kitchen and a bathroom for a floor area of approximately 443 square feet.

The square footage areas for the respective unit types are computed from and to the center lines of the apartment perimeter party walls and the exterior surface of all other apartment perimeter walls, including the area to the edge of the lanais or terrace.

3. The apartments are constructed principally of reinforced steel, concrete and concrete block. The interior surfaces of the exterior perimeter walls and of the division walls are principally of concrete and plaster wall construction.

4. Each apartment on the second through fifth floors has immediate access to a balcony which leads to two (2) stairways and an elevator, each stairway and elevator leading to the grounds of the Project or common elements leading to the grounds and parking area and to Walina Street. Apartment 11 has immediate access to the grounds of the Project.

5. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits, or other utility 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 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, and the fixtures installed therein, including range, refrigerator, air conditioning unit (window or wall mounted), disposal, carpeting, drapes and drapery hardware.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime reflects that the common elements shall include all other portions of the Project specifically, but not limited to:

(a) Said land in fee simple.

(b) All foundations, floor slabs, columns, girders, beams, supports, other structural members, and perimeter and load-bearing walls excluding the interior finished surface of such walls.

(c) All yards, grounds, landscaping, parking stalls, mail boxes, refuse facilities, laundry area and the other open areas.

(d) All ducts, sewer lines, electrical equipment, gas tanks, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone and radio and television signal distribution.

(e) All roadways, sidewalks, stairways, elevators, and driveways, which are rationally of common use.

(f) The swimming pool.

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

LIMITED COMMON ELEMENTS. Certain parts of the common elements, the eight (8) partially covered parking stalls located on the ground floor, hereinafter called the "limited common elements," are hereby designated and set aside for the exclusive use of Apartment 21, and such apartment shall have appurtenant thereto easements for the use of such limited common elements. The Developer has reserved the right in the Declaration to amend the Declaration to reassign the parking stalls. The parking stalls are numbered and located as shown on the Condominium Map. That portion of the common expense allocable to the limited common elements as set forth in the Bylaws (hereinafter sometimes referred to as the "parking stall expenses") shall be borne by the apartment owner(s) to whose apartment(s) the limited common elements are appurtenant, one-eighth (1/8) of all of such parking stall expenses shall be allocated to and paid by the apartment owner for each parking stall appurtenant to his apartment.

INTEREST TO BE CONVEYED TO PURCHASER: The undivided percentage ownership in the common elements (the "Common Interest") appertaining to each apartment and its owner for all purposes including voting shall be as set forth above in paragraph 1 under the topical heading "DESCRIPTION". Each apartment and its appurtenant Common Interest shall be demised to each purchaser by an Apartment Lease.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the building and the apartments may only be used for any permitted purposes under applicable laws and governmental regulations. The owners of apartments have the right to lease or rent their apartments to third parties, subject to all of the provisions of the Declaration and By-Laws which should be reviewed by the Purchaser.

Among other provisions, the House Rules provide that any apartment containing a pet are required to register their pet with the managing agent and pay a deposit of \$100.00 to hold without interest. The Board may require permanent removal of any pet if such pet is determined by the Board to be a major nuisance to the Project.

OWNERSHIP TO TITLE: The Policy of Title Insurance issued June 8, 1979, and prepared by Security Title Corporation states that title to the land is vested in the Fathers of the Sacred Hearts, the Sisters of the Sacred Hearts and Elvira Meyrer Smith, unmarried. By Assignment of Lease dated May 1, 1979, filed as Land Court Document No. 944320, the Developer acquired the lessee's interests in an Indenture of Lease covering the land, dated January 4, 1965 and filed as Land Court Document No. 363286, which lease was amended and extended by instrument dated June 6, 1979 and filed as Land Court Document No. 944373.

ENCUMBRANCES AGAINST TITLE: The Policy of Title Insurance dated June 8, 1979, prepared by Security Title Corporation describes the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.
2. Lease dated January 4, 1965, by and between Bernard Paul Smith and Louise Chang Smith, recorded as Document No. 363286. Said Lease amended and extended June 6, 1979, recorded as Document No. 944373.
3. Life Estate in favor of Elvira Meyrer Smith, as set forth in Order of Distribution dated January 22, 1975, filed as Land Court Document No. 709008.
4. Mortgage in favor of State Savings and Loan Association dated June 7, 1979, filed as Land Court Document No. 944374.
5. Mortgage in favor of Forever Spring Corporation dated May 3, 1979, filed as Land Court Document No. 944375.

6. Undated Financing Statement in favor of State Savings and Loan, recorded on June 8, 1979, in Book 13757, Page 89.

The Developer has informed the Commission that the respective liens of the mortgages described above will be released and discharged of record as to each condominium apartment prior to its being transferred to a purchaser.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated June 12, 1979, between Title Guaranty Escrow Services, Inc., as Escrow Agent, and Developer, has been filed with the Commission. On examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

NOTE: Prospective purchasers should be aware that:

1. The Mortgage and other liens which will secure the Developer's first mortgage loan (renewals and extensions) for the renovation of the Project shall be and remain at all times a superior lien on the Project, and purchasers intentionally waive and subordinate their interests under the Sales Contract or any reservation agreement in favor of the priority of all such liens.

2. Purchaser should also note that the Sales Contract places restrictions on the Apartment Owners, precluding them from entering into any rental pool or other rental-sharing arrangements with other such Apartment Owners until after all Apartments have been sold by Seller and Apartment Leases (or assignments thereof) for all Apartments have been filed.

3. As provided in Section D.22 of the Sales Contract, the purchaser acknowledges that minor renovation activity may continue on the Project after purchaser has occupied his apartment, which may result in noise, dust or other annoyances. In addition, as further provided in said Section D.22, the Developer's sales activities, including the use of model units and signs for sales displays and related activities, may continue until the last apartment in the Project is sold.

4. The purchaser's attention is directed to paragraph L of the Declaration and Section D.6 of the Sales Contract, all of which reserves to the Developer a right to make certain amendments that may be necessary to comply with the provisions of law, the requirements of certain mortgagees, or to carry out the changes to the Project set forth in said paragraphs.

5. The purchaser should be especially aware of Section D.17 of the Sales Contract which provides that the building and the apartments, which were completed in 1965, are being sold in an "as is" condition. The Developer is not familiar with the structural quality or integrity of the building or the mechanical soundness of any of the systems

of the building or the fixtures contained in individual apartments. Purchasers should, therefore, realize that they assume all risks of defects, whether latent or otherwise, failure or deterioration with respect thereto. The Developer does not warrant the structural quality or integrity of the building or the mechanical soundness of any of the systems of the building or the individual apartments. The Developer intends to install in each apartment the appliances described in the Declaration. Each of these appliances will be warranted by the manufacturer and the Developer makes no warranties with respect to such appliances. Such appliances will have a one-year manufacturer's warranty on defects from date of first occupancy of the apartment.

6. Purchasers further are advised that any and all representations, advice, or discussion of the cash flow, vacancy factors, costs, expenses, or projected income or projected expenses, or similar items regarding the current or prospective operation of the Project or parts thereof by any person in connection with the sale of the condominium units are not authorized by the Developer and the Developer specifically disclaims such representations, if any. Such representations should, therefore, not be relied upon by prospective purchasers. The Developer has not authorized, and prospective purchasers should not rely on, any representations other than those specifically contained in the condominium documentation prepared by the Developer.

7. If the development of the Project is delayed due to governmental restrictions or regulations, or if said delay is caused by fire, earthquake, acts of God, the elements, war or civil disturbances, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or material, or any other event, matters or conditions beyond the control of Seller, including any litigation or threat of litigation concerning the Project, and Seller determines that increases in development and construction costs have or will occur because of such delay, then and in any such event, Seller may increase the Total Purchase Price for the Property by an amount not in excess of the Property's proportionate share of the total amount of such increase in development and costs and Purchaser hereby acknowledges that this Contract will be deemed to be amended to incorporate the increased Total Purchase Price (the "New Price") upon Seller's giving notice, as provided in Section D.20 of the Sales Contract, of the amount of the New Price, and Purchaser shall be deemed to have approved and accepted this Contract, as amended, with the New Price and hereby agrees to pay such New Price; provided, however, upon receipt of the notice from the Seller of the amount of the New Price, Purchaser shall have thirty (30) days from the date of the notice to cancel this Contract by written notice to Seller and upon such notice to receive a refund of deposits in the amounts and manner as provided in Section D.31 of said Sales Contract. If notice of cancellation is not received from Purchaser within said thirty (30) day period, Purchaser shall be bound to fulfill all of Purchaser's obligations pursuant to the terms of this

Contract as amended with the New Price and as follows. This Contract will be deemed to have been also amended so as to increase Payments B and C set forth in Section C of the Sales Contract by the respective new amounts for such payments to be set forth in the notice from Seller. Purchaser will, within thirty (30) days of the date of the notice from Seller, provide evidence to Seller that Purchaser's mortgage loan commitment has been revised in accordance with the increase in Payment C. If at the time of the date of the notice from Seller, Purchaser has already paid Payment B of the Sales Contract, then Purchaser will, within such thirty (30) day period, pay to Seller the increase in the amount of Payment B.

8. If by July 31, 1979, less than ten (10) apartments in the Project have been sold to qualified purchasers, Seller, at its option, may cancel the Sales Contract upon written notice to Purchaser.

It is incumbent upon 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 the proceeds of said trust fund.

MANAGEMENT OF THE PROJECT: The By-Laws vest in the Board of Directors the power and duties necessary for the administration of the overall affairs of the Project. The By-Laws submitted to the Commission permit the Developer to appoint the initial managing agent for the Project. The Developer plans to enter into a contract with a professional Management Company as the initial managing agent.

STATUS OF PROJECT: The Developer has advised the Commission that the building was completed in 1965 as evidenced by the Certificate of Occupancy issued by the Building Department of the City and County of Honolulu on November 12, 1965.

NOTE: To the best of Seller's information and belief, the building presently built on the subject premises, is in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of its construction thereof, and no variance was granted from any ordinance, code, rule, regulation, or other requirements in force at the time of the construction thereof or from any current ordinance, code, rule, regulation or other requirement.

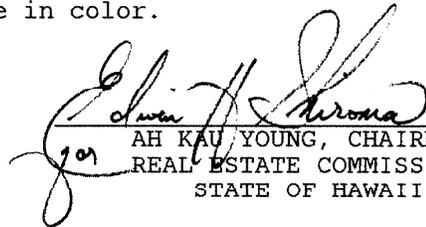
There are no current outstanding notices to the owners of the improvements of uncured violations of building codes or of other municipal violations.

The existing building is a non-conforming structure, defined as a structure which was previously lawful but which does not now comply with the present regulations. Additional improvements, including alterations, on the Project is subject to Ordinance 78-89 and the Comprehensive Zoning Code, Section 21-107, which relates to non-conformities.

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 June 22, 1979, and information subsequently filed as of August 21, 1979.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1145 filed with the Commission on June 22, 1979.

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 in color.


AH KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

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Registration No. 1145

August 27, 1979