

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
2412 ROSE STREET
Honolulu, Hawaii

REGISTRATION NO. 1398

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: April 6, 1981

Expires: May 6, 1982

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 buyer or prospective buyer is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED March 6, 1981 and information subsequently filed as of March 25, 1981. 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. 2412 ROSE STREET is a proposed leasehold condominium project which, according to the Developer's plans, will contain: three (3) commercial apartment units located in a single two story building; and twenty-one (21) parking stalls.
2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of this

condominium project and the issuance of this Preliminary Public Report.

3. The Developer has submitted to the Commission for examination a proposed Declaration of Horizontal Property Regime, proposed By-Laws of the Association of Owners and preliminary floor plans.
4. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The buyer or prospective buyer 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 Preliminary Public Report is made a part of the registration on the 2412 ROSE STREET condominium project. The Developer shall be responsible for placing this Preliminary Public Report (yellow 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.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, April 6, 1981 unless a Final or a Supplementary Public Report issues or the Commission upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: 2412 ROSE STREET

LOCATION: The land to be submitted to the Regime and on which the Project will be situated is located near Fort Shafter the address being 2412 ROSE STREET, Honolulu, Hawaii. The area of the land is approximately 21,726 square feet. A legal description of the land is set forth in the proposed Declaration.

TAX MAP KEY: First Division, 1-3-11-24

ZONING: B-2 (portion) and R-7 (portion)

DEVELOPER: ROSE STREET VENTURE, a Hawaii joint venture, whose address is 567 South King Street, Suite 600, Honolulu, Hawaii 96813. Telephone 524-9567. The co-venturers are Trask Development Corporation, a Hawaii corporation and BTI Development Corporation, general partner of BTI Ventures IV, a Hawaii limited partnership.

ATTORNEY REPRESENTING DEVELOPER: Allen W. Wooddell, SMOLENSKI, WOODDELL & SORENSEN, Suite 1717, 841 Bishop Street, Honolulu, Hawaii 96813. Telephone 524-5750.

DESCRIPTION: The proposed Declaration provides that the land submitted to the Regime will be improved, according to the Developer's plans and intention to sell, by constructing thereon three (3) commercial apartments (sometimes called "Buildings No. 1, 2 & 3").

The three (3) commercial apartments are located in a two (2) story building. There is no basement. The building has two (2) common stairways for access to the second floor.

The building is constructed principally of wood, concrete hollow tile, steel, glass, gypsum board and concrete.

There are twenty-one (21) parking stalls . Seven (7) designated stalls are reserved for each apartment.

Of the three (3) apartments, two, Building No. 1 and Building No. 3, are of the same type -- each contains six (6) rooms: a first floor office, toilet and storage room of approximately 1,294 square feet, a second floor office and toilet of approximately 1,256 square feet and a two story high storage space of approximately 1,968 square feet for a total of approximately 4,518 square feet of floor area. The apartment designated as Building No. 2 contains five (5) rooms: a first floor office and toilet of approximately 1,365 square feet, a second floor office and toilet of approximately 1,365 square feet and a two-story high storage space of approximately 1,968 square feet for a total of approximately 4,698 square feet of floor area.

Each apartment shall include the wall at the rear of each apartment except for any exterior painted surface thereof; and the inner-finished surfaces of all perimeter walls, all exterior load-bearing walls and all windows, floors and ceilings; and the air space encompassed within the perimeter walls, all walls, partitions and other improvements within said perimeter and all fixtures, equipment and built-in originally installed therein excluding therefrom however all common elements. Each apartment shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls except as related to the rear walls of the apartments, the unfinished floors and ceilings surrounding each such apartment, any glass windows or panels along its perimeter, or any pipes, wires, conduits or other utility lines running through such apartments which are utilized for or serve more than one apartment.

The portion of the Apartment on the first level has access to the public street by ground floor walkways and driveways. Portions of the Apartment on the second level have access to the public street via two stairways and the open corridor on the second level leading to the ground floor walkways and driveways.

All apartments are identified by number with Building No. 1 being on the north (Ewa) side of the building. Building No. 2 being in the middle of the building and Building No. 3 being on the south (Waikiki) side of the building.

ALTERATIONS OF UNITS: The owner of a unit shall have the right at any time and from time to time, at his sole cost and expense, and without the consent or joinder of the other unit owners to alter such unit, or to cause or permit such alterations to be made by his tenants, in accordance with the provision hereinafter set forth specifically, but without limiting the generality of the foregoing, such owners may, or may cause or permit his tenants to install, maintain, remove, and rearrange partitions and other structures from time to time within any such unit, and to paint, paper, panel, plaster, tile, finish, and do or cause to be done such other work on the interior surfaces of the ceilings, floors and walls within any such unit and to finish, alter or substitute any plumbing, electrical or other fixtures attached to said ceilings, floors and walls as shall be appropriate for the utilization of such unit by such owner or the tenant thereof; provided, that such plumbing and electrical alterations and/or substitutions shall not adversely affect the plumbing and electrical systems of the Project. All such alterations shall be made in accordance with the plans and specifications therefor first approved by the Board of Directors and prior to commencing or permitting any work to be commenced thereon, such owner shall secure a performance and payment bond naming the Board of Directors and First Hawaiian Bank as co-obligees in a penal sum of not less than 100% of the construction, guaranteeing completion of construction free and clear of all mechanics' and materialmen's liens.

The owner of any two adjacent units which are separated only by a wall may, with the consent of First Hawaiian Bank, the Board of Directors and any mortgagee, alter or remove all or portions of the intervening wall (whether or not load-bearing) which separates such units if the structural integrity of the Project is not thereby affected and if the finish of the common element then remaining is restored to a condition substantially comparable to that of the common elements prior to such alteration; provided, that prior to commencing any such alteration of a common element, the owner shall secure a performance and payment bond naming as obligees First Hawaiian Bank and collectively the owners of all other units as their interests may appear, in a penal sum of not less than 100% of the cost of such construction, guaranteeing the completion thereof free and clear of all mechanics' and materialmen's liens. The owner of such adjacent units may install in and attach to such opening or openings in such wall, doors and other service devices and may remove and retain ownership of the items so installed. Upon the termination of the common ownership of such adjacent units, any intervening wall which has been altered or removed pursuant to the foregoing provisions shall be restored to substantially the condition in which the same existed prior to such alteration or removal. Subject to the terms and conditions of the applicable condominium conveyance documents and at the sole expense of the unit owner involved, the owner of any such two adjacent units shall have the right to make additions to or alterations and physical partitions within such units; provided, that no work shall be done which would jeopardize the soundness or safety of the Project, reduce the value thereof, detract from the external appearance of the unit, or impair any easement, without in every such case the prior written consent of First

Hawaiian Bank, the Board and all other unit owners directly affected thereby (as determined by the Board).

COMMON ELEMENTS: The proposed Declaration reflects that the common elements will include:

(a) the land in fee simple;

(b) all foundations, columns, girders, beams, floor slabs, supports, the unfinished surfaces of all load-bearing walls, party walls separating adjacent apartments and outside walls except the unpainted portion of the rear wall of the building which shall be part of the respective apartments, walls separating adjacent apartments; and all balconies, roofs entrances and exits to the building;

(c) all portions of the stairways which are at the front corners of the building including the storage areas underneath the stairways with outside access;

(d) on the street level of the Project, the driveways, parking spaces, trash area, sidewalks and planting areas;

(e) all ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations which serve more than one condominium apartment for services such as power, light, water, telephone, radio and television signal distribution;

(f) all other portions of the Project necessary or convenient to its existence, maintenance or safety or normally in common use but not included as a part of any apartment pursuant to the Declaration.

LIMITED COMMON ELEMENTS: The proposed Declaration reflects that the limited common elements, and the apartments to which these limited common elements are appurtenant, are as follows:

Building No. 1 Parking stall numbers 1 through 5 inclusive and numbers 8 and 19 and the loading area immediately to the rear of Building No 1 and adjacent to parking stall 19;

Building No. 2 Parking stalls numbers 6, 7, 9, 10, 12, 13 and 20 and the loading area immediately to the rear of Building No. 2 and adjacent to parking stall 20;

Building No. 3 Parking stalls numbers 11, 14, 15, 16, 17, 18 and 21 and the loading area immediately to the rear of Building No. 3 and adjacent to parking stall 21;

all as shown on the proposed Condominium Map. Stalls number 8, 9, 10, 11 and 21 are for compact cars.

The parking stalls and loading areas so set aside are not transferable from one apartment to another.

Costs and expenses pertaining to common elements shall be charged to and borne by each owner in accordance with his undivided percentage interest in the common elements.

PERCENTAGE OF COMMON INTEREST: The undivided percentage interest in the common elements appurtenant to each apartment is as set forth below, and each apartment shall have said percentage in all common profits and expenses of the Project and for purposes of voting.

<u>APARTMENT</u>	<u>PERCENT OF UNDIVIDED INTEREST</u>
Building No. 1	33.33%
Building No. 2	33.34%
Building No. 3	33.33%

USE: The proposed Declaration states that each apartment may be used for any purpose permitted by law provided each owner shall comply with the terms of the Declaration and By-Laws of the Association of Apartment Owners.

The proposed By-Laws of the Association provide, in part: (1) No person shall use an apartment as living quarters; and (2) No animals whatsoever shall be allowed or kept in any part of the Project.

OWNERSHIP TO TITLE: The Preliminary Title Report dated February 23, 1981, and issued by SECURITY TITLE CORPORATION, certifies that the fee simple title to the Land is vested in FIRST HAWAIIAN BANK, a Hawaii corporation, Trustee under that certain Trust indenture dated August 2, 1968, but effective June 19, 1968, by JESSIE ROBB KUPAU as Settlor.

ENCUMBRANCES ON TITLE: Said Preliminary Title Report dated February 23, 1981, reveals the following encumbrances:

1. Mortgage dated February 3, 1966 by JESSICA ROBB KUPAU, Mortgagor, to State Savings and Loan Association, mortgage to secure repayment of \$27,700, filed with the Assistant Registrar of the Land Court as Document No. 381886.
2. Lease dated January 14, 1981 from First Hawaiian Bank, Trustee to Trask Development Corporation (one of the developer's co-venturers) for a term of 56 years commencing February 1, 1981 filed with the Assistant Registrar of the Land Court as Document No. 1053468.

NOTE: Trask Development has agreed to transfer its leasehold rights to the Developer.

3. The aforesaid Trust Indenture dated August 2, 1968, was filed in the Office of the Assistant Registrar of the Land Court as Document No. 451817.
4. For any taxes that are due and owing and a lien on the land, reference is made to the Office of the Tax Assessor, First Division.

The Developer advises that the Property will be subject to a mortgage or mortgages to finance the development and construction of the Project. All such mortgages will be released prior to any transfer of title to a purchaser. The Developer also advises that the Property may be subjected to easements and like encumbrances for utilities and services to the Project.

PURCHASE MONEY HANDLING: Copies of the specimen Sales Contract, specimen Condominium Conveyance Document, and the executed Escrow Agreement dated February 25, 1981, between Security Title Corporation and the Developer, have been submitted as part of the registration. On examination, the specimen Sales Contract and executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and specifically, but without limitation, to §514A-40(6) and §§514A-37, 514A-39, 514A-63-66.

It is incumbent upon the purchaser and prospective purchaser that he read with care these documents. The Escrow Agreement establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said Trust Fund, and in particular discloses that down-payment funds may be released from escrow for the payment of certain development costs of the Project in compliance with the above-noted sections of the Hawaii Revised Statutes, as amended.

The Escrow Agreement provides, among other things, that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay the funds to the purchaser, without interest, if purchaser requests in writing refund of his funds, provided, one of the following has occurred:

(a) Seller has requested Escrow in writing to return to purchaser the funds of purchaser then being held hereunder by Escrow; or

(b) Purchaser's funds were obtained prior to the issuance of a Final Public Report and subsequent to the execution of purchaser's sales contract there is a change in the condominium building plans requiring the approval of a county officer having jurisdiction over the issuance of permits for the construction of buildings (unless purchaser has given written approval or acceptance of the specific change); or

(c) The Final Public Report differs in any material respect from the Preliminary Public Report; or

(d) If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

Upon refund of the funds to purchaser as aforesaid, Escrow shall return to Seller purchaser's sales contract and any conveyancing documents theretofore delivered to Escrow, and thereupon purchaser shall no longer be obligated thereunder, and the documents shall be deemed no longer held thereunder.

The specimen Sales Contract determines the time for and the amount of installment payments on the purchase price, and the payment of closing costs. The specimen Sales Contract also provides for termination pursuant to the above-noted sections of the Hawaii Revised Statutes; and at the Developer's option, in those circumstances discussed under the heading 9, Provisions Concerning Completion of the Project and Termination, or if the Developer is prevented by law from proceeding with the construction of the Project, or if the purchaser should default. Purchasers and prospective purchasers should read said provisions of the specimen Sales Contract with care.

The specimen Sales Contract also provides that it shall operate as a reservation of an apartment in favor of the purchaser, subject to purchaser's continued performance thereunder, but not as a binding obligation to purchase unless and until the purchaser receipts for a copy of the Final Public Report on the Project. Further, the specimen Sales Contract provides that if construction has not commenced for any reason by September 1, 1981, then or at any time thereafter until construction does commence, the Developer may terminate a Sales Contract. All interest on payments made pursuant to a Sales Contract belongs to the Developer.

The Developer has the obligation, as set forth in the specimen Sales Contract, to complete the construction of the Project within two years from the date of issuance by the Real Estate Commission of a Final Public Report on the Project. A purchaser signing a Sales Contract merely reserves an apartment and is not obligated to purchase unless and until he receipts for a copy of the Final Public Report. The Developer's obligation to complete the Project within said two-year period is subject to extensions of time for matters outside of the Developer's control; provided, if such extensions exceeds nine (9) months, then either party may terminate the Sales Contract.

Note: Prospective purchasers should be aware that all security interests obtained by the construction lender in connection with construction loans, as well as any extensions, renewals and modifications thereof, shall be and remain at all times a lien or charge on the Project prior to and superior to any and all liens or charges arising from any Sales Contract or any other prior reservation agreement.

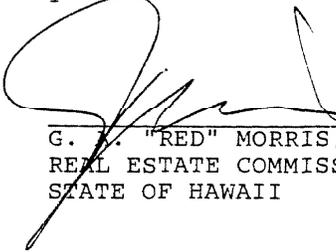
MANAGEMENT AND OPERATION: The By-Laws of this Project state that the management and operation of the Project shall be vested in the Board of Directors, that the Board of Directors may employ, for the Association of Apartment Owners, a management agent to perform such duties as the Board shall authorize, including the collection of all assessments from the owners. The specimen Sales Contract provides that the Developer, acting on behalf of the Association, has the authority to initially appoint a responsible corporate management agent. The initial management agent selected is Trask Development Corporation, one of the developers. An executed management contract has been submitted as part of the registration.

STATUS OF PROJECT: The Notice of Intention reflects that the financing for the acquisition and construction of the Project has not been arranged, that construction of the Project has not commenced as of the date of this Public Report, nor has the contractor been selected, nor has permanent financing for the Project been arranged. Developer advises that it has set August, 1981, as the estimated month for commencement of construction. The specimen Sales Contract states that completion should occur in June, 1982.

The buyer or prospective buyer should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted March 6, 1981 and information subsequently filed as of March 25, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1398 filed with the Commission on March 6, 1981.

The Report when reproduced shall be a true copy of the Commission's Preliminary Public Report. The paper stock used in making facsimiles must be yellow.



G. W. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Registration No. 1398
April 6, 1981