

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

LAKESIDE CORONET
3230 Ala Ilima Street
Honolulu, Hawaii

REGISTRATION NO. 492

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 18, 1972

Expires: January 18, 1974

SPECIAL ATTENTION

A comprehensive reading of the 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 NOVEMBER 2, 1972. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. LAKESIDE CORONET is a proposed leasehold condominium project consisting of one (1) six-story residential building containing thirty (30) dwelling units, 30 parking stalls, a swimming pool, and utility rooms.

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 Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners, and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.
4. No advertising or promotional matter has 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 514, 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 date of issuance, December 18, 1972, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of the report.

NAME OF PROJECT: LAKESIDE CORONET

LOCATION: The 21,110 square feet, more or less, of land (Lot 3359, Map 371, Land Court Application No. 1074) submitted to the Regime, having a street number of 3230 Ala Ilima Street, Honolulu, City and County of Honolulu, State of Hawaii, is located on the mauka side of Ala Ilima Street, approximately 125 feet from the intersection of Ala Ilima Street and Ala Liliko'i Street, in the Lakeside Subdivision (Salt Lake) in Moanalua, Honolulu, Hawaii.

TAX KEY: First Division, 1-1-59: 19 & 20

ZONING: Apartment A-3 District

DEVELOPER: MAN KWONG AU, whose residence address is 933 Hookipa Way, Honolulu, Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Hong and Iwai (Attention: Mr. Russell L. Ching), 1000 Bishop Street, Room 901, Honolulu, Hawaii. Telephone 537-5505.

DESCRIPTION: The improvements to be constructed on the land consist of a 6-story residential building, together with parking facilities, a swimming pool and utility rooms. The principal materials of said building will be reinforced concrete, concrete blocks and wooden doors and trim. The description, including the location, apartment number and approximate area and other pertinent data relative to the respective apartments are as follows:

(a) The first floor will contain a swimming pool and deck, a lobby and mailbox area, an elevator machine room, an electrical room, and 30 open parking spaces. A laundry room will be located on the second floor. The apartments are located from the first floor through the sixth floor. Each of the apartments will consist of a living room, 1 bedroom, 1 bath, a hallway, a lanai and a kitchenette.

(b) The apartments will be numbered consecutively starting from north to south from 1 to 5, inclusive, preceded by a "0" which shall have no significance and by a number which corresponds to the floor on which the apartments are located. Starting from the first floor the apartments will bear numbers 101 to 105, inclusive. Similarly, the apartments on each of the floors will bear the numbers of the floor on which the apartments are located followed by a "0" and then the number of the apartment. By the foregoing numbering system, all apartments bearing apartment numbers with the same last digit will be in a vertical alignment from the first floor to the sixth floor.

(c) The approximate areas of the respective apartments are as follows:

(i) All apartments bearing numbers with 1 and 5 as the last digit which are the apartments located on the north and south end of the building, will contain an enclosed area of approximately 574 square feet, and a lanai with approximately 78 square feet;

(ii) All apartments bearing numbers with 2, 3 and 4 as the last digit which are the interior apartments will contain an enclosed area of approximately 574 square feet, and a lanai with approximately 48 square feet.

(d) Each of the apartments will have immediate access to a balcony-walkway and to a stairway which are common elements.

COMMON ELEMENTS: The proposed Declaration states that the common elements shall include, but are not limited to the following: (a) the land in fee simple; (b) all foundations, columns, girders, beams, supports, bearing walls, main walls, roofs, floors, ceilings, lobbies, walkways, stairways, elevator, ducts, electrical equipment, wiring, pipes, and other central and appurtenant transmission facilities and installations over, under, and across the project which serves more than one apartment for services, such as power, light, water, gas, sewer, telephone, and radio and television signal distribution; (c) all driveways, roads, and other common ways, landscaping, yards, gardens, swimming pool, fences, retaining walls, refuse collection areas, mailbox areas, laundry room, and parking areas; (d) any and all other apparatus and installation of common use and all other parts of the property necessary or convenient to its existence, maintenance, and safety, or normally in common use; and (e) all other parts of the Project which are not included in the definition of an apartment.

LIMITED COMMON ELEMENTS: The proposed Declaration provides that portions of the common elements are set aside and designated as limited common elements. The limited common elements are:

(a) Parking Spaces. Each apartment will have as an appurtenance thereto one (1) parking space for the exclusive use of such apartment. The respective apartments and the parking spaces which are appurtenant thereto are as follows:

<u>Apartment No.</u>	<u>Parking Space No.</u>	<u>Apartment No.</u>	<u>Parking Space No.</u>
101	1	401	9
102	30	402	10
103	2	403	11
104	29	404	12
105	3	405	13
201	28	501	14
202	4	502	15
203	27	503	16
204	5	504	17
205	26	505	23
301	6	601	18
302	25	602	19
303	7	603	22
304	24	604	21
305	8	605	20

Each of the foregoing parking spaces is shown on the site plan filed with the Commission and will be shown on the condominium map to be filed in the Office of the Assistant Registrar of the Land Court.

(b) Mailboxes. The mailboxes belonging to each apartment are set aside as limited common elements for the exclusive use of the apartments to which they belong.

Except for said parking space and mailboxes, there are no other restricted or limited common elements.

INTEREST TO BE CONVEYED PURCHASER: According to the specimen copies of the conveyance documents submitted to the Commission, the developer proposes to convey apartments by way of an Apartment Deed which purports to convey an apartment in fee simple and a specified undivided interest in and to the common elements of the building and all other improvements on the land. Together with such Apartment Deed, the developer proposes to lease to the purchaser, by way of a Ground Lease, a specified undivided interest in and to the land submitted to the Horizontal Property Regime. The Ground Lease specifically provides that no assignment, mortgage or sublease may be made of the Ground Lease separate and apart from a transfer of the apartment with which the Ground Lease was issued.

Purchasers are advised to study with care the "SURRENDER" clause of the Ground Lease to determine their rights and obligations upon termination of the Ground Lease.

Under the provisions of the Declaration the undivided interest in the common elements ("common interest") appertaining to each of the respective apartments and the undivided interest to be demised under the Ground Lease to each of the respective apartment purchasers are 3.333+% or $\frac{1}{30}$ fractional interest.

The foregoing common interest also represents the proportionate share of the respective apartment owners in all common profits and common expenses and for all other purposes, including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The purpose for which the apartments are intended and restricted as to use is residential; provided, that this shall not be construed to prohibit the renting or leasing of said apartments for profit, individually or otherwise, so long as the ultimate tenant thereof uses the apartment as a place in which to reside as distinguished from a place in which to carry on a trade or business.

OWNERSHIP OF TITLE: A preliminary title report prepared by First American Title Company of Hawaii, Inc., dated October 25, 1972, certifies that the fee simple title to the land is vested in Clarence Thing Chock Ching and Fong Ting Mau, General Partners of International Development Company, a registered limited partnership, as Joint Tenants.

The Developer has filed with the Commission a copy of an executed Option Agreement to purchase the fee title to the land from the General Partners of International Development Company.

ENCUMBRANCES AGAINST TITLE: Said preliminary title report as of October 25, 1972, certifies that the records reveal no liens or encumbrances against said title, save and except the following: (a) Reservation in Deed dated October 14, 1965, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 372554, including any right of ingress and egress upon said lands by Release dated October 12, 1965, filed in said Office of the Assistant Registrar as Document No. 372562, and also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5163, Page 562; (b) First Mortgage B dated October 14, 1965, filed in said Office of the Assistant Registrar as Document No. 372556, made by the General Partners of International Development Company, as Mortgagor, in favor of The Mutual Benefit Life Insurance Company, as Mortgagee; (c) Consolidation Agreement dated October 14, 1965, filed in said Office of the Assistant Registrar as Document No. 372558, and also recorded in said Bureau of Conveyances in Liber 5163, Page 539, consolidating Mortgage Document Nos. 372556 and 372557; (d) Second Mortgage dated October 14, 1965, filed in said Office of the Assistant Registrar as Document No. 372559, and also recorded in said Bureau of Conveyances in Liber 5163, Page 550, made by the General Partners of International Development Company, as Mortgagor, in favor of Hawaiian Dredging & Construction Company, Ltd., as Mortgagee; (e) Declaration of Covenants dated October 16, 1967, filed in said Office of the Assistant Registrar as Document No. 429467, as amended by instruments dated November 28, 1967, and November 30, 1967, and filed as Document Nos. 432374 and 432899, respectively; (f) Easement 662 for storm drainage purposes to the

City and County of Honolulu to construct, reconstruct, install, maintain, operate, repair, and remove a drainage structure or structures, including necessary appurtenant equipment, as part of a drainage system, through, under and across said Easement 662, as designated and granted by instrument dated March 8, 1968, filed as Document No. 471825; (g) Subordination Agreement dated March 8, 1968, filed in said Office of the Assistant Registrar as Document No. 471826, whereby Hawaiian Dredging & Construction Company, Ltd. (Dillingham Corporation) subordinate Mortgage Document No. 372559 (encumbrance (d)) to Grant Document No. 471825 (encumbrance (f)); (h) Consolidation of Lot 2948 and Lot 2949 into Lot 3359 as shown on Map 492, as set forth by Land Court Order No. 36112, filed October 13, 1972; (i) Real property taxes that may be due and owing; and (j) Reservation of all artesian and other underground water and rights to the Trustees under the Will and of the Estate of Samuel M. Damon, deceased, as reserved in that certain deed made by said Trustees dated October 7, 1965, filed in said Office of the Assistant Registrar as Document No. 372554.

The Developer advises the Commission that the present owners in fee of said land, being the grantors of the option to the developer herein, have expressly covenanted to satisfy and discharge encumbrances (b), (c), and (d) above as affecting the subject land prior to execution and delivery of deed to the developer.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement duly executed and dated October 20, 1972, between MAN KWONG AU, as Seller, and LIBERTY BANK, as Escrow, has been submitted to the Commission as part of this registration. The specimen Reservation and Contract and the executed Escrow Agreement have been examined. Among other conditions, the Escrow Agreement provides for the payment of all monies under the Reservation and Contract to the Escrow and that Escrow shall not disburse any funds held under any Reservation and Contract to the Seller unless and until: (a) all conditions of the Truth in Lending Act, if applicable, are met; (b) the Real Estate Commission has issued a final report; (c) the purchaser has been given a copy of said final report, has acknowledged receipt of the same, and 48 hours have elapsed since such receipt; and (d) the Seller has complied with all other requirements of Chapter 514, Hawaii Revised Statutes. The Escrow Agreement also provides that Escrow shall refund all monies of the purchaser held by the Escrow upon the happening of the following: (a) receipt of a written request by Seller and Purchaser to refund Purchaser's funds; (b) receipt of a written request from Purchaser to refund Purchaser's funds if such Purchaser's funds were obtained prior to the issuance of a final public report, and (i) if subsequent to the execution of the Reservation Contract there has been any change in the building plans which require the approval of the county officer having jurisdiction, unless the Purchaser approves such change, or (ii) if the final report when issued differs in any material respect from the preliminary report, unless the Purchaser approves such difference, or (iii) if the final report is not issued within one (1) year of the issuance of the preliminary report. If the Purchaser is not able to obtain a mortgage for the purchase of the apartment, the Seller has the option to cancel the Reservation and Contract and to refund all monies paid by the Purchaser, except costs incurred, such as credit reports and Escrow cancellation fees.

The requirements of Section 514-35 to 514-40, Hawaii Revised Statutes have been met in the Reservation and Contract.

Among other provisions, the Reservation and Contract provides that the same shall become binding and enforceable against either of the parties upon the occurrence of the following: (a) the issuance of a final report within one (1) year from the date of the issuance of the preliminary report; (b) the final report when issued shall not differ in any respect from the preliminary report; and (c) the expiration of 48 hours after Seller shall have delivered a copy of the said final report to Purchaser and shall have taken Purchaser's receipt therefor, the Purchaser acknowledging that 48 hours shall constitute and be deemed full opportunity to read the final report. Also, in the event that there shall be any change in the condominium plans subsequent to the execution of the contract, which change shall require the approval of the county officer having jurisdiction (Building Department of the City and County of Honolulu), the Seller shall refund to the Purchaser all payments made by Purchaser under the Contract, unless Purchaser shall approve or accept in writing such change or changes.

MANAGEMENT AND OPERATION: The proposed Declaration states that the administration of the Horizontal Property Regime shall be vested in the "Association of Apartment Owners of Lakeside Coronet," referred to as the "Association." Each owner of an apartment automatically, upon becoming an owner, becomes a member of said Association and remains a member until such time as his ownership ceases. Under the proposed Bylaws the Association will have the responsibility of the general administration of the project, including the approving of the annual budget, establishing and collecting monthly assessments, and arranging for the management of the project by a managing agent. The Board of Directors are given the power and duty to manage, operate, care, and maintain the property of the regime, the common elements and the limited common elements, and to employ and dismiss personnel necessary for the maintenance, operation, repair, and replacement of the common elements.

FINANCING OF THE PROJECT: The Notice of Intention indicates that the developer has engaged Loyalty Mortgage Co., Inc., to actively seek interim and long-term financing for the project. The developer has submitted a general letter of commitment showing the interest of Liberty Bank in providing the interim financing. The developer has not obtained any firm commitment for an interim construction mortgage or for any permanent mortgages on individual apartments. The developer represents that commitments for both construction mortgage and permanent mortgages will be forthcoming.


STATUS OF THE PROJECT: No construction contract has been executed but the developer has designated Dynamic Industries, Inc., as the contractor to construct the building. The developer states that any commitment for an interim construction loan will contain a condition that not less than 80% of the apartments be "pre-sold" before the loan can be consummated. The Reservation and Contract also provides that the Seller has the option to cancel the Contract if after nine (9) months from the issuance of the final report less than 25 of the apartments are sold. The Purchaser or prospective Purchasers

should be cognizant of the fact that by reason of the foregoing 80% condition, the construction of the condominium project will not commence unless and until 25 apartments or thereabouts have been sold. The Notice of Intention states that the construction of the proposed condominium apartment building should commence within one (1) year from the issuance of the preliminary report. This estimate of the date of commencement of construction is the developer's estimation of the time to achieve said 80% requirement.

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 November 2, 1972.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 492 filed with the Commission on November 2, 1972.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be yellow.



(for) DOUGLAS R. SOETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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December 18, 1972
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