

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

YACHT CLUB TERRACE
Kaneohe, Oahu, Hawaii

REGISTRATION NO. 549

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: July 19, 1973

Expires: August 19, 1974

SPECIAL ATTENTION

A comprehensive reading 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 APRIL 17, 1973. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. YACHT CLUB TERRACE is a proposed leasehold condominium project consisting of twenty-seven (27) buildings and one hundred sixty-eight (168) apartments. There are a total of one hundred sixty-eight (168) residential apartments and three hundred seventy-seven (377) parking spaces.

2. Materials. The principal materials used in the construction of the building are wood, concrete, shake and gravel roofs.

3. 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.

4. 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 filed in the Bureau of Conveyances of the State of Hawaii.

5. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, July 19, 1973, unless a Final Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

8. This Preliminary Public Report is made a part of registration of Yacht Club Terrace 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. Securing a signed copy of the Receipt for the Preliminary Horizontal Property Regime Public Report from each purchaser is also the responsibility of the Developer.

NAME OF PROJECT: YACHT CLUB TERRACE

LOCATION: The 32.773 acres of property to be committed to the Regime is situate between Kaneohe Bay Drive, Kauinohea Place, H-3 Freeway and Yacht Club Hill, Kaneohe, Oahu, State of Hawaii.

TAX MAP KEY: First Division: 4-4-12-1 (portion)

ZONING: R-3, PHD No. R-28 (Ordinance No. 4122)

DEVELOPER: Dan Ostrow Construction Co., Inc., a Hawaii corporation, 700 Bishop Street, Honolulu, Hawaii, Phone 536-4495, Suite 1415. The officers of the corporation are:

Dan Ostrow	President
James H. Wodehouse, Jr.	Executive Vice President
Joel S. Ostrow	Vice President
Ardie L. Ostrow	Secretary
Philip Wong	Treasurer

ATTORNEY REPRESENTING DEVELOPER: Conroy, Hamilton, Gibson, Nickelsen & Rush (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 leasehold condominium project consisting of twenty-seven (27) buildings containing

one hundred sixty-eight (168) apartments.

- Building "1" contains Apartments Nos. 101 to 109.
- Building "2" contains Apartments Nos. 201 to 206.
- Building "3" contains Apartments Nos. 301 to 309.
- Building "4" contains Apartments Nos. 401 to 406.
- Building "5" contains Apartments Nos. 501 to 506.
- Building "6" contains Apartments Nos. 601 to 606.
- Building "7" contains Apartments Nos. 701 to 705.
- Building "8" contains Apartments Nos. 801 to 804.
- Building "9" contains Apartments Nos. 901 to 906.
- Building "10" contains Apartments Nos. 1001 to 1004.
- Building "11" contains Apartments Nos. 1101 to 1106.
- Building "12" contains Apartments Nos. 1201 to 1206.
- Building "13" contains Apartments Nos. 1301 to 1306.
- Building "14" contains Apartments Nos. 1401 to 1406.
- Building "15" contains Apartments Nos. 1501 to 1506.
- Building "16" contains Apartments Nos. 1601 to 1606.
- Building "17" contains Apartments Nos. 1701 to 1709.
- Building "18" contains Apartments Nos. 1801 to 1806.
- Building "19" contains Apartments Nos. 1901 to 1906.
- Building "20" contains Apartments Nos. 2001 to 2006.
- Building "21" contains Apartments Nos. 2101 to 2106.
- Building "22" contains Apartments Nos. 2201 to 2206.
- Building "23" contains Apartments Nos. 2301 to 2306.
- Building "24" contains Apartments Nos. 2401 to 2406.
- Building "25" contains Apartments Nos. 2501 to 2506.
- Building "26" contains Apartments Nos. 2601 to 2606.
- Building "27" contains Apartments Nos. 2701 to 2708.

Each apartment has the layout and contains the number of rooms and the approximate floor area according to the plans submitted by the Developer as follows:

Type A: A one-story unit consisting of five rooms (two bedrooms, a bathroom, kitchen, and living-dining room) with an approximate area of 922 square feet. (Three Units). Being Nos. 504, 1104 and 2604.

Type AR: The reverse of Type A. (Three Units). Being Nos. 501, 1101 and 2601.

Type A1: The same as Type A except for an additional half-bath in lieu of a walk-in closet. (Six Units). Being Nos. 502, 506, 1102, 1106, 2602 and 2606.

Type AR¹: The reverse of Type A1. (Six Units), being Nos. 503, 505, 1103, 1105, 2603 and 2605.

Type B: A two-story unit consisting of eight rooms (three bedrooms, two bathrooms, a powder room, kitchen and living-dining room) with an approximate area of 1,300 square feet. (Twelve Units), being Nos. 403, 405, 603, 605, 903, 905, 1203, 1205, 1503, 1505, 2503 and 2505.

Type BR: The reverse of Type B. (Twelve Units), being Nos. 402, 404, 602, 604, 902, 904, 1202, 1204, 1502, 1504, 2502 and 2504.

Type B1: The same as Type B except for an additional linen closet at the stair hall which increases the approximate area to 1,316 square feet. (Six Units), being Nos. 401, 601, 901, 1201, 1501 and 2501.

Type BR¹: The reverse of Type B1. (Six Units), being Nos. 406, 606, 906, 1206, 1506 and 2506.

Type C: A two-story unit consisting of eight rooms (four bedrooms, two bathrooms, a kitchen, and living room with dining area) with an approximate area of 1,555 square feet; two balconies with a total approximate area of 117 square feet. (Six Units), being Nos. 702, 705, 802, 804, 1002 and 1004.

Type CR: The reverse of Type C. (Seven Units), being Nos. 701, 703, 704, 801, 803, 1001 and 1003.

Type D: A two-story unit consisting of seven rooms (three bedrooms, two bathrooms, kitchen, and living room with dining area) with an approximate area of 1,321 square feet; a balcony with an approximate area of 114 square feet. (Thirteen Units), being Nos. 1402, 1404, 1406, 2202, 2204, 2206, 2302, 2304, 2306, 2702, 2704, 2706 and 2708.

Type DR: The reverse of Type D. (Thirteen Units), being Nos. 1401, 1403, 1405, 2201, 2203, 2205, 2301, 2303, 2305, 2701, 2703, 2705 and 2707.

Type E: A one-story unit consisting of seven rooms (three bedrooms, two bathrooms, kitchen, and living room with dining area) with an approximate area of 1,200 square feet. (Fourteen Units), being Nos. 101, 102, 201, 301, 302, 1301, 1601, 1701, 1702, 1801, 1901, 2001, 2101 and 2401.

Type ER: The reverse of Type E. (Eleven Units), being Nos. 103, 202, 303, 1302, 1602, 1703, 1802, 1902, 2002, 2102 and 2402.

(There are no Type F units in the Project).

Type G: A two-story unit consisting of seven rooms (three bedrooms, two bathrooms, kitchen, and living-dining room) with an approximate area of 1,489 square feet. (Twenty-five Units), being Nos. 104, 106, 108, 203, 205, 304, 306, 308, 1303, 1305, 1603, 1605, 1704, 1706, 1708, 1803, 1805, 1903, 1905, 2003, 2005, 2103, 2105, 2403 and 2405.

Type GR: The reverse of Type G. (Twenty-five Units), being Nos. 105, 107, 109, 204, 206, 305, 307, 309, 1304, 1306, 1604, 1606, 1705, 1707, 1709, 1804, 1806, 1904, 1906, 2004, 2006, 2104, 2106, 2404 and 2406.

Each apartment has 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 utilities or service lines running through such apartments 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, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, the lanai air space, and all fixtures originally installed therein.

COMMON ELEMENTS: One freehold estate is designated in all of the remaining portions of the project, herein called "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, entrances and exits of said buildings;
3. All roadways, walkways, grounds, landscaping and recreational facilities, including the recreational center and swimming pool.
4. All parking areas, service rooms, equipment rooms, and storage areas.
5. All central and appurtenant installations for common services, including power, light, water, gas, sewer, telephone, television antenna, and trash disposal.
6. All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.
7. All other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Each of 336 of the 377 parking stalls shall be a limited common element reserved for the use of a certain apartment. Each apartment shall have an exclusive easement to use two parking stalls, such stalls being designated in the Apartment

Lease relevant to each apartment. Each balcony, fenced yard, patio, lanai and garbage can enclosure shall be a limited common element reserved for the use of the apartment to which it is attached or immediately adjacent and as shown on said Condominium Map. However, notwithstanding anything to the contrary contained or inferable herein, those of the Lessor and Developer who from time to time have a leasehold interest in the premises shall have easements, over, under and across the common elements of the Project, both general and limited, for purposes of work connected with or incidental to the development, construction and sale of the Project or any part thereof or any interest therein.

However, during the time the Developer is engaged in a sales program covering apartments in the Project, the Developer shall be entitled with respect to such apartments as Developer at the time has a leasehold interest in to use such apartments as sales offices and as models for display.

INTEREST TO BE CONVEYED TO PURCHASERS: The Declaration states that the purchasers will secure an apartment lease demising an apartment together with the following appurtenant undivided percentage interest in the common elements of the project:

Types A, AR, A1, AR ¹	0.41421%
Types B, BR	0.58403%
Types B1, BR ¹	0.59119%
Types C, CR	0.69856%
Types D, DR	0.59344%
Types E, ER	0.53908%
Types G, GR	0.66891%

This same percentage interest for each apartment shall be used in determining each purchaser's proportionate share of all common profits and expenses of the project and shall be used for all other purposes including determining the proportionate representation for voting purposes in the Association of Apartment Owners of the project.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests. The apartments may not be used for any other purpose unless consent of the Board of Directors is secured. The owners of the respective apartments shall have the absolute right to lease the same subject to the limitations, restrictions, covenants and conditions of the Declaration.

OWNERSHIP OF TITLE: The Developer in its Notice of Intention represents that it is the Master lessee of the property committed to the project, said leasehold interest in the property having been conveyed to the Developer by James C. Castle, James Gordon McIntosh, Hawaiian Trust Company, Limited, Harold K. L. Castle Foundation, James C. Castle, Henry H. Wong, Hawaiian Trust Company, Limited, Clinton Williams Murchison, Jr., John Dabney Murchison, Paul Whitney Trousdale and Horace Winfred Beek White, by Master lease dated July 6, 1973, and recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 9307, at Page 77. The Master Lessors will issue individual apartment leases directly to the buyers.

ENCUMBRANCES AGAINST TITLE: A Preliminary Report dated February 12, 1973, issued by Security Title Corporation, as submitted to the Commission, provides that the following are encumbrances against title to the property.

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 6955 and Royal Patent No. 129.
2. Further proceedings had in the matter of the Estate of Harold K. L. Castle, Deceased, now pending in the Circuit Court of the First Circuit, State of Hawaii, under Probate No. 29772.

By instrument dated September 8, 1972, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 601486, and also recorded on September 8, 1972 in the Bureau of Conveyances of the State of Hawaii in Book 8651, Page 369, the foregoing Order of Probate was amended.

3. Lis Pendens dated May 2, 1969, recorded on May 2, 1969 in said Bureau of Conveyances in Book 6506, Page 315, and Amended Lis Pendens dated June 2, 1970, recorded on June 2, 1970 in said Bureau of Conveyances in Book 7034, Page 28, made in the matter entitled STATE OF HAWAII, by its Attorney General, Plaintiff, vs. JAMES C. CASTLE, et al., Defendants, now pending in the Circuit Court of the First Circuit, State of Hawaii, under Civil No. 27870, re: suit to acquire abutter's rights of access over and across portions of Parcel First, (also affects other property).

4. For any taxes that may be due and owing on the land, reference is hereby made to the office of the Tax Assessor of the First Taxation Division.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated April 10, 1973, between Bank of Hawaii, 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 514, Hawaii Revised Statutes, and particularly Sections 514-36 through 514-40, H.R.S. Among other provisions, the executed Escrow Agreement states that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest, and less Escrow's \$15.00 cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

1. Escrow receives a written request from Developer to return to purchaser the funds of such purchaser then held under the Escrow Agreement by Escrow; or
2. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the condominium building plans, subsequent to the execution of purchaser's sales contract, requiring the approval of a County officer having jurisdiction over the issuance of permits for construction of building, unless the purchaser has given written approval or acceptance of the specific change; or
3. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or

4. If the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has given written approval or acceptance of the difference; or

5. If the Final Public Report is not issued within one year of the date of issuance of the Preliminary Public Report.

The specimen reservation agreement states that in the event less than 132 apartment units are sold prior to one year from the date of issuance of this Preliminary Public Report, Seller may at its option cancel this contract and refund all moneys to Buyers, without interest.

It is incumbent of the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the reservation agreement since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's funds. The specimen reservation agreement specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided. Purchasers and prospective purchasers are advised to read with care the provisions of the reservation agreement.

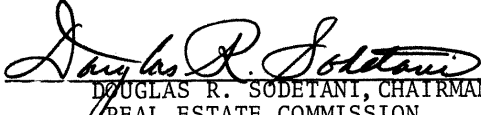
MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The Developer in its Notice of Intention indicates that it has not yet selected an initial managing agent; the reservation agreement to be signed by purchasers provides that Developer may appoint the initial managing agent for the project.

STATUS OF PROJECT: Complete and final plans and specifications are in the process of preparation. The Developer advises that it estimates construction on the project will begin in April, 1973.

The purchaser and 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.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION No. 549 filed with the Commission April 17, 1973.

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.


DOUGLAS R. SODETANI, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

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Registration No. 549
July 19, 1973