

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

THE WARD LANAI
1443 Ward Avenue
City and County of Honolulu
State of Hawaii

REGISTRATION NO. 853

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 26, 1976
Expires: May 26, 1977

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 APRIL 1, 1976. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. THE WARD LANAI is a leasehold condominium project consisting of one building, without a basement, and nine (9) stories. There are a total of twenty-eight (28) apartment units and forty-two (42) parking stalls, of which ten (10) parking stalls are compact stalls. There shall be at least one parking stall appurtenant to each apartment.

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 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 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, 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 of THE WARD LANAI 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.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, April 26, 1976, unless a Final Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: THE WARD LANAI

LOCATION: The 16,400 square feet of land to be committed to the Project is situated on the corner of Ward Avenue and Spencer and Green Streets, at Honolulu, City and County of Honolulu, State of Hawaii. The Developer has advised the Commission that the City and County of Honolulu plans to condemn for street-widening purposes an area not exceeding twelve (12) feet wide in those portions of the parcels of land involved in the Project immediately adjacent to Ward Avenue and that the Developer has taken such condemnation into account in its preparation of the plans for this condominium project and in its preparation of each of the documents submitted to the Commission.

TAX KEY: First Division, 2-4-15-8, 2-4-15-9 and 2-4-15-10.

ZONING: A-3 (Apartment) under the Ordinances of the City and County of Honolulu.

DEVELOPER: WARD LANAI CORP., a Hawaii corporation, whose principal place of business and post office address is

a dressing area), and two (2) lanais, having a total floor area as listed below. Each Type "B" apartment contains a living-dining room, two (2) bedrooms each with a closet, two (2) bathrooms and two (2) lanais, having a total floor area as listed below.

- c. In each apartment shall be installed a range, a refrigerator-freezer combination, a range hood, a garbage disposal, a trash masher, an under-the-counter water heater, a washer and a dryer and a dishwasher.
- d. Each apartment will have carpeting in the living-dining room, hall and bedrooms. Kitchens and bathrooms will contain vinyl floor covering. Lanais will be covered with indoor-outdoor carpeting. Drapes will be installed in the living-dining room and the bedrooms of each apartment.
- e. Each apartment has immediate access to the corridor leading to two (2) stairways and one (1) elevator.
- f. The respective apartments shall consist of (i) all of the areas or spaces enclosed by walls and ceilings as delineated by perimeter boundaries on the Condominium Map to be filed with respect to this Project, and (ii) the lanai areas as shown on said Condominium Map, but shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the foundations, columns, girders, beams, supports, roofs, floors and ceilings surrounding each apartment, or any pipes, wires, conduits or 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 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 all fixtures originally installed therein.
- g. Each apartment will have appurtenant to it at least one (1) parking stall, either for a compact automobile or for a standard sized automobile, as shall be designated on said Condominium Map. There will be a total of ten (10) parking stalls for compact automobiles and thirty-two (32) parking stalls for standard sized automobiles.
- h. Each of said apartments is identified below as follows: the first number identifies the story

on which such apartment is located, the second number, in each case, is a "0" and has no significance in identification, and the last number identifies the number of the apartment as shown on said Condominium Map preceded by the letter "A" or the letter "B", which letter identifies on said Condominium Map the type of apartment and otherwise has no significance in identification. For example, the apartment on the third story shown on said Condominium Map as Apt. B-2 is identified below as Apt. No. 302 and the apartment on the same story shown on said Condominium Map as Apt. A-3 is identified below as Apt. No. 303.

The apartment numbers, the floor area of each apartment (including lanai), the floor on which each apartment is located, the number of rooms and the number of bedrooms in each apartment, and the appurtenant percentage interest of each apartment in the common elements, are as follows:

<u>Apt. No.</u>	<u>Model Type</u>	<u>Floor</u>	<u>No. of Bedrooms</u>	<u>Total No. of Rooms</u>	<u>Lanai Area (Sq.Ft.)</u>	<u>Inner Apt. Area (Sq.Ft.)</u>	<u>Total Area (Sq.Ft.)</u>	<u>% of Common Interest</u>
301	A	3	2	6	260.13	869.48	1129.61	3.29600
302	B	3	2	6	550.60	767.80	1318.40	3.84685
303	A	3	2	6	260.13	869.48	1129.61	3.29600
304	B	3	2	6	550.60	767.80	1318.40	3.84685
401	A	4	2	6	260.13	869.48	1129.61	3.29600
402	B	4	2	6	550.60	767.80	1318.40	3.84685
403	A	4	2	6	260.13	869.48	1129.61	3.29600
404	B	4	2	6	550.60	767.80	1318.40	3.84685
501	A	5	2	6	260.13	869.48	1129.61	3.29600
502	B	5	2	6	550.60	767.80	1318.40	3.84686
503	A	5	2	6	260.13	869.48	1129.61	3.29600
504	B	5	2	6	550.60	767.80	1318.40	3.84686
601	A	6	2	6	260.13	869.48	1129.61	3.29600
602	B	6	2	6	550.60	767.80	1318.40	3.84686
603	A	6	2	6	260.13	869.48	1129.61	3.29600
604	B	6	2	6	550.60	767.80	1318.40	3.84686
701	A	7	2	6	260.13	869.48	1129.61	3.29600
702	B	7	2	6	550.60	767.80	1318.40	3.84686
703	A	7	2	6	260.13	869.48	1129.61	3.29600
704	B	7	2	6	550.60	767.80	1318.40	3.84686
801	A	8	2	6	260.13	869.48	1129.61	3.29600
802	B	8	2	6	550.60	767.80	1318.40	3.84686
803	A	8	2	6	260.13	869.48	1129.61	3.29600
804	B	8	2	6	550.60	767.80	1318.40	3.84686
901	A	9	2	6	260.13	869.48	1129.61	3.29600
902	B	9	2	6	550.60	767.80	1318.40	3.84686
903	A	9	2	6	260.13	869.48	1129.61	3.29600
904	B	9	2	6	550.60	767.80	1318.40	3.84686

COMMON ELEMENTS: One estate is designated in all remaining portions of the Project, herein called the "common elements". The common elements will include the limited common elements described below and all other portions of the land and improvements other than the apartments, including the apartment building, the land on which they are located, and all elements mentioned in the Horizontal Property Act which are actually constructed on the land described herein, and specifically shall include, but shall not be limited to:

1. Said land in fee simple;
2. All foundations, columns, girders, beams, supports, floors, unfinished perimeter and load-bearing walls, roofs, corridors, lobbies, stairs, stairways, entrances and exits in the Project;
3. All driveways, walkways, parking areas and spaces, loading areas, yards, mail boxes, refuse facilities, gardens and recreational areas;
4. The elevator, elevator shaft and well, and all appurtenant installations and apparatus;
5. All ducts, electrical equipment, wiring, pipes 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, water, gas, sewer, telephone and radio and television signal distribution;
6. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.

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

1. At least one (1) parking stall, either for a compact automobile or for a standard sized automobile, for each apartment, as designated on said Condominium Map, shall be appurtenant to and for the exclusive use of such apartment.

In the event the owner of an apartment to which a parking stall is appurtenant desires to relinquish the same in order that it may be assigned to another apartment in the building, such parking stall shall be deleted from his apartment and added to the other by instruments executed solely by the respective owners and their mortgagees, if any, of the affected apartments and such instruments shall be properly recorded in the Bureau of Conveyances of the State of Hawaii and a copy of each mailed to the Association of Apartment Owners; provided, however, that there

shall be at least one parking stall appurtenant to each apartment.

2. All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartment.

COMMON INTERESTS: Each apartment shall have appurtenant thereto an undivided percentage interest, as set forth above under the heading "DESCRIPTION", in all common elements of the Project, hereinafter called the "common interest", and the same proportionate share in all common profits and expenses of the Project and for all other purposes including voting.

INTEREST TO BE CONVEYED TO PURCHASER: Each purchaser of an apartment shall receive a Condominium Conveyance Document which shall convey to such purchaser ownership of the apartment purchased by such purchaser (exclusive of any interest in the land) and lease to such purchaser for a term of sixty (60) years from the date of issuance of the first of such Condominium Conveyance Documents an undivided interest in the land included within the Project. The leasehold interest of each purchaser shall be equal to the percentage interest in the common elements appurtenant to such purchaser's apartment. The document shall provide for the payment of monthly lease rent for and during the first, second and third ten (10) year periods of said term in a fixed amount as appears in the following tabular form:

Apt. No.	Monthly Lease Rent for First Ten (10) Year Period	Monthly Lease Rent for Second Ten (10) Year Period	Monthly Lease Rent for Third Ten (10) Year Period
301	\$46.42	\$51.64	\$62.63
302	54.17	60.26	73.08
303	46.42	51.64	62.63
304	54.17	60.26	73.08
401	46.42	51.64	62.63
402	54.17	60.26	73.08
403	46.42	51.64	62.63
404	54.17	60.26	73.08
501	46.42	51.64	62.63
502	54.18	60.27	73.09
503	46.42	51.64	62.63
504	54.18	60.27	73.09
601	46.42	51.64	62.63
602	54.18	60.27	73.09
603	46.42	51.64	62.63
604	54.18	60.27	73.09
701	46.42	51.64	62.63
702	54.18	60.27	73.09
703	46.42	51.64	62.63
704	54.18	60.27	73.09

801	46.42	51.64	62.63
802	54.18	60.27	73.09
803	46.42	51.64	62.63
804	54.18	60.27	73.09
901	46.42	51.64	62.63
902	54.18	60.27	73.09
903	46.42	51.64	62.63
904	54.18	60.27	73.09

For and during the remaining three ten (10) year periods of the term of said lease, the document shall provide for the payment of monthly lease rent in an amount equal to each of the then apartment owner's percentage of undivided interest in the land multiplied by the total monthly rental established for the land at the commencement of each of said periods as shall be determined in the manner provided in said document by agreement in writing between a majority of the Board of Directors of the Association of Apartment Owners and the Lessor, or failing such agreement, by appraisal, provided, however, that the monthly lease rent for any such period in no event shall be less than the monthly lease rent for any preceding period. The document shall provide for the payment of lease rent on a monthly basis, in advance and on the first day of each and every month during the entire term of said lease.

The proposed Declaration provides that except with respect to parking stalls as hereinabove mentioned, the interests in the common elements and easements appurtenant to each apartment shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected as expressed in an amendment to the Declaration duly recorded. The Condominium Conveyance Document provides that the ownership of the apartment cannot be separated from the ownership of the lease of an undivided interest in the land.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the apartments shall be occupied and used only as private dwellings by the prospective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose.

- NOTE: 1. The proposed House Rules limits the occupancy of each apartment to not more than two persons per bedroom on a permanent basis.
2. There is a restrictive covenant running with the building that no lanai or portion of lanai shall be enclosed. Restriction filed in the Bureau of Conveyances of the State of Hawaii in Liber 11302 at Page 551.

OWNERSHIP OF TITLE: Three (3) Certificates of Title issued on March 19, 1976 by First American Title Co. of Hawaii, Inc.

certify that Harry T. H. Au and Doris W. O. Au, husband and wife, Jan Choy Lum and Kwai Chang Lum, husband and wife, and Richard Buck Soong Wong and Evelyn Hong Wong, also known as Evelyn H. Wong, husband and wife, have title to the land committed to the Project. By Lease dated as of January 1, 1976, by and between Harry T. H. Au and Doris W. O. Au, as "Lessor", and Developer, as "Lessee", recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11158 at Page 1, Lease dated as of January 1, 1976, by and between Jan Choy Lum and Kwai Chang Lum, as "Lessor", and Developer, as "Lessee", recorded in said Bureau of Conveyances in Liber 11158 at Page 91, and Lease dated as of January 1, 1976, by and between Richard Buck Soong Wong and Evelyn Hong Wong, also known as Evelyn H. Wong, as "Lessor", and Developer, as "Lessee", recorded in said Bureau of Conveyances in Liber 11158 at Page 46, said Owners have leased the aforesaid property to Developer in each case for a term expiring on December 31, 2037, copies of which Leases have been filed with the Real Estate Commission.

ENCUMBRANCES AGAINST TITLE: The three (3) Certificates of Title issued on March 19, 1976, prepared by First American Title Co. of Hawaii, Inc., identify the following encumbrances against the three (3) parcels comprising the land:

1. Tax Key: First Division, 2-4-15-8
 - a. Real property taxes for the second half of the fiscal year 1975-1976.
 - b. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant 3464.
 - c. Indenture of Lease dated as of January 1, 1976 recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11158 at Page 1.
 - d. Mortgage dated February 24, 1976, in favor of Amfac Financial Corp., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11256 at Page 427.
 - e. Covenants and agreements set forth in the Affidavit of Jan Choy Lum and Kwai Chang Lum, Harry T. H. Au and Doris W. O. Au, and Richard B. S. Wong and Evelyn H. Wong, dated March 8, 1976, recorded in said Bureau of Conveyances in Liber 11302 at Page 551, relating to the enclosure of lanais and other matters with respect to any building constructed on the premises.

2. Tax Key: First Division, 2-4-15-9
 - a. Real property taxes for the second half of the fiscal year 1975-1976.
 - b. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant 3464.

- c. Indenture of Lease dated as of January 1, 1976 recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11158 at Page 91.
 - d. Mortgage dated February 24, 1976, in favor of Amfac Financial Corp., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11256 at Page 427.
 - e. Covenants and agreements set forth in the Affidavit of Jan Choy Lum and Kwai Chang Lum, Harry T. H. Au and Doris W. O. Au, and Richard B. S. Wong and Evelyn H. Wong, dated March 8, 1976, recorded in said Bureau of Conveyances in Liber 11302 at Page 551, relating to the enclosure of lanais and other matters with respect to any building constructed on the premises.
3. Tax Key: First Division, 2-4-15-10
- a. Real property taxes for the second half of the fiscal year 1975-1976.
 - b. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant 3464.
 - c. Mortgage dated May 23, 1974, in favor of First Federal Savings and Loan Association of Hawaii, a Federal corporation, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9920 at Page 230.
 - d. Mortgage dated June 10, 1975, in favor of Amfac Financial Corp., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10701 at Page 563.
 - e. Default Judgment against Richard B. S. Wong, entered in Civil No. 46478, First Circuit Court, State of Hawaii, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11119 at Page 568.
 - f. Indenture of Lease dated as of January 1, 1976 recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11158 at Page 46.
 - g. Mortgage dated February 24, 1976, in favor of Amfac Financial Corp., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11256 at Page 427.
 - h. Covenants and agreements set forth in the Affidavit of Jan Choy Lum and Kwai Chang Lum, Harry T. H. Au and Doris W. O. Au, and Richard B. S. Wong and Evelyn H. Wong, dated March 8, 1976, recorded in said Bureau of Conveyances in Liber 11302 at Page 551, relating to the enclosure of lanais and other matters with respect to any building constructed on the premises.

The Developer has advised the Commission that each of the Mortgages described above encumbering the three (3) parcels comprising the land will be released prior to the recording of the Declaration.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated February 12, 1976, identifies FIRST AMERICAN TITLE CO. OF HAWAII, INC., a Hawaii corporation, as "Escrow", and Developer, as "Seller". On examination the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514, as amended, and particularly Hawaii Revised Statutes, Section 514-14 and Sections 514-35 through 514-40 thereof.

Among other provisions, the Sales Contract provides that in the event that on December 31, 1976, less than fifty percent (50%) of the apartments in the Project are subject to sales contracts binding on and enforceable against buyers who have delivered evidence satisfactory to Seller of their ability to pay or otherwise perform thereunder or in the event that Seller is prevented by law from proceeding with the construction of the building in accordance with the plans and specifications for the Project, Seller, at its option, may thereafter terminate the Sales Contracts upon notice to buyers, in which event Seller will cause the Escrow Agent to refund to buyers, all payments made by buyers thereunder, without interest, and buyers and Seller shall be relieved and released of all further liability thereunder.

The Sales Contract also provides that all terms and provisions and all of buyer's right, title and interest in the Sales Contract shall be subject and subordinate to the lien of any mortgage, advances or payments made for the construction of the Project.

It is incumbent upon the purchaser and prospective purchaser that they read with care the Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of apartments and any sums received from any source are placed in trust and how the funds shall be retained and disbursed.

MANAGEMENT AND OPERATIONS: The By-Laws, which are incorporated in the Declaration, provide that the Board of Directors of the Association of Apartment Owners shall annually employ a responsible Hawaii corporation as Managing Agent to manage and control the Project subject at all times to direction by the Board. Examination of the proposed form of Management Agreement reveals that it will be for a term of one year, subject to termination by either party upon thirty (30) days' notice thereof to the other party. The Developer is currently in the process of selecting the initial Managing Agent.

STATUS OF PROJECT: The Developer is currently in the process of selecting a contractor to construct the Project and also is currently in the process of obtaining an interim construction loan commitment to finance such construction.

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 April 1, 1976.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 853 filed with the Commission on April 1, 1976.

The report, when reproduced, shall be a true copy of the Commission's Public Report. In making facsimiles, the paper stock shall be yellow in color.

ak Kow Young
MEMBER, REAL ESTATE COMMISSION,
STATE OF HAWAII

Distribution:

Department of Taxation
Bureau of Conveyances
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

April 26, 1976
REGISTRATION NO. 853