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REAL ESTATE COMMISSION
DEPARTMENT OF TREASURY & REGULATION
STATE OF HAWAII

205 EMPIRE BLDG.
HONOLULU 13, HAWAII

PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
HAWAII-KAI CONDOMINIUM PROJECT
Lots 1-A, 1-B, 2-A, 2-B, 3-A,
4, 5, 6, 7-A, 8-A, and 9-A
File Plan No. 800

REGISTRATION NO. 6

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.

July 20, 1962

SPECIAL ATTENTION

A FINAL REPORT MUST BE ISSUED BY THE COMMISSION PRIOR TO CONSUMMATION BY DEVELOPER OF A BINDING CONTRACT OR AGREEMENT FOR THE SALE OF ANY UNIT IN THIS PROJECT.

THIS PRELIMINARY PUBLIC REPORT PLUS A SUPPLEMENTAL REPORT TO BE ISSUED AT A LATER DATE SHALL TOGETHER CONSTITUTE THE FINAL PUBLIC REPORT ON THE PROJECT HEREIN DISCUSSED.

DEVELOPER: KAISER HAWAII-KAI DEVELOPMENT CO.
7120 Kalanianaʻole Highway, Honolulu 16, Hawaii

The developer is a wholly-owned subsidiary of the Henry J. Kaiser Company and was incorporated in the State of Nevada on September 21, 1959.

A roster of the Directors and Officers of the Corporation has been filed with the Commission.

NAME OF PROJECT: HAWAII-KAI CONDOMINIUM PROJECT
Lots 1-A, 1-B, 2-A, 2-B, 3-A, 4, 5, 6, 7-A, 8-A, and 9-A,
File Plan No. 800

LOCATION: In Maunaloa, District of Honolulu, City and County of Honolulu, more particularly described on a map filed with the Hawaii Bureau of Conveyances as Lots 1-A, 1-B, 2-A, 2-B, 3-A, 4, 5, 6, 7-A, 8-A, and 9-A, File Plan No. 800. Tax Map Key: 3-9-08

DESCRIPTION: A horizontal staggered row of four, six or eight attached homes made of concrete masonry will be built on each lot as follows:

<u>Lot No.</u>	<u>Lot Area</u>	<u>No. of Attached Condominium Homes</u>
1-A	16,122 sq. ft.	4
1-B	15,372 sq. ft.	4
2-A	13,450 sq. ft.	4
2-B	13,350 sq. ft.	4
3-A	22,907 sq. ft.	6
4	22,188 sq. ft.	4
5	25,929 sq. ft.	6
6	27,217 sq. ft.	6
7-A	20,258 sq. ft.	6
8-A	23,000 sq. ft.	8
9-A	15,300 sq. ft.	4

All of the lots listed above are zoned for apartment use. The developer advises that the eleven buildings will contain 56 attached homes. Each lot and building thereon will be subjected to the operation of a separate horizontal property regime, i.e., co-ownership of a particular lot and building thereon will be restricted to occupants of that lot alone. A master lease and attached home leases appertaining thereto will be issued by the Trustees of the Bishop Estate as lessor for each lot upon request by the developer.

Each attached home will have two floors and will contain three bedrooms. The total living area of each attached home will be 1,350 square feet. In addition, each attached home will have a lanai (106 square feet), a balcony (80 square feet), utility area (137 square feet), and spaces for two cars within a carport including space for storage therein (315 square feet).

The Master Lease that will establish each of the horizontal property regimes will note that the building on a particular lot and the lot contain certain general common elements and limited common elements - e.g., the lot, the structural portions of the building and carports, pipes, wires, conduits, and other utility lines running within the lot to and through the building and/or carports, etc., described more particularly in a verified statement by the developer which is on file with the Commission.

It is intended that each of the attached homes will be sold to one or more owners, each owner or owners of an attached home obtaining a particular and exclusive property thereto, the utility area, and two designated carport spaces to the exclusion of other owners of attached homes on the lot. Each owner or owners of an attached home on a particular lot will have a common right to share, with other owners of attached homes on the lot, in the general common elements of the property and a right to share in certain limited common elements in common with other designated co-owners of said limited common elements.

Ingress or egress to the lots is by way of Kawaihae Street. The developer will maintain the street until it is dedicated to public use.

The developer advises that the following appliances will be installed in each attached home: one built-in range top, one built-in oven, one rangehood with fan, one garbage disposer, and one water heater.

OWNERSHIP OF TITLE: The land on which the eleven buildings will be constructed consists of the eleven lots described above. The fee interest in all the lots is held by the Trustees under the will and of the Estate of Bernice Pauahi Bishop, deceased.

DEVELOPER'S INTEREST: On April 27, 1961 the Trustees of the Estate of Bernice P. Bishop, deceased, entered into an unrecorded confidential agreement authorizing the Kaiser Hawaii-Kai Development Co. to develop the Trustees' lands in Maunaloa, Oahu, Hawaii. Under the agreement, the Kaiser Hawaii-Kai Development Co. has the exclusive right to develop and market properties within this 6,000 acre project for a period of ten years from the date thereof.

MASTER LEASE AND APARTMENT LEASE: Under the Development Agreement mentioned above, the Trustees of the Bishop Estate are obligated to issue leases for particular properties on request of the developer. The developer advises that the Trustees have agreed to submit each of the lots described above to the operation of a horizontal property regime and to issue, upon request of the developer, a master lease for each of said lots to the developer with attached home leases for each attached home on each of said lots. The developer has filed specimen copies of the form of master lease, the form of attached home lease, and the form by which the attached home leases will be assigned to the purchasers thereof. The developer further advises that these are the forms that will be used in creating and transferring rights in the horizontal property regime on each of the lots in question. The developer may not use any other form or forms in their place without the prior written consent of the Commission.

NOTE: The purchaser should acquaint himself with the provisions of the form of master lease, attached home lease, and assignment form, which forms are on file in the developer's office and available for inspection upon request. For example, see Exhibit A to the master lease describing the common and limited common elements of each lot and building thereon. Also Section 17 on Page 11, and Section C on Page 15 of the attached home lease governing the lessee's right to transfer his interests by way of assignment.

INTEREST TO BE CONVEYED TO PURCHASER: The purchaser will be conveyed:

- (1) A leasehold interest in a designated apartment for his exclusive use;
- (2) An undivided pro-rata interest in the land (leasehold) upon which the building sits;
- (3) An undivided pro-rata interest in the common elements of each project; and
- (4) An undivided and appropriate pro-rata interest in the limited common elements of each project.

All for a period of 56 years.

ENCUMBRANCES AGAINST LAND AND BUILDINGS: The developer advises that it will finance the construction of each building out of its own resources.

Each lot and all occupants thereof will be subject to the Declaration of Protective Provisions, adopted by the Kaiser Hawaii-Kai Development Co. and the Trustees of the Bernice P. Bishop Estate on July 5, 1962 and recorded at the Hawaiian Bureau of Conveyances in Liber 4313, Page 205 on July 10, 1962. In general, this document grants to the lessee and occupants of each lot abovementioned, the right to use and enjoy the waterways of Kuapa Pond with certain restrictions.

NOTE: The purchaser should acquaint himself with the provisions of the Declaration of Protective Provisions which is on file in the developer's office and available for inspection upon request.

MANAGEMENT AND OPERATION: The developer has filed with the Commission a copy of the proposed Bylaws of the Council of Co-owners of each lot. Under these Bylaws the Council of Co-owners of each lot and building thereon will provide its own management services. The Bylaws themselves provide that they may be amended, modified or revoked by majority vote of the Council of Co-owners.

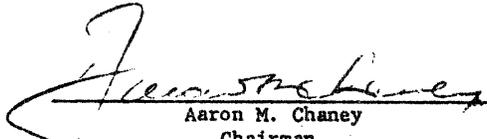
NOTE: The purchaser should pay particular attention to the proposed Bylaws of the Council of Co-owners which governs the management and operation of the horizontal property regime.

The purchasers will assume maintenance costs upon delivery of the apartment and the developer will be responsible for same on unsold (initial sale) units on a pro-rata basis.

Among other provisions which are of interest to apartment owners is a general provision found in the condominium law enacted by the First State Legislature of Hawaii in 1961 governing pro-rata contribution towards monthly maintenance expenses by the condominium owners. Each purchaser should familiarize himself with ACT 180, the condominium law. An inquiry should be made of the developer with respect to other costs chargeable to each condominium.

PURCHASE MONEY HANDLING: The developer advises that all purchase money will be placed in a clients' trust fund account, designated Kaiser Hawaii-Kai Development Co. Condominium Escrow Account at the Hawaii National Bank, Hawaii Kai Branch, Honolulu, Hawaii.

STATUS OF PROJECT: The developer advises that construction began on March 2, 1962 of the building containing eight attached homes on Lot 8 of File Plan 800 and at this date the building is completed. Construction of the other ten buildings on the remaining ten lots will begin as sales are made. Delivery of homes on these remaining ten lots will be made within 180 days after acceptance of a contract for the purchase of a home on any of said lots.


Aaron M. Chaney
Chairman