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REAL ESTATE COMMISSION
DEPARTMENT OF TREASURY & REGULATION
STATE OF HAWAII

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HONOLULU 13, HAWAII

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**PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

ON
HAWAII-KAI CONDOMINIUM PROJECT
Lots 3, 4-A, 4-B, and 5 through 23
inclusive, File Plan 801

REGISTRATION NO. 7

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 Kalaniana'ole 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 3, 4-A, 4-B, and 5 through 23 inclusive, File Plan 801

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 3, 4-A, 4-B, and 5 through 23 inclusive, File Plan 801. Tax Map Key: 3-9-08

DESCRIPTION: A varying number of buildings will be constructed on the 22 lots within the project in clusters of two-plex and four-plex attached home types. These buildings will be constructed of concrete masonry. The lot size, the number

of buildings to be built on each lot, and the number and type of attached homes to be contained in the said buildings are set out below:

Lot No.	Lot Area in square feet	No. of Buildings	No. of attached Condominium Homes	Types of Attached Homes		
				1-BR.	2-BR.	3-BR.
3	58,801	3	12	4	4	4
4-A	63,020	3	12	4	4	4
4-B	31,879	2	6	2	2	2
5	52,848	5	12	3	6	3
6	24,637	3	6	2	2	2
7	24,900	3	6	3	0	3
8	37,473	3	8	2	4	2
9	10,883	1	2	1	0	1
10	30,189	3	6	2	2	2
11	27,130	3	6	2	2	2
12	26,318	3	6	2	2	2
13	27,625	3	6	2	2	2
14	20,129	2	4	1	2	1
15	24,091	3	6	0	6	0
16	17,519	2	4	2	0	2
17	16,916	2	4	2	0	2
18	22,336	2	4	2	0	2
19	10,202	1	2	1	0	1
20	29,523	3	6	0	6	0
21	26,199	3	6	1	4	1
22	26,874	3	6	1	4	1
23	39,233	3	8	2	4	2

All of the lots listed above are zoned for apartment use. The Developer advises that the lots listed above and the buildings thereon will contain a total of 138 attached home units. Each lot and the building or buildings thereon will be subjected to the operation of a separate horizontal property regime, i.e., co-ownership of a particular lot and building or buildings 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 one floor. The living area of each one-bedroom type will be 784 square feet. The two-bedroom type will each have a living area of 978 square feet, and the three-bedroom type will each have a living area of 1,172 square feet. In addition, each attached home, whether one, two, or three-bedroom type, will have a lanai (148 square feet) and space for one car within a carport with space for storage therein (216 square feet).

The Master Lease that will establish each of the horizontal property regimes will note that the building or buildings 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 or buildings and carports, pipes, wires, conduits, and other utility lines running within the lot to and through the building or buildings 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 right to the interior portions of the home, the lanai area appurtenant thereto, and one designated carport space 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 will be by way of streets designated as lots A, B, C, and D on File Plan 801. The Developer will maintain the streets until they are 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 twenty-two 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 a Declaration of Protective Provisions which will be adopted by the Kaiser Hawaii-Kai Development Co. and the Trustees of the Bernice P. Bishop Estate and recorded at the Hawaii Bureau of Conveyances. In general, this document will grant to the lessees 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, a specimen copy of 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.

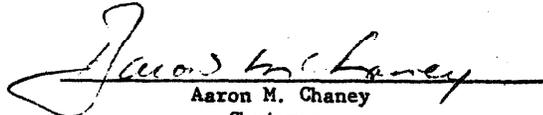
NOTE: The purchaser should pay particular attention to the proposed Bylaws of the Council of Co-Owners which governs the management and operation of the horizontal property regime.

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 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 land development work on the project began in March, 1961. On July 16, 1962, construction of the first two attached homes in the project was started on Lot No. 5. The Developer estimates that these two home units will be completed by August 16, 1962. Construction of the remaining buildings on Lot No. 5 as well as those on the remaining twenty-one lots will begin as sales are made. Delivery of an attached home on any of the lots will be made within 180 days after acceptance of a contract for the purchase of the attached home.


Aaron M. Chaney
Chairman