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REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
313 SO. BERETANIA ST.
P. O. BOX 3469
Honolulu 1, Hawaii

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

on
HALE KILOHANA
45-265 William Henry Road
Kaneohe, Oahu, Hawaii

REGISTRATION NO. 113

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.

December 13, 1965

SPECIAL ATTENTION

A comprehensive reading of the report by prospective purchasers 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:

1. HALE KILOHANA is a proposed lease condominium project consisting of two hundred and twenty-two (222) dwelling units.
2. The Developer has filed the following documents or specimen documents with the Commission for examination: Notice of Intention; Compliance Deed (Master Deed); Declaration of Horizontal Property Regime; By-Laws of Association of Apartment Owners; Reservation of Apartment; Apartment Sales Contract; Escrow Agreement (Executed); Apartment Lease; Statement of Costs Involved in Completing the Project; Lender's General Commitment of Loan Letter; Preliminary Drawings and Typical Floor Plans.

Advertising and promotional matter, required to be filed with the Commission in compliance with Condominium Rules and Regulations, has been submitted in the form of proposed newspaper display advertising and a multi-colored, three-fold brochure with various inserts detailing amenities and features of the project.

3. The Developer, having been advised of the Commission's Supplementary Filing Requirements of July 23, 1965, has submitted a statement showing all costs involved in completing the project.
4. The Developer, in receiving this Preliminary Public Report, is cognizant of the Commission's requirement that construction of the building shall not commence until satisfactory evidence is presented to this regulatory body that there are sufficient funds to cover all costs involved in completing the project.
5. The prospective purchaser is advised to acquaint himself with the provisions of Chapter 170A, Revised Law of Hawaii 1955, as amended, which relates to Horizontal Property Regime.

NAME OF PROJECT: HALE KILOHANA

LOCATION: HALE KILOHANA, with its entrance and street address of 45-265 William Henry Road, is situate near the intersection of William Henry Road and Kamehameha Highway, with its northerly property line on the bank of Keaahala Stream, at Kaneohe, Koolaupoko, Honolulu, Oahu, Hawaii.

TAX KEY: FIRST DIVISION 4-5-15-1

ZONING: Apartment "C" and Business

DEVELOPER: The individual CATHERINE B. SOFOS, 4939 Kilohana Street, Honolulu, Hawaii. Telephone 743-921.

ATTORNEY REPRESENTING DEVELOPER: GRUMPACKER and STERRY, (Attention: Mr. Lewis T. Sterry) Suite 400, Capital Investment Building, 850 Richards Street, Honolulu, Hawaii 96805. Telephone 504-481.

DESCRIPTION: The building to be constructed on the approximately 196,020 square feet (4.5 acres) of land committed to the project shall be a twelve-story, reinforced, concrete building with a center shaft and three wings containing a total of 192 separately designated apartments. There shall be six (6) apartments located on each floor of Wings A and B, and four (4) similar apartments located on each floor of Wing C. The apartments shall be numbered "1" through "6" on each floor of Wing A and B and "1" through "4" on each floor of Wing C. These numbers shall be preceded by the letter "A1" for the first floor of Wing A, "A2" for the second floor of Wing A and so on for all twelve floors, so that the apartments on floor one shall be numbered "A1-1", "A1-2", etc., and those on the second floor be numbered "A2-1", "A2-2", etc., for each floor of Wing A similarly. The number for apartments in Wings B and C shall be numbered in the same manner as in Wing A, except for the letters "B" and "C", respectively.

The Declaration states that the term "apartment" shall mean the element of a Condominium not owned in common with other owners. It shall consist of three (3) bedrooms, two (2) bathrooms, a kitchen, dining-living room, closets and a balcony. The apartment shall be all of the space within the perimeter walls, together with the space bounded by the iron railings and separation partitions of the balcony; it shall not include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment, nor any wires, pipes, conduits, or other utility 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 of the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, including plaster, paint, wallpaper, and fixed carpet and all built-in fixtures, the door and door jambs giving access to the apartment except for the exterior furnished surfaces. It shall include all windows, window frames and the partitions, doors and frames between the living room and the balcony.

COMMON ELEMENTS: The Declaration identifies the common elements as follows: "Common Elements" shall mean all land and all portions of the property not located within any apartment; and also includes, but not by way of limitation, roofs, foundations, pipes, ducts, flues, chutes, conduits, wires, and other utility installations to the outlets, bearing walls, perimeter walls, columns and girders, to the interior surfaces thereof, regardless of location. elevator, stairways, foyers, lobbies, walkways, gardens, balcony railings, patios, garage, storage areas, recreational areas and facilities, offices, all installations of power, lights, gas, hot and cold water existing for common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The "Limited Common Elements" shall mean certain parts of the common elements which are set aside for the exclusive use of certain apartments as follows:

- (1) The parking spaces designated on said Plan by numbers corresponding to the numbers of the apartments to which they are appurtenant.
- (2) The access lanais running from the lobby of each floor of each wing giving access to the various apartments.
- (3) The balcony railings.

INTEREST TO BE CONVEYED PURCHASER: The Declaration advises that a condominium shall mean each of the 192 freehold estates into which the project is divided consisting of the following property and rights:

- (a) One apartment;
- (b) A 1/192nd undivided interest in the common;
- (c) The exclusive right to use the parking stall appurtenant to the apartment;
- (d) The right to use in common with all other Owners of apartments situated in the same wing on the same floor, the lanai passageway giving access between the apartments in the wing to the lobby on the same floor;
- (e) The right to use all other common elements for the purposes for which they are designed and built, such use to be in common with the other Condominium Owners and subject to such rules and regulations as may from time to time be established by the Association of Owners;
- (f) The right and the obligation to share equally with all other Owners in the profits and common expenses of the project;
- (g) Membership in the Association of Apartment Owners.

None of these interest or rights may be in any way severed or alienated one from the others, excepting only that in a lease or sublease of a condominium any part or all of the rights set forth in (f) and (g) above may be reserved and the lessee or sublessee may be required to assume any part or all of the obligations set forth in (f), but no such assumption by a lessee shall release the lessor from liability to the Association.

USE: The By-Laws, submitted as part of this registration, state that the apartments and common areas shall be occupied and used as follows: Each apartment shall be used as a residence for a single family and for no other purpose, and no apartment shall be offered for rent or rented for transient or hotel purposes.

OWNERSHIP TO TITLE: The Notice of Intention states that title is vested in the Developer, CATHERINE B. SOFOS, 4939 Kolohana Street, Honolulu, Hawaii.

ENCUMBRANCES AGAINST THE LAND: The Mortgage dated February 19, 1964, in favor of Trustees of Employees Profit Sharing and Retirement Fund, Honolulu Savings and Loan Company, Limited, for \$150,000 is the only encumbrance recited in the registration.

PURCHASE MONEY HANDLING: The Developer has filed an executed copy of an escrow agreement, as at December 10, 1965 identifying SECURITY TITLE CORPORATION, as "Escrow."

The escrow agreement states, in part, that the Seller (Developer) proposes to sell 75-year leases to not less than 150 apartments in the project under sales contracts, requiring that deposits toward purchases of said dwelling units shall be paid to the Escrow Agent to be held and disbursed pursuant to the terms of the escrow agreement.

Escrow Agent undertakes to act as the escrow holder upon the following terms and conditions:

Deposit of Documents and Funds

- (a) Seller shall deposit with Escrow Agent the following:
1. Each Sale Contract entered into for sale of an apartment lease, together with all moneys paid as a down payment thereon.
 2. Upon close of escrow, three counterparts of a lease for each Purchaser, fully executed by Seller.

Close of Escrow - Escrow shall be closed prior to a date specified and entered in the HALE KILOHANA Apartment Sales Contract the Escrow Agent holds:

- (a) Not less than 150 apartments sales contracts, the aggregate sale price of which shall be not less than the contract price for the construction of the project, including the furnishings call for in the sales contracts.
- (b) A true copy of the construction contract.
- (c) A true copy of contracts for all furnishings to be installed by Seller.
- (d) Cash on deposit or commitments from a mortgagee or mortgagees aggregating the full sale price of all of the apartment sales contract held under (a) above.
- (e) The existing mortgage on the land has been discharged or arrangements have been made with the Escrow Agent for the satisfaction and discharge of the mortgage prior to or upon completion of the building within the moneys available to Escrow Agent.
- (f) If the apartment sales contracts provide for the use of funds on deposit with Escrow Agent for payment of costs of construction prior to completion, then a completion bond issued by a corporate bonding company in the amount of not less than 75% of the contract price conditioned upon the completion of the building free and clear of all liens on or before a specified number of days after close of escrow, and an insurance policy insuring against the loss of the building during construction by fire or other perils covered by extended risk policies.
- (g) All documents and funds necessary to effect cancellation of contracts.

Failure to Close - In the event escrow is not closed by the date to be specified and entered in this escrow agreement, then the Escrow Agent shall return to each of the purchasers the deposits of all moneys made by the respective purchasers into escrow in full and without interest.

After Closing of Escrow - Upon closing of escrow the Escrow Agent shall:

- (a) Comply with the purchasers' mortgagees' requirements if the apartment sales contracts provide for use of the

funds on deposit with the Escrow Agent prior to completion, or take such steps as Escrow Agent may have been directed by supplementary agreement to make interim financing, if any, available to the Escrow Agent.

- (b) From time to time thereafter make disbursements of the funds held to pay for the construction costs of the buildings in proportion to the valuation of the work completed by the contractor as certified by a registered architect or professional engineer, and for architectural, engineering, financing and legal fees, and for other incidental expenses of the condominium project. Such disbursements to be made only against bill submitted and approved for payment by Seller or Seller's agent, and such mortgagee or mortgagees as may have advanced funds or committed themselves to advance funds to be disbursed by Escrow Agent prior to completion.
- (c) Upon completion of the building, free and clear of all mechanics' and materialmen's liens, pay the balance of the contract price, disburse such funds and take such steps as may be required to discharge liens, if any, and if not previously done, to give purchasers and their mortgagees record title to their respective leaseholds free and clear of all encumbrances, other than the mortgagees' first mortgage, and pay the remaining escrow funds to Seller.

Note: The recital immediately above relates to conditions in the escrow agreement which the Commission believes are significant. It is incumbent upon the prospective purchaser that he reads an executed copy of the escrow agreement pursuant to which manner and procedure relative to the receipt, deposit and disbursement of the proceeds of the sale of apartment units are established.

MANAGEMENT AND OPERATION: The By-Laws propose that the Board of Directors shall be vested with the powers and duties to employ the services of a person or firm to manage the Horizontal Property Regime. At the date of this report, no manager has been identified.

STATUS OF PROJECT: The Developer advises that no building contract has been entered into. Exploratory negotiations have been going on with a building and construction firm, and the Developer has a tentative date in mid-1966 as time for starting work at the site.

This Preliminary Public Report will be upgraded to a Final Public Report when additional requirements of the Commission have been complied with.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 113 dated December 13, 1965.


JACK K. PALK, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

cc: DEPARTMENT OF TAXATION
DEPARTMENT OF REGULATORY AGENCIES
(Business Registration Division)
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, C&C OF HONOLULU
FEDERAL HOUSING ADMINISTRATION