

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
MAILE KAI
Farrington Highway
Maile, Oahu

REGISTRATION NO. 256

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: October 23, 1969
Expires: November 23, 1970

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 prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 7, 1969, AND INFORMATION SUBSEQUENTLY FILED OCTOBER 10, 1969. THE DEVELOPER IN NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. MAILE KAI is a proposed fee simple condominium project consisting of thirty-six (36) residential apartment units arranged throughout three single 3-story buildings, all of which will be sold upon and subject to the terms and provisions of Apartment Deeds to be issued by Bonded Investment Company, Ltd., owner, and Maile Kai Development Corporation, developer.
2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium and the issuance of this Preliminary Public Report.
3. Advertising or promotional matter has been submitted to the Commission. The Developer advises the Commission that any further advertising and

promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.

4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have been filed with the Real Estate Commission but they have not been filed in the office of the recording officer. Developer advises that the latter filing will be made immediately preceding Developer's request for a Final Public Report.
5. The prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, October 23, 1969, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: MAILE KAI

LOCATION: Farrington Highway, Lualualei, Waianae, District of Waianae, City and County of Honolulu, Island of Oahu, Hawaii

TAX MAP KEY: First Division 8-7-15-35 and 36

ZONING: Hotel-Apartment

DEVELOPER: Maile Kai Development Corporation, a Hawaii corporation.

James W. Y. Wong	President and Director
Joe Hayes	Vice President and Director
Ruth K. U. Wong	Secretary and Director
Donna Noguchi	Assistant Secretary
Benjamin Centeio	Treasurer
Eleanor Otake	Assistant Treasurer

ATTORNEY REPRESENTING DEVELOPER: Pratt, Moore, Bortz & Case (Attention: Ted Gamble Clause), 1100 First Hawaiian Bank Building, Honolulu, Hawaii 96813. Phone 536-7261.

DESCRIPTION OF THE BUILDINGS: There are three 3-story apartment buildings. Building A contains eighteen (18) 1-bedroom apartments, six (6) on each floor, and is closest to Farrington Highway. Building B contains twelve (12) 1-bedroom apartments, four (4) on each floor, and is closest to the ocean. Building C consists of six (6) 1-bedroom apartments, two (2) on each floor, and is opposite Building A. There are no basements. Each building is of Type II fireproof and earthquake resistant reinforced concrete construction. Exterior walls are monolithic concrete with smooth architectural concrete finish. Reinforcing steel shall conform to standard specifications of A.S.T.M. for structural steel. Reinforcing mesh shall be welded steel fabric, A.S.T.M. specification A-185. Interior walls and partitions shall be metal studs with plaster board facing for rooms and exposed concrete for stairs. Ceilings shall be heavy bodied paint on concrete (suspended plaster board in bathrooms).

DESCRIPTION OF THE APARTMENTS:

<u>Apt. No.</u>	<u>Floor</u>	<u>Location</u>	<u>No. of Bedrooms</u>	<u>Common Interest</u>
<u>Building A, closest to Farrington Highway:</u>				
A101	1	Extreme east end of Building A	1	2-7/9
A102	1	Immediately to the west of Apartment A101	1	2-7/9
A103	1	Immediately to the west of Apartment A102	1	2-7/9
A104	1	Immediately to the west of Apartment A103	1	2-7/9
A105	1	Immediately to the west of Apartment A104	1	2-7/9
A106	1	Immediately to the west of Apartment A105	1	2-7/9
A201	2	Extreme east end of Building A	1	2-7/9
A202	2	Immediately to the west of Apartment A201	1	2-7/9
A203	2	Immediately to the west of Apartment A202	1	2-7/9
A204	2	Immediately to the west of Apartment A203	1	2-7/9
A205	2	Immediately to the west of Apartment A204	1	2-7/9
A206	2	Immediately to the west of Apartment A205	1	2-7/9
A301	3	Extreme east end of Building A	1	2-7/9
A302	3	Immediately to the west of Apartment A301	1	2-7/9
A303	3	Immediately to the west of Apartment A302	1	2-7/9
A304	3	Immediately to the west of Apartment A303	1	2-7/9
A305	3	Immediately to the west of Apartment A304	1	2-7/9
A306	3	Immediately to the west of Apartment A305	1	2-7/9

Building B, first building west of the west side of Building A:

B101	1	Extreme north end of Building B	1	2-7/9
B102	1	Immediately south of B101	1	2-7/9
B103	1	Immediately south of B102	1	2-7/9
B104	1	Immediately south of B103	1	2-7/9
B201	2	Extreme north end of Building B	1	2-7/9
B202	2	Immediately south of B201	1	2-7/9
B203	2	Immediately east of B202	1	2-7/9
B204	2	Immediately east of B203	1	2-7/9
B301	3	Extreme north end of Building B	1	2-7/9
B302	3	Immediately south of B301	1	2-7/9
B303	3	Immediately south of B302	1	2-7/9
B304	3	Immediately south of B303	1	2-7/9

Building C, first building east of the south side of Building B:

C101	1	East end of Building C	1	2-7/9
C102	1	Immediately west of C101	1	2-7/9
C201	2	East end of Building C	1	2-7/9
C202	2	Immediately west of C201	1	2-7/9
C301	3	East end of Building C	1	2-7/9
C302	3	Immediately west of C301	1	2-7/9

Access to common element: Each apartment opens directly upon a walkway which walkways are common elements.

All apartments are 1-bedroom apartments consisting of a living-dining room (including kitchen area with appliances) a lanai, one bedroom and a bathroom. Each apartment contains approximately 665 square feet of usable floor space, including 592 square feet inside and a lanai of approximately 73 square feet.

COMMON ELEMENTS: The common elements of the project shall be as follows: The land subject to the Horizontal Property Regime by the declaration; The foundations, beams, supports, rock and concrete retaining walls, all walls with the exception of the finished surfaces inside each apartment which inside surfaces shall be elements of the respective apartments, the beams and columns of the buildings, and the stairs and stair landings, the entrances and exits to the condominium as follows: the vehicular entry/exit to the parking area, the pedestrian

walks, the pedestrian entrances, all other concrete walks, planting areas, the gardens giving access to the various buildings, the pedestrian entrances from the parking area, and the walkways onto which each apartment directly opens; The roofs, yards, gardens, swimming pools, provided pool equipment, storage areas not specifically included in any apartment, laundry rooms and equipment, maintenance shops and equipment, recreation rooms and equipment, parking stalls and area (provided, however, each apartment shall have as a limited common element appertaining thereto the parking stall described in the file plan and identified with the number corresponding to the number of apartment similarly described and identified); Central and appurtenant installations for services including plumbing, sprinkler system, telephone equipment, electrical installations, television antenna system, and trash enclosure, and all ducts and fans; All intangible personal property, choses in action, debts, monies, reserves, funds, and other assets held by the Association of Apartment Owners for the benefit of the several apartment owners; and All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use and which are not part of any apartment.

LIMITED COMMON ELEMENTS: Certain parts of the common elements called and designated "limited common elements" are set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto an exclusive easement for the use of such limited common elements. The limited common elements so set aside and reserved are as follows: A parking stall shall be reserved to each apartment as a limited common element, the number of which shall be the same as the number of the apartment as shown in Exhibit 3 of the Declaration and the location of which shall be in accordance with the Condominium File Plan filed together therewith.

INTEREST TO BE CONVEYED PURCHASER: Thirty-six (36) separately designated and described apartments are established by the Declaration as the apartments of the condominium and under the Horizontal Property Regime. The construction of the apartments shall be in accordance with the file plan filed with the Declaration. Each apartment shall have a number as set forth in the file plan. The number designated of each apartment and its location, approximate area, number of rooms, and the common element, providing access to it are set forth above and in Exhibit 3 to the Declaration and are more particularly described in the file plan and shall be in accordance therewith. The percentage undivided interest in the common elements appertaining to each apartment shall be the percentage interest listed opposite its apartment number set forth in the description of the apartments above and in Exhibit 3 to the Declaration. Each such interest is designated the common interest appertaining to each such apartment and is hereinafter referred to as such. The share of each apartment in the common profits and of the common expenses and its vote for all purposes in the Declaration and under the project shall be a proportion of the wholes thereof equal to its common interest.

USE: The Declaration provides that the buildings of the condominium and the apartments therein are intended for and are thereby restricted to use in accordance with the covenants, servitudes, and restrictions therein contained and contained in the Bylaws of the Association of Apartment Owners and any House Rules as they all shall have been amended from time to time.

FINANCING OF THE PROJECT: The Developer has filed a verified statement of financing dated October 10, 1969. The statement indicates that project costs total \$982,690. Developer advises that the entire amount will be paid at the time of closing the condominium escrow. The Developer advises that this amount would be covered by Developer's equity, the proceeds of interim financing and by the proceeds of the apartment sales (down payments plus proceeds of permanent financing).

Developer has filed a copy of an interim loan agreement in the amount of \$800,000 and a permanent loan commitment in the amount of \$792,000 for financing the project. The Developer advises that because of the condemnation proceedings referred to below under the section of this report entitled "STATUS OF THE PROJECT," Developer did not accept the commitment. The Developer further advises

that if the condemnation proceedings are discontinued, the Developer will seek to renew and accept these financial arrangements.

OWNERSHIP OF PROJECT: A title report by Long & Melone, Ltd., dated January 1, 1969, indicates that Bonded Investment Company, Ltd., is the owner in fee simple of the land consisting of 54,102 square feet. Developer has filed with the Commission an executed copy of an agreement of sale of the land dated December 14, 1966, between Bonded Investment Company, Ltd., as Vendor, and Joe Lynn Hayes, Frank Edmond Nyman, Charles Warren Tryck, and James Wah Yau Wong as purchaser filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 409160 and noted on Transfer Certificate of Title No. 103-422. Developer has also filed a copy of a letter from James Wah Yau Wong as agent of Messrs. Hayes, Nyman, Tryck, and Wong, confirming a commitment under which the interest of the purchasers under the agreement of sale would be assigned to Developer. The letter is accompanied by forms of documents under which the transfer would be made. This commitment is conditioned on the discontinuance of the pending condemnation proceedings by May 23, 1970.

ENCUMBRANCES AGAINST THE TITLE: A preliminary report of title dated January 1, 1969 indicates that title to the property is subject to a mortgage to Mokuleia Ranch and Land Company, Limited dated May 20, 1965, Land Court Document No. 361674 securing \$2,100,000 and to the foregoing agreement of sale and to taxes assessed against the land have been fully paid and the next installment will be due and payable on June 25, 1969, with respect to purchase money handling.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement executed October 6, 1969 identifies Long & Melone, Ltd., as the "ESCROW." The escrow agreement, as filed with the Commission, provides that (1) no disbursements shall be made from Escrow for payment of construction costs unless bills are submitted with the request for such disbursements which have been approved and certified for payment by the mortgagee or a financially disinterested person; and (2) no disbursements shall be made by Escrow from the balance of the trust fund after payment of construction costs pursuant to the preceding paragraph until Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared, unless sufficient funds are set aside for any bona fide dispute.

On examination the specimen Purchase Agreement and the executed Escrow Agreement are found to be acceptable under the provisions of Chapter 514, Hawaii Revised Statutes, and particularly sections 514-36-40 as incorporated in the Horizontal Property Act through Act 244, (L. 1967) effective June 6, 1967. As to all monies paid under the sale contract prior to the effective date of Part B thereof, which is defined therein as the first day after the expiration of 15 days from the time of the purchaser's receipt of the Real Estate Commission's final public report, purchasers shall be entitled to the refund of such monies in accordance with the procedures set out in the purchase agreement and in the escrow agreement if the final report differs in any material respect from the preliminary report, or if a final report is not issued within one year from the date of the preliminary report, or if there has been any change in the condominium building plans subsequent to the execution of any contract requiring the approval of the county officer having jurisdiction over the issuance of building permits, or if any substantial change to any of the documents or instruments referred to in the purchase agreement is made subsequent to the execution of the purchase agreement by the purchaser. The prospective purchaser is advised to acquaint himself with the procedures for refund contained in the purchase agreement and in the escrow agreement. The escrow agreement provides that in the event Seller shall not sell apartments prior to thirteen (13) months after the date of final report, Escrow shall return to purchasers all monies paid by them under their respective purchase agreements in full without interest. It is incumbent upon the purchaser and prospective purchaser that he reads with care the specimen purchase agreement and the executed escrow agreement before executing the purchase agreement. The escrow agreement establishes how the proceeds from the sale of dwelling units are placed in trust as well as the retention and disbursement of said trust funds.

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 Owners under the direction of the Board of Directors by a responsible corporate managing agent. The Developer has submitted a proposed management agreement to the Commission but as at the date of the issuance of the Preliminary Public Report the management contract has not yet been executed.

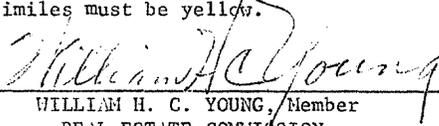
CONSTRUCTION CONTRACT: The Developer entered into a construction contract with Hillcrest Construction, Inc., dated March 7, 1969. A copy of the construction contract has been filed with the Commission.

STATUS OF THE PROJECT: A resolution was adopted by the City Council on May 6, 1969, Resolution No. 167, approved by the Mayor on May 8, 1969, authorizing the corporation council of the City and County of Honolulu to institute proceedings in eminent domain for the acquisition in fee simple of the property on which the project is to be constructed. Accordingly, on May 23, 1969, a proceeding entitled City and County of Honolulu v. Bonded Investment Company, Ltd., was instituted, as Civil No. 28070 in the Circuit Court of the First Circuit of the State of Hawaii. The Developer advises that at the time of its most recent filing with the Real Estate Commission it was not aware of any reason to expect that the condemnation will not be completed in due course. The Developer nonetheless advises that it does not feel justified in abandoning the project until such completion. It has, however, suspended development of the project pending the condemnation proceedings. The Developer advises that it has requested this preliminary public report in order to document the status of the project at the time development efforts were suspended. The Developer advises that in the event the condemnation proceedings are discontinued, it will proceed with the project. The purchaser or prospective purchaser should be cognizant of the Developer's intent not to proceed with the project in the event that condemnation is completed.

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 February 7, 1969 and information subsequently filed as late as October 10, 1969.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES CONDOMINIUM PUBLIC REPORT which is made a part of REGISTRATION NO. 256 filed with the Commission February 7, 1969.

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.


WILLIAM H. C. YOUNG, Member
REAL ESTATE COMMISSION
STATE OF HAWAII

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October 23, 1969
Registration No. 256