

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
KAI NANI
3003 Ala Ilima Street
Honolulu, Hawaii
REGISTRATION NO. 409

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 29, 1971
Expires: November 29, 1972

SPECIAL ATTENTION

A comprehensive reading of the 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 27, 1971, AND INFORMATION SUBSEQUENTLY FILED AS LATE AS OCTOBER 28, 1971. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT AND AMENDMENTS THERETO, CHAPTER 514, HAWAII REVISED STATUTES.

1. KAI NANI is a proposed fee simple condominium project consisting of twenty four (24) units arranged throughout a single six-story building without basement. The building will contain six stories but only three floors of apartments inasmuch as each apartment consists of two stories. Twenty-four (24) residences are being offered for sale and thirty (30) parking stalls are available, providing at least one stall for each apartment.
2. The Developer is arranging for insurance by the Federal Housing Administration (FHA) pursuant to Section 234 of Title II of the National Housing Act, as amended, of individual mortgages by qualified purchasers of apartments in the project. As a condition to its providing such insurance, the FHA requires that the Association of Apartment Owners enter into with that Agency and record a

Regulatory Agreement whereby the Association may be regulated and restricted by that Agency. The Regulatory Agreement is proposed to be executed and recorded with the Declaration. Purchasers in the project should, therefore, familiarize themselves with the provisions of the Regulatory Agreement.

3. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium and issuance of this Preliminary Public Report.
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 not been filed in the office of the recording officer.
5. Advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the condominium Rules and Regulations which relate to Horizontal Property Regimes.
7. This Preliminary Public Report automatically expires thirteen months after date of issuance, October 29, 1971, 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: KAI NANI

LOCATION: The 20,000 square feet of fee simple land to be committed to the Horizontal Property Regime is situate at 3003 Ala Ilima Street in the Salt Lake area mauka of Kamehameha Highway in the City and County of Honolulu, State of Hawaii.

TAX KEY: FIRST DIVISION 1-1-61-28

ZONING: A-3 (Apartment)

DEVELOPER: PAY THREE, LTD., a Hawaii corporation, having its principal place of business and post office address at 4148 Pahoia Avenue, Honolulu, Hawaii, is the Developer (telephone 955-1102) and has the following officers and directors:

Eugene B. K. Paoa	President and Director	4148 Pahoia Avenue Honolulu, Hawaii
Max E. Adams	Vice President and Director	4300 Waiialae Avenue Honolulu, Hawaii
James S. Yamanuha	Secretary-Treasurer and Director	2920 Ala Ilima Street Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Ashford & Wriston (Attention: Galen C. K. Leong), 235 Queen Street, Honolulu, Hawaii. Telephone 531-3761.

DESCRIPTION: Twenty-four (24) freehold estates are separately designated and legally described in the spaces or areas contained in the perimeter walls of each of the twenty-four (24) apartments in the project contained in one (1) six-story building without basement, constructed principally of reinforced concrete floors and roof slabs and reinforced concrete block walls. These spaces hereinafter called the "apartments") are designated on the plans and described as follows:

- A. The twenty-four (24) apartments shall be numbered and located as shown on the floor plans of the project. There shall be eight (8) apartments on each floor. Each floor consists of two stories inasmuch as each apartment contains rooms on two separate stories as described below. The apartments on the first floor shall be numbered 101, 102, 103, 104, 105, 106, 107 and 108. The apartments on the second floor shall be numbered 201, 202, 203, 204, 205, 206,

207 and 208. The apartments on the third floor shall be numbered 301, 302, 303, 304, 305, 306, 307 and 308. The apartments shall be located on each floor as shown on the floor plans of the project.

- B. Each apartment contains seven rooms on two stories connected by an interior stairway. On the lower story are the living-dining room, kitchen and one room containing a toilet and lavatory. On the upper story are two bedrooms, a bathroom and a dressing room. The lower story contains 391 square feet and the upper story contains 435 square feet, making a total floor area of approximately 826 square feet.
- C. Each apartment shall have immediate access to the corridor connecting the apartment to the elevator and stairs, and to the walkways, parking areas and driveways connecting to the street.

The plans submitted by the Developer reflects that there will be a covered recreation area on the roof of the building containing lockers and two (2) separate toilets, but no special recreational equipment.

COMMON ELEMENTS: One freehold estate is designated in all remaining portions of the project, called the "common elements", which definition includes the multi-family structure and appurtenances and the land upon which they are located and specifically includes but is not limited to: the land in fee simple, foundations, supports, main walls, slabs, elevators, elevator shaft, staircases, lobbies, halls, parking stalls, storage spaces, recreational facilities, pumps, tanks, trees, pavement, lanais, pipes, wires, conduits, ducts, all central and appurtenant installations for utility and other common services, and, in general, all other parts of the project necessary or convenient to its existence, maintenance and safety or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements herein called the "limited common elements", shall be designated and set aside for the exclusive use of certain apartments and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows: the limited common elements shall consist of 30 parking stalls and the 24 storage spaces shown on the condominium map. Each apartment shall have appurtenant to it one or more parking stalls, which parking stall or stalls shall be designated in the apartment deed by its proper number to be appurtenant to the respective apartment.

INTEREST TO BE CONVEYED TO PURCHASER: Each of apartments 101, 102, 103, 104, 105, 106, 107 and 108 shall have appurtenant thereto a 4.1666 percentage interest and each of the remaining apartments shall have appurtenant thereto a 4.1667 percentage interest, hereinafter called "common interest", and the same proportionate interest in all common profits and expenses and for all purposes including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used by the respective owners thereof only as a private dwelling for the owner, his family, tenants and social guests and for no other purpose. The apartments shall not be rented by the owners thereof for transient or hotel purposes which is defined as (a) rental for any period less than thirty (30) days; or (b) any rental if the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Other than the foregoing obligations, the owners of the respective apartments shall have the absolute right to lease their apartments provided that said lease is made subject to the covenants and restrictions contained in the Declaration, By-Laws, and the Regulatory Agreement.

OWNERSHIP TO TITLE: The Developer in his Notice of Intention to sell represents that the owners of the fee are at the present time, Kem Young Realty, Limited, a Hawaii corporation, 2144 Kula Street, Honolulu, Hawaii, and Kenneth Chong Quon Yee, 124 Uluniu Avenue, Honolulu, Hawaii. The Developer has contracted to buy said land under agreements of sale dated December 31, 1970, filed as Document Nos. 524243 and 524540 and will complete the purchase of the property prior to the recording of the declaration of horizontal property regime. The Lien Letter Report dated September 30, 1971 furnished by First American Title Company of Hawaii, Inc., confirms the ownership to title and encumbrances against title as set forth in the Notice of Intention.

ENCUMBRANCES AGAINST TITLE: The Lien Letter Report dated September 30, 1971 certifies that title to the land is subject to the following:

1. Exception and reservation unto the Trustees under the Will and of the Estate of Samuel M. Damon, deceased, of all artesian and other underground water and rights appurtenant to said premises as reserved in Deed dated October 7, 1965, filed as Document No. 372554; said Trustees released all right to enter upon surface of lands to exercise said exception and reservation in Document No. 372554 including all rights of ingress and egress upon said lands by Release dated October 12, 1965 and filed as Document No. 372562.
2. Designation of Easement 475 for drainage purposes over, under and across Lot 3334 and Easement 476 for transformer vault purposes affecting Lot 3334, as shown on Maps 314 and 449, as set forth by Land Court Order No. 24900, filed November 9, 1965.
3. The covenants in Declaration dated November 23, 1965, filed as Document No. 375914 and amended by Document No. 377276.
4. A Grant of easement in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company, for utilities within Easement 476 within Lot 3334, dated January 28, 1966, filed as Document No. 381416.
5. A Grant of easement in favor of the City and County of Honolulu for drainage over Easement 475, dated March 15, 1967 and filed as Document No. 471817.
6. Mortgage dated June 4, 1968, in favor of the Liberty Bank of Honolulu, filed in the Office of the Assistant Registrar as Document No. 445883.
7. Mortgage dated June 3, 1968, in favor of Finance Factors, Limited, filed in the Office of the Assistant Registrar as Document No. 445884.
8. The terms and conditions of that certain Agreement of Sale dated December 31, 1970, filed in the Office of the Assistant Registrar as Document No. 524243, by and between Kenneth Chong Quon Yee, as Seller, and Pay Three, Ltd., as Purchaser. (Lot 2107 only.)
9. The terms and conditions of that certain Agreement of Sale dated December 31, 1970, filed in the Office of the Assistant Registrar as Document No. 524540, by and between Kem Young Realty, Limited, as Seller, and Pay Three, Ltd., as Purchaser. (Lot 2108 only.)

(Note: Lots 2107 and 2108 were consolidated into Lot 3334, as set forth by Land Court Order No. 32745, filed February 9, 1971.)

10. Real Property Taxes for the Fiscal Year 1970-1971 have been paid.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement dated October 12, 1971, by and between First American Title Company of Hawaii, Inc., a Hawaii corporation, as Escrow, and Pay Three, Ltd., as Seller, has been submitted to the Commission as part of this registration. On examination the Escrow Agreement and Subscription and Purchase Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes. The provisions of the Subscription and Purchase Agreement should be carefully read by the purchasers. The specimen document filed as a part of the registration recites the conditions under which the purchaser acknowledges receipt of the Public Report; further, the Subscription and Purchase Agreement provides that if at the time the purchaser signs the contract the Commission has not issued its Final Public Report covering Kai Nani the agreement shall not be fully effective until such report is issued and a copy is received and receipted for by the purchaser. If the Final Public Report varies in any material respect from this Preliminary Public Report, at the purchaser's option the purchaser may cancel his agreement upon written notice to the Seller within five days of the purchaser's receipt of a copy of the Final Public Report.

It is incumbent upon the purchaser that he read with care the Subscription and Purchase Agreement and Escrow Agreement. The Escrow Agreement establishes how

the proceeds and the sale of the apartments and all sums of any source are placed in trust as well as the retention, disbursement and refund of said trust fund.

MANAGEMENT AND OPERATION: The Declaration of Horizontal Property Regime provides that the operation of the project shall be conducted for the Association of Apartment Owners by a responsible corporate Managing Agent pursuant to the Management Agreement for Condominiums submitted to the Commission. The initial Managing Agent shall be Reliance Realty & Management, 1523 Kalakaua Avenue, Honolulu, Hawaii.

STATUS OF THE PROJECT: The Developer represents to the Commission that the improvements will not be constructed until eighty per cent (80%) of the residential units have been presold under the Subscription and Purchase Agreement. The Developer has reserved the option to refund purchaser's funds if less than 20 apartments are sold to qualified buyers by June 1, 1972 or if the project cannot be completed and ready for occupancy on or before December 31, 1972 or if Seller is prevented by law from proceeding with construction of the project. Purchaser shall have the option to cancel the agreement in the event that the project cannot be completed and ready for occupancy by December 31, 1972.

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 August 27, 1971, and information subsequently filed as late as October 28, 1971.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 409 filed with the Commission on August 27, 1971.

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


For DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

YH:rh

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 409
October 29, 1971

