

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

MILILANI MANOR

Corner of Moenamanu and Kipapa Street
Waipio, Oahu, Hawaii

REGISTRATION NO. 434

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: April 20, 1972

Expires: May 20, 1973

SPECIAL ATTENTION

A comprehensive reading of this 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 FEBRUARY 11, 1972, AND INFORMATION SUBSEQUENTLY FILED ON APRIL 17, 1972. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. MILILANI MANOR is a proposed fee simple condominium project consisting of 80 two-bedroom apartments located in 9 separate two-story buildings. There will be a total of 160 parking stalls, consisting of 120 regular size stalls and 40 compact size stalls.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws and the Condominium Map will be filed in the

Office of the Assistant Registrar of the Land Court of the State of Hawaii immediately prior to the application for a Final Public Report.

4. As of this date no advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 154, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, April 20, 1972, unless a Final Public Report or a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is made a part of the registration of Mililani Manor condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt for the Preliminary Public Report from each purchaser.

NAME OF PROJECT: MILILANI MANOR

LOCATION: The project is located at the corner of Moenamanu and Kipapa Streets in Waipio, Hawaii, and consists of approximately 3.478 acres of land.

TAX KEY: First Division 9-5-21-5

ZONING: Class 2 - Apartment-Hotel-Resort

DEVELOPER: Mililani Manor, a Hawaii joint venture, is the developer of the project and has its principal place of business at 165 South King Street, Suite 1700, Honolulu, Hawaii, and whose post office address is P. O. Box 10399, Honolulu, Hawaii.

The joint venture is comprised of William D. Grant of Kansas City, Missouri, and Karesu Company, a Hawaii limited partnership. The Business Registration Office of the State of Hawaii registered this joint venture on December 7, 1971.

ATTORNEY REPRESENTING DEVELOPER: Cades, Schutte, Fleming & Wright (Attention: Douglas E. Prior), 17th Floor, First Hawaiian Bank Building, P. O. Box 939, Honolulu, Hawaii 96808; telephone: 531-7232.

DESCRIPTION OF PROJECT: The project consists of nine 2-story buildings, containing a total of 80 two-bedroom apartments, as follows:

<u>Buildings</u>	<u>Number of Apartments</u>
1	12
2	6
3	10
4	8
5	12
6	10
7	4
8	4
9	14

The buildings are wood-frame structures with wood sidings and a composition shingle roof. The ground floor is of concrete with carpets in all areas except the kitchen and the bathroom, which have vinyl tile floor covering. The second floor is of wood with carpet in all areas except the bathroom which has a vinyl tile floor covering.

The apartments will each contain approximately 834 square feet and include a living-dining area, a kitchen, a hall and a half bath on the first floor and two bedrooms, a bath on the second floor, and a storage area above the second floor bath. Each apartment also has an enclosed lanai of approximately 152 square feet on the ground floor and a balcony of approximately 23 square feet on the second floor. These residential apartments are numbered consecutively from 1 - 80.

Each apartment will have carpeting throughout, except in the kitchen and the bathrooms which will have vinyl tile floors. Each apartment will have a range with oven, a hood, fan and light combination, a garbage disposal and a hot water heater.

Each apartment shall have a CATV outlet providing connection to a cable television system at the election of the owner upon payment of the monthly charge imposed by the Mililani Cablevision, Inc.

COMMON ELEMENTS: The common elements will include all of the project except the apartments, specifically, but not limited to the following: (a) The land in fee simple; (b) All foundations, bearing walls, walkways, and landscaped areas; (c) The roof; (d) All driveway areas as well as those unnumbered parking stalls, if any, designated on the condominium map (and any amendments thereto) which shall be used as determined by the Board of Directors; (e) All ducts, electrical equipment, wiring and other central and appurtenant installations for services including power, light, cold and hot water, refuse and telephone; (f) All other devices or installations upon the land existing for or rationally of common use to all the owners of apartments within the project.

LIMITED COMMON ELEMENTS: The parking stalls will be limited common elements reserved for the exclusive use of the apartments to which they are appurtenant. Each purchaser of an apartment will receive one regular size parking stall and may purchase one or possibly two additional regular or compact size parking stall depending upon the availability of these extra stalls. Apartment owners may rent parking stalls to owners and non-owners of apartments. The Declarant reserves the right to amend the condominium map one or more times in order to designate which parking stalls are appurtenant to apartments as provided in the preceding sentence as well as to designate the unnumbered parking stalls, if any, referred to in Item (d) of Paragraph 5, above.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The percentage of undivided interest in all of the common elements appertaining to each apartment will be 1.25%

The undivided interest established and to be conveyed with the respective apartments cannot be changed and the developer covenants and agrees that the undivided interest in the common areas and facilities and the title to the respective apartments to be conveyed shall not be separated or separately conveyed and each said undivided interest shall be deemed to be conveyed or encumbered with its respective apartment even though the description in the instrument of conveyance may refer only to one or other of the interests. The voting rights of apartment owners, as well as his share of the common expenses shall be in proportion to the common interest.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The apartments hereinabove described shall at all times be used only for a private dwelling for the owner, his family, tenants and social guests and such other purposes as are permitted by the Declaration of Horizontal Property Regime and the Bylaws of Mililani Manor as well as the Declaration of Covenants, Conditions and Restrictions for Mililani Town more fully described below in the item captioned "Encumbrances".

OWNERSHIP OF TITLE: The developer has filed with the Commission a lien letter dated February 9, 1972, prepared by Title Guaranty of Hawaii, Inc., which certifies that title to the land committed to this regime is vested in Mililani Town, Inc. The developer has also filed with the Commission a copy of an unrecorded Agreement of Sale dated November 4, 1971, by and between Mililani Town, Inc., as "Seller", and William Downing Grant as "Purchaser", as evidence of his interest to the land. The developer has advised the Commission that

the Agreement of Sale will be satisfied and the fee title acquired prior to the issuance of a Final Public Report for this project.

ENCUMBRANCES: The lien letter prepared by Title Insurance of Hawaii, Inc., certifies that as of the date of the search (February 2, 1972) title to the land is subject to:

1. Certain easements for drainage, water and utility purposes;
2. Mortgage dated October 2, 1967, filed as Document No. 427991, made by Mililani Town, Inc., to Aetna Life Insurance Company for the sum not to exceed \$15,000,000.00 on the land under search, besides other land; and amended by Document No. 476649;
3. Mortgage dated October 2, 1967, filed as Document No. 427993, made by Mililani Town, Inc., to Castle & Cooke, Inc., for the sum of \$1,492,132.69 on the land under search, besides other land;
4. Real property taxes for the fiscal year 1971-1972. The first installment for the fiscal year has been paid, and the second installment will be due on May 30, 1972.

The developer has advised the Commission that the above mortgages will be released at the time the Agreement of Sale to the developer is satisfied.

Prior to issuance of a Final Report for this project, the property will be annexed to Mililani Town pursuant to, and so as to become subject to the provisions of, the Declaration of Covenants, Conditions and Restrictions for Mililani Town, a copy of which has been filed with and which is available for public inspection at, the Office of the Real Estate Commission and which, additionally has been filed with, and is available for public inspection at, the Office of the Assistant Registrar of the Land Court as Document No. 441561 as amended by Documents Nos. 445150, 474351 and 567244. This Declaration provides for certain monthly maintenance assessments to pay the expenses of the Mililani Town Community Association and reserves a lien upon each apartment to secure the payment of these assessments. The amount of the current monthly assessment is \$5.25, subject to increase in case of an increase in the cost of living or in case 66-2/3% of the members of the Community Association approve an increase.

PURCHASE MONEY HANDLING: A copy of the specimen sales contract and the escrow agreement has been submitted as part of the registration. The escrow agreement dated February 4, 1972, identifies Bank of Hawaii as the "escrow" and discloses that under the terms of the agreement, down payment funds may be released by escrow for payment of certain development costs. Upon examination, the specimen sales contract and the executed escrow agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly with Section 514-35 and Section 514-36 through Section 514-40, Hawaii Revised Statutes.

A prospective purchaser should carefully examine the form of sales contract and escrow agreement to determine the time for and the amount of installment payments on the purchase price, the estimated common monthly expenses and the sharing of the closing costs.

MANAGEMENT AND OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property, subject at all times to direction by the Board of Directors. The specimen sales contract provides that seller may employ a responsible and competent person or corporation for the management, operation and maintenance of the project until the election of a Board of Directors.

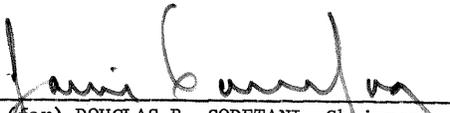
STATUS OF PROJECT: Final plans and specifications for the project have been completed and construction financing has been arranged with Bank of Hawaii. The developer is in the process of negotiating the construction contract and as soon as this has been completed construction will begin.

The specimen sales contract provides that in the event construction of the project is not commenced by December 31, 1972, the obligation of both buyer and seller hereunder shall terminate and all sums paid by the buyer hereunder shall be refunded without interest.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the developer in the required Notice of Intention submitted February 11, 1972, and information subsequently filed on April 17, 1972.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 434 filed with the Commission on February 11, 1972.

The report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.



(for) DOUGLAS R. SODETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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REGISTRATION NO. 434

April 20, 1972