

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**

MAILI MA KA KAI
87-1550 Farrington Highway
Waianae, Hawaii

REGISTRATION NO. 520

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 23, 1973
Expires: May 23, 1974

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 purchasers is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED JANUARY 23, 1973, AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 19, 1973. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. MAILI MA KA KAI is a fee simple condominium project consisting of nine (9) two-story buildings, having a total of forty-eight (48) apartment units and one (1) manager's office. One hundred twenty (120) parking stalls are available.

2. The Developer of the project has filed all documents and materials being necessary by the Commission for the registration of this proposed condominium project and the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.

4. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, April 23, 1973, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

NAME OF PROJECT: MAILI MA KA KAI.

LOCATION: The site, containing approximately 4.5 acres is located at 87-1550 Farrington Highway, Waianae, Hawaii.

TAX MAP KEY: 8-7-34-20, 21.

ZONING: Planned Development Housing.

DEVELOPER: Schrader Investment and Development Corporation, a Hawaii Corporation, whose address is 2074-C Young Street, Honolulu, Hawaii. The officers of which are: Ralph A. Schrader, President, 2074-C Young Street, Honolulu, Hawaii; James Lang, Secretary, 1082-B Kinau Street; and Charles E. Zimmer, Treasurer, 2033 Nuuanu Avenue, PH-C, Honolulu, Hawaii.

ATTORNEYS REPRESENTING DEVELOPER: Conroy, Hamilton, Gibson, Nickelsen & Rush (Attention: Dwight M. Rush and Ken Harimoto), 20th Floor Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813, Phone: 521-2611.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of nine 2-story buildings constructed principally of wood. There will be forty-eight (48) apartments designated in the spaces within the perimeter walls, floors and ceilings of each of the 48 apartment units of the project, which spaces together with appurtenant lanais, if any, are referred to herein as "apartments", and are designated on said plans and described as follows: (1) The residential buildings of the project are designated A, B, C, D, E, F, G, H and J. Building A contains apartments A-1, A-2, A-3, A-4, A-5 and A-6; Building B contains apartments B-1, B-2, B-3, B-4, B-5, B-6, B-7 and B-8; Building C contains apartments C-1 and C-2; Building D contains apartments D-1, D-2, D-3, D-4, D-5 and D-6; Building E contains apartments E-1, E-2, E-3, E-4, E-5 and E-6; Building F contains apartments F-1, F-2, F-3 and F-4; Building G contains apartments G-1, G-2, G-3 and G-4; Building H contains apartments H-1, H-2, H-3 and H-4; and Building

J contains apartments J-1, J-2, J-3, J-4, J-5, J-6, J-7 and J-8;
(2) The apartments all contain two stories and are built in accordance with the same floor plan, each containing one bedroom, a bathroom, a living room, dining room and kitchen on the lower level and two bedrooms and one bathroom on the upper level and each contains a total area of approximately 1,000 square feet;
(3) Each apartment of the project has direct access to the grounds of the project; (4) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve any other apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all 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, and all fixtures originally installed therein.

COMMON ELEMENTS: The proposed Declaration reflects that all remaining portions of the project shall comprise an estate, being described and referred to herein as the "common elements", which estate shall include the building, land on which it is located and all elements mentioned in the Horizontal Property Act which are actually constructed in the project, and specifically includes but is not limited to: (1) Said land in fee simple; (2) All foundations, beams, supports, load-bearing walls, roofs, chases and walkways of said buildings; (3) All grounds, landscaping and refuse and service areas; (4) All parking areas; (5) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any; (6) The building designated "Office" and "I-1" on said plan; (7) The areas designated on said plans as "Tot Lot" and "Community Center"; and (8) Any and all other apparatus and installations of 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 Declaration states that certain parts of the common elements, therein called the "limited common elements", are thereby 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:

1. Two parking stalls designated on said plans by the letter and number of an apartment, shall be appurtenant to and for the exclusive use of such apartment.

2. A private yard enclosed by fencing, therein and on said plan referred to as a "privacy area" shall be appurtenant to and for the exclusive use of the apartment upon which it abuts.

INTEREST TO BE CONVEYED TO PURCHASERS: The proposed Declaration states that each apartment shall have appurtenant thereto an

undivided 1/48 fractional interest (2.0833+ percentage interest) in the common elements of the project. Such interest is hereby defined and referred to herein as the "common interest". The proportionate shares of the profits and common expenses of the project and the proportionate representation for voting purposes in the Association of Apartment Owners of the project, shall be in said percentage for each apartment.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests. The apartments shall not be rented for transient or hotel purposes which are defined as (1) rental for any period less than 7 days, or (2) any rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration.

OWNERSHIP OF TITLE: The Developer, in its Notice of Intention, represents that the Owner of the fee title to the property described in the Declaration for the project as Parcel "First", is Antone Costa and that the Owners of the fee title of property described in said Declaration as Parcel "Second" are Henry K. Boshard and Linda Bailey. A Preliminary Report issued by Security Title Corporation, dated April 12, 1973, a copy of which has been filed with the Commission, certifies that such representation is correct as to Parcel First and to Parcel Second. Parcel First is subject to an Agreement of Sale, dated November 10, 1972, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8725, Page 157, by the terms of which the fee simple Owner has agreed to sell said property to Adolph J. Mendonca, who in turn has agreed to sell said property to the Developer by Sub-Agreement of Sale, dated December 13, 1972, recorded as aforesaid in Liber 8810, Page 363. Parcel Second is subject to an Agreement of Sale, dated March 13, 1972, recorded as aforesaid in Liber 8209, Page 52, by the Owner as Vendor, and T&S, Inc., a Hawaii corporation, as Vendee. Said T&S, Inc. has granted to the Developer an option to purchase its interest in Parcel Second. A copy of the option agreement has been submitted to the Commission.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report issued by Security Title Corporation, dated April 12, 1973, certifies the following encumbrances against title to the property:

1. Any Taxes that may be due and owing and any liens on the land, reference is hereby made to the Office of the Tax Assessor of the district in which the land is situated.
2. (As to Parcel Second Only) Agreement of Sale dated March 13, 1972, recorded in Book 8209, Page 52.
3. (As to Parcel First Only) Agreement of Sale dated November 10, 1972, recorded in Book 8725, Page 157. And amended by instrument dated December 12, 1972, recorded in Book 8806, Page 89.

4. (As to Parcel First Only) Sub-Agreement of Sale dated December 12, 1972, recorded in Book 8810, Page 363.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement, dated January 11, 1973, between Crown Escrow, Inc. and the Developer, as "Seller", has been filed with the Commission. On examination, the executed Escrow Agreement, as well as the specimen Subscription and Purchase Agreement, filed with the Commission are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Sections 514-36 through 514-40, H.R.S. It is incumbent on the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the Subscription and Purchase Agreement, since the Escrow Agreement prescribes the procedure for receiving and disbursing purchasers' funds. The specimen purchase agreement specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided.

Among other provisions, the Escrow Agreement states that a purchaser shall be entitled to a refund of his funds without interest and less Escrow's \$15.00 cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred: (a) Escrow receives a written request from Seller to return to purchaser the funds of such purchaser held by Escrow; or (b) If purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the building plans, subsequent to the execution of purchaser's contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction, unless the purchaser has given written approval or acceptance of the change; or (c) If the request is prior to the time the Final Public Report is issued, or if after such time, the final report differs in any material respect from the Preliminary Public Report, unless the purchaser has given written approval or acceptance of the difference; or (d) If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report. Among other provisions the specimen Sales Contract provides that in the event less than forty (40) apartment units are sold prior to July 1, 1973, Seller may at its option cancel this agreement, in which event Seller will cause Escrow to refund to Buyer all monies paid, without interest, and Seller shall be relieved and released of all further liability hereunder.

MANAGEMENT OF THE PROJECT: The proposed By-Laws which are incorporated in the proposed Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible corporate managing agent. The proposed Declaration states that the initial managing agent shall be Schrader Realty, Inc.

NOTE: The prospective purchaser is advised that the Developer of the project is not offering to provide services relating to the sale or rental of apartments of the project and no representation or reference to that effect has been made by or on behalf of the Developer. Rental of the apartments and the provision of management services in connection therewith is and shall be the sole responsibility of the purchaser.

STATUS OF PROJECT: Complete and final plans and specifications are in the process of preparation. The Developer reasonably contemplates signing a contract for construction in the near future. No commitment for interim construction financing has as yet been obtained by the Developer.

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 January 23, 1973, and information subsequently filed as of April 19, 1973.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 520 filed with the Commission on January 23, 1973.

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.



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

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FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 520

April 23, 1973