

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

MANOA TEI
Keahi Place
Honolulu, Hawaii

Registration No. 854

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: May 18, 1976
Expires: June 18, 1977

SPECIAL ATTENTION

A comprehensive reading of this report 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 the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED APRIL 2, 1976, AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 20, 1976. THE DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. Manoa Tei is a proposed fee simple condominium project consisting of seven (7) 1 or 2 story single-family dwellings. Each dwelling shall include a carport which may be detached or attached.

2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium report 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 Approved Floor Plans) have not yet been filed in the Office of the Recording Officer.
4. The Developer has not yet submitted its program of financing the building of the project and a statement of the estimated costs involved in completing the project. However, it is the Developer's intention that each purchaser shall secure conventional mortgage financing for the construction of his own dwelling.
5. No advertising or promotional material 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 Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.
7. This Preliminary Public Report is made a part of the registration of the MANOA TEI condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and obtaining a receipt therefor from such party.
8. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, May 18, 1976, unless a Supplementary or Final Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: MANOA TEI

LOCATION: The site, consisting of approximately 70,173 square feet, is located in Manoa Valley, on Keahi Place, Honolulu, Hawaii.

TAX MAP KEY: First Division 2-9-56-31

ZONING: R-4

DEVELOPER: Manoa Tei Partners, a Hawaii General Partnership, composed of Eugene K. Despain, Henry Vincent, Jr. and Lulu Vincent, 745 Fort Street, Suite 412, Honolulu, Hawaii 96813, Telephone: 536-5303.

ATTORNEY REPRESENTING DEVELOPER: Davis, Witherwax, Playdon & Gerson (Attention: Eugene K. Despain), Suite 1333, Pacific

Trade Center, 190 South King Street, Honolulu, Hawaii 96813,
Telephone: 524-2466.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by Developer indicate a fee simple project consisting of seven (7) single-family residential buildings, each of which may have appurtenant thereto a detached or undetached carport. Each building shall contain one (1) single-family residential apartment (hereinafter called "Dwelling") consisting of one or two stories or levels and no basement, and shall be constructed principally of wooden walls, roofs and upper floors (if any), wood or concrete slabs on ground floor, wooden balconies (if any), stairs and decking, gypsum board and allied buildings materials.

Seven (7) freehold estates are designated in the spaces enclosed by and within the outside surfaces of the exterior walls and roof, and the bottom surfaces of the slabs, footings and foundations of each of the seven (7) dwellings of the project and are located on the property as follows:

Dwelling No. 1 is located on Lot 1.

Dwelling No. 2 is located on Lot 2.

Dwelling No. 3 is located on Lot 3.

Dwelling No. 4 is located on Lot 4.

Dwelling No. 5 is located on Lot 5.

Dwelling No. 6 is located on Lot 6.

Dwelling No. 7 is located on Lot 7.

The dwellings will be constructed according to seven (7) different floor plans. A description of each of the floor plans, designating the number of rooms and approximate area thereof is set forth as follows:

DWELLING NO. 1 - Reserved for future development.

DWELLING NO. 2 - Reserved for future development.

DWELLING NO. 3 consists of 7 rooms, including a bedroom, a study, a kitchen, a living room, a dining room, and 1 and 1/2 bathrooms. This apartment contains a covered floor area of approximately 1,710 square feet, including an open lanai of approximately 250 square feet and a carport of approximately 360 square feet.

DWELLING NO. 4 consists of 10 rooms, including 3 bedrooms, 2 bathrooms (one of which is a combination bath-dressing room), a kitchen, a dining room, a storage room, a living room and a garage. This apartment contains a covered floor area of approximately 1,780 square feet, including the garage of approximately 440 square feet.

DWELLING NO. 5 consists of 10 rooms, including 3 bedrooms, 2 bathrooms (one of which is a combination bath-dressing room), a kitchen, a dining room, a family room, a living room and a garage. This apartment contains a covered floor area of approximately 1,700 square feet, including the garage of approximately 440 square feet.

DWELLING NO. 6 consists of 6 rooms, including 2 bedrooms, a kitchen, a dining/living area, a recreation room and a garage. This apartment contains a covered floor area of approximately 2,440 square feet, including the garage of approximately 440 square feet.

DWELLING NO. 7 - Reserved for future development.

Each dwelling has immediate access to the grounds of the project.

The respective dwelling shall not be deemed to include any pipes, wires, conduits, or other utility or service lines running through such dwelling which are utilized for or serve more than one dwelling, the same being deemed common elements as hereinafter provided. Each dwelling shall be deemed to include the footings or slab on which it is constructed, the exterior walls and roof, all interior walls, ceilings and partitions, and the finished surfaces thereof, and all fixtures installed therein, in addition to the appurtenant lanai(s) (if applicable), the appurtenant terrace(s) (if applicable), the appurtenant entry (if applicable), the appurtenant deck(s), (if applicable), the appurtenant balcony or balconies (if applicable), the appurtenant court yard(s) (if applicable), and the appurtenant garden(s) (if applicable). A dwelling shall also be deemed to include its carport, whether detached or undetached, and any roofs or other structures connecting such dwelling to its carport.

NOTE: The proposed Declaration provides that the owner of any dwelling shall have the right to alter, at any time, and from time to time, as hereinafter set forth, the plans of his dwelling solely by an amendment to this Declaration, such amendment to be executed solely by the dwelling owner of such dwelling and two officers of the Association who shall execute said amendment upon approval of such altered plans by the Board as hereinafter set forth, provided that such amendment shall be effective only upon the recording of the same in the Bureau of Conveyances of the State of Hawaii. Such amendment shall set forth the number of the dwelling so involved, the description thereof as so altered in accordance with Section 514-11(3) of the Hawaii Revised Statutes, and shall include a complete set of floor plans of such dwelling as so altered certified as built by a registered architect or professional engineer. Such amendment shall also include the consent thereto of the holder of such recorded mortgage of the dwelling involved. Such alteration of the plans of a dwelling shall be subject to the prior approval thereof by

the Board and by the appropriate agencies of the State of Hawaii and the City and County of Honolulu; provided, however, such consent by the Board shall not be withheld if the plans therefor have been approved by the developer and his architect, as maintaining the contemporary atmosphere of the project. Such alteration of the plans of a dwelling may decrease or increase the size of such dwelling, provided that the same shall not extend or place the dwelling outside of the limits of the Lot upon which the dwelling is built as designated on said Condominium File Plan; and provided, further, that no such alteration of the plans of a dwelling shall be allowed hereunder without the unanimous consent of the Board if the same increases the height of such dwelling by more than three feet. Before commencing or permitting construction on any alteration of a dwelling, the dwelling owner thereof shall obtain and deposit with the Secretary a bond or certificate thereof, naming all dwelling owners as dual obligees, in a penal sum of not less than one hundred percent (100%) of the cost of such construction as the same may change from time to time and with a corporate surety authorized to do business in Hawaii, guaranteeing performance of such construction free and clear of all mechanics' and materialmen's liens arising under Section 514-9 of the Hawaii Revised Statutes. The proposed Declaration also provides that the Developer shall have the right to develop the dwelling units of this Project in two or more phases. The first phase shall consist of dwelling unit development of Lots 3, 4, 5 and 6. Lots 1, 2 and 7 shall be reserved for future development. The Developer may at any time and from time to time develop dwelling units on any or all of the reserved lots solely by an amendment to this Declaration, such amendment(s) to be executed solely by the Developer and two officers of the Association who shall execute said amendment(s) upon approval of such dwelling plans by the Board as hereinafter set forth, provided that any such amendment(s) shall be effective only upon the recording of same in the Bureau of Conveyances of the State of Hawaii. Such amendment(s) shall set forth the number of the Lot(s) and dwelling(s) involved, the description of the dwelling(s) as so constructed thereon in accordance with Section 514-11(3), Hawaii Revised Statutes, and shall include a complete set of floor plans of such dwelling(s) as so constructed certified as built by a registered architect or professional engineer. Any reserved lot development shall be subject to the prior approval thereof by the Board and by the appropriate agencies of the State of Hawaii and the City and County of Honolulu; provided, however, such consent by the Board shall not be withheld if the plans have been approved by the developer and his architect, as maintaining the contemporary atmosphere of the project. No reserved lot development shall place any dwelling outside of its respective lot limits.

COMMON ELEMENTS: The common elements will include the limited common elements hereinafter described and all other

portions of the land and improvements other than the dwellings, including specifically, but not limited to: said land in fee simple; all yards, grounds, landscaped areas and uncovered walkways around and between said buildings; all roadways, stairways, sidewalks, driveways and retaining walls; all central and appurtenant installations for common services, including, power, light, water, telephone, television, sewer and trash disposal; and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the project, including the drainage system along the southern boundary of the project.

LIMITED COMMON ELEMENTS: The proposed Declaration reflects that certain parts of the common elements, herein called the "limited common elements", are designated and set aside for the exclusive use of certain dwellings, and such dwellings shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows: (a) each lot upon which the respective dwellings are built shall be appurtenant to and for the exclusive use of such dwelling, being designated on said condominium file plan as follows:

Dwelling No. 1 -- Lot No. 1

Dwelling No. 2 -- Lot No. 2

Dwelling No. 3 -- Lot No. 3

Dwelling No. 4 -- Lot No. 4

Dwelling No. 5 -- Lot No. 5

Dwelling No. 6 -- Lot No. 6

Dwelling No. 7 -- Lot No. 7

(b) the driveway connecting the carport of each dwelling to the roadway of the project shall be deemed a limited common element appurtenant to and for the exclusive use of the dwelling or dwellings which are served thereby; (c) the stairways and walkways connecting the dwelling to the roadway of the project and/or to the carports of such dwelling or dwellings served thereby; and (d) the mail boxes of the respective dwellings.

INTEREST TO BE CONVEYED TO PURCHASER: Each dwelling shall have appurtenant thereto an undivided 1/7th fractional interest in all common elements of the project and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting.

USE: The Declaration provides that the dwellings shall be occupied and used only for living accommodations by the respective owners thereof, their servants and guests, and

for no other purpose. The dwellings shall not be rented for transient or hotel purposes which are defined as: (a) rental for any period less than thirty (30) days; or (b) any rental in which the occupants of the dwelling are provided customary hotel services such as room service, maid service, laundry and linen and bellboy service. The dwelling owners shall have the absolute right to lease or rent their apartments subject to the limitations, restrictions, covenants and conditions of the Declaration and By-Laws.

OWNERSHIP OF TITLE: The title report dated February 9, 1976, by Title Guaranty of Hawaii, Inc., indicates that title to the land is vested in Manoa Tei Partners, a Hawaii general partnership composed of Eugene K. Despain, Henry Vincent, Jr. and Lulu Vincent.

ENCUMBRANCES AGAINST TITLE: The said February 9, 1976 title report indicates that there are the following encumbrances:

(a) Real property taxes, second installment, fiscal year July 1, 1975 - June 30, 1976.

(b) Reservation in favor of the State of Hawaii of all mineral and metallic mines.

(c) Easement "18" (10' wide) for a storm drain situate along the Northerly boundary of Lot 70B on File Plan 604.

(d) Covenants, conditions and restrictions set forth in instrument dated January 17, 1963, and recorded in Liber 4451, Page 224.

(e) That certain judgment dated September 28, 1973, filed in the Circuit Court, First Circuit, State of Hawaii, as Civil No. 38775, and recorded in Liber 9519, Page 119, and the terms of the stipulation referred to therein.

(f) Terms, provisions and conditions contained in that certain Loan Agreement dated February 9, 1976, recorded in Liber 11231, Page 1, entered into by and between Manoa Tei Partners and Island Federal Savings and Loan Association, a federal savings and loan association.

NOTE: Developer advises that it plans to grant an easement for utility purposes, in favor of HAWAIIAN ELECTRIC COMPANY, INC. and HAWAIIAN TELEPHONE COMPANY, that will encumber the lands of the project.

PURCHASE MONEY HANDLING: A copy of the seven (7) executed Escrow Agreements covering each of the apartments in the project, dated April 1, 1976, between Developer and Title Guaranty Escrow Services, Inc., as Escrow, has been filed with the Commission. On examination, the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Sections 514-36 through 514-40, H.R.S. Among other provisions, the executed Escrow Agreement states that

a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest, and less Escrow's \$25.00 cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

1. Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser then held under the Escrow Agreement by Escrow; or

2. If a 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 sales contract, requiring 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 specific change; or

3. If a purchaser's funds were obtained prior to the issuance of the Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless the Purchaser has given written approval or acceptance of the difference; or

4. If the Final Public Report is not issued within one (1) year from the date of issuance of this Preliminary Public Report; or

5. If a Buyer's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued.

It is incumbent of the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the sales contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's funds. The specimen sales contract specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided. Purchasers and prospective purchasers are advised to read with care the provisions of the sales contract.

NOTE: The specimen sales contract includes the following provisions:

1. The purchaser agrees that until the sale of all of the apartments in the project, or until December 31, 1976, whichever shall first occur, the purchaser shall not enter into an agreement with any owner, purchaser, or lessee of another apartment in the project and/or any third party under which purchaser agrees to share expenses and/or rentals of apartments in the project, and that this agreement of the purchaser shall survive the issuance to the purchaser of the apartment deed conveying the premises and shall bind the purchaser's heirs, executors, administrators, successors and assigns during the term thereof.

2. Buyer hereby agrees to begin construction of the Apartment within thirty (30) days from the Date of Closing and to fully and completely construct the Apartment within six (6) months from the Date of Closing, in accordance with the Condominium File Plan for the project and the plans and specifications described in the Construction Contract, or in accordance with such plans and specifications as shall be approved by the appropriate agencies of the City and County of Honolulu and the State of Hawaii, and approved by the Board of Directors of the Association of Apartment Owners, all as more fully set forth in the proposed Declaration.

3. Buyer hereby agrees that Seller shall have the right to monitor the course of construction to ensure that the Apartment is built within the aforesaid period. Buyer agrees to, and cause to have the contractor, meet with Seller at least monthly concerning the construction schedule for the Apartment. At each such meeting Buyer shall supply Seller with copies of required documents.

4. In the event that Buyer fails to begin construction of the apartment within thirty (30) days from the Date of Closing, the parties hereto agree that Buyer shall pay to Seller an additional sum equal to the total amount of funds held by Escrow paid under paragraphs "C-1", "C-2" and "C-3" of the Sales Contract multiplied by twelve percent (12%) per annum for and during the period from the end of said six (6) month period to and including the day such construction is begun. Seller may, in addition, pursue any other remedy for default hereunder and/or permitted by law or equity.

5. In the event that Buyer fails to fully and completely construct the Apartment within six (6) months from the Date of Closing, the parties hereto agree that Buyer shall pay to Seller an additional sum equal to the total amount of funds held by Escrow paid under paragraphs "C-1", "C-2" and "C-3" of the Sales Contract multiplied by twelve percent (12%) per annum for and during the period from the end of said six (6) month period to and including the day the Apartment is fully and completely constructed. Seller may, in addition, pursue any other remedy for default hereunder and/or permitted by law or equity.

6. Buyer understands and agrees that subsequent to recordation of the Apartment Deed, Escrow shall make certain disbursements from the funds received by Escrow pursuant to paragraphs "C-1", "C-2" and "C-3" of the Sales Contract for Seller's architectural, engineering, finance and legal fees and for the other incidental expenses of the project, as set forth in the Escrow Agreement.

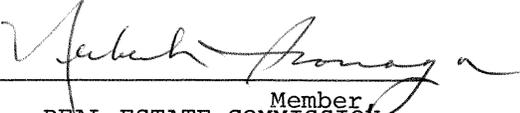
MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the proposed Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The Developer has selected as initial managing agent: Eugene K. Despain, 745 Fort Street, Suite 412, Honolulu, Hawaii 96813.

NOTE: Developer advises that no representations or references will be made to either purchasers or prospective purchasers concerning rental of the apartment, income from the apartment or any other economic benefit to be derived from the rental of the apartment, including but not limited to any reference or representation to the effect that Developer or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental or sale of the apartment, or as to possible advantages from the rental of an apartment under federal or state tax laws. 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: The Developer advises that construction of the apartments has not yet commenced.

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 April 2, 1976, and information subsequently filed as of April 20, 1976.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 854 filed with the Commission April 2, 1976. 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.


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STATE OF HAWAII

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REGISTRATION NO. 854
May 18, 1976.