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
KAHE KAI I
87-119/123/127/131 - Helelua Street
Nanakuli, Oahu, Hawaii

Registration No. 898

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: February 21, 1977

Expires: March 21, 1978

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 31, 1977 AND SUBSEQUENT INFORMATION FILED AS OF FEBRUARY 16, 1977. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514, HAWAII REVISED STATUTES.

1. "KAHE KAI I" is a proposed leasehold condominium project consisting of sixty six (66) apartment units contained in four (4) buildings of three (3) stories each constructed principally of concrete block, steel framing and aluminum siding, and a total of 99 parking stalls, including 83 regular parking stalls and 16 compact stalls. All of the apartments with the exception of one apartment which shall be the manager's apartment shall be offered for sale.

2. The Developer of the Project has submitted to the Commission for examination all documents and materials deemed 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, Bylaws of the Association of Apartment Owners, and a copy of the floor plan) 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 Hawaii Revised Statutes, Chapter 514, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

6. This Preliminary Public Report is made a part of the registration of the KAHE KAI I Condominium project. The Developer has a responsibility for placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of receipt for same is also the responsibility of the Developer.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, February 21, 1977, unless a Supplementary or Final Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

8. KAHE KAI I was registered as a condominium and the Real Estate Commission issued a Preliminary and Final Public Report under the name of PUU HELEAKALA, Registration No. 684; which registration has expired as of December 11, 1976. Since then, the Developer has made changes in the development entity, name of the project, as well as the scope and set up of the Project.

THIS PRELIMINARY REPORT OF KAHE KAI I SUPERCEDES THE PRELIMINARY AND FINAL REPORT OF PUU HELEAKALA CONDOMINIUM. THE DEVELOPER HAS SUBMITTED ALL OF THE INFORMATION ESSENTIAL TOWARD THE ISSUANCE OF THIS PRELIMINARY REPORT AND THEREFORE THIS REPORT IS DEEMED COMPLETE IN ITSELF.

NAME OF PROJECT: "KAHE KAI I CONDOMINIUM"

LOCATION: The 1.962 acre parcel of land to be committed to the regime is situated at Helelua Street at Farrington Highway in Nanakuli, City and County of Honolulu, State of Hawaii.

TAX KEY: 8-7-8-71 (FIRST DIVISION)

ZONING: The property to be committed to the regime is zoned PDH under the Comprehensive Zoning Code of the City and County of Honolulu pursuant to Ordinance No. 3883.

DEVELOPER: KAISER PACIFIC PROPERTIES CORPORATION, a California corporation, whose business and post office address in the State of Hawaii is 700 Bishop Street, Honolulu, Hawaii 96813. (Telephone No. (808) 521-2647). The officers of KAISER PACIFIC PROPERTIES CORPORATION are W. E. Ousterman, Jr., President; A. B. Brown, Jr., Vice President; R. G. Hohnsbeen, Vice President and Controller; D. B. Hunn, Treasurer; Carl R. Pagter, Secretary; and Clayton R. C. Kim, Assistant Secretary.

ATTORNEY REPRESENTING DEVELOPER: Geoffrey Hamilton of HAMILTON & TAYLOR, Suite 1402 Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813 (Telephone No. (808) 524-3824)

GENERAL DESCRIPTION OF THE PROJECT: The proposed Declaration of Horizontal Property Regime reflects that this condominium project consists of sixty six (66) apartment units contained in four (4) buildings of three (3) stories each constructed principally of concrete block, steel framing and aluminum siding and designated as Buildings F, G, H, and J, inclusive.

1. All sixty six (66) units are of the same type. Each apartment is one-story and has an area of 666 square feet, more or less, and contains two bedrooms, one bath, living-dining room and a kitchen.

2. Each apartment has been assigned an apartment number with a letter and number prefix which reflect the building and floor upon which the apartment is located. Each building within which the apartments are located has a separate street address. The apartment letter and number and its location are shown on the floor plan for the project submitted by the Developer as follows:

BUILDING	FLOOR NO.	APARTMENT NO.
F	1	F101-F104*
	2	F201-F204
	3	F301-F304
G	1	G101-G108
	2	G201-G208
	3	G301-G308
H	1	H101-H104
	2	H201-H204
	3	H301-H304
J	1	J101-J106
	2	J201-J206
	3	J301-J306

*Apartment number F103 is designated the manager's apartment.

3. All 99 parking spaces are uncovered and are located outside on the ground level.

4. Each apartment has immediate access to the stairways and walkways connecting the buildings to the parking areas and street entrances to the project. There are no corridors and each entrance is shared by six apartments.

5. 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.

6. All apartments are furnished with a gas range, range hood, disposal, central gas water heater and carpet.

7. All apartment owners in this project and all apartment owners in the adjoining condominium project identified as Kahe Kai II, shall become members of the Puu Heleakala Recreation Association along with 236 town house owners in the adjacent Puu Heleakala Increments I, II, III, IV and V projects. As Recreation Association members, apartment owners shall enjoy full use of a 2-1/4 acre park including a recreation community center on Lots 109 and 256 of Land Court Application 646. Until the municipal sewer system is available to the project, sewer services will be provided by a private system that shall be owned, operated and maintained by the Recreation Association, and costs involved in the operation and maintenance of the private system shall be included in the Recreation Association maintenance assessment.

COMMON ELEMENTS: The common elements will include the limited common elements herein described and all remaining portions of the project including specifically but not limited to:

(a) Said land in fee simple;

(b) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, walkways, boardwalks, ducts, pumps, pipes, wires, conduits, and generally all equipment, apparatus, installations and personal property existing for common use in the buildings or located on the land hereinabove described;

(c) All driveways, roads, and other common ways, landscaping, yards, playground areas and equipment, garden, fenced garden areas, fences, retaining walls, refuse collection areas, laundry buildings, mail box areas, accessory equipment and parking areas and the Manager's living quarters designated as apartment number F103 on said Condominium Map.

(d) The improvements within and upon Lot 46-A as shown on Map 8 of Land Court Application 646 that is subject to lease from MICHIO YAMAGUCHI and TOMOE YAMAGUCHI, husband and wife, to PUU HELEAKALA RECREATION ASSOCIATION, dated March 29, 1974, and filed in the Office of the Assistant Registrar of the Land Court as Document No. 682392, shall become a common element at such time as said lease to PUU HELEAKALA RECREATION ASSOCIATION shall terminate.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called the "limited common elements", are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such common elements as follows: (a) each apartment shall have appurtenant thereto one or more parking spaces to be shown on the plot plan of the project; and (b) the hallways and stairways giving access to the apartments on the second and third floors shall be limited common elements for and be appurtenant only to the apartments within each building for which such hallways and stairways are required for access.

INTEREST TO BE CONVEYED TO PURCHASERS AND MEMBERSHIP IN PUU HELEAKALA RECREATION ASSOCIATION. As specified and established in the proposed Declaration, each apartment shall have appurtenant thereto an undivided percentage 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 as follows:

BUILDING	FLOOR NO.	APT. NO.	PERCENTAGE COMMON INTEREST (FOR EACH APARTMENT)	TOTAL
F	1	F101,F102,F104*	1.5385	4.615
	2	F201-F204	1.5385	6.154
	3	F301-F304	1.5385	6.154
G	1	G101-G108	1.5385	12.308
	2	G201-G208	1.5385	12.308
	3	G301-G308	1.5385	12.308
H	1	H101-H104	1.5385	6.154
	2	H201-H204	1.5385	6.154
	3	H301-H304	1.5385	6.154
J	1	J101-J106	1.5385	9.231
	2	J201-J206	1.5385	9.231
	3	J301-J306	1.5385	9.231
			Total	100%

*F103 is designated the manager's apartment and is a common element.

In addition, each apartment, along with each Puu Heleakala townhouse unit and each condominium apartment in the adjoining condominium project entitled Kahe Kai II will have one appurtenant membership in the Puu Heleakala Recreation Association. Copies of the Declaration of Covenants, Conditions and Restrictions, Charter of Incorporation and Bylaws of Puu Heleakala Recreation Association have been submitted to the Commission.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed 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 social guests and for no other purposes.

The apartments 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 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 proposed Declaration, and subject to the FHA owner-occupant affidavit, if apartment units are purchased by means of FHA insured loan.

OWNERSHIP OF LAND AND ENCUMBRANCES AGAINST TITLE: The Preliminary Report of Title Guaranty of Hawaii Incorporated dated December 2, 1976, indicates that ownership of fee simple title in the property is vested in MICHIO YAMAGUCHI and TOMOE YAMAGUCHI, husband and wife, as tenants in common, and that the property is subject to the following encumbrances as of that date:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor First Division.

2. A grant of easement in favor of the United States of America, dated October 4, 1950 and filed as Land Court Document No. 122546, for the purpose of laying etc. underground telephone cable under and across the within premises, besides other land, including the right of ingress and egress, reserving complete use of the surface of the ground above.

3. Terms, agreements, reservations, covenants, conditions and provisions contained in that certain unrecorded lease dated October 13, 1972, as amended; a short form of which is dated October 13, 1972 and filed as Document No. 605864.

4. That certain agency agreement dated October 13, 1972 and filed as Land Court Document No. 605866, made by and between Michio Yamaguchi and Tomoe Yamaguchi, husband and wife, and Bishop Trust Company, Limited, a Hawaii corporation.

5. By subordination of dower dated October 13, 1972 and filed as Land Court Document No. 606300, Tomoe Yamaguchi subordinates her right or possibility of dower in her husband's one-half (1/2) undivided interest in the land under search, besides other lands, to the rights of Ferguson Development Corporation and Kaiser Pacific Properties Corporation, their successors and assigns, under said lease for and during the demised term of said lease as the same may be extended from time to time and under all subsequent leases contemplated under the terms and conditions of said lease and for and during the demised terms of such subsequent leases.

6. Mortgage

Mortgagor:	Ferguson Development Corporation, a Hawaii corporation, and Kaiser Pacific Properties Corporation, a California corporation, joint ventures doing business as Ferguson Land Company, a Hawaii general partnership
Mortgagee:	Bank of Hawaii, a Hawaii corporation
Dated:	April 18, 1973
Filed:	Land Court Document No. 626797
Amount:	$3,500,000.00 on lease document No.605864 (covering land under search, besides other lands)

7. Additional charge mortgage to mortgage set forth as encumbrance No. 6

Mortgagor:	Ferguson Development Corporation, a Hawaii corporation, and Kaiser Pacific Properties Corporation, a California corporation, joint ventures doing business as Ferguson Land Company, a Hawaii general partnership
Mortgagee:	Bank of Hawaii, a Hawaii corporation
Dated:	November 13, 1974
Filed:	Land Court Document No. 702347
Amount:	$500,000.00

8. Second additional charge mortgage to the mortgage set forth as encumbrance No. 8

Mortgagor:	Ferguson Development Corporation, a Hawaii corporation, and Kaiser Pacific Properties Corporation, a California corporation, joint ventures doing business as Ferguson Land Company, a Hawaii general partnership
Mortgagee:	Bank of Hawaii, a Hawaii corporation
Dated:	December 24, 1975
Filed:	Land Court Document No. 748381
Amount:	$500,000.00

Amendment of mortgages and loan modification agreement, dated June 17, 1976 and filed as Land Court Document No. 782924, made by and between Ferguson Development Corporation, a Hawaii corporation, and Kaiser Pacific Properties Corporation, a California corporation, doing business as Ferguson Land Company, a Hawaii general partnership, and Bank of Hawaii, a Hawaii banking corporation; amends said mortgage document No. 626797, additional charge mortgage document No. 702347, and second additional charge mortgage document No. 748381; re maturity date extended to December 1, 1976.

By release and assumption agreement dated September 21, 1976, filed as Land Court Document No. 785567, also recorded in Liber 11735, page 334, made by and between Ferguson Development Corporation, a Hawaii corporation, and Kaiser Pacific Properties Corporation, a California corporation, joint venturers doing business as Ferguson Land Company, a Hawaii general partnership, and Bank of Hawaii, a Hawaii banking corporation, said Ferguson Development Corporation is released from all liability and obligations under loan account agreement dated April 18, 1973, as modified, said mortgage document No. 626797, additional charge mortgage document No. 702347, second additional charge mortgage document No. 748381, amendment of mortgage and loan modification agreement document No. 782924, and financing statement recorded in Liber 10242, page 86; and said Kaiser Pacific Properties Corporation assumed complete and sole responsibility for the obligations of the Mortgagor under said loan account agreement, as modified, and said mortgage and additional charge mortgages, amendment of mortgages and loan modification agreement, and said financing statement.

9. That certain declaration of covenants, conditions and restrictions for the Puu Heleakala Recreation Association, dated July 16, 1973 and filed as Land Court Document No. 659684, made by and between Michio Yamaguchi and Tomoe Yamaguchi, husband and wife, and Ferguson Land Company, a joint venture composed of Ferguson Development Corporation, a Hawaii corporation, and Kaiser Pacific Properties Corporation, a California corporation, to which reference is hereby made.

10. That certain grant in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, dated March 8, 1974 and filed as Land Court Document No. 675481, granting a perpetual right and easement to construct, etc. underground power lines, transformer vaults, etc. within the lands under search, besides other land. Consent given by Ferguson Development Corporation, a Hawaii corporation, Kaiser Pacific Properties Corporation, a California corporation, and Bank of Hawaii, a Hawaii corporation, dated March 8, 1974 and filed as Land Court Document No. 675482.

11. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions and other provisions as set forth in that certain Declaration of Horizontal Property Regime dated October 1, 1974 and filed as Land Court Document No. 699176, and the Bylaws attached thereto, as the same are or may hereafter be amended in accordance with law, said Declaration or said Bylaws. (Project covered by Condominium Map No. 230)

12. Lease

Lessor: Michio Yamaguchi and Tomoe Yamaguchi, husband and wife
Lessee: Ferguson Development Corporation, a Hawaii corporation, and Kaiser Pacific Properties Corporation, a California corporation
Dated: October 13, 1972
Filed: Unrecorded
Term: From October 13, 1972 to and including February 10, 2028 with option to extend for an additional period expiring on February 10, 2048

(Demising Lot 45, besides other lands)

Above lease amended by instrument

Dated: December 7, 1973
Filed: Land Court Document No. 739308

Above lease, as amended, assigned

Assignor: Ferguson Development Corporation, a Hawaii corporation, individually and as a joint venturer in the joint venture known as Ferguson Land Company, registered as a Hawaii general partnership
Assignee: Kaiser Pacific Properties Corporation, a California corporation
Dated: September 21, 1976
Filed: Land Court Document No. 785566

PURCHASE MONEY HANDLING: An executed Escrow Agreement dated January 24, 1977 identifies Bank of Hawaii as the escrow. Upon examination of the Escrow Agreement, it is found to be in consonance with Chapter 514, Hawaii Revised Statutes and particularly Section 514-35 through Section 514-40.

Among other provisions, the executed Escrow Agreement provides that a purchaser shall be entitled to a refund of his funds without interest if the purchaser shall in writing request refund of his funds and any of the following shall have occurred:

(a) Developer has requested Escrow in writing to return to Purchaser the funds of Purchaser then being held hereunder by Escrow; or

(b) Purchaser's funds were obtained prior to the issuance of a final public report and there is a change in the condominium building plans subsequent to the execution of purchaser's sales contract requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings (unless Purchaser has given written approval or acceptance of the specific change); or

(c) The final public report differs in any material respect from the preliminary public report; or

(d) If the final public report is not issued within twelve (12) months from the date of issuance of the preliminary public report; or

(e) Purchaser is entitled to a refund pursuant to the provisions contained in the subscription and purchase agreement.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Sales Agreement, since the Escrow Agreement prescribes the procedure for receiving and disbursing purchaser's funds.

Among other provisions, the specimen Subscription and Purchase Agreement states: (1) that in the event less than Eighty Percent (80%) of the apartments are sold prior to two (2) years from the date of execution of the Subscription and Purchase Agreement, the Developer and Purchaser shall have the right to withdraw, in which event Developer shall return to Purchaser all sums paid; and (2) all rights hereunder in the agreement are and at all times shall be subject and subordinate to the lien of the mortgage and accompanying documents to be executed by the Purchaser to a lending institution and to be insured under Section 234 of the National Housing Act; and to any and all modifications, extensions, and renewals thereof, and to any mortgage or deed of trust made in place thereof.

MANAGEMENT OF PROJECT: The proposed Bylaws, which are incorporated in the proposed Declaration, provide that the operation of the project shall be conducted for the Association of Owners under the direction of the Board of Directors. A responsible corporate Managing Agent shall be appointed by the Association in accordance with the Bylaws. The initial Managing Agent shall be Aaron M. Chaney, Inc.

OPTION TO MERGE WITH KAHE KAI II: By virtue of the provisions of the Declaration of Horizontal Property Regime, the Developer and the fee simple property owners of the condominium property identified in said Declaration have reserved the right to merge at any time prior to December 31, 1985, Kahe Kai I with Kahe Kai II, a leasehold condominium project developed by the Developer located on an adjoining parcel of land designated on the condominium map appurtenant to said Declaration as Kahe Kai II. The entire project after such merger, if such right to merge is exercised, will be known as "Kahe Kai". The reserved option permits the consolidation of such adjoining parcel into this project and the reallocation of common interests and limited common interests among the entire project as then consolidated.

FINANCING OF THE PROJECT: The Developer has arranged for financing of apartments in this Project by way of mortgages insured by the Department of Housing and Urban Development pursuant to Section 234 of Title II of the National Housing Act. As a condition of its providing such insurance, the Department of Housing and Urban Development requires that the Association of

Apartment Owners of Kahe Kai I enter into with the Department and record a Regulatory Agreement whereby the Association may be regulated and restricted by the Department. The Regulatory Agreement is proposed to be executed by the Developer for and on behalf of the Association and recorded with the Declaration. Purchasers of the apartments in the Project should, therefore, familiarize themselves with the provisions of the Regulatory Agreement.

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 on January 31, 1977, and subsequent information filed as of February 16, 1977.

This is a Preliminary Horizontal Property Regime (Condominium) Public Report which is made a part of Registration No. 898, filed with the Commission on January 31, 1977. 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
AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

Registration No. 898
Date: February 21, 1977