

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
MAUNALANI IKI
4959 Maunalani Circle
Honolulu, Hawaii

Registration No. 955

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: December 29, 1977
Expires: January 29, 1979

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 NOVEMBER 28, 1977, AND SUBSEQUENT INFORMATION FILED AS OF DECEMBER 27, 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. MAUNALANI IKI is a proposed fee simple condominium project consisting of four (4) separate dwelling houses, each of which will have the exclusive use of its own land area and common use of a private roadway. The houses will be three story buildings each constructed principally of steel framing and wood.

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 now 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 MAUNALANI IKI 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, December 29, 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.

NAME OF PROJECT: MAUNALANI IKI

LOCATION: The 58,115 square feet of parcel of land to be committed to the regime is situated on the Northeasterly side of Maunalani Circle at Kapahulu and Waialae Nui, Honolulu, Oahu, Hawaii.

TAX KEY: 3-3-28-6 (First Division)

ZONING: The property to be committed to the regime is zoned R-3 under the Comprehensive Zoning Code of Honolulu. The property will be developed in accordance with a Site Development Plan which was granted March 3, 1977, by the Department of Land Utilization pursuant to the provision of Section 21-506 of the Comprehensive Zoning Code of the City and County of Honolulu.

DEVELOPER: FERGUSON AND SUTTON, a Hawaii registered general partnership, whose principal place of business and post office address is Suite 1070, Castle and Cooke Building, Financial Plaza of the Pacific, Honolulu, Hawaii, 96813 (Telephone No. (808) 531-0381). The partnership is comprised of the following two Hawaii corporations:

Ferguson Management Corporation, whose officers are: David A. Ferguson, President; Richard B. Ferguson, Vice-President; J. Howard Ferguson, Secretary-Treasurer.

Charles R. Sutton and Associates, Inc., whose officers are: Charles R. Sutton, President; Ted Candia, Vice President-Treasurer; John Jubinsky, Secretary; Jean Sutton, Assistant Secretary and Assistant Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Charles W. Key, of Damon, Shigekane, Key & Char, 10th Floor, City Bank Building, 810 Richards Street, Honolulu, Hawaii, 96813 (Telephone No. (808) 531-8031).

GENERAL DESCRIPTION OF THE PROJECT: The proposed Declaration of Horizontal Property Regime reflects that this is a fee simple condominium project. The plans submitted by the Developer indicate four (4) freehold estates (herein called "apartments") designated as the land area down to a depth of fifty feet, and air space thereof, and the structures thereon and therein situate consisting of four separate dwelling houses of the project, primarily constructed of steel framing and wood.

1. The following is a brief description of each of the four apartments:

(a) Apartment No. 1 consists of approximately 19,448 square feet of land area and the dwelling unit thereon, having an approximate gross floor area of 2,312 square feet, which is three stories and contains nine (9) rooms, and an attached one-story 2-car garage, and shall also include all lawful additions to or alterations of the dwelling.

(b) Apartment No. 2 consists of approximately 13,277 square feet of land area and the dwelling unit thereon, having an approximate gross floor area of 2,312 square feet, which is three stories and contains nine (9) rooms, and an attached one-story 2-car garage, and shall also include all lawful additions to or alterations of the dwelling unit.

(c) Apartment No. 3 consists of approximately 10,003 square feet of land area and the dwelling unit thereon, having an approximate gross floor area of 2,312 square feet, which is three stories and contains nine (9) rooms, and an attached one-story 2-car garage, and shall also include all lawful additions to or alterations of the dwelling unit.

(d) Apartment No. 4 consists of approximately 10,015 square feet of land area and the dwelling unit thereon, having an approximate gross floor area of 2,312 square feet, which is three stories and contains nine (9) rooms, and an attached one-story 2-car garage and shall also include all lawful additions to or alterations of the dwelling unit.

2. Each apartment owner may, at his own expense, make lawful additions to or alterations of the improvements and the dwelling unit within his apartment with the prior written approval of the Board of Directors of the Association of Apartment Owners.

3. Each apartment has immediate access to the driveway connecting the apartment to the street entrance of the project.

4. All apartments will be furnished with an electric range, disposal, dishwasher, water heater and carpeting.

COMMON ELEMENTS: The common elements will include the limited common elements and all remaining portions of the project, excepting therefrom the land area within an apartment, including specifically, but not limited to: (i) the land in fee simple; (ii) the driveway area and all improvements therein and thereon; and (iii) all pipes, electrical equipment, wiring and other central and appurtenant installations for power, light, water, sewer and telephone utilized and for the benefit of more than one apartment, whether or not within an apartment.

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 limited common elements as follows: All pipes, electrical equipment, wiring and other installations for power, light, water, sewer and telephone for the utilization and for the benefit of one apartment.

COMMON INTEREST: As specified and established in the proposed Declaration, each apartment shall have appurtenant thereto a twenty-five percent (25%) 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.

EASEMENTS: In addition to any easements herein designated in the limited common elements, the apartments and common elements shall have and be subject to the following easements:

1. Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment; in the other common elements for use

according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided.

2. If any part of the common elements encroaches upon any apartment or limited common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event a dwelling unit shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

USE: The apartments may be occupied and used for any lawful purpose.

OWNERSHIP OF LAND AND ENCUMBRANCES AGAINST TITLE: The Developer has filed with the Commission the preliminary report of Title Guaranty of Hawaii, Inc., dated November 9, 1977, which indicates that the ownership of fee simple title in the property is vested in The Estate of Warren Russell Starr as to one-half (1/2) interest with Bishop Trust Company, Limited, as Trustee, and in The Estate of Elizabeth Young Starr as to the other one-half (1/2) interest with Bishop Trust Company, Limited, as Executor of the Estate, 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. The reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Restrictive Condition in deed of December 18, 1928, Liber 986, Page 205, regarding intoxicating liquors.
4. Grant of Easement 10' wide for reservoir overflow and cleanout line as recorded in Liber 903, Page 59.

NOTE: By letter agreement dated October 5, 1976, Mrs. Elizabeth Y. Starr and Bishop Trust Co., Ltd., Trustee of the Estate of Warren Russell Starr, granted an option to Ferguson and Sutton, the Developer, to purchase and develop the parcel on which the Project will be built. Said option was due to expire September 30, 1977, but has been extended to January 20, 1978 by mutual consent on August 29, 1977.

The Developer has advised the Commission that it has an option to purchase the fee simple title to the property, which option shall expire on January 20, 1978.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated November 22, 1977, identifies BANK OF HAWAII as the Escrow. Upon examination of the Escrow Agreement, it is found to be in consonance with Chapter 514, HRS, and particularly Section 514-35 through Section 514-40.

Among other provisions, the executed Escrow Agreement provides that purchaser shall be entitled to a refund of his funds without interest when any of the following has occurred:

(a) Seller has requested Escrow in writing, at any time prior to the recordation of documents thereunder, to return to a purchaser the funds of such purchaser then held thereunder by Escrow; or

(b) On or before one year from the date of the Escrow Agreement:

(i) Seller has not caused to have delivered to Escrow a property executed deed of said land running in favor of Seller;

(ii) Seller has not delivered to Escrow a Declaration and By-Laws of the Association of Co-Owners submitting said land (and improvements to be constructed thereon) to the Horizontal Property Regime, together with a copy of the floor plans required to be filed therewith; or

(iii) Seller has not executed and delivered to Escrow for execution by the respective purchasers warranty deeds running in favor of said four respective purchasers with respect to each condominium unit; or

(iv) Seller has not entered into a construction contract with a general contractor for the construction of the buildings and other improvements in accordance with and as shown on the plans and specifications prepared by Charles R. Sutton & Associates, Inc. (or other architect appointed by Seller), subject to such changes or modifications thereof as permitted by the various purchase agreements; or

(v) Seller has not caused to have delivered to Escrow a bond in a sum not less than One Hundred Percent (100%) of the construction costs conditioned upon full and faithful performance of said construction contract, free and clear of all claims for labor and materials incidental thereto and used in connection with such construction; or

(vi) Seller has not caused to have issued a final public report on said Project by the Real Estate Commission of the State of Hawaii.

Upon refund of said funds to purchasers as aforesaid, Escrow shall return to Seller said purchase agreements and any conveyancing documents theretofore delivered to Escrow, and thereupon Purchaser shall no longer be obligated.

The Purchase Agreement provides, in part, that in the event Seller has not entered into purchase agreements of all four (4) of the apartments to be constructed on or before one hundred eighty days from the date of agreement, the obligations of both Seller and Buyer shall terminate and all sums paid by Buyer shall be refunded without interest.

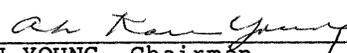
It is incumbent upon the purchaser or prospective purchaser to read and understand the Escrow Agreement before executing the purchase agreement, since the Escrow Agreement prescribes the procedure for receiving and disbursing purchasers' funds and the Escrow Agreement and the Purchase Agreement specifically provide that purchasers' funds may be disbursed for certain costs of the project prior to completion of construction.

MANAGEMENT OF 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 Owners under the direction of the Board of Directors, and the Board of Directors may appoint a responsible managing agent. The proposed Declaration does not identify the initial managing agent.

STATUS OF THE PROJECT: The Developer advises that it intends to commence construction by March 1, 1978, and construction is estimated to be completed by October 31, 1978. Construction will be financed by purchasers' money from Escrow, as well as construction loan money to be obtained by 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 November 28, 1977, and additional information subsequently filed as of December 27, 1977.

This Preliminary Horizontal Property Regime Condominium Public Report is made a part of Registration No. 955, filed with the Commission on November 28, 1977. This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimilies must be yellow.



AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

Distribution:

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

Registration No. 955
December 29, 1977