



REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
313 SO. BERETANIA ST.
P. O. BOX 3469
Honolulu I, Hawaii

**PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

on
HAWAII-KAI CONDOMINIUM PROJECT
Lot No. 1
Kaalakei Valley Unit 1-D

REGISTRATION NO. 10

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.

December 7, 1962

SPECIAL ATTENTION

A FINAL REPORT MUST BE ISSUED BY THE COMMISSION PRIOR TO CONSUMMATION FOR THE SALE OF ANY UNIT IN THIS PROJECT.

THIS PRELIMINARY PUBLIC REPORT PLUS A SUPPLEMENTAL REPORT TO BE ISSUED AT A LATER DATE SHALL TOGETHER CONSTITUTE THE FINAL PUBLIC REPORT ON THE PROJECT HEREIN DISCUSSED.

DEVELOPER: KAISER HAWAII-KAI DEVELOPMENT CO.
7120 Kalaniana'ole Highway
Honolulu 16, Hawaii

The developer is a wholly-owned subsidiary of the Henry J. Kaiser Company and was incorporated on September 21, 1959 in the State of Nevada.

A roster of the Directors and Officers of the Corporation has been filed with the Commission.

NAME OF PROJECT: HAWAII-KAI CONDOMINIUM PROJECT
Lot No 1, Kaalakei Valley Unit 1-D

LOCATION: The land is situated at Maunalua, Honolulu, Hawaii, more particularly described as Lot Number 1, Kaalakei Valley Unit 1-D and is approximately 10.0 miles from the central business district of Honolulu. The area comprises 49,094 square feet. Tax Map Key No. 3-9-08-1. There shall be seven buildings on the lot containing a total of 14 dwellings. Each dwelling will be referred to and advertised as a twin house.

DESCRIPTION: Three buildings shall each have a total of 1946 square feet and shall each contain two three-bedroom twin houses. Three buildings shall each have a total of 1492 square feet and shall contain two two-bedroom twin houses. One building shall have a total of 1719 square feet and shall contain one two-bedroom and one three-bedroom twin houses. The total floor area of each two-bedroom twin house shall be 746 square feet. The total floor area of each three-bedroom twin house shall be 973 square feet. The exclusive right to a paved parking space with 20 square feet of covered storage space will be conveyed with each twin house.

The twin house will be a one storied structure on a foundation of hollow tile or concrete block. It will be of wood frame and concrete block construction with the exterior siding of tempored masonite panels.

The Master Lease that will establish the horizontal property regime will note that the building will contain certain general common elements and limited common elements. A verified statement submitted by the developer sets forth these general common elements and limited common elements.

It is intended that each twin house will be sold to one or more owners, each owner of a unit obtaining a particular and exclusive property thereto. Each owner or owners will have a common right to share, with other owners of twin houses on the lot, in the general common elements of the property and a right to share in certain limited common elements in common with other designated co-owners of said limited common elements.

OWNERSHIP OF TITLE: The land on which the seven buildings will be constructed consists of the one lot described above. The fee interest in the lot is held by the Trustees under the will and of the Estate of Bernice Pauahi Bishop, deceased.

DEVELOPER'S INTEREST: On April 27, 1961 the Trustees of the Estate of Bernice P. Bishop, deceased, entered into an unrecorded confidential agreement authorizing the Kaiser Hawaii-Kai Development Co. to develop the Trustees' lands in Maunaloa, Oahu, Hawaii. Under the agreement, the Kaiser Hawaii-Kai Development Co. has the exclusive right to develop and market properties within this 6,000 acre project for a period of ten years from the date thereof.

MASTER LEASE AND APARTMENT LEASE: Under the Development Agreement mentioned above, the Trustees of the Bishop Estate are obligated to issue leases for particular properties on request of the developer. The developer advises that the Trustees have agreed to submit the lot described above to the operation of a horizontal property regime and to issue, upon request of the developer, a master lease for said lot to the developer with dwelling leases for each of the twin homes on said lot. The developer has filed specimen copies of the form of master lease, form of the twin house (or dwelling) lease and the form by which the twin house leases will be assigned to the purchasers thereof. The developer further advises that these are the forms that will be used in creating and transferring rights in the horizontal property regime on the lot in question and described above. The developer may not use any other form or forms in their place without the prior written consent of the Commission.

NOTE: The purchaser should acquaint himself with the provisions of the form of master lease, form of the twin house (or dwelling) lease and the form by which the twin house leases will be assigned to the purchasers thereof. For example, see EXHIBIT A to the master lease describing the common elements and limited common elements of the lot and building thereon. The purchasers should pay particular attention to the requirements governing the lessee's right to transfer his interest by way of assignment as recited in the twin house (or dwelling) lease.

INTEREST TO BE CONVEYED TO PURCHASER: The purchaser will be conveyed:

- (1) A leasehold interest in a designated twin home (or dwelling) for his exclusive use;

- (2) An undivided pro-rata interest in the land (leasehold) upon which the building sits;
- (3) An undivided pro-rata interest in the common elements of each project; and
- (4) An undivided and appropriate pro-rata interest in the limited common elements of the project.

All for a period of 56 years.

ENCUMBRANCES AGAINST LAND AND BUILDINGS: The developer advises that it will finance the construction of each building out of its own resources.

Each lot and all occupants thereof will be subject to the Declaration of Protective Provisions, adopted by the Kaiser Hawaii-Kai Development Co and the Trustees of the Bernice P. Bishop Estate on July 5, 1962 and recorded at the Hawaiian Bureau of Conveyances in Liber 4313, Page 205 on July 10, 1962. In general, this document grants to the lessee and occupants of the lot abovementioned, the right to use and enjoy the waterways of Kuapa Pond with certain restrictions.

NOTE: The purchaser should acquaint himself with the provisions of the Declaration of Protective Provisions which is on file in the developer's office and available for inspection upon request.

MANAGEMENT AND OPERATION: The developer has filed with the Commission a copy of the proposed Bylaws of the Council of Co-owners of the lot. Under these Bylaws the Council of Co-owners of the lot and building thereon will provide its own management services. The Bylaws themselves provide that they may be amended, modified or revoked by majority vote of the Council of Co-owners.

NOTE: The purchaser should pay particular attention to the proposed Bylaws of the Council of Co-owners which governs the management and operation of the horizontal property regime.

The purchasers will assume maintenance costs upon delivery of the unit and the developer will be responsible for same on unsold (initial sale) units on a pro-rata basis.

Among other provisions which are of interest to purchasers is a general provision found in the condominium law enacted by the First State Legislature of Hawaii in 1961 governing pro-rata contribution towards monthly maintenance expenses by the condominium owners. Each purchaser should familiarize himself with ACT 180, the condominium law. An inquiry should be made of the developer with respect to other costs chargeable to each condominium.

PURCHASE MONEY HANDLING: The developer advises that all purchase money will be placed in a clients' trust fund account, designated Kaiser Hawaii-Kai Development Co. Condominium Escrow Account at the Hawaii National Bank, Hawaii-Kai Branch, Honolulu, Hawaii.

STATUS OF PROJECT: The developer advises that construction on the first unit in this twin home condominium project began on October 20, 1962. It is anticipated that the last of these seven separate buildings will be completed on or about April 30, 1963. Construction on the other six twin home structures, on the lot described above, will begin as sales are made. Delivery of homes on Lot No. 1, Kaalakei Valley Unit 1-D will be made within 180 days after acceptance of a contract for the purchase of a twin home condominium unit.

NOTE: The purchaser is advised to acquaint himself with the general provisions of the horizontal property regimes law enacted by the Legislature in 1961 governing pro-rata contribution towards monthly maintenance expenses by the unit owners.

Theodore R. James, Chairman

