

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
MEHEULA HALE PATIO HOMES
Mililani Town, Oahu, Hawaii

REGISTRATION NO. 1006

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: July 13, 1978
Expires: August 13, 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 JULY 5, 1978, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF JULY 5, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES.

1. MEHEULA HALE PATIO HOMES is a proposed fee simple condominium project containing 62 apartments located in 19 separate one-story buildings consisting of 24 two-bedroom apartments and 38 three-bedroom apartments. There will be a total of 129 uncovered parking stalls, 124 of which will be allocated to specific apartments and 5 allocated for guest parking.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws and the Condominium Map will be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii immediately prior to the application for a Final Public Report.
4. As of this date, no advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514A, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, July 13, 1978, unless a Final or Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is made a part of the registration of MEHEULA HALE PATIO HOMES condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt for the Preliminary Public Report from each purchaser.

NAME OF PROJECT: MEHEULA HALE PATIO HOMES

LOCATION: The project is located in Mililani Town, Oahu, Hawaii, and consists of approximately 7.195 acres of land.

TAX KEY: First Division 9-4-05-37.

ZONING: A-1 Apartment District.

DEVELOPER: Mililani Town, Inc. is the Developer of the project and has its principal place of business at 130 Merchant Street, Honolulu, Hawaii 96813.

Officers

R. G. Moore	President
Eugene L. Ferguson	Vice President
George W. Y. Yim, Esq.	Vice President and Secretary
Stanley Lee	Treasurer

ATTORNEY REPRESENTING DEVELOPER: George W. Y. Yim, Esq., 21st Floor, Castle & Cooke Building, P. O. Box 2780, Honolulu, Hawaii 96803, Telephone 548-2905.

DESCRIPTION OF PROJECT: The project consists of nineteen (19) one-story buildings, containing a total of 24 two-bedroom apartments and 38 three-bedroom apartments. The buildings are wood frame structures with asphalt

shingle on sloped roofs and tar and gravel on flat roofs. The ground floor is of concrete slab on grade with vinyl tile floor covering. Each apartment has one floor and they are numbered 101 through 162 inclusive. The apartments are numbered consecutively commencing with 101 in Building 1 through 162 in Building 19. There are four apartments in each building except Buildings 1, 5, 7, 9, 13, 16, and 17, which have two apartments. Adjacent apartments are mirror images.

The location of the sixty-two (62) apartments within the 19 buildings and the location of the buildings on the land are further shown on the proposed Condominium Map.

Each two-bedroom apartment contains a living/dining room, a kitchen, two bedrooms and one bath, with a separate storage area adjacent to the living room and a separate laundry area adjacent to the kitchen, and has an interior living area including the separate areas of approximately 777 square feet, with a lanai area of approximately 112 square feet, totaling an under-roof area of approximately 889 square feet. Each three-bedroom apartment contains a living/dining room, a kitchen, three bedrooms and one and a half baths, with a separate storage area adjacent to the living room and a separate laundry area adjacent to the kitchen, and has an interior living area including the separate areas of approximately 1,085 square feet, with a lanai area of approximately 160 square feet, totaling an under-roof area of approximately 1,245 square feet.

The project also contains the parking areas with 129 uncovered parking stalls and driveway and landscaping areas.

Each apartment will contain a range/oven, hood vent, water heater, refuse disposal and, at the option of the purchaser, a washer, a dryer, a dishwasher, a refrigerator, carpeting except in the kitchen and bathrooms, upgraded padding, and covered lanais.

The respective apartments shall not be deemed to include the undecorated or unfinished perimeter walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one 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 loadbearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, the built-in fixtures and exterior doors, exterior window glass and hardware on said window glass.

COMMON ELEMENTS: The common elements will include all of the project except the apartments, specifically, but not limited to the following:

- (a) the land in fee simple;
- (b) all foundations, bearing walls, walkways, and landscaped areas;
- (c) the roofs;
- (d) all landscaped driveway and parking areas, including five (5) guest parking stalls;
- (e) all ducts, electrical equipment, wiring and other central and appurtenant installations for services including power, light, cold and hot water, refuse and telephone;

- (f) all other devices or installations upon the land existing for or rationally of common use to all the owners of apartments within the project.

LIMITED COMMON ELEMENTS: Each of the 124 parking stalls will be a limited common element reserved for the exclusive use of the apartment which bears the same number as shown on the Condominium Map; there are two stalls appurtenant to each apartment. Each of the fenced front and rear yards and lanais shown on the proposed Condominium Map shall be limited common elements reserved for the exclusive use of the apartment to which they are adjacent. The common elements of each building, including the land below but excluding utility lines which serve other buildings, shall be limited common elements for the exclusive use of the apartments in the building.

PERCENTAGE OF UNDIVIDED INTEREST TO BE CONVEYED: The percentage of undivided interest in all of the common elements appertaining to each two-bedroom apartment will be 1.2950%, and to each three-bedroom apartment 1.8136% except apartment No. 162 which will be 1.8168%. The voting rights of apartment owners, as well as their share of the common profits and expenses, shall be in proportion to the common interest.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The apartments hereinabove described shall at all times be used only for a private dwelling for the owner, his family, tenants and social guests and such other purposes as are permitted by the Declaration of Horizontal Property Regime and the Bylaws of MEHEULA HALE PATIO HOMES as well as the Declaration of Covenants, Conditions and Restrictions for Mililani Town more fully described below in the item captioned "Encumbrances".

The proposed Declaration of Horizontal Property Regime provides that no apartment shall be leased for less than three (3) months, except that appropriate provisions may be inserted in rental agreements for earlier terminations for hardship or military transfers. The Bylaws provide that a maximum of one dog or one cat may be kept in an apartment, except that the Board may permit additional pets. However, if the occupants of at least three (3) apartments complain about a pet, or if the Board on its own initiative deems it desirable, the Board may decide that a pet is a nuisance and direct the occupant of the apartment to remove the pet from the project.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Preliminary Report dated February 13, 1978 and updated as of June 22, 1978, prepared by Title Guaranty of Hawaii, Inc., which states that title to the land committed to this regime is vested in Mililani Town, Inc.

ENCUMBRANCES: The Preliminary Report prepared by Title Guaranty of Hawaii, Inc. states that as of June 22, 1978 title to the land of which the project is a portion is subject to:

1. Easement 57 (10 feet wide), two underground ten-inch steel fuel pipelines and underground electric power lines, over and across the southerly portion of Lot 5798, as shown on Maps 33 and 417, of Land Court Application No. 1000, as set forth by Land Court Order No. 11366 filed July 11, 1952, and granted to the United States of America by instrument dated April 1, 1963, filed as Land Court Document No. 308187;

2. Easement 1571 (10 feet wide), drainage purposes over the southerly portion of Lot 5798, as shown on Map 432 of Land Court Application No. 1000, as set forth by Land Court Order No. 42196 filed June 17, 1975, and granted to the City and County of Honolulu by instrument dated June 19, 1975, filed as Land Court Document No. 739405;
3. Easement 1572 (10 feet wide), water purposes over the southwesterly portion of Lot 5798, as shown on Map 432 of Land Court Application No. 1000, as set forth by Land Court Order No. 42196 filed June 17, 1975, and granted to the City and County of Honolulu by instrument dated June 19, 1975, filed as Land Court Document No. 729842;
4. Additional Security Mortgage dated December 29, 1971, made by Mililani Town, Inc. to Aetna Life Insurance Company filed as Land Court Document No. 564455, as amended by instruments dated January 14, 1972 filed as Land Court Document No. 566680, May 29, 1973 filed as Land Court Document No. 633441, January 16, 1975 filed as Land Court Document No. 709882, April 12, 1976 filed as Land Court Document No. 761337, and July 6, 1977 filed as Land Court Document No. 829886;
5. Additional Security Mortgage dated April 11, 1974, made by Mililani Town, Inc. to Aetna Life Insurance Company filed as Land Court Document No. 676262, as amended by instruments dated January 16, 1975 filed as Land Court Document No. 709882, April 12, 1976 filed as Land Court Document No. 761337, and July 6, 1977 filed as Land Court Document No. 829886;
6. By instrument dated April 11, 1974 and filed as Land Court Document No. 676263, Castle & Cooke, Inc. agrees that all rights it has or may acquire from Mililani Town, Inc. under the provisions of any mortgage shall be subordinate to the lien of additional security mortgage Document No. 676262, as amended.
7. By instrument dated January 16, 1975 and filed as Land Court Document No. 709882-A, also recorded in Liber 10442, Page 322, Castle & Cooke, Inc. agrees that all rights it has or may acquire from Mililani Town, Inc. under the provisions of any mortgage shall be subordinate to the lien of additional security mortgage Document No. 676262, as amended;
8. By instrument dated April 12, 1976 and filed as Document No. 761338, also recorded in Liber 11361, Page 82, Castle & Cooke, Inc. agrees that all rights it has or may acquire from Mililani Town, Inc. under the provisions of any mortgage shall be subordinate to the lien of additional security mortgage Document No. 676262, as amended;
9. Mortgage dated April 11, 1974, filed as Land Court Document No. 676264, made by Mililani Town, Inc. to Castle & Cooke, Inc.;
10. For any and all taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.

The Developer has advised the Commission that the above mortgages will be released prior to the conveyance of apartments in the project.

ANNEXATION TO MILILANI TOWN: Prior to the conveyance of any apartment in the project, the property will be annexed to Mililani Town pursuant to, and so as to become subject to the provisions of the Declaration of Covenants, Conditions and Restrictions for Mililani Town, a copy of which has been filed with, and which is available for public inspection at, the Office of the Real Estate Commission and which, additionally, has been filed with and is available for public inspection at the Office of the Assistant Registrar of the Land Court as Document No. 441561, as amended.

This Declaration provides for certain monthly maintenance assessments to pay the expenses of the Mililani Town Community Association, and reserves a lien upon each apartment to secure the payment of these assessments. The amount of the current monthly assessment is \$7.30, subject to increase to cover maintenance and other costs of operating the Mililani Town Association. Also a special assessment of \$100.00 is imposed on each purchaser at the time of closing of the initial purchase of an apartment.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the Escrow Agreement has been submitted as part of the registration. The Escrow Agreement dated April 18, 1978 identifies Bank of Hawaii as the escrow agent. Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with Section 514A-37, 514A-39 and Section 514A-63 through Section 514A-66, Hawaii Revised Statutes.

A prospective purchaser should carefully examine the form of Sales Contract and Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the estimated common monthly expenses and the sharing of the closing costs, as well as the retention, disbursements and refund of purchaser's funds.

The executed Escrow Agreement states, in part, that the purchaser shall have the right to cancel his contract to purchase and to obtain a refund of all moneys held by Escrow which were paid by such purchaser under such contract if (a) (i) the Final Public Report is not issued by the Real Estate Commission within one year from the date of issuance of the Preliminary Public Report, or (ii) there is any change in the condominium building plans subsequent to the execution of said contract to purchase and prior to the issuance of said Final Public Report requiring approval of the Building Department of the City and County of Honolulu and Seller fails to obtain the purchaser's written approval or acceptance of the specific change, or (iii) the Final Public Report differs in any material respect from the Preliminary Public Report, and (b) the purchaser delivers notice in writing to Seller and Escrow prior to the expiration of two (2) days after receipt by the purchaser, or any one of them if the purchaser is more than one person, of a copy of said Final Public Report, cancelling such contract and requesting such refund.

Among other provisions, the Sales Contract provides:

(a) that the purchaser will pay a special assessment in the amount of \$100.00 to Mililani Town Association and will pay to MEHEULA HALE PATIO HOMES Association of Apartment Owners an amount equal to at least two months' estimated Meheula Hale maintenance assessment, to be deposited in a working capital fund; and

(b) that if at least seventy percent (70%) of the apartments have not been sold with satisfactory mortgage loan arrangements prior to March 1, 1979, Seller has the option to cancel the Sales Contract and refund, without interest, all sums paid in by purchasers.

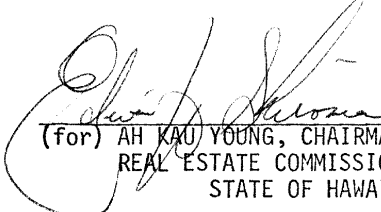
MANAGEMENT AND OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property, subject at all times to direction by the Board of Directors. Developer has filed with the Commission a form of Condominium Management Agreement by which Mililani Town, Inc. will provide fiscal and management services to the Association of Apartment Owners for a fee of \$7.75 per apartment per month. This Agreement runs initially for one year and thereafter may be terminated on thirty (30) days' notice by the Association or sixty (60) days' notice by the agent. The Association can at any time terminate on thirty (30) days' notice.

STATUS OF PROJECT: The Developer advises that construction of the project will commence about November 1, 1978, the first apartment will be completed about March 1, 1979 and final completion will be about May 1, 1979.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted May 15, 1978 and information subsequently filed on July 5, 1978.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1006 filed with the Commission on May 15, 1978.

The 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:
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and County of Honolulu
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Escrow Agent

REGISTRATION NO. 1006

July 13, 1978