

# 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

MAI HALE  
2618 Maunawai Place  
Honolulu, Hawaii 96826

REGISTRATION NO. 1200

#### **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 4, 1979  
Expires: January 4, 1981

#### 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 NOVEMBER 6, 1979 THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. MAI HALE is a leasehold condominium project consisting of one (1) three-story building, without basement, and comprising eight (8) apartments and ten (10) parking stalls.

2. The Developer of the project has filed 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, By-Laws of the Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been recorded in the Bureau of Conveyances of the State of Hawaii.

4. No advertising and 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 the Horizontal Property Act, Chapter 514A of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regime.

6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, December 4, 1979, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

7. This Preliminary Public Report is made a part of registration on MAI HALE condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) and the Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt therefor from each such person is also the responsibility of the Developer.

NAME OF PROJECT: MAI HALE

LOCATION: The approximately 6,623 square feet of land to be committed to the regime is situated at 2618 Maunawai Place, Honolulu, Hawaii.

TAX MAP KEY: FIRST DIVISION: 2-7-25-18

ZONING: A-4

DEVELOPER: DEES CORPORATION, a Hawaii corporation, Suite 1208, 1441 Kapiolani Boulevard, Honolulu, Hawaii 96814, phone 536-2702. Officers: Dong In Shin, President; Du Shun Gim, Vice President, Secretary and Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Hamilton, Gibson, Nickelsen, Rush & Moore (Attention: Ken Harimoto and Michiro Iwanaga), 20th Floor Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813, phone 521-2611.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicates a leasehold condominium project consisting of eight (8) apartments contained in one (1) three-story building, without basement, constructed principally of concrete.

The location and description of the various apartments of the project are as set forth in the Exhibit attached to this Preliminary Public Report.

The apartments have immediate access to the grounds of the project, or to a stairway leading to the grounds of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party 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 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 load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

COMMON ELEMENTS: One (1) freehold estate is designated in all remaining portions of the project, herein called the "common elements", including specifically but not limited to:

1. The land in fee simple;
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, walkways, entrances and exits of said buildings;
3. All yards, grounds and landscaping;
4. All parking areas;
5. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any; and
6. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

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. The limited common elements comprise (a) ten (10) parking stalls depicted on the Condominium Map for the project and (b) four (4) recreation decks on the roof of the project one (1) of each to be appurtenant to apartments 5, 6, 7 and 8, respectively. Apartments 1 through 7 are assigned one (1) parking stall each, designated by the unit number on the Condominium Map. Apartment 8 will have three (3) parking stalls, comprising one (1) regular stall and two (2) compact stalls.

INTEREST TO BE CONVEYED TO PURCHASERS: Documents filed with the Real Estate Commission indicate that the purchaser will secure an Apartment Lease, demising an apartment and an undivided interest, as set forth in the Exhibit attached hereto, in all common elements of the project and the same proportionate share of all common profits and expenses of the project and shall be used for all other purposes including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the apartments shall be occupied and used only for purposes permitted from time to time by applicable zoning ordinances, rules and regulations, and for no other purpose. The owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and the By-Laws attached thereto.

OWNERSHIP OF TITLE: A preliminary title report dated September 7, 1979, issued by Security Title Corporation, and other documents submitted to the Commission indicate that James Shigeo Sasaki, husband of Lorraine Tsuyuko Sasaki, is the fee simple owner of the property to be committed to the regime. By Master Lease dated September 6, 1979, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 962440, said land was leased to Developer.

ENCUMBRANCES AGAINST TITLE: Said title report dated September 7, 1979, issued by Security Title Corporation, and documents submitted to the Commission, provide that the following are encumbrances against title to the property:

1. Easement for utility purposes over and across Lot 2-A-14, granted to the Hawaiian Electric Company, Limited, by Grant dated December 16, 1938, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 46167.

2. Easement for sanitary sewer purposes over and across Lot 2-A-14, granted to the City and County of Honolulu, by Grant dated June 22, 1948, filed as aforesaid as Document No. 103288.

3. Easement 4 over and across Lot 2-A-14, as shown on Map 18, as set forth by Land Court Order No. 32940, filed as aforesaid on March 24, 1971.

4. Easement for drainage over Easement 4 over Lot 2-A-14, granted to the State of Hawaii, by Grant dated June 22, 1967, filed as aforesaid as Document No. 533501. Consent thereto filed as aforesaid as Document No. 553548.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated October 19, 1979, between Security Title Corporation, as Escrow, and Developer has been filed with the Commission. On examination, the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly Sections 514A-39, 514A-40 and 514A-63 through 514A-66 thereof.

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 Twenty-Five Dollar (\$25.00) cancellation fee, if Purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

(a) Escrow receives a written request from Seller to return to Purchaser the funds of such Purchaser then held hereunder by Escrow; or

(b) If 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 contract, requiring the approval of the county officer having jurisdiction over the issuance of permits for construction, unless the Purchaser has given written approval or acceptance of the change, or ninety (90) days have elapsed since the Purchaser has accepted in writing the apartment or he has first occupied the apartment; or

(c) If the Purchaser's funds were obtained prior to the issuance of a 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

(d) If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report; provided that if the Final Public Report is issued after the one-year period and a copy

of the Final Public Report is delivered to the Purchaser either personally or by registered or certified mail with return receipt requested, notwithstanding any law to the contrary, the Purchaser shall have thirty (30) days from the date of delivery to exercise his right of refund and cancellation of obligation, after which period such right shall be deemed waived; provided, further, that such waiver shall be effective only if at the time the Purchaser receives a copy of the Final Public Report, he is notified in writing of his right of refund and cancellation of obligation and the waiver of such right upon his failure to act within the thirty-day period.

The specimen Sales Contract filed with the Commission contains, among others, the following provisions:

1. The construction contract with the general contractor for the project contains the following clause, which provides in pertinent part that:

"If, within one year after the Date of Substantial Completion . . . , any of the Work is found to be defective or not in accordance with the Contract Documents, the Contractor shall correct it promptly after receipt of a written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition."

Seller makes no warranties itself, but Seller agrees that the assignment by Seller to Purchaser of any and all warranties given Seller by the General Contractor for the project, including the above described Contractor's agreement to promptly correct any of its work found to be defective or not in conformance with the Construction Contract for a period of one (1) year after the Date of Substantial Completion of the apartment as defined in the Construction Contract and the benefit of such agreement shall accrue to Purchaser on closing without further instruments or documents. Seller hereby agrees to cooperate with Purchaser during the effective period of such agreement in asserting any claims based thereon. Purchaser acknowledges and agrees that Seller is not adopting the contractor's warranty or acting as co-warrantor but is merely attempting to pass through to Purchaser the benefit of any such contractor's warranty, if any.

Seller shall also assign to Purchaser the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances in the apartment. Purchaser acknowledges that the Seller is only passing through to Purchaser any such manufacturer's or dealer's warranties; Seller is not undertaking to adopt any such warranties or to act as co-warrantor with respect to any furnishings, fixtures or appliances covered thereby. The terms of

the manufacturer's or dealer's written warranties are available for the Purchaser's examination at the Seller's sales office.

Except for the agreements set forth above, it is expressly understood and agreed by and between Seller and Purchaser that SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROJECT OR ANYTHING INSTALLED THEREIN, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE.

2. Reservation Agreement. Notwithstanding any other provision in the Sales Contract to the contrary, it is expressly understood and agreed that unless and until Seller: (i) obtains the issuance by the Real Estate Commission of the State of Hawaii of the Final Public Report on the project; and (ii) has received from Purchaser a fully executed receipt for the Final Public Report, that the Sales Contract shall represent only a reservation by the Purchaser and shall not be binding upon either party hereto, and until such time, the Sales Contract may be terminated at the option of either party. In the event of such termination, Seller shall cause Escrow to refund all payments previously made by Purchaser, without interest, and neither party shall have any other or further liability. If the Sales Contract is entered into after the issuance of the Final Public Report, this paragraph shall be of no force or effect and the Sales Contract shall be fully binding upon Purchaser and Seller upon acceptance of the Sales Contract by Seller as provided in Paragraph "F-23" of the Sales Contract.

3. Purchaser hereby agrees for the sole benefit of Seller that until Seller has closed out the sale of all the apartments in the condominium project or until November 30, 1981, whichever shall first occur, that Purchaser will not enter into any "rental pool" or similar agreement with any purchaser, lessee or owner of another apartment in the condominium project and/or any third party under which Purchaser agrees to share expenses and/or rentals of apartments in the condominium project.

4. Final closing shall occur on the Date of Closing. However, Purchaser is advised that Seller intends to preclose, regardless of the status of the construction of the apartments, by having all documents necessary for closing executed prior thereto and deposited with Escrow, and Purchaser agrees to execute all necessary documents for such closing, including irrevocable escrow instructions, upon request by Seller.

5. In the event any payment to be made by Purchaser is not made when due, such late payment shall

bear interest at the rate of one percent (1%) per month until paid.

6. At the time of the preclosing described above, Purchaser agrees to pay into escrow all sums due from Purchaser at closing, excluding only the mortgage proceeds, if applicable, which mortgage proceeds Purchaser hereby authorizes Escrow to collect as of the Date of Closing.

NOTE: PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THE SELLER'S MORTGAGE LOANS (CONSTRUCTION, RENEWALS AND EXTENSIONS) FOR THE PROJECT SHALL BE AND REMAIN AT ALL TIMES A SUPERIOR LIEN ON THE PROJECT, AND PURCHASERS INTENTIONALLY WAIVE AND SUBORDINATE THE PRIORITY OF LIEN UNDER THE SALES CONTRACT IN FAVOR OF THE MORTGAGE LOANS.

NOTE: DEVELOPER ADVISES THAT NO REPRESENTATION 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. RENTAL OF THE APARTMENT AND THE PROVISIONS OF MANAGEMENT SERVICES IN CONNECTION THEREWITH IS AND SHALL BE THE SOLE RESPONSIBILITY OF THE PURCHASER.

It is incumbent upon the Purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of residential apartments are placed in trusts, as well as the retention and disbursement of said trust funds. The specimen Sales Contract specifically provides that the Purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.


MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the 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 corporate managing agent. The Developer advises that it has not appointed an initial managing agent for the project.

STATUS OF PROJECT: The Developer advises that it estimates construction of the project will begin January 1, 1980.

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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 6, 1979.



This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1200 filed with the Commission on November 6, 1979. 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)  
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AH KAU YOUNG, CHAIRMAN  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:  
DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING COMMISSION, COUNTY OF HONOLULU  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

REGISTRATION NO. 1200

December 4, 1979

## EXHIBIT

1. There are no apartments on the ground floor of the building.

2. Apartments 1, 2, 3 and 4 are located on the first floor of the building.

3. Apartments 5, 6, 7 and 8 are located on the second floor of the building.

Apartment Type A: Two (2) apartments being Nos. 1 and 5, are built according to this floor plan, each consisting of six (6) rooms, including a living room, a dining room, a kitchen, two (2) bedrooms and a bathroom. Each of these apartments contains a floor area of approximately 738 square feet and shall have an appurtenant common interest of 11.9883%.

Apartment Type B: Two (2) apartments, being Nos. 2 and 6, are built according to this floor plan, each consisting of six (6) rooms, including a living room, a dining room, a kitchen, two bedrooms and a bathroom. Each of these apartments contains a floor area of approximately 793 square feet and shall have an appurtenant common interest of 12.8817%.

Apartment Type C: Two (2) apartments, being Nos. 3 and 7, are built according to this floor plan, each consisting of six (6) rooms, including a living room, a dining room, a kitchen, two (2) bedrooms and a bathroom. Each of these apartments contains a floor area of approximately 798 square feet and shall have an appurtenant common interest of 12.9630%.

Apartment Type D: Two (2) apartments, being Nos. 4 and 8, are built according to this floor plan, each consisting of six (6) rooms, including a living room, a dining room, a kitchen, two (2) bedrooms and a bathroom. Each of these apartments contains a floor area of approximately 749 square feet and shall have an appurtenant common interest of 12.1670%.