

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

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

on
KALANI-IKI ESTATE
Kalani-Iki Street
Waiialae-Iki, City and County of Honolulu

REGISTRATION NO. 50

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated December 10, 1964 issued by the Real Estate Commission on the above 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 until

- (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: November 6, 1973

Expired: December 6, 1974

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 SUBMITTED BY THE DEVELOPER ON NOVEMBER 12, 1964, AND INFORMATION SUBSEQUENTLY FILED ON OCTOBER 23, 1973. THE DEVELOPER, BY NOTIFYING THE REAL ESTATE COMMISSION ("COMMISSION") OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. Since the issuance of the Commission's Final Public Report, dated December 10, 1964, on KALANI-IKI ESTATE (Registration No. 50), the Developer reports that changes have been made in the plan and setup as set forth in the Final Public Report.

2. The changes hereinafter described are determined to be a material revision to the information disclosed in the Final Public Report. This Supplementary Public Report amends the Final Public Report, becoming part of the registration for KALANI-IKI ESTATE. The Developer is responsible for placing a true copy of this Supplementary Public Report in the hands of all purchasers and prospective purchasers of the dwellings which the Developer is permitted by this Report to sell. The buyer shall sign the required receipt signifying that he has had an opportunity to read this Report.
3. The Developer has submitted to the Commission, for examination, all documents deemed necessary for the registration of the condominium project and the issuance of this Supplementary Public Report.
4. According to documents submitted by the Developer, the Declaration of Horizontal Property Regime with attached By-Laws (recorded in the Bureau of Conveyances, State of Hawaii, in Book 4888, Page 96) and Condominium File Plan No. 22 for KALANI-IKI have been amended successively by Amendment to Declaration, dated December 13, 1965 (recorded in Book 5215, Page 329), Second Amendment to Declaration, dated July 1, 1966 (recorded in Book 5408, Page 440) and Third Amendment to Declaration, dated July 6, 1967 (recorded in Book 5825, Page 399) and Fourth Amendment to Declaration, dated July 5, 1973 (recorded in Book 9542, Page 496). (The Declaration, as amended, and the Condominium File Plan, as amended, are hereinafter referred to as the "Declaration" and the "Condominium File Plan", respectively.

NOTE: The First, Second and Third Amendment to the above mentioned Declaration reflect changes to the project which have not been reported to the Commission previously.

5. The Declaration and the Condominium File Plan state and show that KALANI-IKI is a subleasehold condominium project consisting of ninety-five (95) single family Dwellings. Sixty-one (61) of the Dwellings have two (2) covered parking stalls appurtenant to each, as Limited Common Elements. Thirty-four (34) of the Dwellings have enclosed parking for two (2) vehicles within the Dwelling. Land with an area of 20.221 acres, a clubhouse, swimming pool and other areas for recreational use are set aside as Common Elements. The land is owned by the Estate of Bernice Pauahi Bishop and is leased under a Master Lease to Island Federal Savings and Loan Association of Honolulu. The Developer holds 34 subleases, one for each of 34 dwellings hereinafter described. The Developer will assign a Dwelling sublease to each purchaser of a Dwelling.

NOTE: The Dwelling sublease will expire on February 27, 2022.

6. The Developer has informed the Commission that sixty-one (61) of the Dwellings have been built (such Dwellings are hereinafter referred to as "Existing Dwellings")

and that the Existing Dwellings are described in the Declaration and shown on the Condominium Map as Dwellings numbered 1 through 16, inclusive, 18, 38 through 42, inclusive, 44 through 80, inclusive, 86 and 93. Documents submitted by the Developer show that THE DEVELOPER HAS NO RIGHT, TITLE OR INTEREST IN THE SIXTY-ONE (61) EXISTING DWELLINGS. THIS SUPPLEMENTARY PUBLIC REPORT DOES NOT AUTHORIZE THE DEVELOPER TO SELL ANY INTEREST IN THE SIXTY-ONE (61) EXISTING DWELLINGS.

7. The Developer has submitted to the Commission documents showing that it is constructing thirty-four (34) remaining Dwellings (such Dwellings are hereinafter referred to as "New Dwellings") which are described in the Declaration and shown on the Condominium Map as Dwellings numbered 17, 19 through 37, inclusive, 43, 81 through 85, inclusive, 87 through 92, inclusive, 94 and 95. The Developer will assign its interest to a purchaser of a New Dwelling by assigning to the purchaser the Developer's sublease.
8. The Developer has submitted to the Commission all documents deemed necessary for the issuance of this Public Report. THIS SUPPLEMENTARY PUBLIC REPORT AUTHORIZES THE DEVELOPER TO SELL THE THIRTY-FOUR (34) NEW DWELLINGS.
9. No advertising or promotional material has been submitted to the Commission.
10. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
11. This Supplementary Public Report automatically expires thirteen (13) months after the date of issuance, November 6, 1973, unless another Supplementary Public Report issues or the Commission, upon review of registration, issues an order extending the effective date of this Report.
12. This Supplementary Public Report is made a part of the Registration of KALANI-IKI ESTATE. The Developer has the responsibility of placing a true copy of this Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers of dwellings covered by this Report and securing a signed copy of the receipt for the Supplementary Public Report from each such purchaser.

NAME OF PROJECT: KALANI-IKI ESTATE

LOCATION: The project is located at Kalaniawa Street, Waialae-Iki, Honolulu, containing 20.221 acres.

TAX KEY: 3-5-24-9

ZONING: R-4

DEVELOPER: Island Financial Service Corp., with its principal place of business and post office address at Suite 1000, 841 Bishop Street, Honolulu, Hawaii 96813. The officers of the corporation are:

David Dawes
Fred Peterson
Stephen Uemura

President
Vice President
Secretary and Treasurer

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Richard A. Hicks), 16th Floor, First Hawaiian Bank Building, 165 South King Street or P. O. Box 939, Honolulu, Hawaii 96808, telephone: 531-7232.

DESCRIPTION OF PROJECT: 20.221 acres have been committed to this Project. The Declaration, as amended, states that the Project contains ninety-five (95) separate Dwellings numbered 1 through 95. The sixty-one (61) Existing Dwellings contain six (6) rooms, including one living room, one kitchen, one dining room or family room, and three (3) bedrooms, and also two (2) baths. The total living area of each is no less than 1,250 square feet.

NOTE: THE DEVELOPER HAS NO INTEREST IN THE SIXTY-ONE (61) EXISTING DWELLINGS.

Seventeen (17) of the New Dwellings, designated as Model A (including Models A, A₁, A₂, and A₃) on the Condominium File Plan numbered 28 through 37, inclusive, 43, 81 through 83, inclusive, and 88, 89 and 95, contain seven (7) rooms, including one living room, one kitchen, one dining room, one den, three (3) bedrooms, and two and one-half (2-1/2) baths and three (3) lanais, as well as parking spaces for two (2) vehicles. The total living area of each is approximately 1,850 square feet; the total area of the lanais in each is approximately 400 square feet.

Seventeen (17) of the New Dwellings, designated as Model B (including Models B, B₁, B₂, B₃, and B₄) on the Condominium File Plan and numbered 17, 19 through 27, inclusive, 84, 85, 87, 90, 91, 92 and 94 contain seven (7) rooms, including one living room, one kitchen, one dining room, one den, three (3) bedrooms and two and one-half (2-1/2) baths and three (3) lanais, as well as parking spaces for two (2) vehicles. The total living area of each is approximately 1,800 square feet; the total area of the lanais in each is approximately 470 square feet.

Each Dwelling has immediate access to a walkway leading to the parking spaces, driveways, and Common Elements of the Project.

Each of the sixty-one (61) Existing Dwellings is equipped with a range, oven, disposal and water heater. Each of the thirty-four (34) New Dwellings will be equipped with a range, oven, garbage disposal, trash compactor and water heater. Each Dwelling consists of the space enclosed within the outside surface of the exterior walls and roofs and the bottom surface of the slabs, footings, foundations and supporting structure shown on the Condominium File Plan, as amended.

COMMON ELEMENTS: The Declaration states that the Common Elements consist of (a) the land described; (b) the park, all recreational and club facilities, access drives, areas adjacent to access drives, streambeds, drainage ditches, roadways, sidewalks, courtyards, parking areas and Dwelling sites; (c) all central and appurtenant installations, including all pipes, wires, cables, conduits, and other utility lines running within the land for services such as power, lights, gas, water and radio and TV signal distribution; (d) incinerators and any and all other apparatus and installations

existing for common use; and (e) all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The Declaration states that certain parts of the Common Elements are set aside and reserved for the exclusive use of certain Dwellings and such Dwellings shall have appurtenant thereto an exclusive easement for the use of these Limited Common Elements. The Limited Common Elements so set aside and reserved include, but are not limited to, all items set forth in the Condominium File Plan as Limited Common Elements and are as follows: (a) the site of each Dwelling, consisting of the land beneath and immediately adjacent to such Dwelling, as designated on the Condominium File Plan, shall be appurtenant to and for the exclusive use of such Dwelling; (b) the parking spaces as designated by number on the Condominium File Plan by number shall be appurtenant to and for the exclusive use of the Dwelling having such number; (c) the courtyards designated on the Condominium File Plan and adjoining certain of the Dwellings shall be appurtenant to and for the exclusive use of such adjoining Dwellings; and (d) all other elements of the Project which are rationally of limited common use for less than all of the Dwellings.

NOTE: The Condominium Map shows that two (2) parking stalls are assigned to each one of the sixty-one (61) Existing Dwellings. The Condominium Map further shows that parking for each of the thirty-four (34) New Dwellings is in a carport attached to each of the New Dwellings.

INTEREST TO BE CONVEYED TO PURCHASERS: The percentage of undivided interest in all of the Common Elements appertaining to each of the sixty-one (61) Existing Dwellings shall be 0.93458 and that appertaining to each of the thirty-four (34) New Dwellings shall be 1.26443.

The Declaration states that the common interest and easements appurtenant to each Dwelling shall have a permanent character and shall not be altered without the consent of all the Dwelling owners affected. The common interest and easements shall not be separated from the Dwellings to which they appertain and shall be deemed to be conveyed, leased or encumbered with such Dwelling even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument.

PURPOSE OF BUILDINGS: The Dwellings shall be occupied and used only as private Dwellings by the owner thereof. The Dwellings shall not be rented for transient or hotel purposes.

OWNERSHIP OF TITLE: A Preliminary Report, dated October 17, 1973, issued by Title Guaranty of Hawaii, Incorporated, reveals that the fee simple title to the land to be committed to the Project is vested in the Trustees of the Estate of Bernice Pauahi Bishop ("Estate"). The report shows that the Estate issued a Master Lease, No. 14,280, dated March 1, 1964, recorded in the Bureau of Conveyances in Book 4820, Page 440. The Master Lease was amended by instrument dated November 1, 1964, recorded in Book 4916, Page 556, and by instrument dated August 1, 1965, recorded in Book 5215, Page 322. The Master Lease, as amended, was assigned to and is now held by Island Federal Savings & Loan Association of Honolulu ("Island Federal") by instrument dated February 16, 1971, recorded in Book 7474, Page 447.

The Certificate further shows that the Developer is sublessee under 34 dwelling leases issued by the sublessor, Island Federal. The 34 leases are for the 34 Dwellings numbered 17, 19 through 37, inclusive, 43, 81 through 85, inclusive, 87 through 92, inclusive, and 94 and 95.

ENCUMBRANCES: The Preliminary Report shows that the sublease interest of the Developer is subject to the following encumbrances:

1. Real property taxes for the fiscal year July 1, 1973 - June 30, 1974; Rate Pending.
Tax Key: 3-5-24-09.
2. The reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Perpetual storm drain easement to the City and County of Honolulu dated September 12, 1961, recorded in the Bureau of Conveyances in Liber 4703 at Page 280.
4. Perpetual easement for electrical purposes to the Hawaiian Electric Company, Inc., dated April 26, 1965, recorded in said Bureau of Conveyances in Liber 5063 at Page 146.
5. "Excepting and reserving therefrom all easements now or hereafter required by trustees or sublessor for the construction, installation, operation, maintenance, repair and replacement of underground lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and for access to and from trustees' adjoining lands, in, over, under and across (1) all roads constructed on said land and (2) the land designated as Reservation "A" on said Condominium File Plan No. 22, provided that exercise of the access easement rights hereby reserved shall be conditioned on payment by the dominant owners thereof of a proportionate share of the cost of repairing and maintaining said roads in the ratio that the number of dwelling units served by such easement bears to the total number of dwelling units entitled to use said roads;"

"Also excepting and reserving therefrom a perpetual easement and right-of-way for access to and from the trustees' adjoining lands, in, over, under and across the land designated as Reservation "B" on said Condominium File Plan No. 22.
6. Grant dated June 23, 1966, recorded in Liber 5522 at Page 93, in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company; granting an easement 5 feet wide for utility purposes over and across a portion of the premises.
7. Lease of right-of-way dated February 20, 1968, recorded in Liber 6048 at Page 82, in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company; easement for the overhead line being 25 feet wide extending 12-1/2 feet on each side of the centerline and the remaining underground line easements being 5 feet wide extending 2-1/2 feet on each side of the centerlines and including vault sites and pull boxes all as shown on Map 66-24A attached to Lease No. 16,473.

8. Grant dated February 14, 1968, recorded in Liber 6848 at Page 218, in favor of the City and County of Honolulu; granting easement for water main.
9. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions and other provisions set forth in the Declaration of Horizontal Property Regime recorded in said Bureau of Conveyances in Liber 4888 at Page 96; as amended by instrument dated December 13, 1965, recorded in Liber 5215 at Page 329. Said Declaration was further amended by instrument dated July 1, 1966 and recorded in Liber 5408 at Page 440, and also further amended by instrument dated July 6, 1967, recorded in Liber 5825 at Page 399, and also further amended by instrument dated July 5, 1973, recorded in Liber 9542 at Page 496, being Condominium Map No. 22, as amended.
10. The terms, agreements, reservations and covenants contained in that certain Master Lease No. 14,280 dated March 1, 1964, recorded in said Bureau of Conveyances in Liber 4820 at Page 440. Said Master Lease was amended by Agreement dated November 1, 1964, recorded in Liber 4916 at Page 556 and further amended by Agreement dated August 1, 1965, recorded in Liber 5215 at Page 322. Said Lease, as amended, was assigned by mesne assignments to Island Federal Savings and Loan Association of Honolulu, by instrument dated February 16, 1971, recorded in Liber 7474 at Page 447.
11. Grant dated September 30, 1971, recorded in Liber 7964 at Page 312, in favor of the City and County of Honolulu; granting a perpetual easement for drainage purposes.
12. Mortgage and financing statement:

Mortgagor: Island Federal Service Corp., a Hawaii corporation
Mortgagee: First Hawaiian Bank, a Hawaii corporation
Dated: October 4, 1973
Recorded: Liber 9543, Page 226
Amount: \$1,200,000.00

The Developer has informed the Commission that the Mortgage and Financing Statement will be released as to a Dwelling prior to the time the Dwelling Sublease is assigned to a purchaser.
13. Terms, easements, restrictions, reservations, covenants, conditions and provisions contained in the Dwelling subleases.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated October 16, 1973, identifies Title Guaranty Escrow Services, Inc. as the Escrowee. Upon examination, the executed Escrow Agreement is found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly with §514-36 through §514-40, Hawaii Revised Statutes.

A prospective purchaser should carefully examine the form of the Sales Contract and the Escrow Agreement to determine the time for and amount of payments of the purchase price, the timing of the closing and the sharing of closing costs. The Sales Contract and the Escrow Agreement provide that the purchaser's funds may be used to pay for the cost of constructing the New Dwellings, if permitted by purchaser's lender.

Among other provisions, the specimen Sales Contract provides that in the event construction of the thirty-four (34) dwellings is not commenced by March 1, 1974, the obligations of both Buyer and Seller hereunder shall terminate and all sums paid by Buyer hereunder shall be refunded without interest.

MANAGEMENT AND OPERATIONS: The Developer has advised the Commission that the Board of Directors of Kalani-Iki Association of Dwelling Owners have appointed First Hawaiian Bank as the managing agent.

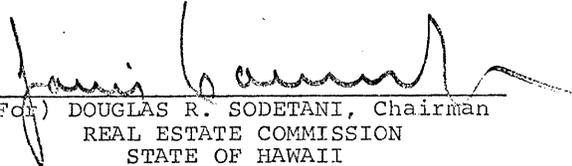
The specimen Sales Contract reflects that the current monthly assessment is \$67.50 per unit.

STATUS OF PROJECT: Building permits for the New Dwellings have been issued. The Developer has signed construction contracts with Royal Contracting Co., Ltd. for Site Construction and with Pacific Western Construction Corp., for construction of the units. The Developer has informed the Commission that site work has commenced and that the estimated date of completion of all units is March 31, 1974.

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 October 23, 1973.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 50, filed with the Commission.

The Report, when reproduced, shall be a true copy of the Commission's Public Report. Paper stock used in making facsimiles must be pink.


(FOR) DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

November 6, 1973
REGISTRATION NO. 50