

**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

KALANIKAI

Kuakini Highway, Kailua-Kona, Hawaii

REGISTRATION NO. 503

**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: April 6, 1973

Expires: May 6, 1974

SPECIAL ATTENTION

A comprehensive reading of the 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 6, 1972 AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 3, 1973, THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. Kalanikai is a proposed leasehold apartment condominium project, which will consist of three (3) existing two-story buildings designated as Buildings 1, 2 and 3 and two (2) three-story buildings to be constructed and designated as Buildings 4 and 5.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Preliminary Public Report.
3. The Developer has submitted to the Commission for examination a proposed Declaration of Horizontal Property Regime, proposed By-Laws of the Association of Owners and preliminary floor plans. A Final Public Report will not be issued until these items have been executed, approved and recorded where applicable.
4. In this Preliminary Public Report, the statements regarding the Declaration refer to the proposed Declaration submitted to the Commission.
5. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
6. The Developer advises the Commission that at such time that the construction of Buildings 4 and 5 of the project is commenced it will own an unencumbered leasehold interest in the land.
7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, Condominium Rules and Regulations which relate to the Horizontal Property Regime.
8. If the Final Public Report is not issued, the purchasers are entitled to a refund of all monies paid by the purchasers hereunder without further obligation and without interest.
9. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, April 6, 1973, unless a Supplementary Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: KALANIKAI.

LOCATION: The 112,047 square feet of property to be committed to the regime as a leasehold condominium project is situated on Kuakini Highway, Kailua-Kona, State of Hawaii.

TAX MAP KEY: Third Division 7-5-04-20.

ZONING: V-1.25 Resort-Hotel

DEVELOPER: Panaewa, Inc., a Hawaii corporation, whose address is Suite 704, 700 Richards Street, Honolulu, Hawaii, Telephone 521-2020.

The officers are: Kaliko Burgess, President and Director, 700 Richards Street, Honolulu, Hawaii, Kaliko B. Chun, Vice President and Director, 700 Richards Street, Honolulu, Hawaii, Ihilani Staten, Secretary-Treasurer and Director, 700 Richards Street, Honolulu, Hawaii.

ATTORNEYS REPRESENTING DEVELOPER: Hiroshi Sakai and Bert M. Tomasu, Suite 602, City Bank Building, 810 Richards Street, Honolulu, Hawaii, Telephone 531-4171.

DESCRIPTION: The Declaration reflects that the project is to consist of the 112,047 square feet of land located at Kuakini Highway, Kailua-Kona, Hawaii, consisting of three (3) existing two-story buildings located in Area A and two (2) three-story buildings located in Area B to be constructed in accordance with plans and specifications prepared by Peer Abben, AIA Architect. There are twenty-two (22) existing apartments in Area A and sixty-six (66) new apartments to be constructed in Area B of the project.

TYPES OF APARTMENT:

Existing Studio Apartments. There are twenty (20) studio apartments in Area A. All studio apartments contain one living-dining-bedroom-kitchen area and one bathroom with an approximate total area of 290 square feet together with a lanai of approximately 76 square feet. All ground floor apartments have immediate access to ground level walkways and all second floor apartments have immediate access to walkways leading to stairways on both ends of the buildings which connect the ground level and second floors of the buildings.

Existing One-Bedroom Apartments. There are two (2) one-bedroom apartments in Area A. Both contain one living-dining area, two bathrooms and one bedroom with a total area of approximately 580 square feet together with a lanai of approximately 152 square feet. The ground floor apartment has immediate access to the ground floor walkway and the apartment on the second floor has immediate access to the walkway leading to stairways on both ends of the building which connect the ground level and second floor of the building.

New One-Bedroom Ground Level Apartments. All new one bedroom ground level apartments contain a living-dining area, one bath, a kitchenette, and one

bedroom with a total area of approximately 720 square feet together with a lanai of approximately 110 square feet. All apartments have immediate access to ground level walkways.

New One-Bedroom Second and Third Floor Apartments. All apartments on the second and third floors contain a living-dining area, one bath, a kitchenette and one bedroom with a total area of approximately 790 square feet, together with a lanai of approximately 40 square feet. All apartments have immediate access to corridor walkways leading to stairways which connect the different floors of the building.

APARTMENT, LOCATION AND NUMBERING:

The apartments and Buildings 1, 2, 3, 4 and 5 are as shown on the Condominium Map and are numbered as follows and on the floors designated:

<u>Bldg.</u>	<u>Apt. Number</u>	<u>Floor</u>	<u>Type</u>
1	S101 - S104	First	Studio
	S201 - S204	Second	Studio
2	S105 - S108	First	Studio
	S205 - S208	Second	Studio
3	S109 - S110	First	Studio
	S111	First	1 Bedroom
	S209 - S210	Second	Studio
	S211	Second	1 Bedroom
4	101 - 108	First	1 Bedroom
	201 - 208	Second	1 Bedroom
	301 - 308	Third	1 Bedroom
5	109 - 122	First	1 Bedroom
	209 - 222	Second	1 Bedroom
	309 - 322	Third	1 Bedroom

RESERVATION AS TO AREA "A": Area "A" as designated on the Condominium Map includes the area on which Buildings 1, 2 and 3 are located as well as the pavilion-office area. As to Area "A", the Fee Owner reserves the right to demolish the existing improvements and to build new improvements or to alter the existing improvements. The Fee Owner further reserves the right to reallocate the common interests appurtenant to Area "A" by filing a revised plan for Area "A",

provided that said common interests do not exceed the common interests appurtenant to Area "A" as stated in this Declaration; provided, further, that any parking spaces or portions of parking spaces appurtenant to Area "B" as designated on the Condominium Map and located in Area "A" may be reallocated.

LIMITS OF APARTMENTS: The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floor and ceilings surrounding each apartment or any pipes, wires, conduits, or other utility or service lines running through such apartment which are utilized or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include the adjacent lanai or balcony, all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings and all fixtures originally installed therein including the range, refrigerator and disposal.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime reflects that the common elements include:

- (a) The said land in leasehold;
- (b) All foundations, floors, columns, girders, beams, supports, load-bearing walls, walkways, roofs, stairways, entrances and exits of the buildings;
- (c) All yards, grounds, landscaping, and recreational areas, including the swimming pool.
- (d) All driveways and roadways and five guest parking stalls;
- (e) All ducts, electrical equipment, pipes, wiring and other central and appurtenant installations for services including power, light, cold and hot water, refuse and telephone;
- (f) All other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the project.

LIMITED COMMON ELEMENTS: The Declaration reflects that the limited common elements are as follows:

- (a) The portions of the land included within the project occupied by each of the buildings shall be limited common elements reserved for the exclusive use of the Owners of apartments within the building occupying said portion of land;

(b) The entryways, stairways and walkways in any building shall be appurtenant to and for the exclusive use of the apartments in such building;

(c) The walkways on any floor of any building shall be appurtenant to and for the exclusive use of the apartments on such floor;

(d) One parking stall appurtenant to each apartment with the number of the parking stall corresponding to the apartment number except for Apartments S-111 and S-211 which has three parking stalls each appurtenant to their apartments.

PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS. The percentage of undivided interest in the common elements appertaining to each apartment and appurtenances thereto is as follows:

(a) All studio apartment shall have a 0.73 percentage interest;

(b) Apartments S-111 and S-211 shall each have a 1.12 percentage interest;

(c) All other one-bedroom apartments shall have a 1.26 percentage interest.

For purposes of voting on all matters requiring action by the owners the above percentages shall govern.

INTEREST TO BE CONVEYED TO PURCHASER: The Declaration states that the percentage of undivided interest in the common elements would be as stated above.

PURPOSES FOR WHICH THE BUILDINGS AND EACH OF THE APARTMENTS MAY BE USED: The apartments shall be occupied and used as permanent and temporary residence or hotel rooms and for no other purposes.

OWNERSHIP OF TITLE: The Lien Letter Report dated February 16, 1973, issued by Security Title Corporation reports that title to the land is vested in Kaliko Burgess Chun now known as Kaliko Burgess.

ENCUMBRANCES AGAINST TITLE: The Lien Letter Report dated February 16, 1973 reports that title to the land is subject to the following encumbrances:

1. Reservation of mineral and metallic mines in favor of the State of Hawaii.

2. Mortgage dated April 15, 1966 filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 387760 made by Kaliko Burgess Chun, as Mortgagor, to Employees' Retirement System of the State of Hawaii, as Mortgagee.

3. Designation of Easement "A", affecting Lot 3-B, as shown on Map 4, as set forth in Land Court Order No. 32921, filed on March 23, 1971.

4. Grant dated April 8, 1971, filed in said Office of the Assistant Registrar as Document No. 535476, in favor of the County of Hawaii, a municipal corporation, granting an easement for sewer or Easement "A" affecting Lot 3-B.

5. Mortgage dated December 3, 1971 filed in said Office of the Assistant Registrar as Document No. 561075 made by and between Kaliko Burgess Chun, unmarried, as Mortgagor, to Oahu Teachers No. 3 Federal Credit Union, a corporation organized under and pursuant to the Federal Credit Union Act, as Mortgagee.

6. Current real property taxes. Reference is made to the Office of the Tax Assessor of the Third Division for Tax Key 7-5-4-20.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated March 19, 1973 between Security Title Corporation, as Escrow, and Developer, has been filed with the Commission. On examination the executed Escrow Agreement filed with the Commission it is founded to be in compliance with Chapter 514, Hawaii Revised Statutes and particularly Sections 514-36 through 514-40 HRS.

Among other provisions the Escrow Agreement provides 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 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 a Purchaser's funds were obtained prior to the issuance of a final public report and if there is any change in the condominium building plans, subsequent to the execution of Purchaser's Sales

Contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the Purchaser has given written approval or acceptance of the specific change; or

(c) If Purchaser's funds were obtained prior to the issuance of a final public report and the request is prior to the time the final public report is issued; or

(d) If 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

(e) If the final public report is not issued within one (1) year from the date of issuance of the preliminary public report.

The specimen Sales Contract provides that in the event less than 62 apartment units are sold prior to November 1, 1973, Seller may at its option cancel this agreement, in which event Seller will cause Escrow to refund to Buyer all monies paid, without interest, and Seller shall be relieved and released of all further liability hereunder.

MANAGEMENT OF THE PROJECT: The Declaration provides that the management of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The Developer in its notice of intention indicates that it has not yet selected an initial managing agent. The Sales Contract to be signed by the purchasers provided the Developer may appoint the initial manager and agent of the project.

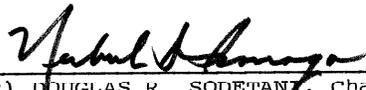
STATUS OF PROJECT: The Developer advises the Commission that the project will consist of 3 existing buildings that was completed in November, 1966 and being used as an apartment-hotel and 2 new buildings to be constructed. The notice of intention reflects that no Contractor has yet been identified.

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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 December 6, 1972, and information subsequently filed as of April 3, 1973.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 503

filed with the Commission on December 6, 1972.

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.

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

Distribution:

Department of Taxation  
Bureau of Conveyances  
Planning Commission, County of Hawaii  
Federal Housing Administration  
Escrow Agent

Registration No. 503

April 6, 1973.