

**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

KALANIKAI  
75-5681 Kuakini Highway  
Kailua-Kona, Hawaii

REGISTRATION NO. 503

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

It was prepared as a supplement to an earlier Report dated March 9, 1976 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 17, 1978  
EXPIRES: November 17, 1979

SPECIAL ATTENTION

A comprehensive reading 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 described to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 6, 1972 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 8, 1978. THE SELLER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING ADDITIONAL INFORMATION, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514A, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report dated April 6, 1973, and Final Public Report dated March 9, 1976 (which superseded the Preliminary Public Report in its entirety), and the extensions thereof on Registration No. 503, the Seller (previously referred to as "Developer") has forwarded additional information reflecting material changes which have been made a part of the documents for the project.

2. This Supplementary Public Report amends the Final Public Report and becomes a part of the registration of the KALANIKAI condominium project. The Seller is responsible for placing this Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers receiving the Final Public Report (white paper stock) for the KALANIKAI. Securing a signed copy of the Receipt for Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Seller.

3. The Seller of the project has filed all documents and materials deemed necessary by the Commission for the registration of this condominium project and the issuance of this Supplementary Public Report.

4. The Seller advises that the Declaration of Horizontal Property Regime and attached By-Laws dated November 14, 1975 have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 742919, as amended by instruments dated December 2, 1975, January 9, 1976, and April 7, 1978, filed as Document Nos. 744038, 751437, and 869349, respectively, and as further amended by instruments dated September 7, 1978 and September 19, 1978, filed as Document Nos. 896938 and 899317, respectively, all as noted on Transfer Certificate of Title No. 205479. The Condominium Map and its amendment thereof have been filed with said Office of the Assistant Registrar as Condominium Map No. 268.

5. Advertising or promotional materials have been submitted pursuant to the rules and regulations promulgated by the Commission.

6. 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.

7. This Supplementary Public Report amends the expiration date of the Final Public Report to cause both reports to automatically expire on November 17, 1979, unless the Commission, upon review of the registration issues an order extending the effective date.

The information in the topical headings LOCATION, DEVELOPER, ATTORNEY REPRESENTING DEVELOPER, DESCRIPTION, COMMON ELEMENTS, LIMITED COMMON ELEMENTS, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, MANAGEMENT OF THE PROJECT, and STATUS OF PROJECT has been altered. The topical headings RESERVATION OF RIGHT TO DEMOLISH EXISTING STRUCTURES AND TO CONSTRUCT IMPROVEMENTS ON AREA "A" and COMMON EXPENSES AREA "A" have been deleted. A new topical heading entitled SALE OF APARTMENTS IN FEE has been added. All other topical headings have not been disturbed.

LOCATION: The project is situated at 75-5681 Kuakini Highway, Kailua-Kona, State of Hawaii, containing 112,047 square feet in fee simple.

DEVELOPER: Since the issuance of the Commission's Final Public Report and extensions thereof, the original developers, PANEAWA, INC., together with the fee simple title holder to the land, KALIKO MARY ADAMS BURGESS, have conveyed all of their respective interests to Honolulu Federal Savings and Loan Association.

Honolulu Federal Savings and Loan, by unrecorded Purchase Agreement dated September 1, 1978 agreed to sell the fee simple land and seventy-nine (79) units to Central Pacific Development Corporation, a Hawaii corporation, hereinafter called "Seller", whose office and mailing address is 900 Fort Street, 12th Floor, Pioneer Plaza, Honolulu, Hawaii 96813. By Deed dated October 27, 1978, Honolulu Federal has conveyed the fee simple title and seventy-nine (79) apartment units to the Seller. Said conveyance is noted as Document No. 905732 in Transfer Certificate of Title No. 205,479 issued to Seller.

The officers and directors of Central Pacific Development Corporation are:

Axel Obara, President and Director  
Samantha Sky, Vice President and Director  
Larry R. Marks, Vice President/Secretary/Treasurer  
and Director  
Vernon B. Luke, Vice President

The Seller proposes to offer for sale all of the available units as fee simple condominium apartments.

ATTORNEY REPRESENTING SELLER: IKAZAKI, DEVENS, LO, YOUTH & NAKANO (Attention: Richard C. Lo), 1412 Amfac Building, 700 Bishop Street, Honolulu, Hawaii 96813; telephone 521-1456.

DESCRIPTION: The Declaration has been revised to reflect the floor area as shown in the Condominium Map filed with the Bureau of Conveyances. The revised floor areas are:

- (a) Ground Level Apartments -- 788 square feet, including a lanai of 90 square feet.
- (b) Second and Third Floor Apartments -- 788 square feet, including a lanai of 35 square feet.

All other information relating to (i) Types of Apartments; (ii) Apartment, Location, and Numbering, and (iii) Limits of Apartments, as contained in the Final Public Report and the Declaration, has not been changed.

SALE OF APARTMENTS IN FEE: The Seller advises that the seventy-nine (79) apartments covered by this Supplementary Public Report out of a total of eighty-two (82) are being sold in fee simple (and not on the leasehold basis previously offered by the original Developer of the project). The Seller is negotiating with the purchasers of the three apartments previously sold as leasehold to convert them to fee, so that the entire project will be fee simple. Amendments to the appropriate documents are being effected to reflect the change to fee simple status.

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

- a. The said land in fee;
- b. All foundations, floors, columns, girders, beams, supports, load-bearing walls, walkways, roofs, stairways, entrances and exits of the buildings;
- c. All yards, grounds and landscaping;
- d. All driveways and roadways and fourteen (14) 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: Parking stalls nos. 24, 25, 43 and 45 have been removed as a limited common element appurtenant to

apartment no. S101 and redesignated as guest parking stalls (common elements). Attached hereto as Exhibit "A" and made a part hereof is the new schedule of parking stall assignments.

All other information as contained in the Final Public Report remains unchanged.

OWNERSHIP OF TITLE: The Preliminary Reports dated October 31, 1978 and November 1, 1978, issued by Title Guaranty of Hawaii, Incorporated, report that title to the land is vested in Central Pacific Development Corporation.

ENCUMBRANCES AGAINST TITLE: The Preliminary Reports dated October 31, 1978 and November 1, 1978, issued by Title Guaranty of Hawaii, Incorporated, and other documents submitted to the Commission indicate that title to the land is subject to the following encumbrances:

1. Real property taxes - for further information, check with the Tax Assessor, Third Division, on Tax Key No. 7-5-04-20.
2. Reservation of mineral and metallic mines in favor of the State of Hawaii.
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, and Grant dated April 8, 1971, filed in said Office of the Assistant Registrar as Document No. 535476, in favor of the County of Hawaii granting an easement for sewer over Easement "A" affecting Lot 3-B.
4. Mortgage dated October 30, 1978, filed as aforesaid as Document No. 905733, in favor of First National Bank of Oregon to secure the repayment of the sum of \$4,000,000.00.
5. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements, and other provisions set forth in the Declaration of Horizontal Property Regime dated November 14, 1975 and the By-Laws attached thereto, filed as Document No. 742919, as amended by instruments dated December 2, 1975, January 9, 1976 and April 7, 1978, filed as Document Nos. 744038, 751437 and 869349, respectively, and as further amended by instruments dated September 7, 1978 and September 19, 1978, filed as Document Nos. 896938 and 899317, respectively. The project is covered by Condominium Map No. 268.
6. The following Apartment Deeds subject to existing leases:
  - (a) Apartment Deed dated October 31, 1978, from Seller to Central Pacific Development Corporation, filed

as aforesaid as Document No. 906053, covering apartment no. 302, together with parking space no. 38, and an undivided 1.280% interest in the common elements, together with and subject to Apartment Lease dated February 7, 1977, filed as aforesaid as Document No. 805470, in favor of Betty Jane Burke, wife of Frank Burke, as lessee.

(b) Apartment Deed dated October 31, 1978, from Seller to Central Pacific Development Corporation, filed as aforesaid as Document No. 906054, covering apartment no. 314, together with parking space no. 79, and an undivided 1.280% interest in the common elements, together with and subject to Apartment Lease dated March 3, 1977, filed as aforesaid as Document No. 807237, in favor of Ernest Kanamu Kanekoa, unmarried, as lessee, which Lease is subject to a mortgage dated March 3, 1977 in favor of Honolulu Federal Savings and Loan Association, filed as aforesaid as Document No. 807238 and also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12050 at Page 383.

(c) Apartment Deed dated October 31, 1978, from Seller to Central Pacific Development Corporation, filed as aforesaid as Document No. 906052, covering apartment no. 108, together with parking space no. 90, and an undivided 1.280% interest in the common elements, together with and subject to Apartment Lease dated March 5, 1977, filed as aforesaid as Document No. 807870, in favor of George Allan Chadburn and Edna Faye Chadburn, husband and wife, as lessee, which Lease is subject to a mortgage dated March 5, 1977 in favor of Honolulu Federal Savings and Loan Association, filed as aforesaid as Document No. 807871.

PURCHASE MONEY HANDLING: A new Escrow Agreement dated September 5, 1978, between King Escrow Services Corporation, as Escrow, and Seller has been filed with the Commission. 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 Sections 514A-39, 514A-62, 514A-64 and 514A-66.

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

1. THE BUYER EXPRESSLY ACKNOWLEDGES AND AGREES that neither the Seller nor any of its representatives has made any representation or reference as to rental of the Apartment, income from the Apartment, or any other economic benefit to be derived from the purchase of the Apartment, including, but not limited to, any reference or representation to the effect that the Seller or the Manager (Managing Agent) of the Project will provide, directly or indirectly, any services relating to the rental or sale of the Apartment. It is understood and agreed that rental or other disposition of the Apartment and the

provision of management services in connection therewith is and shall be the sole responsibility of the Buyer.

2. THE BUYER EXPRESSLY ACKNOWLEDGES AND AGREES that the Project consists of fully constructed and existing buildings (the Final Certificate of Occupancy having been issued on June 10, 1976), that the Buyer has been offered an adequate opportunity to examine the plans for the Project (as set forth in Condominium Map No. 268) and the actual Project and Apartment covered hereby. AND THE BUYER FURTHER ACKNOWLEDGES AND AGREES that the property described in Section "A" above [of the Sales Contract] is being sold by the Seller in its present condition, "as is", and that the Seller is disclaiming any express or implied warranty of any kind whatsoever, including, without limitation, any implied warranty of merchantability or fitness of the property for a particular purpose, or any implied warranty of habitability.

3. The Buyer agrees to subordinate any lien under the Sales Contract to a loan of the Seller to acquire the Project, which loan shall not exceed \$4.5 million, exceed eighteen per cent (18%) in interest and exceed a term of one (1) year.

4. The Seller reserves the right to amend the Declaration, By-Laws and Apartment Deed so long as such changes do not materially affect adversely the interests of the Buyer in the Project.

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 trust, 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 Declaration provides 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 managing agent (manager). Hawaiian Certified Property Management, Inc. has been selected as the initial managing agent for the project.

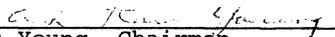
STATUS OF PROJECT: The construction of the improvements constituting the project has been completed. The Final Certificate of Occupancy for the project was issued on June 10, 1976. The units in the project are presently being rented out on a transient basis.

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The purchaser or prospective purchaser should be cognizant of

the fact that this report represents information disclosed by the Developer in the required Notice of Intention submitted December 6, 1972, and information subsequently filed as of November 8, 1978.

This Supplementary Horizontal Property Regimes (Condominium) Public Report is made a part of Registration No. 503 filed with the Commission on December 6, 1972.

This report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be pink in color.

  
Ah Kau Young, Chairman  
Real Estate Commission  
State of Hawaii

DISTRIBUTION:  
DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING DEPARTMENT, COUNTY OF HAWAII  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT  
Registration No. 503

November 17, 1978

EXHIBIT "A"

PARKING ASSIGNMENTS

Area "B"

<u>First Floor</u>			<u>Second Floor</u>			<u>Third Floor</u>		
<u>Bldg. No.</u>	<u>Apt. No.</u>	<u>Stall No.</u>	<u>Bldg. No.</u>	<u>Apt. No.</u>	<u>Stall No.</u>	<u>Bldg. No.</u>	<u>Apt. No.</u>	<u>Stall No.</u>
A	101	12	A	201	30	A	301	37
A	102	13	A	202	31	A	302	38
A	103	14	A	203	32	A	303	39
A	104	15	A	204	33	A	304	40
A	105	16	A	205	34	A	305	41
A	106	17	A	206	35	A	306	42
A	107	91	A	207	36	A	307	94
A	108	90	A	208	92	A	308	96
B	109	18	B	209	22	B	309	27
B	110	19	B	210	23	B	310	28
B	111	20	B	211	26	B	311	29
B	112	21	B	212	89	B	312	87
B	113	85	B	213	83	B	313	82
B	114	81	B	214	80	B	314	79
B	115	78	B	215	77	B	315	76
B	116	75	B	216	74	B	316	73
B	117	71	B	217	70	B	317	69
B	118	68	B	218	67	B	318	66
B	119	65	B	219	64	B	319	63
B	120	62	B	220	61	B	320	60
B	121	59	B	221	58	B	321	57
B	122	56	B	222	55	B	322	54

Area "A"

<u>Bldg. No.</u>	<u>Apt. No.</u>	<u>Stall No.</u>
1	S101	1
1	S102	2
1	S103	3
1	S104	4
1	S201	5
1	S202	6
1	S203	7
1	S204	8
2	S105	46
2	S106	47
2	S205	48
2	S206	49
3	S107	51
3	S108	50
3	S207	52
3	S208	53

Guest Parking Stalls:  
 72, 84, 86, 88, 93, 95, 9, 10, 11,  
 24, 25, 43, 44 and 45.