

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
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HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON
KEAUHOU PALENA
KEAUHOU, NORTH KONA
ISLAND, COUNTY AND STATE OF HAWAII

Registration No. 696

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: June 28, 1974
Expires: July 28, 1975

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 JUNE 14, 1974, AND ADDITIONAL INFORMATION SUBSEQUENTLY SUBMITTED AS OF JUNE 27, 1974. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514 HAWAII REVISED STATUTES.

1. KEAUHOU PALENA is a proposed leasehold condominium project consisting of fourteen 2-story buildings having a total of fifty-six (56) units. There will be a total of eighty four (84) open parking spaces of which twenty eight (28) are guest parking spaces. There shall be one parking space appurtenant to each apartment.

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 issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have not been recorded in the Bureau of Conveyances.

4. Advertising and promotional matter has been submitted pursuant to the rules and regulations of the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 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 date of issuance, June 28, 1974, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of the report.

NAME OF PROJECT: KEAUHOU PALENA

LOCATION: The approximately 4.879 acres of land area, to be committed to the regime is situate on New Kamehameha III Road being Lot B of Area 3 of the Bishop Estate Development at Keauhou, North Kona, Island of Hawaii, State of Hawaii.

TAX KEY: THIRD DIVISION 7-8-10-32

ZONING: M-2 Apartment

DEVELOPER: Finan Overseas, Inc., a Hawaii corporation whose principal place of business and post office address is 94-062 Leokane Street, Waipahu, Oahu, State of Hawaii. The officers of the corporation are James P. Finan, President-Treasurer; Carol Sue Hines, Secretary; and Robert M. Finan, Vice-President.

ATTORNEY REPRESENTING DEVELOPER: Axel Ornelles, 745 Fort Street, Honolulu, Hawaii. Telephone 538-1991.

DESCRIPTION: This will be a leasehold condominium complex consisting of fourteen two-story wood frame buildings containing fifty-six (56) two bedroom, two bath apartments. There will be a swimming pool and eighty four (84) parking spaces on the ground level. Each unit will be numbered as shown on the floor plans to be filed with the Declaration in the office of the recording officer and will be in accordance with said plans.

- (a) Four (4) apartments are located in each of the fourteen 2-story buildings which make up the project. There are two stairways serving each of the fourteen buildings and providing access to the two apartments in each building which are on the second floor. In each building the apartments that end in the numeral "3" and "4" are on the second floor, while the apartments ending in the numerals "1" and "2" are on the ground level. Each apartment consists of two bedrooms, two baths, a kitchen, and a living-dining room for an enclosed area of approximately 878 square feet plus a lanai of approximately 195 square feet. In addition, each of the apartments on the second floor has a stair landing of approximately 69 square feet. The apartments are located as follows:

BUILDING NO. 1
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	101	A
1	102	B
2	103	A
2	104	B

BUILDING NO. 2
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	201	A
1	202	B
2	203	A
2	204	B

BUILDING NO. 3
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	301	A
1	302	B
2	303	A
2	304	B

BUILDING NO. 4
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	401	A
1	402	B
2	403	A
2	404	B

BUILDING NO. 5
(same elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	501	A
1	502	B
2	503	A
2	504	B

BUILDING NO. 6
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	601	A
1	602	B
2	603	A
2	604	B

BUILDING NO. 7
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	701	A
1	702	B
2	703	A
2	704	B

BUILDING NO. 8
(same elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	801	A
1	802	B
2	803	A
2	804	B

BUILDING NO. 9
(same elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	901	A
1	902	B
2	903	A
2	904	B

BUILDING NO. 10
(same elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	1001	A
1	1002	B
2	1003	A
2	1004	B

BUILDING NO. 11
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	1101	A
1	1102	B
2	1103	A
2	1104	B

BUILDING NO. 12
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	1201	A
1	1202	B
2	1203	A
2	1204	B

BUILDING NO. 13
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	1301	A
1	1302	B
2	1303	A
2	1304	B

BUILDING NO. 14
(different elevation)

<u>FLOOR NO.</u>	<u>APARTMENT NO.</u>	<u>APARTMENT TYPE</u>
1	1401	A
1	1402	B
2	1403	A
2	1404	B

The immediate common element to which each apartment has access are by two stairways that service each building and by the walkways and driveways connecting each building to the project.

(b) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter 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 walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

(c) Each kitchen contains a range with oven, refrigerator, dishwasher, garbage disposal, water heater and washer/dryer.

COMMON ELEMENTS: The Declaration states that the common elements of the project include the following:

- a. Said land in fee simple.
- b. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls and roofs.
- c. All yards, grounds, landscaping, planters, fences, mail boxes, refuse facilities, swimming pool, open patio and like facilities.
- d. All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone and radio and television signal distribution.
- e. The two entrance stairs to each building.
- f. All driveways, parking areas and walkways.
- g. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use.
- h. Parking stalls Nos. 5, 6, 7, 8, 15, 16, 17, 18, 19, 24, 35, 38, 39, 40, 41, 42, 43, 60, 61, 62, 63, 64, 65, 78, 79, 80, 81 and 82, designated as guest parking.
- i. The Manager's apartment as shown on the page designated as "C2" of the Condominium Map.
- j. The maintenance shed as shown on said page "C2".

LIMITED COMMON ELEMENTS: The limited common elements, according to the Declaration, shall consist of one parking space for the exclusive use of each unit and designated on the floor plans to be placed on record by a number corresponding to the number of such unit.

INTEREST TO BE CONVEYED PURCHASER: Each apartment unit shall have appurtenant thereto an equal undivided 1.7857+ percentage (1/56) interest in the common elements as specified and established in the Declaration for such, and known as the "common interest." The aggregate of the common interests of all the owners shall be the basis for determination of assessments and allocations of common expenses, division and distribution of common profits, for voting in the Association of KEAUHOU PALENA Condominium Apartment Owners, and for all other related purposes.

PURPOSE OF THE BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used only for residential purposes and no apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade, or profession whatsoever. The foregoing notwithstanding, the Owners of the respective apartments shall have the absolute right to lease such apartments for residential or resort rental purposes on a daily or longer term subject to all provisions of the Declaration, and in accordance with the By-Laws of the Association of KEAUHOU PALENA Condominium Apartment Owners, and the House Rules, as they exist or as they may be amended from time to time, and each Owner shall also observe, comply with, and perform all applicable laws, ordinances and rules and regulations of all governmental agencies.

OWNERSHIP TO TITLE: A preliminary Report prepared May 30, 1974 by Title Guaranty of Hawaii shows that title to the land committed to the regime is vested in the Trustees of the Estate of Bernice Pauahi Bishop. The Developer has submitted to the Commission an Option to Lease said land dated May 24, 1974 expiring on December 31, 1974 executed by the Developer and said Trustees. Attached to the Option is an unexecuted lease of said land between Trustees as Lessors and Developer as Lessee for a term of fifty-six and one-half (56½) years beginning January 1, 1975.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report shows said land is subject to the following encumbrances:

1. Reservation in favor of the State of Hawaii of all minerals and metallic mines.
2. Real property taxes for the second half of the year 1973-74. Reference is hereby made to the office of the Tax Assessor of the Third Taxation Division, for any further taxes which may be a lien on said premises.
3. Excepting and reserving an easement for sanitary sewer purposes over and across a portion of the land in the location as shown on map prepared by R. M. Towill Corporation dated October 16, 1967.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement, executed June 10, 1974 between Landmark Escrow, Ltd. as Escrow and Finan Overseas, Inc. as Developer, has been submitted to the Commission as part of this registration. The specimen Contract of Sale and the executed Escrow Agreement have been examined and found to be in consonance with Section 514-35 and 514-36 through 514-40, Hawaii Revised Statutes. The documentation provides that the Sale Contract will not become effective until the Commission issues its Final Public Report on the project and the purchaser has given his receipt for a copy of same. 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 of \$15.00 and less the cost of credit reports, if any, if Purchaser shall have requested in writing refund of his funds and any one of the following shall have occurred:

1. Seller has requested Escrow in writing to return to Purchaser the funds of such Purchaser then held hereunder by Escrow; or
2. 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 agreement, 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
3. If a 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
4. 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
5. If the final public report is not issued within one year from the date of issuance of the preliminary public report.

Among other provisions the Sales Contract provides that in the event (a) less than forty two (42) apartments are sold prior to July 1, 1975 or (b) Seller is unable to obtain financing reasonably satisfactory to him for the development of the project as a condominium, Seller may in either of these cases at his option cancel this contract, refund to Buyer all monies paid without interest and be released of all further liability hereunder.

It is incumbent upon the purchaser and prospective purchaser that he reads, with care, the Contract of Sale and the executed Escrow Agreement. The Escrow Agreement established how the proceeds from the sale of units and all sums from any source are placed in trust, as well as the retention, disbursement and refund of said trust funds.

MANAGEMENT AND OPERATION: The Declaration of Horizontal Property Regime states that the administration of the project shall be vested in the Association of KEAUHOU PALENA Condominium Owners, whose members include all of the owners of apartment units, in accordance with the By-Laws of the Association. The By-Laws vest the Board of Directors with the authority to employ and at all times maintain a responsible managing agent. The specimen Contract of Sale and Declaration of Horizontal Property Regime represents that the Developer will employ First Hawaiian Bank, 161 South King, Honolulu, Hawaii, as the initial Managing Agent.

STATUS OF PROJECT: No building contract has been executed as of the date of this Preliminary Public Report. It is anticipated that groundbreaking and commencement of building will start during the week of January, 1975. Construction time is estimated to be ten (10) months.

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 June 14, 1974.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 696 filed with the Commission on June 14, 1974 and additional information subsequently submitted as of June 27, 1974.

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


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

Distribution:

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ESCROW AGENT.

Registration No. 696
June 28, 1974.