

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
The Kealia Condominium
191 Kihei Road, Waikapu,
Wailuku, Maui, Hawaii

Registration No. 747

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 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: January 29, 1975

Expires: February 29, 1976

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 DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 17, 1975 AND SUBSEQUENT INFORMATION FILED AS OF JANUARY 27, 1975. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. The Kealia Condominium is a proposed leasehold condominium project consisting of fifty (50) residential apartment units and one resident manager's apartment unit in one building all in accordance with the plans recorded in the State of Hawaii Bureau of Conveyances.

2. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Final Public Report.
3. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have been recorded in the office of the recording officer.

The Declaration of Horizontal Property Regime, together with the By-Laws of Association of Apartment Owners attached thereto, was recorded in the State of Hawaii Bureau of Conveyances in Liber 10383 at Page 171, and Condominium Map No. 396 has been assigned to the project by said office.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the condominium rules and regulations which relate to horizontal property regimes.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, January 29, 1975, unless a Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: The Kealia Condominium.

LOCATION: The land submitted to the Regime, approximately 33,854 square feet, is located at 191 No. Kihei Road, Waikapu, Wailuku, Maui, fronting on Kihei Beach, Maalaea Bay on one side and Kihei Road on the other.

TAX MAP KEY: SECOND DIVISION 3-8-13-18.

ZONING: H-M.

DEVELOPER: THE KIHEI BEACH JOINT VENTURE, a Hawaii registered joint venture, consisting of REALTY CONSULTANTS OF MAUI, INC., a Hawaii corporation, and AMFAC FINANCIAL CORP., a Hawaii corporation, and whose principal place of business is 16th Floor, 700 Bishop Street, Honolulu, City and County of Honolulu, State of Hawaii, and whose post office address is P. O. Box 2448, Honolulu aforesaid.

ATTORNEY FOR DEVELOPER: Carlsmith, Carlsmith, Wichman and Case, 190 South King Street, Honolulu, Hawaii 96813 (Attention: Thomas D. Welch, Jr. and Raymond S. Iwamoto), Telephone 524-5112.

DESCRIPTION: The land will be improved, according to the developer's plans and intention to sell, by constructing a six-story (excluding basement) apartment building containing a total of fifty-one residential apartments, all located on the ground floor and above, with fifty-two (52) parking stalls in the basement and ground floor, all in accordance with the plans recorded in the State of Hawaii Bureau of Conveyances. The specimen Sales Contract states that the developer intends to sell the residential units therein to third persons causing the fee owner to issue to each purchaser of a condominium unit a lease of such condominium unit and of an undivided interest in the common elements of the project.

1. Building Description. The project will consist of one building with six levels, excluding the basement, a swimming pool with deck, and multiple planting areas. It will contain 50 apartments, a resident manager's apartment, and parking areas in the basement and ground floor. The building shall consist of two wings, connected together in the shape of a "T" with the west wing at the top of the "T" extended from south to north and the east wing extended from west to east, approximately parallel with the beach. The building will be surrounded on the south side by the swimming pool, continuous planting areas and the beach, on the north side by the ground floor parking area and Kihei Road, on the east side by continuous planting areas and on the west side by continuous planting areas, which at the commencement of the project shall extend over onto the adjacent land, in accordance with a Tenancy at Will Agreement by which the said adjacent land will be rented as additional land for the project with the landscaping costs, the rental cost and all other costs and expenses pertaining to the said adjacent land being a part of the common expenses of the project incurred by the Association of Apartment Owners.

The building shall have six levels, plus a basement. The first level has been designated as the ground floor. Thereafter the levels have been given designations as floors 2 through 6 in ascending order. Access to the upper floors is by elevator and by three stairways. The elevator is located at the junction of the two wings. Stairway No. 1 is located immediately

to the south of the elevator. Stairway No. 2 is located at the eastern end of the east wing. Stairway No. 3 is located at the northern or Kihei Road end of the west wing.

The basement is essentially a parking level with 26 parking stalls, designated 1 through 26. There is also a trash room and an elevator lobby in the basement. The area immediately adjacent to the elevator lobby is a "no parking" area providing access to the trash containers and the elevator. The ground floor has one 2-bedroom apartment and five 1-bedroom apartments, an elevator lobby, a walkway on each of the two wings, providing access to the apartments, the elevator, the three stairways, a fourth stairway leading down from the parking area to a concrete walkway which provides access from Kihei Road (said walkway being on a level above the basement but below the ground floor), the swimming pool, and the parking area with 25 parking stalls, designated 27 through 51 and a guest parking stall designated 52. The second through sixth floor inclusive each have one 2-bedroom apartment, seven 1-bedroom apartments and one studio apartment, a walkway on each of the two wings, providing access to the apartments, the elevator, an electric room, and the three stairways. There are wooden trellises on the second floor covering portions of the ground floor parking area. There is an elevator machine room on the roof.

2. Materials. Each building shall be constructed principally of reinforced concrete floor slabs, concrete block-bearing walls, prestressed concrete roof slabs, concrete masonry, concrete tile roof, wood trim, wall-board, steel, glass and allied building materials.
3. Description, Area, Numbering and Percentage Interest of Apartments. Each apartment shall include all the walls and partitions within its perimeter walls; all glass windows or panels along the perimeters; the entirety of perimeter non-party walls except for the exterior decorated surfaces; the interior half of perimeter party walls; the inner decorated or finished surfaces of the floors and ceilings; the adjacent lanai to the exterior edge of the concrete floor slabs; the built-in fixtures including the range, refrigerator, garbage disposal, dishwasher, stacked washer/dryer,

air conditioning unit, water heater, sinks, bathroom fixtures, carpets and drapes; and all air space encompassed within the apartment; provided, however, that the portion of each party wall and of each load bearing wall (whether or not a party wall) which is included in any apartment is a common element (except for the inner decorated surface of said wall within said apartment, which is not a common element) and that the exterior decorated surface of each perimeter non-party wall is a common element; and provided further that any ventilation duct shafts within an apartment as shown on said condominium map is a common element.

Each apartment, has been given a three digit numerical designation by which its location in the building can be determined. The first numeral of the designation corresponds with the floor number, with the ground floor being floor number 1. The ending two digits of the designation indicate the location of the apartment on a floor. The easternmost apartment on each level, which is the apartment at the east end of the east wing, is given a designation ending in 01. The designation numerically increases for each subsequent apartment on the east wing, in ascending order westward, until the apartment designation ending with the numerals 03. The southernmost apartment on each level, which is the apartment at the southern end of the west wing, is given a designation ending in 04. The designation then numerically increases for each subsequent apartment on the west wing, in ascending order northward towards Kihei Road, until the apartment designation ending with the numerals 06 for the ground floor and 09 for the second through sixth floors inclusive.

Each apartment has also been given a designation indicating what type of apartment it is. There are four types of apartments, Types "A", "B", "C", and "D":

- (a) Type "A" includes a living-dining room, kitchen, bedroom, dressing room, bath and lanai. It includes a floor area of approximately 621 square feet (including 65 of lanai);
- (b) Type "B" includes a living-dining room, kitchen, bedroom, bath and lanai. It includes a floor area of 610 square feet (including 60 of lanai);

- (c) Type "C" includes a living-dining room, kitchen, two bedrooms, bath and lanai. It includes a floor area of 800 square feet (including 70 of lanai);
- (d) Type "D" includes a living-sleeping room, kitchen-dining room, dressing room, bath and lanai. It includes a floor area of 469 square feet (including 49 of lanai).

The foregoing areas for apartments are computed from the outside faces of exterior walls and the center lines of party walls. Each apartment within each of the foregoing types is the same as all others within its type, except that (a) the Type "A" apartments with numerical designations ending in 06 will have cupboards in place of the kitchen window found in all other Type "A" apartments; (b) the Type "A" apartments with numerical designations ending in 05 will have ventilation duct shafts located within the wardrobe closet in the bedroom; and (c) the lanais on all ground floor apartments have no railings. All apartments with numerical designations ending in 01 are Type "B". All apartments with numerical designations ending in 02, 03, 05, 06, 07, and 08 are Type "A". All apartments with numerical designations ending in 04 are Type "C" and all apartments with numerical designations ending in 09 are Type "D".

The undivided percentage interest ownership in the common elements ("common interest") appertaining to each apartment for all purposes including voting is as follows:

- (a) Each of the 33 Type "A" apartments: 2.0%
- (b) Each of the 6 Type "B" apartments: 1.9%
- (c) Each of the 6 Type "C" apartments: 2.6%
- (d) Each of the 5 Type "D" apartments: 1.4%

USE: The Declaration provides that the apartments shall be occupied and used as permanent or temporary residences and for no other purposes. The owners of apartments have the right to lease or rent their apartments to third parties. The Apartment Lease prohibits the creation of any additions to the buildings as described in the Declaration and the Condominium Map without the consent of the Lessor.

PARKING: Each apartment will have one parking space permanently assigned to it. The parking spaces are numbered on

the Condominium Map and the specific designation of each parking space to the individual apartments will be made by the developer as the Sales Contract for each apartment is executed, and the designation will be reflected on an amendment to the Declaration by the developer, as provided for in paragraph 13 of said Declaration.

COMMON ELEMENTS: The common elements will include the common elements described above under subparagraph 3 of the topical heading "DESCRIPTION", and in the next paragraph of the Final Public Report, with the topical heading "LIMITED COMMON ELEMENTS", and all other portions of the project other than the apartments, including specifically, but not limited to:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, beams, supports, bearing walls (except the inner decorated surface within each unit), roofs, stairways, walkways and entrances and exits of the building;
- (c) All parking areas, all planted areas, grounds, sprinkling system, mailboxes and refuse facilities;
- (d) The elevator lobby areas, elevator, elevator machine room, wood trellis, planters, stairwells, corridors, and all ducts and central appurtenant installations for common services, including power, light, water, sewer, telephone and refuse disposal;
- (e) The swimming pool, pool equipment with enclosure, walkways and fence;
- (f) One visitor parking space;
- (g) The resident manager's apartment; designated as Unit 106 and located on the ground floor and parking stall No. 50 for the use of the resident manager;
- (h) All other parts of the project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, designated as "limited common elements", are set aside and reserved for the exclusive use of certain apartments, as follows: One parking stall shall be appurtenant to and for the exclusive use of each of the apartments; except where pedestrian access through any parking stall is appropriate or necessary in which case pedestrians shall

have the right to cross said stall on foot provided and to the extent that said crossing will not interfere with any vehicle parked in said stall. Each stall shall be allocated to its respective apartment as designated on and Exhibit "D" to be attached to the Declaration and incorporated therein by amendment to the Declaration.

INTEREST TO BE CONVEYED TO PURCHASER: Each unit has an undivided interest set forth above under subparagraph 3 of the topical heading "DESCRIPTION". Said common interest shall be the common interest of each apartment in the common elements for all purposes, including voting.

OWNERSHIP TO TITLE: The certificate of title by Title Guaranty of Hawaii, Incorporated, dated November 18, 1974 reflects that title to the land is vested in SAMUEL WOOLSEY LEE. The property is leased to THE KIHEI BEACH JOINT VENTURE, a Hawaii registered joint venture, whose principal place of business is 16th Floor, 700 Bishop Street, Honolulu, City and County of Honolulu, State of Hawaii, and whose post office address is P. O. Box 2448, Honolulu aforesaid, by lease dated May 1, 1974, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9988, Page 93, which lease was amended by instrument dated September 27, 1974, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10166, Page 568.

ENCUMBRANCES AGAINST TITLE: The certificate of title by Title Guaranty of Hawaii, Incorporated, dated November 18, 1974 also reflects the following encumbrances: (1) Reservation by the State of Hawaii of mineral and metallic mines; (2) Location of the seaward boundary in accordance with the law of the State of Hawaii; (3) Terms and conditions contained in that certain lease dated May 1, 1974, recorded in Liber 9988, Page 93, by and between Samuel Woolsey Lee as Lessor and the Developer herein as Lessee, which lease was amended by instrument dated September 27, 1974, recorded in Liber 10166, at Page 568; (4) That certain mortgage dated September 26, 1974 by Kihei Beach Joint Venture to Amfac Financial Corp., recorded in Liber 10166, page 572 (the Commission has been advised that this mortgage will be released prior to the closing of apartment sales); (5) Declaration of Horizontal Property Regimes with By-Laws attached, dated January 15, 1975 and recorded in Liber 10383, at Page 171 (project covered by Condominium Map No. 396); and (6) For any taxes due and owing reference is made to the Office of the Tax Assessor, Second Division.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated January 16, 1975, between Long & Melone

Escrow, Limited as Escrow Agent and developer, has been filed with the Commission. On examination the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-15(6), and Sections 514-35 through 514-40, Hawaii Revised Statutes.

It is incumbent upon the purchaser and the prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust fund. The Sales Contract establishes the grounds for the retention of the sale proceeds. In addition, the standard Sales Contract form to be used in the early stages of marketing the apartments will reserve to the Seller the right to unilaterally increase the sales price and will reserve to the Buyer a corresponding right to cancel the Sales Contract and receive a refund of his payments without interest and less charges for processing costs.

The specimen Sales Contract further provides that if by December 31, 1975, less than thirty-three (33) apartments in the project have been sold, or if the Seller is prevented by law from proceeding with construction of the project as contemplated, or if the project is delayed for a period of more than sixty (60) consecutive days by war or other national emergency, general strike, industry-wide strike or lock out in the City and County of Honolulu or County of Maui, island-wide shortage of materials necessary for the project or any other cause beyond the control of Seller, Seller, at its option, may cancel the contract upon written notice to Purchaser, in which event all sums paid by Purchaser shall be refunded, without interest, to Purchaser, less charges for Purchaser's credit report and Escrow cancellation fee and the contract shall be deemed to have been cancelled and both parties released from all obligations and liability resulting thereunder.

MANAGEMENT OF THE PROJECT: The By-Laws of the Association of Apartment Owners vest in the Board of Directors the power and duties necessary for the administration of the overall affairs of the project. The By-Laws of the Association of Apartment Owners specify that the presence at any meeting in person or by proxy of fifty percent (50%) of all apartment owners shall constitute a quorum; and at any meeting in which a quorum is present, action by a majority of the voting power represented at such meeting shall be valid and binding on the Association except as otherwise provided in the By-Laws. Voting shall be on a percentage basis, the percentage of the total vote to which each apartment is entitled shall be the same as the percentage of the common interests assigned to such apartment in the

Declaration; and any percentage of apartment owners specified in the By-Laws means the owners of apartments to which are appurtenant such percentage of the common interest. The Board of Directors of the Association of Apartment Owners may employ necessary personnel to carry out management and operation functions of the project. The By-Laws submitted to the Commission permit the developer to appoint the initial managing agent.

HOUSE RULES: The purchasers or prospective purchasers are advised to read with care the proposed House Rules and it provides in part the maximum occupancy of persons permitted in certain types of apartments and further the kind and number of household pets permitted on the project and the procedure to be followed in having household pets on the project.

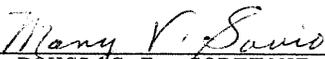
STATUS OF PROJECT: On July 5, 1974, developer entered into a Construction Contract with Service Contracting Company to construct the project. The developer advises that construction commenced on September 30, 1974 and that it is estimated that construction will be completed by November 30, 1975.

PROGRAM OF FINANCING: The statement of the Program of Financing submitted by the developer reflects that the developer intends to pay the cost of the project from funds available through a Building Loan Agreement of \$2,069,600, purchasers' funds deposited with Escrow, and Developer's equity funds.

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 January 17, 1975.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 747 filed with the Commission on January 27, 1975.

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


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

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Registration No. 747

January 29, 1975