

# 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  
KAMAAINA HALE  
75-5837 Kuakini Highway  
Kailua, North Kona, Hawaii

REGISTRATION NO. 880

### **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: November 22, 1976  
Expires: December 22, 1977

#### 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 SEPTEMBER 30, 1976 TO THE COMMISSION AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED ON NOVEMBER 17, 1976 WITH THE COMMISSION. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. KAMAAINA HALE is a leasehold condominium project consisting of twenty-four (24) buildings and containing one hundred and twenty eight (128) apartments. The developer intends to sell 127 apartments together with an undivided interest in the common elements of the project under Chapter 359G of the Hawaii Revised Statutes. There will be a total of two hundred and sixty-six (266) parking spaces, ten (10) of which shall be assigned as guest parking.
2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the registration of the condominium project and issuance of this Final Public Report.
3. The Commission has determined that the basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached, and a copy of the approved floor plans) have been filed in the office of the recording officer.

The Declaration and By-Laws dated September 21, 1976, have been filed in the Bureau of Conveyances of the State of Hawaii, in Liber 11753, Page 99.

The Bureau of Conveyances has assigned Condominium Map No. 476 to the project.

4. No advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. The Final Public Report is made a part of the registration on KAMAAINA HALE condominium project. The Developer has the responsibility of placing a true copy of the Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt for the Final Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.
7. This public report automatically expires thirteen months after the date of issuance, November 22, 1976, unless a supplementary report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: KAMAAINA HALE

LOCATION: The project is located on that certain parcel of land located at 75-5837 Kuakini Highway, Kailua, North Kona, Hawaii, and containing an area of 6.873 acres or thereabouts. The description of the land and the reserved easements, rights, powers and privileges are more fully set forth in the Declaration.

TAX KEY: 7-5-09-57, 3rd Division

ZONING: RM-2, Multiple Family Residential

DEVELOPER: HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic of the State of Hawaii, 1002 North School Street, Honolulu, Hawaii, Telephone No. 845-6491.  
Attention: Mr. Franklin Y. K. Sunn, Executive Director

ATTORNEY REPRESENTING DEVELOPER: Mr. Hiram K. Kamaka  
1314 South King Street, Suite 657, Honolulu, Hawaii 96814  
Telephone No. 531-3588.

DESCRIPTION OF BUILDING: One hundred twenty-eight (128) freehold estates are hereby designated in the spaces within the perimeter walls, floors and ceilings of each of the 128 apartment units of the Project. Said spaces, hereinafter called "apartments", are contained in 24 buildings hereinafter described and designated on said Condominium Map as Buildings A through X, inclusive. Each of said buildings has two (?) stories and no basement; is constructed principally of reinforced concrete slab floors, aluminium walls and roofs, and gypsum board, glass and related building materials; is of one of four building types designated on said Condominium Map as Building Types A through D, inclusive, and contains the number of apartments as follows:

<u>Building Type</u>	<u>Buildings</u>	<u>No. of apartments in each building</u>
A	B, C, D, G, I, J, N, O, Q, T and W	4
B	H, M, P, S, U, V and X	6
C	A, K and L	6
D	E, F and R	8

Each apartment is identified by a letter and a number, the letter of which designates the building in which the apartment is located, and the number of which designates the apartment within such building.

DESCRIPTION OF APARTMENTS: Each of the apartments of the Project contains six (6) rooms located on two (2) floors and a floor area of 884 square feet. The first floor of each apartment consists of a living room, a kitchen and a one-half bathroom, and the second floor consists of two (2) bedrooms and full bathroom. The floor plan of each even-numbered apartment in Buildings A, B, E, I, J, K, N, O, R, T, U and V is the reverse of the floor plan of each odd-numbered apartment in said buildings. The floor plan of each odd-numbered apartment in Buildings, C, D, F, G, H, L, M, P, Q, S, W and X is the reverse of the floor plan of each even-numbered apartment in said buildings.

Each apartment has immediate access to its entry directly to the walkways and driveways connecting the building in which the apartment is located to the street entrance of the Project.

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, any pipes, wires, conduits, or other utility lines running through such apartment which are utilized for or serve more than one apartment, or the entry walkways to such apartments, the same being deemed common elements as hereinafter provided. Each apartment shall 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, the stairway, and the fixtures originally installed therein, including without limitation range and oven, refrigerator, disposal, washer, dryer, dishwasher, water heater, air conditioning unit and carpets.

COMMON ELEMENTS: One freehold estate is hereby designated in all of the remaining portions and appurtenances of the Project, herein, called the "common elements", including specifically, but not limited to:

- 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, roadway, driveways, walkways, parking areas, and like facilities.
- d. All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone and radio and television signal distribution, including without limitation the sewer lines referred to in the legal description of subject property, and the sewer lines serving the project under and across that portion of Kuakini Highway which lie between Lot 4-A and Lot 4-B set forth in said legal description.
- e. 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.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- a. The front and rear entries of each apartment shall be appurtenant to and for the exclusive use of such apartment.
- b. Two (2) automobile parking spaces, as designated on said Condominium Map by the number corresponding to the

number of the apartment, shall be appurtenant to and for the exclusive use of the apartment with which the same are conveyed upon the initial conveyance by lease. Any two or more apartment owners, with the prior written consent of the Trustees and any mortgagees, shall have the right to change the parking stalls which are appurtenant to their respective apartments by amendment of this Declaration and their respective leases or deeds; provided, however, that such amendment shall be effective only upon the recordation or filing of the same of record in said Bureau.

- c. All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

COMMON INTEREST. Each apartment shall have appurtenant thereto an undivided one-one hundred twenty-eight (1/128) fractional interest (being a .78125 percentage interest) in all common elements of the Project (herein called the "common interest") and the same proportionate share in all common profits and expenses of the Project and for all other purposes including voting.

In addition to any easements hereby established in the limited common elements, the apartments and common elements shall also have and be subject to the following easements:

1. Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided herein; and in all other apartments of the building in which such apartment is located for support.
2. If any part of the common elements now or hereafter encroaches upon any apartment or limited common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event any building shall be partially or totally destroyed and then re-built, minor encroachments of any parts of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.
3. Each apartment shall be subject to an easement in favor of the owners of all other apartments for access to any common elements located in such apartment.

The common interest and easements appurtenant to each apartment shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected, expressed in an amendment to the Declaration duly recorded or except as otherwise set forth in the Declaration. The common interest and easements shall not be separated from the apartment to which they appertain and shall be deemed to be conveyed, leased or

encumbered with such apartment even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by said Horizontal Property Act.

After the restrictions herein expire, the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. No apartment shall at any time be used as the residence of more than five (5) persons. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bell-boy service. Except for such transient or hotel purposes the Hawaii Housing Authority shall have the absolute right to lease such apartment subject to all provisions of the Declaration including without limitation the provisions herein set forth. Apartment N-3 shall be deemed to be owner occupied so long as it shall be occupied by or available for occupancy by the resident manager.

PURPOSES AND RESTRICTIONS: The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their families, domestic servants and social guests, and for no other purpose. No apartment shall at any time be used as the residence of more than five (5) persons. The apartments and the interests appurtenant, thereto, being sold by the Hawaii Housing Authority ("authority") pursuant to Chapter 359G Hawaii Revised Statutes, shall be subject to and governed by the restriction on transfer and use of the apartments under Section 359G-9.2 and Section 359G-9.3, Hawaii Revised Statutes, as they may be amended from time to time of which Section 359G-9.2 has been modified to conform to the relationship which the Developer holds and bears as Lessee of The Trustees of the Estate of Bernice Pauahi Bishop:

1. For a period of ten (10) years after an apartment or the leasehold interest in an apartment is purchased from Lessee, or an agreement of sale in respect thereto is executed by Lessee, the following restrictions shall apply to the transfer of such apartment and the property:
  - a. In the event that the person or persons who purchased or are purchasing the apartment or the leasehold interest therein from Lessee, which person or persons are hereinafter called the "purchaser", wishes to transfer title to the apartment or the leasehold interest therein, Lessee shall have the first option to purchase the same at a price which shall not exceed the sum of (i) the original cost to the purchaser, (ii) the cost of any improvements added by the purchaser, and (iii) simple interest on all of the purchaser's equity in the property at the rate of seven percent (7%) per year.
  - b. If Lessee shall exercise its said option to purchase, the purchase may be either (i) outright, free and

clear of all liens and encumbrances, or (ii) by transfer subject to an existing mortgage. If by outright purchase, Lessee shall insure that all existing mortgages, liens and encumbrances are satisfactorily paid by the purchaser. If by transfer subject to an existing mortgage, Lessee shall agree to assume and to pay the balance on any first mortgage created for the purpose of enabling the purchaser to obtain funds for the purchase of the apartment or lease thereof and any other mortgages which were created with the approval and consent of Lessee. In such case, the amount to be paid to the purchaser by Lessee shall be the difference between the above-mentioned price and the principal balance of all mortgages outstanding and assumed at the time of transfer of title to Lessee.

2. Any time after ten (10) years have elapsed from the date an apartment or the leasehold interest in an apartment is purchased from Lessee or an agreement of sale in respect thereto is executed by Lessee, the following restrictions shall apply to the transfer of the apartment and the property:

The purchaser may sell the apartment or the leasehold interest therein to any person free from any price restrictions, provided that the purchaser shall be required to pay to Lessee:

- (i) The balance of any mortgage note, agreement of sale, or other amount owing to Lessee; and
- (ii) Any subsidy made by Lessee or the State of Hawaii not counted as cost under Section 359G-8, Hawaii Revised Statutes, as amended, but charged to the apartment by good accounting practice as determined by Lessee whose books shall be prima facie evidence of the correctness of the cost; and
- (iii) Interest on the amount determined under subparagraph 2(ii) above computed from the date of purchase or execution of the agreement of sale, at the rate of seven per cent (7%) per year;

Provided, however, that if any proposed sale or transfer would not generate sufficient profit to enable the repayment of all sums under subparagraphs (i), (ii) and (iii) of this subparagraph 2. Lessee shall have the first option to purchase the apartment or leasehold interest therein at a price which shall not exceed the sum as computed under subparagraph 1 above.

3. The restrictions and provisions of subparagraphs 1 and 2 above shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder becomes the Owner of an apartment or leasehold interest therein pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced. Any law to the contrary notwithstanding, a mortgagee under a mortgage covering an apartment or leasehold interest therein encumbered by the first option to purchase in favor of Lessee shall, prior to commencing mortgage foreclosure proceedings,

notify Lessee of (a) any default of the mortgagor under the mortgage within ninety days after the occurrence of the default, and (b) any intention of the mortgagee to foreclose the mortgage under Chapter 667, Hawaii Revised Statutes, as amended. Lessee shall be a party to any foreclosure action, and shall be entitled to all proceeds remaining in excess of all customary and actual costs and expenses of transfer pursuant to default, including liens and encumbrances of record; provided that the person in default shall be entitled to an amount which shall not exceed the sum of subparagraphs 1.a.(ii) and 1.a.(iii) and the purchaser's equity in the property.

4. An apartment which, or an apartment the leasehold interest in which, has been purchased or is being purchased from Lessee shall be occupied by the purchaser at all times. Violation of this provision shall be sufficient reason for Lessee, at its option, to purchase the same as hereinbefore provided in subparagraphs 1 and 2 above, as applicable.
5. Notwithstanding the restrictions and provisions of paragraph F of the Declaration, Lessee may at any time or times:
  - a. Waive said restrictions and provisions if the purchaser wishes to transfer title to the apartment or lease thereof by devise or through the laws of descent to a family member who would otherwise qualify under rules established by Lessee.
  - b. Waive said restrictions and provisions if Lessee determines, in accordance with its adopted rules, that the sale or transfer of the apartment or lease thereof, at a price and upon terms as it shall set, preserves the intent of said restrictions and provisions, without the necessity for the State of Hawaii to purchase the same; provided that said restrictions and provisions shall be automatically reinstated after the transfer of title and shall be fully effective and applicable to the transferee.
  - c. Rent an apartment for residential purposes for occupancy by not more than five (5) persons and other than for transient or hotel purposes.
  - d. When and in the event Lessee may be permitted by law, then and in such event at its sole discretion and subject to any restrictions which it may establish, grant to any person or persons to whom it shall sell or transfer an apartment or the leasehold interest therein the same right to rent an apartment as set forth in the immediately preceding subparagraph c.
6. Any deed, lease, agreement of sale, mortgage, or other instrument of conveyance issued by Lessee or by the Trustees at the request of Lessee shall expressly contain the restrictions and provisions on transfer and use of the apartment as prescribed in paragraph F of the Declaration.

OWNERSHIP IN TITLE: The Preliminary Report dated October 22, 1976 issued by Title Guaranty of Hawaii Inc. confirms that title to the land is vested in the State of Hawaii as present holder of Bishop Estate Lease No. 22,942.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report issued by TITLE GUARANTY OF HAWAII, INC. reports that title to the land is subject to the following:

1. Real property taxes for the fiscal year July 1, 1976 - June 30, 1977; rate pending
2. Covenants set forth in Lease No. 22,942. Re: Easements for sewer and water pipelines and vehicular and pedestrian access purposes.
3. Terms, agreements, reservations, covenants, conditions and provisions contained in Lease No. 22,942.
4. Covenants, conditions and restrictions and other provisions set forth in Declaration of Horizontal Property Regime dated September 21, 1976, recorded in the Bureau of Conveyances in Liber 11753 at Page 99, and the By-laws attached thereto as the same are or may hereafter be amended in accordance with law, said declaration or by-laws. (Project covered by Condominium Map No. 476).

5. Lease No. : 22,942  
Lessor : The Trustees of the Estate of Bernice Pauahi Bishop  
Lessee : Richard A. Arakaki, husband of Joyce S. Arakaki, Frank J. Hata, husband of Emiko Hata, and Okada Trucking Co., Ltd., a Hawaii corporation  
Tenancy : Tenants in Common  
Dated : July 1, 1974  
Recorded : Liber 10113 Page 33  
Term : 57 years commencing July 1, 1974

Above lease assigned

Assignor : Richard A. Arakaki, husband of Joyce S. Arakaki, Frank J. Hata, husband of Emiko Hata, and Okada Trucking Co., Ltd., a Hawaii corporation, as tenants in common  
Assignee : Hawaii Housing Authority, a public body corporate and politic of the State of Hawaii  
Dated : September 20, 1976  
Recorded : Liber 11745 page 174  
Consent : Given by the Trustees of the Estate of Bernice Pauahi Bishop

Consents to assignment and releases of dower by Joyce S. Arakaki, wife of Richard A. Arakaki, and Emiko Hata, wife of Frank J. Hata, dated October 7, 1976 and recorded in Liber 11746 at pages 202 and 205, respectively.

6. Reservation of all mineral and metallic mines in favor of the State of Hawaii.
7. Mortgage and security agreement by and between Richard A. Arakaki, Frank J. Hata, Okada Trucking Company, Ltd. (Mortgagors) and Hawaii Housing Authority (mortgagee), as recorded in Liber 10264, page 319.
8. Special conditions contained in said Declaration of Horizontal Property Regime recorded in Liber 11753 at Page 99, more particularly set out ex Exhibit "A".

RESERVATION OF EASEMENTS: In addition to the above easements, the developer reserves unto itself any and all easements required to serve the project, and all rights-of-way now or hereafter granted or required to construct, install, operate, maintain, repair and replace lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage, radio and television signal distribution and other services and utilities over, across and under said easements according to the respective designations thereof, the right to enter for such purposes, and to trim any trees in the way of such lines and the right to grant to any public utility or governmental authority such easements, rights and rights-of-way.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the executed Escrow Agreement dated June 3, 1976, have been submitted as part of the registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc. as the Escrow. Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter agreement establishes how the proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

MANAGEMENT AND OPERATIONS: The Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. Operation of the project shall be conducted for the Association by Great Hawaiian Realty, Inc., a Hawaii corporation as Managing Agent who has been appointed by the Developer as the initial Managing Agent.

STATUS OF PROJECT: The project is completed and available for occupancy.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted September 29, 1976, and additional information subsequently filed with the Commission as of November 17, 1976.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 880 filed with the Commission on September 30, 1976.

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.

  
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(for) AH KAU YOUNG, 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. 880

Dated: November 22, 1976