

# 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

ALA KA LA  
Alii Drive  
Kailua-Kona, Hawaii

REGISTRATION NO. 899

### **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: March 28, 1977  
Expires: April 28, 1978

#### 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 FEBRUARY 10, 1977, AND INFORMATION SUBSEQUENTLY FILED AS LATE AS MARCH 4, 1977. 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. ALA KA LA APARTMENTS is a leasehold condominium project consisting of a two-story wood and hollow tile building containing eight (8) two-story apartments. Eight (8) parking stalls are available on the grounds of the Project.

2. This Project was previously registered with the Real Estate Commission as Registration No. 436, also bearing the name ALA KA LA APARTMENTS. A Final Public Report for the Project was issued by the Real Estate Commission on August 14, 1972, which Final Report expired on September 14, 1973. All of the apartment leases for the Project were issued to the original developer who thereafter assigned all of said leases to the Developer named herein, by instrument dated June 9, 1976, and recorded in the Bureau of Conveyances, State of Hawaii, in Liber 11675 at Page 130. The prior registration has been abandoned and the Developer named herein is submitting the Project as a new registration. Purchasers should be cognizant that this Final Public Report supersedes all prior public reports issued under Registration No. 436, and that all such prior public reports are void and of no effect.

3. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report.

4. The basic documents (the Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the approved floor plans) have been recorded in the Bureau of Conveyances, State of Hawaii. The Declaration is recorded in Liber 8263 at Page 218, and the floor plans have been designated as Condominium File Plan No. 224 by the Registrar, Bureau of Conveyances.

The First Amendment of Declaration of Horizontal Property Regime executed December 28, 1976, with By-Laws attached was recorded in the Bureau as aforesaid in Liber 11997 at Page 498.

5. The Developer has advised the Commission that advertising and promotional materials required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to any public sale.

6. 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 Regimes.

7. This Final Public Report is made a part of the registration of the ALA KA LA condominium project. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) in the

hands of all purchasers and prospective purchasers. Securing a signed receipt of said Final Public Report from all purchasers and prospective purchasers is also the responsibility of the Developer.

8. This Final Public Report automatically expires thirteen (13) months after date of issuance, March 28, 1977, unless a Supplementary Report is issued or the Commission, upon review of this registration, issues an order extending the effective period of this report.

NAME OF PROJECT: ALA KA LA

LOCATION OF THE PROJECT: The Project is situated upon a 12,208 square foot parcel of land a short distance south of Kailua-Kona, Hawaii, on the makai side of Alii Drive. Access to the Project is obtained by a paved, private right-of-way from Alii Drive serving the condominium premises as well as other adjacent properties.

TAX KEY: Third Division, 7-5-20-03

ZONING: The property is zoned RM-1.5 permitting eight (8) multiple residential units on the parcel involved.

DEVELOPERS: Ala Ka La Associates, a Hawaii general partnership consisting of Donald E. Kraemer and Christina F. Kraemer, husband and wife, and Ken Michael and Ruth J. Michael, husband and wife, whose mailing address is P. O. Box 2068, Kailua-Kona, Hawaii 96740.

ATTORNEYS REPRESENTING DEVELOPER: Mukai, Ichiki, Raffetto & MacMillan (Attention: Richard G. MacMillan and Michael R. Garner), Suite 800, 345 Queen Street, Honolulu, Hawaii 96813. Telephone: 531-6277.

DESCRIPTION OF PROJECT:

1. Description of Building. The Project consists of a two-story building constructed principally of wood, hollow tile, gypsum board, glass, aluminum, and allied building materials. The building contains eight (8) two-story apartments, numbered one (1) through eight (8), inclusive.

2. Description of Apartments: The Declaration of Horizontal Property Regime, as amended, describes the apartments as follows:

<u>Apt. No.</u>	<u>Description</u>
1	Containing two bedrooms, two baths, living room, dining room, kitchen and a lanai off the second floor, with a total area of 952 square feet.
2	Containing two bedrooms, one and one-half baths, living room, dining room, kitchen and a lanai, with a total area of 846 square feet.

<u>Apt. No.</u>	<u>Description</u>
3	Containing two bedrooms, one and one-half baths, living room with fireplace, dining room, kitchen and two lanais, with a total area of 1,336 square feet.
4	Containing two bedrooms, one and one-half baths, living room, dining room, kitchen and lanai, with a total area of 798 square feet.
5	Containing two bedrooms, one and one-half baths, living room, dining room, kitchen and lanai, with a total area of 812 square feet.
6	Containing two bedrooms, one and one-half baths, living room, dining room, kitchen and lanai, with a total area of 796 square feet.
7	Containing two bedrooms, one and one-half baths, a living-dining room, kitchen and lanai, with a total area of 1,032 square feet.
8	Containing three bedrooms, three baths, a living-dining room with a fireplace, a study, kitchen and lanai, with a total area of 1,663 square feet.

Notwithstanding the designation of the limits of the apartments as set forth hereinbelow, the approximate area of each apartment as set forth above includes its lanai, and is measured from the exterior faces of exterior walls or wall-lines and the center lines of party walls; no reduction has been made to account for interior walls, ducts, vent shafts, and the like located within the perimeter walls.

Each apartment has a first floor entry permitting immediate access to the grounds and parking area of the Project.

3. Limits of Apartments. The respective apartments shall not be deemed to include the undecorated and 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 common elements of the Project. Each apartment shall be deemed to include its lanais, all of 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 individual air-conditioning unit on the roof of the building immediately over said apartment, and all other fixtures installed therein.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime, as amended, states that the common elements shall include, but shall not be limited to, the following:

1. All land in fee simple;
2. All foundations, floors, girders, beams, supports, main or load-bearing walls, roofs, corridors, chases, pipes, ducts, flues, chutes, walkways, recreational areas, driveways, and parking areas;
3. The bulk storage area situate on the ground floor adjacent to Apartment No. 8;
4. All yards, grounds, landscaping, refuse and like facilities;
5. All central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines, television lines, sewage disposal, and other utilities (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for or in the building for common use; and
6. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, and normally in common use and which are not part of any apartment.

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. Such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The only limited common element so set aside and reserved is one (1) automobile parking space, so designated on said Condominium Map by the number corresponding to the number of each apartment, and shall be appurtenant to and for the exclusive use of the apartment to which it is assigned.

INTEREST TO BE CONVEYED TO PURCHASERS: Each apartment shall have appurtenant thereto an undivided percentage interest in the common elements of the Project and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting, as hereinbelow set forth:

<u>Apt. No.</u>	<u>Percentage Interest in Common Elements</u>
1	11.56%
2	10.27%
3	16.22%
4	9.69%
5	9.86%
6	9.67%
7	12.53%
8	20.20%

Each purchaser shall also receive an assignment of lease from the Developer for a term to expire on November 4, 2023 and the personal property consisting of the furnishings and appliances situated in the individual apartment.

USE: The apartments shall be occupied and used only for residential purposes (including long-term or transient rentals) and for no other purpose. The owners of the respective apartments shall have the absolute right to rent or lease such apartments, subject to all provisions of the Declaration.

OWNERSHIP OF TITLE: A Preliminary Report, dated December 21, 1976, issued by Title Guaranty of Hawaii, Inc., indicates that title to the land is vested in Robert L. Bates and Jezebel K. Bates, husband and wife, as tenants by the entirety. The eight (8) individual apartment leases, dated September 11, 1972, issued by Robert L. Bates and Jezebel K. Bates to John W. Dick and Jacob Klassen, were assigned to Donald E. Kraemer, Christina F. Kraemer, Ken Michael and Ruth J. Michael, as tenants in common by Assignment of Lease, dated June 9, 1976, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11675 at Page 130.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report, dated December 21, 1976, reports that title to the land is subject to the following:

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, Third Division;
2. The reservation in favor of the State of Hawaii of all mineral and metallic mines;
3. Covenants, conditions, and restrictions and other provisions set forth in the Declaration of Horizontal Property Regime, dated April 19, 1972, and recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 8263 at Page 218, and the By-Laws attached thereto, which Declaration was amended by instrument dated December 28, 1976, and recorded in said Bureau in Liber 11997, Page 498.
4. Those certain apartment leases dated September 11, 1972, made by Robert L. Bates and Jezebel K. Bates, husband and wife, to John W. Dick, husband of Mary Dick, and Jacob Klassen, husband of Lorraine Klassen, as joint tenants, recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 8615 at Page 308 (Apartment No. 1), Liber 8615 at Page 330 (Apartment No. 2), Liber 8615 at Page 352 (Apartment No. 3), Liber 8615 at Page 374 (Apartment No. 4), Liber 8615 at Page 396 (Apartment No. 5), Liber 8615 at Page 418 (Apartment No. 6), Liber 8615 at Page 440 (Apartment No. 7), and Liber 8616 at Page 1 (Apartment No. 8). Term: Commencing on the date thereof and ending on November 4, 2023. Said leases were assigned to Ken Michael and Ruth J. Michael, husband and wife, and Donald E. Kraemer and Christina F. Kraemer, husband and wife, as tenants in common, by assignment of lease dated June 9, 1976 and recorded in said Bureau in Liber 11675 at Page 130. Consent thereto given by Robert L. Bates and Jezebel K. Bates, husband and wife, by instrument dated September 9, 1976 and recorded in said Bureau in Liber 11675 at Page 134.

Said leases are subject to that certain Mortgage and Financing Statement, dated September 8, 1976, and recorded as aforesaid in Liber 11675 at Page 136, made by Ken Michael and Ruth J.

Michael, husband and wife, and Donald E. Kraemer and Christina F. Kraemer, husband and wife, in favor of First Hawaiian Bank, a Hawaii corporation, to secure the repayment of the sum of \$100,000.00.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated January 25, 1977, identifies Title Guaranty Escrow Services, Inc. as the escrow agent. Upon examination, the specimen Deposit Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly, Section 514-35 through Section 514-40. Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a return of his funds, without interest, and less a \$25.00 cancellation fee, if purchaser requests in writing a refund of his funds and either of the following has occurred.

1. Developer has requested Escrow to return to purchaser the funds of purchaser then being held thereunder by Escrow; or
2. Developer has notified Escrow of Developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Developer.

The executed Escrow Agreement also provides that the purchaser's funds may be used to pay for the cost of repainting, replacing carpets, and such other costs of repairing the apartments or replacing fixtures as the Developer may deem necessary following the issuance of a Final Report on the Project from the Real Estate Commission. No purchaser's funds obtained prior to the issuance of a Final Public Report of the Real Estate Commission shall be disbursed from the escrow fund until the issuance of such Final Public Report.

The specimen Deposit Receipt and Sales Contract provides for the conditions upon which the purchaser may elect to void the sales contract as follows:

- (a) If subsequent to execution of the sales contract by purchaser a Supplementary Public Report is issued which differs in any material respect from the Final Public Report, unless purchaser has given his written approval or acceptance of the changes; or
- (b) If there is any change in the Project subsequent to the date of Developer's execution of the sales contract, which change requires the approval of a county officer having jurisdiction over the issuance of permits for construction of the building, unless purchaser has given his written approval or acceptance of the specific change.

In the event the sales contract is cancelled, the Developer shall refund to the purchaser all monies paid without interest and less a cancellation fee of \$25.00.

Any interest earned on purchaser's funds deposited with Escrow shall accrue to the benefit of Developer.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Deposit Receipt and Sales Contract, since the Escrow Agreement prescribes the procedures for receiving and disbursing purchaser's funds, and the Deposit Receipt and Sales Contract specifically provides that the purchaser approves the Escrow Agreement and assumes the benefits and obligations therein provided.

MANAGEMENT OF PROJECT: The First Amendment of the Declaration of Horizontal Property Regime provides that the operation of the Project shall be conducted for the Association of Apartment Owners by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws. The initial Managing Agent has not yet been selected; however, Donald E. Kraemer, one of the Developers, is authorized by the Declaration to receive service of legal process at the address of the Developer in all cases provided in the Horizontal Property Act until such time as the Managing Agent has been selected.

STATUS OF PROJECT: The Project was completed in 1971 and has been operated since such time on a rental basis.

NOTE: The apartments are being offered for sale in an "as is" condition with individual central air-conditioning units, wall-to-wall carpeting, curtains, furnishings, and appliances as installed in each of the apartments. There shall be no warranties regarding the condition of the building, the apartment or any appliances or furnishings contained therein.

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The purchaser or prospective purchaser should be cognizant of the fact that the published report represents information disclosed by the Developer in the required Notice of Intention submitted February 10, 1977, and additional information subsequently filed as of March 4, 1977.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 899, filed with the Commission on February 10, 1977.

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.

*Ah Kau Young*  
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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. 899  
March 28, 1977