

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
KONA EASTWIND
Kona Seaview Subdivision
Kona, Hawaii

REGISTRATION NO. 1039

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: December 18, 1978
Expires: January 18, 1980

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 and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED SEPTEMBER 20, 1978 AND INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 30, 1978. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514A, HAWAII REVISED STATUTES.

1. KONA EASTWIND is a proposed fee simple condominium project consisting of eighteen (18) two-bedroom apartments and two (2) three-bedroom apartments located in a three-story building with ground floor parking. There will be a total of twenty (20) garage parking stalls and twenty (20) storage lockers all of which will be limited common elements, one stall and one locker being appurtenant to

each apartment. There will be an additional five (5) parking stalls provided for guest parking, making a total of twenty-five (25) parking stalls, 6 of which are for compact cars.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, with Bylaws of Association of Apartment Owners attached, and a copy of the approved floors plans) have not been filed or recorded in the office of the recording officer.
4. As of this date, no advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. The Preliminary Public Report is made a part of the registration on Kona Eastwind Condominium Project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt for Horizontal Property Regime Public Report from each prospective purchaser.
7. The Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, December 18, 1978, unless a final or supplementary report is published or the Commission, upon review of this registration, issues an order extending the effective period of this report.

NAME OF PROJECT: KONA EASTWIND

LOCATION: The 30,538 square feet of fee simple land to be committed to the Horizontal Property Regime is located in the Kona Seaview Subdivision in Kona, County, Island and State of Hawaii, approximately 3 miles south of Kailua-Kona.

TAX KEY: 7-7-15-89 (3), Third Division

ZONING: Multiple (RM 1.5)

DEVELOPER: Frank Schwantes is the Developer of the Project with his office and mailing address therein at 78-7089 Heeia Way, Kailua-Kona, Hawaii. Telephone number 322-2621.

PARTY REPRESENTING DEVELOPER: Frank Schwantes (Developer) whose office and mailing address is as listed above.

DESCRIPTION OF PROJECT: KONA EASTWIND is situated on 30,538 square feet of land located in Kona Seaview Subdivision. The building will be a single 3 story structure built with garage parking under at ground level. Foundation garages shall be reinforced concrete block, apartment construction will be of wood frame with stucco exterior finish, and a roof of wood shakes and built up felt and asphalt.

Twenty (20) freehold estates (defined and hereinafter called "Apartments") are designated within the perimeter walls, floors and ceilings of the building. The number of each apartment, its floor level within the building and its approximate square footage are as follows:

<u>Apartment Number</u>	<u>Floor</u>	<u>Apt. Area</u>	<u>Lanai Area</u>	<u>Total Area</u>
1	First	906 sq. ft.	374 sq. ft.	1,280 sq. ft.
2	First	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
3	First	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
4	First	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
5	First	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
6	First	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
7	First	906 sq. ft.	342 sq. ft.	1,248 sq. ft.
8	Second	906 sq. ft.	374 sq. ft.	1,280 sq. ft.
9	Second	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
10	Second	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
11	Second	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
12	Second	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
13	Second	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
14	Second	906 sq. ft.	342 sq. ft.	1,248 sq. ft.
15	Third	1326 sq. ft.	514 sq. ft.	1,840 sq. ft.
16	Third	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
17	Third	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
18	Third	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
19	Third	906 sq. ft.	214 sq. ft.	1,120 sq. ft.
20	Third	1326 sq. ft.	482 sq. ft.	1,808 sq. ft.

All apartments contain a hall, a living/dining room, two bathrooms, a kitchen and a lanai. Eighteen of the apartments contain two bedrooms and two apartments (Numbers 15 and 20) contain three bedrooms.

The kitchen of each apartment shall contain a four-burner range with a hood, fan and light combination, a dishwasher, refrigerator with ice maker, hot water heater, garbage disposal and washer/dryer. Each bathroom shall contain a sink and lavatory and a bathtub/shower combination.

First, second and third floor apartments are reached by an elevator or two exterior staircases and balconies running the length of the building. The layout location and number of each apartment are shown on the proposed Condominium File Plan.

All apartments shall have access to the common elements at ground level.

The respective apartments shall not be deemed to include the undecorated or unfinished walls, the floors and ceilings surrounding each apartment, or any pipes, wires, conduits or other utility 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 include any

lanai shown on said Condominium File Plan. 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; doors and door frames; windows and window frames; and all fixtures originally installed therein.

COMMON ELEMENTS: The common elements will include the land and all improvements on the Land, the limited common elements, as well as all common elements mentioned in Chapter 514A Hawaii Revised Statutes, which are actually constructed on the Land and specifically shall include, but shall not be limited to:

- a. Said land in fee simple.
- b. All foundations, columns, girders, beams, supports, main walls, roofs, balconies, stairs and staircases, elevator, entrances, and exits of said building.
- c. All driveways, parking spaces, yards, gardens and recreational facilities including a swimming pool and five (5) guest parking stalls.
- d. All central and appurtenant installations for common services, including power, private sewage collection treatment and disposal system plant, gas, light, water, telephone and trash disposal.
- e. All tanks, pumps, motors, fans, compressors, ducts, and in general, all apparatus and installations existing for common use.

Note: A private sewage collection treatment plant and disposal system is not operated or maintained by the County.

LIMITED COMMON ELEMENTS: Twenty (20) garage parking spaces and twenty (20) storage lockers will be limited common elements, each reserved for the exclusive use of the apartment bearing the same number, and shall be designated upon initial conveyance by deed.

COMMON INTEREST: The percentage of undivided interest in all of the common elements appertaining to each apartment shall be as follows:

The two apartments designated as numbers 15 and 20 shall have a 6.98 percentage interest; and, the remaining eighteen (18) apartments which are designated as numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, and 19 shall have a 4.78 percentage interest in all common elements of the project, such interest being defined and referred to as the "common interest", and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting. 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, thereby as expressed in an amendment to the Declaration duly recorded. 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.

EASEMENTS: The apartments and common elements shall also have and be subject to the following easements:

(a) Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair 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 for support;

(b) If any part of the common elements now or hereafter encroaches upon any apartment or limited common element, or if any apartment now or hereafter encroaches upon any other apartment or upon any portion of the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues shall exist. In the event any buildings shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements upon any apartment or of any apartment upon any other apartment or upon any portion of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist;

(c) The Association shall have the right, to be exercised by its Board or the Managing Agent, to enter each apartment and the limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein necessary to prevent damage to any apartment or common elements;

(d) Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other apartments and serving his apartment. 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.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall at all times be used only for a private dwelling for the owner, his family, tenants, and social guests. The apartments shall not be rented for transient or hotel purposes, which purposes are defined as rental for any period less than seven (7) days. Except for such transient or hotel purposes, the owners of the respective apartments may use such apartments subject to all of the provisions of the Declaration, and shall have the absolute right to lease such apartments subject to all provisions of the Declaration or the Bylaws of the Association of Apartment Owners.

Note: The proposed House Rules provides in part that the occupancy of each apartment shall be limited to six (6) persons.

OWNERSHIP OF TITLE: The Developer in its Notice of Intention to Sell represents that the owners of the lots identified by Tax Key 7-7-15-89 (3) are EDMUND HEDEMANN and WATTIE MAE HEDEMANN, husband and wife. The Preliminary Reports dated November 8, 1978, by Title Guaranty of Hawaii Incorporated confirm the ownership to title. The individual owners have by Deed conveyed their interest in said lots to the Developer, Frank Schwantes. The deeds have not been recorded as of November 8, 1978.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report dated November 8, 1978, issued by Title Guaranty of Hawaii Incorporated, reports that title to the land is subject to the following:

1. For any taxes that are due and owing, reference is made to the Office of the Tax Assessor, Third Division.
2. Mortgage dated June 30, 1975, made by EDMUND HEDEMANN and WATTIE MAE HEDEMANN, husband and wife, to WILLIAM A. REYNOLDS and MURIEL REYNOLDS, husband and wife, recorded in said Bureau in Liber 10748, at Page 177.

PURCHASE MONEY HANDLING: A copy of the Purchase Agreement and the executed Escrow Agreement dated August 25, 1978 have been submitted as part of the registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc. as the Escrow. Upon examination, the Purchase Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A-39 and 514A-63 through 514A-66, Hawaii Revised Statutes.

The specimen Purchase Agreement provides in part: (1) that the seller may cancel the agreement upon written notice to purchaser, in which event all sums paid by the purchaser shall be refunded to the purchaser, without interest, if the project cannot be completed and ready for occupancy on or before two years from the date of the agreement becomes effective; (2) the purchaser subordinates his interest to the lien of any interim mortgage obtained for the construction of the project; (3) purchaser also agrees to accept possession of apartment despite the existence of defects or damages to apartment, including the carpets, draperies, appliances, and fixtures so long as seller guarantees to purchaser the correction or repair of such defects or damages within a reasonable time thereafter. Purchaser agrees to indemnify seller for any damages or losses, including interest and attorney's fees, resulting from any refusal to accept said apartment upon presentation by seller.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the specimen Purchase Agreement 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 OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property, subject at all times to direction by the Board of Directors. However, it is further agreed that the Developer shall employ the initial Managing Agent for a period of not more than one year from time of project completion.

FINANCING OF PROJECT: The Developer has advised the Commission that the interim and permanent financing for the project is still being negotiated. Present project costs are being paid from Developer's equity monies.

STATUS OF PROJECT: The Developer represents to the Commission that the improvements will not be constructed until such time as interim and permanent financing has been arranged. The development of the project is also contingent upon the developer

obtaining the necessary variances, zoning or use classification, planned development permits or any other governmental authorization.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted September 20, 1978, and information subsequently filed as of November 30, 1978.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1039 filed with the Commission on September 20, 1978.

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

Ah Kau Young
Ahkau Young, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

DISTRIBUTION:

Department of Taxation
Bureau of Conveyances
Planning Department, County of Hawaii
Escrow Agent
Federal Housing Administration

REGISTRATION NO. 1039

December 18, 1978

DATE