

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
KALAHEO PALI KAI
Kalaheo, Kauai, Hawaii

REGISTRATION NO. 1139

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: July 23, 1979

Expires: August 23, 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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 12, 1979, AND INFORMATION SUBSEQUENTLY FILED AS OF JULY 18, 1979. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. KALAHEO PALI KAI is a proposed fee simple condominium project with a total of fifty-three (53) three-bedroom apartments in seventeen (17) two-story buildings and 106 parking stalls as limited common elements.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this preliminary public report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Owners and a copy of the Condominium Map) have not yet been recorded with the Office of the Bureau of Conveyances.
4. No advertising and promotional matter has been submitted to date.
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 the Horizontal Property Regime.
6. This Preliminary Public Report is made a part of KALAHEO PALI KAI condominium project, Registration No. 1139. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt therefore from each purchaser and prospective purchaser.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, July 23, 1979, unless a Final Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: KALAHEO PALI KAI.

LOCATION: The 384,794 square feet of property to be committed to the regime as a fee simple condominium project is situated one-half mile from Kalaheo Town on the easterly side off Papalino Road, Kalaheo, County of Kauai, State of Hawaii.

TAX MAP KEY: Fourth Division, 2-3-20:69.

ZONING: Class IV, 2-1B-64-4.

DEVELOPER: EMI OF THE PACIFIC, INC., a Hawaii corporation, whose address is R.R. #1, Box 261-C3, Kapaa, Kauai, Hawaii, Telephone (808) 822-9074.

The officers of the corporation are:

<u>Name</u>	<u>Office Held</u>
Douglas C. Bradshaw	President-Secretary
Robert H. Buerchner	Vice President-Treasurer

ATTORNEY REPRESENTING DEVELOPER: Hiroshi Sakai, Attorney at Law, A Law Corporation, Suite 602, 810 Richards Street, Honolulu, Hawaii 96813, Telephone (808) 531-4171.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime reflects the project is to consist of 384,794

square feet of land located at Kalaheo, Kauai, consisting of seventeen (17) two-story townhouse buildings having a total of fifty-three (53) three-bedroom apartments to be constructed thereon in accordance with plans and specifications prepared by Lewis Ingleson, Registered Professional Architect. The 17 buildings will be of wood frame construction with wood and glass walls and monier tile roof with no basements. There will be 106 parking stalls which are limited common elements assigned two (2) to each apartment.

All of the apartments in the project are three-bedroom apartments each consisting of the following: On the lower floor, two bedrooms, bathroom, laundry room and balcony; and on the upper level, a living-dining room, kitchen, bedroom, bathroom and balcony. The end units have a total living area of 1,265 square feet, balconies of 183 square feet, open deck of 183 square feet and extra storage of 6 square feet. The interior units have a total living area of 1,205 square feet, balconies of 188 square feet, open deck of 188 square feet and extra storage of 6 square feet.

The apartments are numbered from 1 through 16 and 34 through 70 inclusive as shown on the proposed Condominium Map.

Each of the apartments will have immediate access to the ground areas.

COMMON ELEMENTS: The common elements include:

- a. The land in fee simple.
- b. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs and stairways in the buildings.
- c. The yards, landscaping, refuse facilities, parking areas, driveways and streets.
- d. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities.
- e. All other parts of the project existing for the common use or necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS: The limited common elements are the parking stalls set aside and reserved for the exclusive use of each apartment located on the land, the parking stall being designated and assigned with the same number as the apartment and the letter "A" as shown on the Condominium Map. Notwithstanding any provision in the Declaration, the apartment owners with the consent of the Mortgagee, if any, shall have the right to change the designation of parking stalls which are appurtenant to the respective apartments by amendment to the Declaration and the respective apartment deeds or leases involved. The amendment shall be effective upon recording or filing of the same for record with the Bureau.

INTEREST TO BE CONVEYED TO THE PURCHASER. Each apartment shall have appurtenant thereto the following undivided interest in all the common elements of the project:

a. Apartments 1 through 16 and 34 through 59 shall have a 1.887 percentage interest in the common elements.

b. Apartments 60 through 70 inclusive shall have a 1.886 percentage interest in the common elements.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE. The apartments shall be occupied and used as an apartment, resort, dwelling, or time sharing use for any time period or periods including any annual recurring period on a fixed or floating basis by the respective owners thereof, their tenants, families, domestic servants and social guests, subject to such limitation as may be contained herein, the By-Laws and the House Rules which may be adopted from time to time governing the use of the apartments. The parking stalls are intended and shall be used primarily for parking purposes subject to such limitations as may be contained herein or the By-Laws and House Rules which may be adopted from time to time governing the use of the project.

OWNERSHIP OF TITLE: A Policy of Title Insurance issued by the Stewart Title Company dated May 2, 1979 certifies that title to the land is vested in EMI OF THE PACIFIC, INC., the developer.

ENCUMBRANCES AGAINST TITLE: Said Policy of Title Insurance dated May 2, 1979 notes the following encumbrances against the property:

1. For taxes that are due and owing, reference is made to the Office of the Tax Assessor, Fourth Division.

2. A Flood Setback Line, as mentioned in that certain survey prepared by Cesar C. Portugal, Registered Professional Engr. & Land Surveyor, Certificate No. 2225-ES, Lihue, Kauai, Hawaii, for Kutaka, Portugal & Ibara, Inc., dated December 19, 1977.

3. Easement "G", as mentioned in that certain survey prepared by Cesar C. Portugal, Registered Professional Engr. & Land Surveyor, Certificate No. 2225-ES, Lihue, Kauai, Hawaii, for Kutaka, Portugal & Ibara, Inc., dated December 19, 1977.

4. Easement "H", as mentioned in that certain survey prepared by Cesar C. Portugal, Registered Professional Engr. & Land Surveyor, Certificate No. 2225-ES, Lihue, Kauai, Hawaii, for Kutaka, Portugal & Ibara, Inc., dated December 19, 1977.

5. Mortgage dated April 12, 1979, recorded on May 2, 1979 in the Bureau of Conveyances of the State of Hawaii in Book 13657, Page 18, made by EMI of the Pacific, Inc., a Hawaii corporation, as Mortgagor, to Raymond E. Hoe Realtor, Inc., a Hawaii corporation, as Mortgagee, to secure the repayment of the sum of \$400,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor therein referred to.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated May 23, 1979 certifies Title Guaranty Escrow Services, Inc., as "Escrow". On examination the specimen Reservation Agreement, Sales Contract and Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes. The executed Escrow Agreement provides that purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans requiring approval of a county officer having jurisdiction over the issuance of building permits (except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or to which said purchaser has otherwise consented in writing); or

(d) The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived his right to a refund.

The Purchase Reservation Agreement provides in part that the Purchaser's interest therein will be subordinate to any interim construction mortgage acquired by the sellers for the construction of the Project, and Buyers agree to execute any necessary documents to effect such subordination.

MANAGEMENT AND OPERATIONS: The Developer is yet to select the initial managing agent.

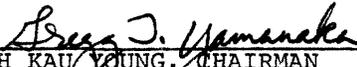
STATUS OF PROJECT: The Developer advises the Real Estate Commission that the construction of the building has not yet commenced and will commence as soon as the financing is closed.

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 June 12, 1979 and information subsequently filed as of July 18, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1139 filed with the

Commission on June 12, 1979.

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

 (for)
AH KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

July 23, 1979

Registration No. 1139