

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON
KEAUHOU GARDENS I
Keauhou Kona, Island of Hawaii
REGISTRATION NO. 1157

Issued: February 1, 1983
Expires: August 15, 1983

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated _____ issued by the Real Estate Commission on the above 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.

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that the 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 AUGUST 2, 1979, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF January 27, 1983 ON KEAUHOU GARDENS I, REGISTRATION NO. 1157. DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report of September 21, 1979 and Final Public Report of January 15, 1981 on KEAUHOU GARDENS I, Registration No. 1157, the Developer reports that certain material changes have been made in the project. This Supplementary Public Report amends the Preliminary and Final Public Report, becoming a part of the KEAUHOU GARDENS I registration.

In summary, this Supplementary Public Report informs the purchaser or prospective purchaser that: (1) KEAHOHU GARDENS I is now a fee-simple condominium project, (2) the Owner-Developer has changed, (3) the attorney representing the Developer has changed, (4) Building No. 14, as a combination Sale and Manager's office-apartment, has been reconfigured and enlarged, and (5) the description of Type D and Type E units in the Declaration have been changed to reflect the floor plans as shown on the Amended Condominium Map (Dwgs. A-24 and A-27).

2. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and issuance of this Supplementary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime has been amended by First Amendment to Declaration dated December 2, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16018, Page 640, Second Amendment to Declaration dated July 30, 1982, recorded in Book 16502, Page 160 and Third Amendment to Declaration dated December 30, 1982 recorded in Book 16778, Page 590. The Second Amendment also amends the Condominium Map.
4. Advertising and promotional materials have 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 514A, Hawaii Revised Statutes, as amended, and the condominium rules and regulations which relate to Horizontal Property Regimes.
6. The Developer is responsible for placing a true copy of this Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Public Report (yellow paper stock), the Final Public Report (white paper stock), and the amended Disclosure Statement dated May 11, 1982. The Developer is responsible for securing from each purchaser or prospective purchaser a signed receipt therefor.
7. This Supplementary Public Report automatically expires August 15, 1983, unless a further Supplementary Public Report issues, or the Commission, upon the review of the registration, issues an order extending the effective period of this report.

The information in the Preliminary Public Report of September 21, 1979, and the Final Public Report of January 15, 1981, under the topical headings set forth hereinbelow has been amended as follows:

DEVELOPER: Honolulu Federal Savings and Loan Association, a federal savings and loan association, whose principal place of business and post office address is 188 Merchant Street, Honolulu, Hawaii 96813, P.O. Box 539, Honolulu, Hawaii 96809, Telephone: (808) 546-2200. The principal officers of Honolulu Federal Savings and Loan Association are as follows:

William M. Borthwick, Jr. - President
Albert G. Y. Ho - Senior Vice President
Kenneth S. Fujinaka - Treasurer
Grace Koizumi - Secretary

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Bernice Littman) 1000 Bishop Street, Honolulu, Hawaii 96813, P. O. Box 939, Honolulu, Hawaii 96808, Telephone: (808) 521-9200.

DESCRIPTION OF PROJECT: The project description has been modified to reflect that:

Building No. 14 is a single story building, having an area of approximately 1620 square feet and consisting of a lounge, 3 office spaces, a kitchen, a living-dining room, a bedroom, 1-1/2 bathrooms, a mail room and 3 lanais, as more fully shown on the Condominium Map.

Type D Apartments are one-story two bedroom interior units identical in area, floor plan and appurtenant limited common elements to Type C Apartments, but which have no windows in the sidewalls of the dining and living rooms.

The description of Type E Apartments has been revised to include the following: Type E Apartments contain a living room and dining area a kitchen, three bedrooms (or two bedrooms with a study) and three bathrooms.

INTEREST CONVEYED TO PURCHASER: The Developer will convey to each purchaser the title to his apartment and its undivided interest in the common elements of the project in fee simple by apartment deed. Developer advises the Commission that the seven purchasers who have executed Agreements of Sale for apartment deeds and ground leases will be offered the opportunity to amend their Agreements of Sale to include the fee at an increased purchase price.

OWNERSHIP OF TITLE: A Policy of Title Insurance dated August 27, 1982, issued by Title Insurance and Trust Company and updated as of January 12, 1983 by Title Guaranty of Hawaii, Inc. states that the fee simple title to the property submitted to the horizontal property regime is vested in Honolulu Federal Savings & Loan Association by Deed and Assignment dated June 10, 1982 and recorded in the Bureau of Conveyances of the State of Hawaii in Book 16536, Page 98.

ENCUMBRANCES AGAINST TITLE: The Policy of Title Insurance described above shows title to the property to be subject to the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax

Assessor of the Third Division, City and County of Hawaii, State of Hawaii.

2. Reservation in favor the State of Hawaii of all mineral and metallic mines.
3. Reservations, covenant and condition contained in Deed dated October 2, 1969, recorded in Book 6755, Page 49.
4. 22-foot wide access easement over Lot 4-A.
5. Mortgage and Financing Statement between di Tullio - Hawaiian to Honolulu Federal Savings and Loan Association dated October 1, 1980, recorded in Book 15035, Page 365.
6. Declaration of Horizontal Property Regime acknowledged October 31, 1980, recorded in Book 15165, Page 63, and Bylaws attached, amended by instruments dated December 2, 1981, recorded in Book 16018, Page 640, and dated July 30, 1982, recorded in Book 16502, Page 160.
7. Grant in favor of Hawaii Electric Light Company, Inc. dated July 6, 1981, recorded in Book 15673, Page 780.
8. Grant in favor of Water Commission of County of Hawaii dated December 2, 1981, recorded in Book 16079, Page 673.
9. Additional Charge Mortgage to No. 5, dated June 10, 1982, recorded in Book 16425, Page 432.
10. Assignment of Rentals and Lessor's Interest in Leases dated June 10, 1982, recorded in Book 16425, Page 443.
11. Assignment of Proceeds and Vendor's Interest in Agreements of Sale dated June 10, 1982, recorded in Book 16425, Page 464.
12. Apartment Deeds and Ground Leases and Agreements of Sale and Bureau of Conveyances Recording Information for the following apartments:

<u>Bldg. No.</u>	<u>Apt. No.</u>	<u>Book</u>	<u>Page</u>
3	201	16514	54
5	202	16514	128
10	104	16514	202
10	204	16514	279
10	304	16514	353
11	202	16514	429
11	304	16514	503

NOTE: Since the issuance of the above title report issued by Title Insurance and Trust Company, the Developer has submitted to the Commission, fully executed, and recorded in the Bureau of Conveyances of the State of Hawaii, a Third Amendment to the Declaration dated December 30, 1982, recorded in Book 16778, Page 590. This Third Amendment is therefore an encumbrance against title.

DEVELOPER'S OPTION TO CONSTRUCT SECOND INCREMENT: Honolulu Federal Savings and Loan Association, as the assign of the original developer Declarant, has succeeded to the rights of the Declarant provided in the Declaration to construct and merge the second increment.

PURCHASE MONEY HANDLING: The section on "Closing Date" in the Final Public Report and information on the Sales Contract in the Preliminary Public Report are deleted. The Developer has provided to the Commission a new Escrow Agreement with Title Guaranty Escrow Services, Inc. dated January 20, 1983 and a revised form of Sales Contract. The project will be sold "as is" and the revised Sales Contract contains the following provision disclaiming warranties:

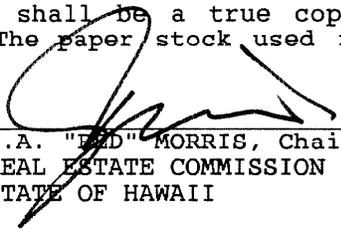
THE APARTMENT IS SOLD "AS IS". THE BUYER ACKNOWLEDGES THAT THE KEAUKOU GARDENS I CONDOMINIUM PROJECT WAS DEVELOPED BY di TULLIO HAWAIIAN VENTURES I AND NOT BY THE SELLER. THE SELLER WAS THE LENDER OF THE PROJECT AND ACQUIRED THE PROJECT BY A DEED FROM THE ORIGINAL DEVELOPER ACCEPTED AND RECORDED ON AUGUST 27, 1982, AFTER SUBSTANTIAL COMPLETION OF THE PROJECT. THE BUYER EXPRESSLY ACKNOWLEDGES THAT HE HAS INSPECTED THE PRESENT STATE OF THE APARTMENT AND THE PROJECT AND UNDERSTANDS AND AGREES THAT EXCEPT FOR THE PUNCHLIST ITEMS LISTED BELOW HE IS PURCHASING THE APARTMENT AND ITS INTEREST IN THE PROJECT, IN ITS PRESENT CONDITION, "AS IS" AND WITH ALL DEFECTS BOTH APPARENT AND LATENT. THAT SELLER DISCLAIMS ANY IMPLIED WARRANTIES OF HABITABILITY OR OTHER IMPLIED WARRANTIES. BUYER ADMITS THAT THERE HAVE BEEN NO REPRESENTATIONS, COVENANTS, AGREEMENTS, OR EXPRESSED OR IMPLIED WARRANTIES, GIVEN BY THE SELLER TO THE BUYER CONCERNING THE PHYSICAL CONDITION OF THE APARTMENT OR THE PROJECT. THE SELLER AGREES THAT IT WILL WITHIN A REASONABLE TIME AFTER THE CLOSING CORRECT THE PUNCHLIST ITEMS LISTED BELOW. THE SELLER'S SOLE RESPONSIBILITY IS LIMITED TO PAYING THE COST OF CORRECTING THE PUNCHLIST ITEMS AND SELLER WILL NOT BE RESPONSIBLE FOR ANY FURTHER DAMAGE THAT RESULTS IF THE PUNCHLIST ITEMS ARE NOT CORRECTED. THIS MEANS THAT THE BUYER CANNOT SUE THE SELLER FOR ANY DEFECTS IN THE APARTMENT OR THE PROJECT. IF IF THE BUYER BREAKS THIS AGREEMENT AND SUES THE SELLER FOR A DEFECT OR ALLEGED DEFECT IN THE APARTMENT OR THE PROJECT THEN BUYER WILL PAY TO SELLER ANY COST OR EXPENSES INCLUDING LAWYERS' FEES SELLER INCURS.

STATUS OF PROJECT: Construction of the Project has been substantially completed as evidenced by submission to the Commission, copies of Certificates of Occupancy dated February 1, 1982 issued by the County of Hawaii.

A purchaser should be cognizant of the fact that this Supplementary Public Report represents information disclosed by the Developer in the required Notice of Intention submitted on August 2, 1979, and additional information subsequently filed as of January 27, 1983.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1157 filed with the Commission on August 2, 1979.

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



G.A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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REGISTRATION NO. 1157

DATE: February 1, 1983