

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
KANALOA AT KEAUKOU-OCEAN VILLAS
Keauhou-Kona, Hawaii

REGISTRATION NO. 1216

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 : April 15, 1981
Expires: May 15, 1982

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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 ON DECEMBER 21, 1979, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF APRIL 13, 1981. 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, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report of January 15, 1980 on KANALOA AT KEAUKOU-OCEAN VILLAS, Registration No. 1216, changes have been made in the plan and setup of the project. The changes are determined to be a material revision to the information disclosed earlier.

KANALOA AT KEAUKOU-OCEAN VILLAS is now a 50 (rather than 46) apartment project. There are still sixty-nine (69) parking stalls, fifty (50) of which are covered and nineteen (19) are uncovered. Each of the apartments shall have one (1) covered parking stall assigned to it. There are nineteen (19) parking stalls for guest parking.

Because of extensive changes, this Final Public Report (white paper stock) amends in its entirety the KANALOA AT KEAUKOU-OCEAN VILLAS Preliminary Public Report (yellow paper stock), becoming a part of this registration. The Developer is responsible for placing a true copy of this Final Public Report in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Public Report and the Disclosure Statement (Amended February 12, 1981), and obtaining a signed receipt therefor.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium project and the issuance of this Final Public Report.
3. The basic condominium documents have been recorded in the Bureau of Conveyances of the State of Hawaii, as follows:

The Declaration of Horizontal Property Regime of Kanaloa at Keauhou-Ocean Villas, with Bylaws of the Association of Apartment Owners, dated November 7, 1980 was recorded in said Bureau in Book 15412, at Page 8.

The floor plans of the project have been designated Condominium Map No. 791.

4. Advertising and promotional matter have not been submitted to 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. This Final Public Report automatically expires thirteen months after issuance, April 15, 1981, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: KANALOA AT KEAUKOU-OCEAN VILLAS

LOCATION: The project is located on a 4.066 acre parcel of land situate in Keauhou, Kona, Hawaii. The description of the

land and the reserved easements, rights, powers and privileges are more fully set forth in the Declaration.

TAX KEY: 7-8-20:29, Third Division

ZONING: RM-.75 Multiple-Residential District

DEVELOPER: The new Developer is Kanaloa at Keauhou Joint Venture, a Hawaii partnership, comprised of Honofed Corp., a Hawaii corporation, Bratton Development Corporation, a California corporation registered to do business in Hawaii, and Ventura Westlake Development Corp., a California corporation registered to do business in Hawaii. The principal place of business of the Developer in Hawaii is in Kailua-Kona, Hawaii. Its mailing address is P. O. Box 5685, Kailua-Kona, Hawaii 96740, and its telephone number is 329-9371.

ATTORNEY REPRESENTING DEVELOPER: Ashford & Wriston (Galen C. K. Leong and Diane S. Kishimoto), 235 Queen Street, Honolulu, Hawaii 96813 (Phone: 524-4787).

DESCRIPTION OF PROJECT: The Declaration states that there will be eleven separate residential buildings in the Project of either two or three stories constructed principally of wood, metal and glass. There are no basements. The eleven residential buildings contain a total of 50 apartments. The parking areas provide 69 parking stalls.

The apartments are more particularly described as follows:

(a) Fifty (50) estates are designated as apartments in the spaces within the perimeter walls, floors and ceilings of each of the apartments contained in the eleven (11) separate residential buildings designated as Buildings 15 through 25, inclusive, located in the Project as shown on the Condominium Map.

In this project there are four building types, described as Building Type A, Building Type B, Building Type C and Building Type D.

Each of Building Types A, B and C are two-story buildings. Each contains four apartments, two two-bedroom apartments on the first floor and two two-bedroom apartments on the second floor. The two apartments on the first floor are both of the same floor plan, which is designated as Apartment Type 1, except that each of the apartments is the reverse of the other. The two apartments on the second floor are both of the same floor plan, which is designated as Apartment Type 2, except that each of the apartments is the reverse of the other.

Building Type D is a three-story building, with a mezzanine over the third story, which contains

four one-bedroom apartments and two two-bedroom apartments. There are two apartments on each of the first and second floors and two two-story apartments on the third floor and the mezzanine. The two apartments on the first floor are of the same floor plan, which is designated as Apartment Type 3, except that each of the apartments is the reverse of the other. The two apartments on the second floor are of the same floor plan, which is designated as Apartment Type 4, except that each of the apartments is the reverse of the other. The two apartments on the third floor and the mezzanine are of the same floor plan, which is designated as Apartment Type 5, except that each of the apartments is the reverse of the other.

(b) The Apartment Types are described in the Exhibit "A" attached hereto and made a part hereof.

(c) Each apartment has immediate access to the walkways of the Project which connect the apartment to the parking areas, driveways and the adjacent public street.

(d) Except as specifically otherwise provided in the Declaration, an apartment shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings which surround 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 deemed common elements as herein provided. Each apartment shall be deemed to include 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, all lanais, all windows and glass walls at the perimeter of the apartment and all fixtures and appliances originally installed therein for its exclusive use. Said fixtures and appliances consist of: refrigerator/freezer, range with self-cleaning oven, microwave oven, garbage disposal, trash compactor, dishwasher, water heater, washer/dryer, wetbar with refrigerator, drapes and carpets.

COMMON ELEMENTS: The remaining portions of the proposed Project are designated as "common elements", including specifically but not limited to:

(a) The land.

(b) The yards and grounds, fences, walkways, driveways, parking areas and pavement.

(c) The recreational facilities, including the swimming pool.

(d) Central facilities and appurtenant installations for utility and other common services such as power, light, gas and water.

(e) All portions of the residential buildings not expressly included in an apartment.

(f) All other buildings, apparatus and installations existing for common use.

(g) All other parts of the property necessary or convenient to its existence, maintenance and safety or normally in common use.

Note: The Developer has informed the Commission that the comfort station adjacent to the swimming pool shown on the Site Plan filed with the Condominium Map will be relocated to another area adjacent to the swimming pool as shown in a revised Site Plan filed with the Commission pending the issuance of a building permit which has been applied for but not yet issued. This revision will be incorporated by the Developer into the architect's as-built certificate. In addition, the Developer has informed the Commission that trash enclosures will be added to the common areas in or adjacent to Buildings 19, 20 and 21 as shown on the Site Plan.

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

(a) Each apartment shall have appurtenant thereto an exclusive right to use the parking stall or stalls assigned to such apartment as set forth in Exhibit "A" attached hereto. Each apartment shall always have at least one parking stall appurtenant to it but otherwise any parking stall may be conveyed and made appurtenant to another apartment by a written instrument expressly identifying the apartment to which the parking stall is appurtenant as well as the apartment to which the parking stall will become appurtenant, which written instrument shall be denominated as an amendment to the Declaration and shall be executed by the owner of each apartment affected, with the consent of the mortgagee of each apartment affected. The conveyance and Amendment of Declaration shall be effective upon filing of the same in the Bureau of Conveyances of the State of Hawaii. A copy of said instrument, together with the recording data, shall be given to the Association by the affected apartment owners within 15 days of the filing thereof.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the Project (called the "common interest") as set forth in Exhibit "A" attached hereto and the same proportionate share in the common profits and expenses of the Project and for all other purposes, including voting.

EASEMENTS: In addition to any easements designated in the Declaration in the limited common elements, the apartments and common elements shall have and be subject to the following easements:

1. Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided and in all other apartments of its building for support.

2. If any part of the common elements encroaches upon any apartment or if any apartment encroaches upon any common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. If any portion of the Project shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements or apartments due to such construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

3. The Association of Apartment Owners of the Project shall have the right, to be exercised by its Board of Directors or Managing Agent, to enter any apartment or limited common element from time to time during reasonable hours as may be necessary for the operation of the Project or at any time for making emergency repairs therein required to prevent damage to any apartments or common elements or for the installation, repair or replacement of any common elements.

PURPOSES AND RESTRICTIONS: The apartments shall be occupied and used as dwellings by the respective owners thereof, their tenants, families, domestic servants and guests. No apartment owner shall enter into or permit, by deed, agreement of sale, lease, license or any other means, the use of his apartment for time-sharing purposes, which shall mean and include, but not be limited to, any plan of ownership wherein particular persons, as owners or otherwise, are permitted to use the apartment and its appurtenances for a particular recurring limited period of time.

Except for the above expressed restrictions, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and Bylaws.

The House Rules provide, among others, that no livestock, poultry or other animals, including cats and dogs, shall be allowed or kept in any part of the project except that common household pets which are confined, such as tropical fish or small birds, may be kept by apartment owners and occupants in their apartments.

OWNERSHIP OF TITLE: The Preliminary Report dated February 6, 1981, issued by Title Guaranty of Hawaii, Incorporated, states that title to the land is vested in the Developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report dated February 6, 1981 reports that title to the land is subject to the following:

1. For real property taxes that may be due and owing, reference is hereby made to the Office of the Tax Assessor, Third Division.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Location of the seaward boundary in accordance with the law of the State of Hawaii, and shoreline setback line in accordance with County Regulation and/or Ordinance.

4. Grant in favor of Water Commission of the County of Hawaii dated May 10, 1980 and recorded in Book 14973, at Page 293 granting easements for purposes of fire hydrants and water meters.

5. Easement "A-2" (10 feet wide) for public access purposes, as delineated on the map dated April 25, 1980, prepared by William Hee & Associates, Inc., by Jerry S. Nakagawa, Registered Professional Surveyor, Certificate Number 1678.

6. The reservation in favor of Kamehameha Investment Corporation contained in Deed dated October 21, 1980, recorded in Liber 15093, at Page 132, which states as follows:

"Reserving to Grantor and others authorized by Grantor (including the public through the County of Hawaii), an easement and pathway for pedestrian and vehicular (bicycles, golf carts, pedicabs, tractor trains and other small service vehicles) passage for access over the lands described in Items I and II above, and the golf courses, hotels, resorts, shopping areas and other points of interest in the

Keauhou project over and across a strip of the land within the lands described as Items I and II above, ten feet wide and to be located near and generally parallel to the shoreline of Items I and II above, the exact location and width thereof to be determined by mutual agreement of Grantor and Grantee. Grantee, by accepting this Deed, agrees to be responsible for construction of said pathway at Grantee's expense and to be responsible at all times to adequately repair and maintain the pathway above described at Grantee's expense."

7. Mortgage, Assignment of Rents and Security Agreement and Financing Statement dated October 21, 1980, by Kanaloa at Keauhou Joint Venture, as Mortgagor, in favor of Continental Illinois National Bank and Trust Company of Chicago, as Mortgagee, recorded in Liber 15093, at Page 141.

8. Assignment of Sales Agreements and Escrow Deposits dated October 21, 1980, by Kanaloa at Keauhou Joint Venture, in favor of Continental Illinois National Bank and Trust Company of Chicago, recorded in Liber 15093, at Page 164.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the executed Escrow Agreement dated December 20, 1979, have been submitted as part of the registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc. as the Escrow and North Park Industrial as the Developer. North Park, on February 12, 1981, assigned its position in the Escrow Agreement to the present developer, and Title Guaranty joined in the Assignment. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he read with care the specimen 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.

The executed Escrow Agreement provides in part:

A 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 in writing 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.

(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, subsequent to the execution of purchaser's sales contract, requiring approval of a county officer having jurisdiction over the issuance of building permits, unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or unless a purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the purchaser has accepted in writing the apartment or the purchaser has first occupied the apartment; 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 or has not been deemed to have waived his right to a refund.

Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c), (d) or (e) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee to Escrow of not less than \$25.00 per apartment or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

The specimen Sales Contract also provides, in part, that all rights of a Purchaser are and shall be subject and subordinate to the liens of any mortgage(s), advances or sums heretofore or hereafter made to finance the construction and other costs of the project.

MERGER OF ADDITIONAL INCREMENTS: The Declaration provides that the project may be amended by way of merger as set forth in

Paragraph T of said Declaration, which contains the provisions set forth below. At the present time, the Developer (referred to as "Owner" in the paragraphs below) intends to develop the 50 units covered by this report, which will be the second increment of development of the KANALOA AT KEAUHOU project and which will be designated as OCEAN VILLAS.

"1. Any provision of this Declaration to the contrary notwithstanding, the Owner shall have the right at its option to amend the Project, by way of merger, as hereinafter provided, at any time up to, but not later than January 1, 1983, by the construction and addition to the Project of up to fifty-eight (58) additional apartments, together with such supporting and servicing common elements which the Owner determines in its sole discretion are beneficial to the Project, on up to an additional approximate 5.600 acres of adjoining land, which land is described in Exhibit 'C' attached hereto and made a part hereof.

2. The Project described herein is the second increment of a proposed three (3) increment project, as described in this Paragraph T, which may be developed in two or more increments, all at the option of the Owner. The purpose of the merger provisions of Paragraph T is to provide for a merger of all increments just as if the increments involved had been developed as one single project. A merger may occur with respect to the third increment or any subsequent increments, or any one of them, at the same or different times and merger with respect to one of said increments shall not affect the right of the Owner to merge another increment or increments at a later date subject to all of the provisions of this Declaration.

3. Merger shall take effect with respect to a particular additional increment upon the happening of all of the following conditions with respect thereto:

(a) Recordation in the Bureau of Conveyances of the State of Hawaii by the Owner of a Declaration of Horizontal Property Regime and Bylaws covering the additional increment in a form substantially identical hereto (except for the descriptions of apartments and the common elements and the percentage of common interest therein and except for such matters as may be required to conform to any amendments of Chapter 514A, Hawaii Revised Statutes, enacted subsequent to the recordation hereof) and a Condominium Map depicting the plot and floor plans of the additional increment, both complying with the requirements of Chapter 514A, Hawaii Revised Statutes, as amended; and

(b) Recordation in the Bureau of Conveyances of the State of Hawaii by the Owner of a 'Certificate of Merger', which certificate shall contain:

(i) A certification by a Hawaii registered architect or professional engineer that the final plans theretofore filed for the increments being merged, or being filed simultaneously with such certificate, fully and accurately depict the layout, location, apartment numbers, dimensions and elevations of the apartments of the increments being merged, as built;

(ii) A certification by Owner that the increment has been substantially completed, that a notice of completion has been filed and that the period for filing of mechanics' and materialmen's liens has expired; and

(iii) The common interest of each apartment of the project after completion of the subject merger.

4. The percentage of common interest of each apartment upon merger with an additional increment shall be calculated by dividing such apartment's floor area by the floor area of all apartments in the project after merger. The 'floor area' of an apartment includes the total square feet of the apartment and its lanai, if any. The Owner may add or subtract up to .0009% to one apartment owned by the Owner, at its discretion, for the sole purpose of ensuring that the total common interests for all apartments equals 100%.

5. From and after the date of the recordation of said Certificate of Merger with respect to a particular additional increment, the following consequences shall ensue:

(a) Use of Common Elements. The apartments in each of the merged increments shall have the right to use the common elements in each increment to the same extent and subject to the same limitations as are imposed upon an apartment in each increment just as though the merged increments had been developed as one project.

(b) Board of Directors. The Board of the project immediately prior to the merger of a particular additional increment shall govern the merged project after completion of the merger; at a special meeting called for the purpose after the merger, the apartment owners may remove said existing Board and elect a new Board to govern the merged project until the next annual meeting. Procedures for calling and

holding such meetings shall be those as set forth in the Bylaws.

(c) Interpretation. For purposes hereof, the merged increments shall be treated as part of a single project developed as a whole from the beginning, and there shall be only one Association of Apartment Owners and one Board, and the Declaration of Horizontal Property Regime and Bylaws applicable to each merged increment shall be construed as one document applicable to the entire project constituting the merged increments except to the extent expressly otherwise provided for therein. It is the purpose hereof to provide that from and after the date of each merger all of the property so merged shall be treated as though it had been developed, divided into apartments, held, occupied and used by the owners thereof as a single undivided project.

6. Such additional apartments and common elements of each additional increment shall be located on said additional land, or part thereof, of their respective increment as determined by the Owner in its sole discretion, with reference, however, to the advice of a registered architect or professional engineer. Until the initial conveyance by Owner of such apartments, Owner shall for all purposes be deemed the 'apartment owner' as to such additional apartments.

7. In connection with, and only to the extent necessary for the creation of such additional apartments and common elements, as aforesaid, the Owner shall have the right up to January 1, 1983 or upon merger of all three increments, whichever shall first occur, to remove, amend or add common elements; to remove, amend or add parking spaces; to enter upon the project premises with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing said additional apartments and common elements according to plans and specifications or amended plans and specifications approved by the officer of the County of Hawaii having jurisdiction over the issuance of building permits; to connect the additional apartments and common elements to utilities of the Project, to file amendments to the Declaration for purposes of certifying condominium maps filed as reflecting the improvements shown therein to be 'as built'; and to sell or designate owners of the additional apartments. Such rights shall include the following:

(a) An easement over, under and across the common elements of the Project for the purposes of all work connected with or incidental to the development, construction and sale of apartments in any undeveloped portions of the additional increments;

(b) The right appurtenant to the undeveloped increments, in the nature of an easement over and upon the project and the developed increments to create and cause dust, noise, vibration and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of apartment in said undeveloped increments;

(c) The right to enter the common areas of the Project for the purpose of showing prospective purchasers of apartments in the Project or in undeveloped increments the facilities of the Project;

(d) The right to place signs upon the Project and on undeveloped increments in conjunction with sales of apartments;

(e) The right of the Owner to use any apartment owned or rented by the Owner for sales or display purposes until all apartments in all increments are sold.

Owner shall use its best efforts to keep its exercise of the rights reserved to it in Paragraph T from unreasonably interfering with the rights of the other apartment owners in the Project.

8. In the event of each merger as aforesaid, each owner of a then added apartment shall be required to advance to the Association, as constituted after merger, upon filing of the respective Certificate of Merger, an amount equal to the average existing apartment's share of funds on deposit immediately prior to such merger with the Association hereby created for operation of the merged project, including the Maintenance Reserve Fund, but excluding funds which will be expended during the next 30 days.

9. The Owner shall have the right to execute, acknowledge and deliver any and all instruments necessary or appropriate for the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by Paragraph T, all as the true and lawful attorney-in-fact of the respective owners from time to time of the apartments of the Project as herein originally constituted or as merged as aforesaid.

10. No apartment owner in the Project shall enter into or offer to enter into any arrangement with any other apartment owner in the Project whereby any rental pool of apartments or any other sharing of rental income of apartments is established. This restriction shall terminate on the earlier of:

(a) January 1, 1983; or

(b) The date on which all apartments in all increments have been developed and sold by the Owner. The Owner may at any time waive this restriction by written notice to all apartment owners in the Project.

11. After completion of the merger of the prior increment or increments with the additional increment as provided in Paragraph T, the Owner shall have the irrevocable right to amend the Declaration and Bylaws for each increment in their entirety so that there shall be one amended Declaration and Bylaws for all increments for the purpose of showing the merged project with a consolidated description of the land, buildings, apartments, common elements, limited common elements and common interests, and of incorporating into such amended Declaration and Bylaws any statutory requirements enacted subsequent to the recordation of the Declaration and the Bylaws attached thereto, without otherwise changing the form or content of such Declarations and Bylaws. The apartment owners by the Declaration give the Owner their irrevocable power of attorney coupled with an interest to amend the Declaration for such purpose. Upon the filing of such amended Declaration in said Bureau of Conveyances, the Owner shall provide a copy of such amended Declaration to the Managing Agent for the project and each apartment owner at his or her last known address by certified mail. If more than one person owns an apartment, mailing of the amended Declaration to one of the owners shall be sufficient. After the last increment is merged in the Project, the amended Declaration shall omit Paragraph T.

12. If any one or more of the provisions of paragraph T shall be declared to be contrary to law, then such provision or provisions shall be null and void and shall be deemed separable from the remaining provisions of Paragraph T and shall in no way affect the enforceability of any other provision hereof."

Note: The Developer estimates that the amount to be paid by the owners of each apartment in this Project pursuant to Paragraph 8 under this topical heading will be \$200.00. This amount will be collected at closing.

MERGER WITH KANALOA AT KEAUCOU-FAIRWAY VILLAS: The Declaration provides that any provision of the Declaration to the contrary notwithstanding, the Developer shall have the right, at its option, at any time up to, but not later than January 1, 1983, to merge the Project with that certain condominium project known as KANALOA AT KEAUCOU-FAIRWAY VILLAS and more particularly described in Declaration of Horizontal Property Regime dated November 15, 1979 and recorded in said Bureau in Liber 14262, at Page 242. Said KANALOA AT KEAUCOU-FAIRWAY VILLAS is the first increment of the proposed three (3) increment project of which the Project is a part and such merger shall be conducted in accordance with the terms of said Declaration of

Horizontal Property Regime dated November 15, 1979. The Developer shall have the right to execute, acknowledge and deliver any and all instruments necessary or appropriate for the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by paragraph U of the Declaration, all as the true and lawful attorney-in-fact of the respective owners from time to time of the apartments of the Project as constituted in the Declaration or as merged as aforesaid.

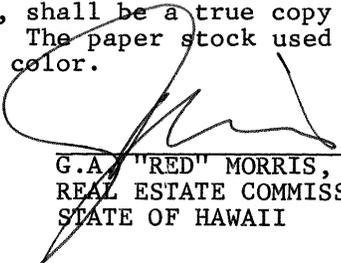
MANAGEMENT AND OPERATIONS: The Declaration provides that the administration of the project shall be vested in the Association of Apartment Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the Bylaws except that the initial Managing Agent shall be appointed by the Developer. Kanaloa Realty and Property Managers, Inc., whose principal place of business is 75-5719 Alii Drive, Kailua-Kona, Hawaii 96740 and whose post office address is P. O. Box 1071, Kailua-Kona, Hawaii 96740 (Phone: 329-2717), was named as the initial Managing Agent. A copy of the March 1, 1981 Management Agreement has been filed with the Commission.

STATUS OF PROJECT: Construction of the Project commenced in October, 1980 and completion is estimated to be September, 1981.

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 December 21, 1979, and information subsequently filed as of April 13, 1981.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1216.

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


G.A. "RED" MORRIS, 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. 1216
April 15, 1981

EXHIBIT "A"

Apartment Type 1 is an apartment containing 8 rooms. The apartment contains an entry, a living room with dining area, a kitchen, a bedroom with an adjoining dressing room, a bathroom with tub/shower, a master bedroom with an adjoining dressing room and a storage closet and an adjoining bathroom with a shower and a jacuzzi, a lanai with a wet bar off of the living room and various closets. The apartment comprises an approximate gross floor area of 1,693 square feet, including the lanai.

Apartment Type 2 is an apartment containing 8 rooms. The apartment contains an entry and entry stairway, a living room with dining area, a kitchen, a bedroom with an adjoining dressing room, a bathroom with tub/shower, a master bedroom with an adjoining dressing room and bathroom with a shower and a jacuzzi, a lanai with a wet bar off of the living room and various closets. The apartment comprises an approximate gross floor area of 1,778 square feet, including the lanai.

Apartment Type 3 is an apartment containing 5 rooms. The apartment contains a living room with dining area, a kitchen with a dining nook, one bedroom and an adjoining bathroom with a jacuzzi, a separate bathroom with a tub/shower, a lanai with a wet bar off of the living room, another lanai off of the bedroom and various closets. The apartment comprises an approximate gross floor area of 1,248 square feet, including the lanais.

Apartment Type 4 is an apartment containing 5 rooms. The apartment contains an entry and entry stairway, a living room with dining area, a kitchen with a dining nook, one bedroom and an adjoining bathroom with a jacuzzi, a separate bathroom with a tub/shower, a lanai with a wet bar off of the living room, another lanai off of the bedroom and various closets. The apartment comprises an approximate gross floor area of 1,336 square feet, including lanais.

Apartment Type 5 is an apartment on two levels. On the first level, the apartment contains a living room with dining area, a kitchen with a dining nook, a bedroom, a bathroom with a tub/shower, a lanai with wet bar off of the living room, a lanai with a storage closet off of the bedroom and various other closets. On the mezzanine level, which is reached by an interior stairway, is a bedroom, a bathroom with a jacuzzi, a lanai and various closets. The apartment comprises an approximate gross floor area of 1,858 square feet, including the lanais.

Apartment Types 1 and 1R are found on the first floors of all buildings which are Building Types A, B and C.

Apartment Types 2 and 2R are found on the second floors of all buildings which are Building Types A, B and C.

Apartment Types 3, 3R, 4, 4R, 5 and 5R are found only in buildings which are Building Type D. Apartment Types 3 and 3R are found on the first floor, Types 4 and 4R on the second floor and Types 5 and 5R on the third floor and mezzanine of each Building Type D.

An "R" after an Apartment Type designation indicates that the apartment is a mirror image of the respective Apartment Type.

The dimensions of the apartments for the purposes of determining the approximate gross floor areas set forth herein were measured from the center lines of the exterior and party walls of each apartment.

<u>Bldg. No.</u>	<u>Bldg. Type</u>	<u>Unit No.</u>	<u>Apartment Type</u>	<u>Approximate Gross Floor Area, Including Lanai</u>	<u>Stall No. of Assigned Covered Parking Stall</u>	<u>Common Interest</u>
15	C	1501	1	1,693	53	2.0599
		1502	1R	1,693	54	2.0599
		1503	2	1,778	55	2.1633
		1504	2R	1,778	56	2.1633
16	D	1601	3	1,248	83	1.5185
		1602	3R	1,248	84	1.5185
		1603	4	1,336	85	1.6256
		1604	4R	1,336	86	1.6256
		1605	5	1,858	87	2.2607
		1606	5R	1,858	88	2.2607
17	B	1701	1	1,693	89	2.0599
		1702	1R	1,693	91	2.0599
		1703	2	1,778	90	2.1633
		1704	2R	1,778	92	2.1633
18	A	1801	1	1,693	94	2.0599
		1802	1R	1,693	95	2.0599
		1803	2	1,778	100	2.1633
		1804	2R	1,778	101	2.1633
19	C	1901	1	1,693	102	2.0599
		1902	1R	1,693	103	2.0599
		1903	2	1,778	104	2.1633
		1904	2R	1,778	105	2.1633
20	B	2001	1	1,693	106	2.0599
		2002	1R	1,693	107	2.0599
		2003	2	1,778	108	2.1633
		2004	2R	1,778	109	2.1633
21	D	2101	3	1,248	127	1.5185
		2102	3R	1,248	128	1.5185
		2103	4	1,336	129	1.6256
		2104	4R	1,336	130	1.6256
		2105	5	1,858	131	2.2607
		2106	5R	1,858	132	2.2607
22	C	2201	1	1,693	134	2.0599
		2202	1R	1,693	136	2.0599
		2203	2	1,778	135	2.1633
		2204	2R	1,778	137	2.1633
23	A	2301	1	1,693	138	2.0599
		2302	1R	1,693	139	2.0599
		2303	2	1,778	140	2.1633
		2304	2R	1,778	141	2.1633
24	B	2401	1	1,693	142	2.0599
		2402	1R	1,693	143	2.0599
		2403	2	1,778	144	2.1633
		2404	2R	1,778	145	2.1633
25	D	2501	3	1,248	147	1.5185
		2502	3R	1,248	148	1.5185
		2503	4	1,336	149	1.6256
		2504	4R	1,336	150	1.6256
		2505	5	1,858	151	2.2607
		2506	5R	1,858	152	2.2607