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

HONALU BUSINESS CENTER
79-7266 Mamalahoa Highway
Kailua-Kona, Hawaii

REGISTRATION NO. 1230

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: February 20, 1980
Expires: March 20, 1981

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations 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 1/18/80 AND INFORMATION SUBSEQUENTLY FILED AS OF 2/14/80. THE DEVELOPER, BY 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. HONALO BUSINESS CENTER is a leasehold condominium project consisting of an existing two-story building containing 10 commercial apartments and 37 unassigned parking stalls.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condomimium project and the issuance of this Final Public Report.

3. The Developer reports that the Declaration of Horizontal Property Regime and the By-laws dated November 23, 1979, have been filed in the Bureau of Conveyances of the State of Hawaii in Liber 14304, at Page 499, and that the Condominium floor plans have been filed as Condominium File Plan No. 671.

4. As of this date no advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations and none will be used.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, February 20, 1980, unless a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.

7. This Final Public Report is made a part of the registration of HONALO BUSINESS CENTER condominium project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) together with Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor from each purchaser and prospective purchaser.

NAME OF PROJECT: HONALO BUSINESS CENTER

LOCATION: The project is located at 79-7266 Mamalahoa Highway, Kailua-Kona, Hawaii, and consists of approximately 20,833 square feet.

TAX KEY: 7-9-14 Lots 14 and 15A

ZONING: 7-5CV (Village Commercial)

DEVELOPER: TONY LEEB, as individual addressee, is the developer of the project and has his principal place of business and post office address at 77-6394 Nalani Street, P. O. Box 583, Kailua-Kona, Hawaii 96740, Telephone (808) 329-2787.

ATTORNEY REPRESENTING DEVELOPER: Richard L. Tretheway, Esq., 75-5722 Kuakini Highway, Suite 108, Kailua-Kona, Hawaii 96740, Telephone (808) 329-5216.

DESCRIPTION OF PROJECT AND APARTMENTS: The project consists of one existing two-story building containing 10 commercial apartments, toilet facilities and unassigned parking. The buildings are constructed principally of wood, glass, concrete and appropriate trim.

The numbering, type, approximate gross area in square feet, number of rooms, appurtenant parking stall and appurtenant common interest of said apartments are as follows:

Apartment No.	Floor Plan Type	Approx. Living area in Sq. Ft.	Useful Area	No. of Rooms	Parking stall No.	Percentage Of Common Interest
1	A	1,193	1,193	1	0	10.90
2	B	1,237	1,237	1	0	11.30
3	C	1,233	1,233	1	0	11.26
4	D	1,220	1,220	1	0	11.15
5	E	980	980	1	0	8.95
6	F	964	964	1	0	8.80
7	G	988	988	1	0	9.03
8	H	1,132	1,132	1	0	10.35
9	I	960	960	1	0	8.76
10	J	1,039	1,039	1	0	9.50

All areas set forth hereinabove are computed by measuring from the outside of exterior walls and from the centerline of interior party walls, and no reduction has been made to account for interior walls, ducts, vent shafts and the like located within the perimeter.

A. Types of Apartments.

(1) Apartments A, B, C and D are ground floor apartments consisting of one room.

(2) Apartments E, F, G, H, I and J are on the second floor and consist of one room.

(3) The above apartments are designated different types due to the differences in size and shape.

B. Access. Each apartment has immediate access to its entries and to the walkways, corridors and the stairway(s), if any, appurtenant to such apartment connecting its building to the walkways leading to the parking area of the Project.

C. Limits of Apartments. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment, 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. Subject to the foregoing, each apartment shall include all of the walls and partitions which are not load-bearing within its perimeter walls, any glass windows or panels within its perimeter, the inner decorated or finished surfaces of all walls, floors and ceilings, all adjacent lanais, and any fixtures and appliances originally installed therein.

COMMON ELEMENTS. One leasehold estate is hereby designated in all of the remaining portions of the Project, herein called the "common elements", which shall include the limited common elements and shall include but shall not be limited to:

(a) All of the land;

(b) All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surface within each unit), roofs, stairways, walkways, entrances and exists of said buildings;

(c) All yards, grounds, walkways, landscaping and refuse facilities;

(d) All driveways and parking areas and parking stalls;

(e) All ducts, sewer lines, sewage pumping stations, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution; and

(f) The toilet facilities and 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.

LIMITED COMMON ELEMENTS. Certain parts of the common elements, hereinafter called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited

common elements. The limited common elements so set aside and reserved are as follows:

(a) The exterior access corridor located on each floor above the ground floor in the building of the Project shall be appurtenant to and for the exclusive use of the apartments which are located on each such floor.

(b) The stairways serving the building of the Project shall be for the exclusive use of the apartments in the building served thereby.

COMMON INTEREST. Each apartment shall have appurtenant thereto a percentage interest as enumerated under topical heading "Description of Project and Apartments" (herein called the "common interest") in all 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.

EASEMENTS. In addition to any easements herein designated in the limited common elements, 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 and egress from, utility services for 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 and limited common elements of the Project for support.

(b) If any part of the common elements now or

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

(c) 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.

(d) The Association of Apartment Owners shall have the right, to be exercised by its Board of Directors or the Managing Agent, to enter each apartment and the limited common elements from time to time as may be necessary for the operation of the Project or for making emergency repairs therein necessary to prevent damage to any apartments or common elements.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE. The apartments in the building shall be occupied and used for commercial purposes only, subject to a lease restriction that no apartment owner shall operate any restaurant or bar on the premises, unless specifically agreed and consented to by Haruo Teshima and Minnie Teshima (Master Lessors), or their heirs and assigns. Subject to the foregoing restrictions and limitations

as described in the Declaration, the owner of each apartment in the building shall have the right to rent or lease the same.

OWNERSHIP OF TITLE. The Developer has filed with the Commission a policy of title insurance dated December 13, 1979, prepared by American Title Insurance Company of Miami, Florida, who certifies that the title of the land committed to this regime is vested in TONY LEEB, as Lessee under that certain Lease dated November 2, 1977, recorded on December 12, 1977, in the Bureau of Conveyances, State of Hawaii, in Liber 12601, Page 188, made by and between Haruo and Minnie Teshima, husband and wife, as Lessors, and Tony Leeb, as Lessee, for a term commencing January 1, 1978, and ending December 31, 2037.

ENCUMBRANCES. Said title insurance, prepared by American Title Insurance Company of Florida, Inc., states that as of the date of the search, title of the land is subject to:

1. Any taxes that may be due and owing. Reference is hereby 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. Assessments or charges levied by Municipal or Governmental Authority or imposed by any other lawfully constituted body authorized by Statute to assess, levy and collect the same, if any.

4. Twenty-five (25) feet Building Contruction Setback Line, as delineated on subdivision plan.

5. Terms, provisions and conditions of that certain Lease dated December 12, 1977, recorded in Liber 12601, page 188, in the Bureau of Conveyances, State of Hawaii, and Amendment of Lease, dated September 28, 1979, recorded in Liber 14304, page 494, in said Bureau.

6. An easement affecting a portion of said land and for the purposes stated herein, and incidental purposes,

   In favor of: Hilo Electric Light Co., Ltd., a Hawaii corporation, and Hawaiian Telephone Company, a Hawaii corporation.

For: Utility purposes (Affects Lot 6).

Dated: August 28, 1974.

Recorded: September 24, 1974, in Liber 10152, page 550, in the Bureau of Conveyances.

7. Matters as shown on Condominium File Plan No. 671, filed in the Bureau of Conveyances.

8. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Horizontal Property Regime,

Dated: November 23, 1979.

Recorded: December 13, 1979, in Liber 14304, page 499, in the Bureau of Conveyances.

Said Declaration was amended by Instrument dated December 31, 1979, recorded January 8, 1980, in Liber 14394, Page 325, in said Bureau.

PURCHASE MONEY HANDLING. A copy of the specimen sales contract and the escrow agreement has been submitted as part of the registration. The escrow agreement dated September 19, 1979, identifies Hawaii Escrow & Title, Inc., as the escrow agent. Upon examination, the specimen sales contract and the executed escrow agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with Sections 514A-39 and 514A-63 through 514A-66, Hawaii Revised Statutes.

Among other provisions, the executed escrow agreement provides that a purchaser under contract of sale, upon written request, shall be entitled to a refund of all monies deposited with escrow, less a cancellation of $35.00 imposed by escrow agent, if any one of the following shall have occurred:

a. Escrow has received a written request from Seller to return to purchaser the funds of such purchaser then held by Escrow; or,

b. If purchaser's funds were obtained prior to an issuance of a Final Public Rerpot, and if there is any change in the building plans, subsequent to the execution of the sales contract requiring the approval of an official of the County in which the Project is situated having jurisdiction over the issuance of Construction Permits, unless the purchaser has given written approval or acceptance of the change; or

c. If the purchaser's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has previously given written approval or acceptance of such difference; or,

d. If the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report.

PROGRAM OF FINANCING. There is no program for financing, same having been completed and is not completely paid for.

MANAGEMENT AND OPERATION. Article IV, Section 2, of the By-laws states that the Board of Directors shall at all times employ a responsible corporate managing agent to manage and control the property subject at all times to direction by the Board of Directors. The developer has appointed Tony Leeb Realty, Inc., whose post office address is Box 583, Kailua-Kona, Hawaii 96740, (telephone (808) 329-2787) as the initial managing agent.

STATUS OF PROJECT. The Developer advises that said Project was completed on August 23, 1979. A statement from the

Department of Public Works of the County of Hawaii discloses that the building was in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction. As of the date of filing, two apartments are rented and eight apartments are vacant. 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 January 18, 1980, and information subsequently filed as of February 14, 1980.

THIS FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1230 filed with the Commission on December 13, 1979.

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.

(for)

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

DATE: February 20, 1980