

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
KAALALO
14 Kaalalo Place
Wahiawa, Oahu, Hawaii 96786

REGISTRATION NO. 1257

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: April 2, 1980
Expires: May 2, 1981

SPECIAL ATTENTION

A comprehensive reading of this Report by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 4, 1980, AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 28, 1980. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT (CHAPTER 514A, HAWAII REVISED STATUTES).

1. KAALALO is a proposed leasehold condominium project consisting of one (1) one-story apartment building of wood frame construction, with two (2) residential units, all of which will be sold by the Developer upon and subject to the terms and provisions of a Condominium Conveyance Document to be issued directly by the Owner of the fee simple title, the Developer.
2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of the Preliminary Public Report.
3. Basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of Approved Floor Plans) have not been filed in the Office of the Recording Officer.
4. The Developer has advised the Commission that advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.
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 promulgated thereunder which relate to Horizontal Property Regime.
6. This Preliminary Public Report is made a part of the registration of KAALALO condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) together with Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor.
7. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, April 2, 1980, unless a Supplementary or Final Public Report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: KAALALO

LOCATION: 14 Kaalalo Place, Wahiawa, Oahu, Hawaii. The site is comprised of 11,219 square feet.

TAX MAP KEY: First Division, 7-3-19-08

ZONING: R-3

DEVELOPER: WAYNE A. CHRISTENSEN whose business address is

ATTORNEY REPRESENTING DEVELOPER: Roy M. Kodani, Suite 887, Kendall Building, 888 Mililani Street, Honolulu, Hawaii, 96813, Telephone: 531-5032.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects that the proposed leasehold project shall consist of two (2) apartment units comprised of the spaces within the decorated surfaces of the perimeter walls, floors and ceilings of each of said two (2) apartment units of the Project contained in a one (1) one-story wood frame building (stucco exterior) containing numbered units and described as follows:

(1) Each apartment contains two bedrooms, two bathrooms, living room, kitchen, linen/washer-dryer area and two (2) patio/lanai having approximate floor area as follows:

<u>UNIT I:</u>	Living Area	1,002 square feet
	Lanai	108 square feet
	Open patio	133 square feet
	Carpport Area	380 square feet
	TOTAL	1,623 square feet

<u>UNIT II:</u>	Living Area	1,002 square feet
	Lanai	108 square feet
	Open patio	133 square feet
	Carpport Area	380 square feet
	TOTAL	1,623 square feet

(2) The apartments, lanai, open patio and carports are located in the manner shown on the set of floor plans filed with the Commission.

(3) The respective apartments and lanai shall not be deemed to include any pipes, wires, conduits or other utility lines running through such units which are utilized for or serve more than one unit, the unfinished surfaces of the perimeter walls, floors and ceilings surrounding each apartment; the same being deemed common elements as hereinafter provided. Each apartment, lanai, open patio and carport area shall be deemed to include all fixtures, appliances, the non load-bearing walls and partitions within its perimeter and the doors and door frames, windows, window frames and screens.

(4) Each apartment shall have immediate access to the surrounding grounds which forms a part of the limited common element leading to the public streets.

COMMON ELEMENTS. The remaining portions of the Project, herein called "common elements", will include specifically, but not limited to:

(1) The land in leasehold.

(2) All foundations, columns, girders, beams, supports, bearing walls, roofs, and chases of said buildings;

(3) All electrical equipment, wiring and other central and appurtenant installations including power, light, water and telephone which serve more than one apartment.

(4) All of the parts of the project existing for the common use and are necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS. Certain parts of the common elements, herein called and designated "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto an exclusive easement for the use of such limited common elements. The limited common elements so set aside and reserved are:

(1) The site of each apartment unit, consisting of the land area adjacent to each unit enclosed by the perimeter boundaries as outlined on the site plan of the condominium map.

(2) Mail boxes and refuse facilities.

COMMON INTEREST. The common interest, the proportionate share in the profits and common expenses of the Project, and the proportionate representation for voting purposes in the Association of Apartment Owners of the Project shall be 50% for each apartment, and each apartment shall have appurtenant thereto an undivided 50% interest.

EASEMENTS

In addition to the exclusive easements established in the limited common elements, the apartments and common elements shall have and be subject to the following easements:

A. Each apartment shall have appurtenant thereto nonexclusive easements (i) in the common elements designed for purposes of ingress to, egress from, utility services for, and support, maintenance and repair of such apartment, (ii) in the other common elements for use according to their respective purposes, and (iii) in all other apartments and common elements of its building or structure for support.

B. If any part of the common elements encroaches upon any apartment, a valid easements for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any buildings of the Project shall be partially or totally destroyed and then rebuilt, minor encroachments of 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. The Association of Apartment Owners shall have the right, to be exercised by its Board of Directors or the Managing Agent, if any, to enter each apartment 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 of the apartments or common elements.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE. All apartments of the Project may be used only for residential purposes. No apartments shall be used in connection with

the carrying on of any trade or business whatsoever. The owners of the respective apartments shall have the absolute right to lease the apartment subject to the limitations, restrictions, covenants and the conditions of the proposed Declaration.

OWNERSHIP OF TITLE: A Preliminary Title Report dated February 20, 1980 and issued by Title Guaranty of Hawaii, Incorporated indicates that title to the land is vested in the Developer, Wayne A. Christensen, husband of Melanie Christensen.

ENCUMBRANCES AGAINST TITLE. Said Preliminary Title Report indicates that said land is not subject to any encumbrance except for real property tax information; reference is made and Tax Assessor, First Division, State of Hawaii.

PURCHASE MONEY HANDLING. An executed Escrow Agreement, dated February 25, 1980, identifies Title Guaranty Escrow Services, Inc. as Escrow Agent. Upon examination of the Escrow Agreement, it is found to be in consonance with Chapter 514A, Hawaii Revised Statutes, and particularly Sections 514A-36 through 40 and 514A-63 through 66. Among other provisions, the Escrow Agreement provides that Escrow Agent shall refund to Purchaser all of Purchaser's funds, without interest, less cancellation fee, if Purchaser shall request refund of his funds and any one of the following shall have occurred:

a) Developer has requested Escrow Agent in writing to return to Purchaser the funds of Purchaser then held under the Escrow Agreement by Escrow Agent; or

b) Developer has notified Escrow Agent of Developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

c) Developer has notified Escrow Agent that Purchaser's funds were obtained prior to the issuance of a Final Public Report for the Project and that either (i) such Final Public Report differs in any material respect from the Preliminary Public Report or (ii) there is any material change in the condominium building plans for Purchaser's apartment or the common elements of the Project subsequent to the execution of the sale contract requiring approval of a county officer having jurisdiction over issuance of permits for construction of buildings, unless in either case the Purchaser has given written approval or acceptance of the specific change; or

d) Developer has notified Escrow Agent that a Final Public Report has not been issued within one (1) year of the date of the issuance of this Preliminary Public Report and Purchaser has not waived its right of refund and cancellation of obligation pursuant to Section 514A-39, Hawaii Revised Statutes.

It is incumbent upon the Purchaser and prospective

Purchaser to read and understand the Escrow Agreement before executing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and distributing Purchaser's funds.

Among other provisions, the specimen Sales Contract provides that the Seller makes no warranty as to any defects in the apartments, the appliances therein, and the common elements of the Project. The Buyer is to inspect the Project and understand and agree that he is buying the property in an "as is" condition without warranty of any nature from the Seller. Additionally, the Buyer subordinates his interest to the lien of any mortgage for the construction of the Project and to any and all sums which may become a lien pursuant to the terms of said mortgage or construction loan agreement.

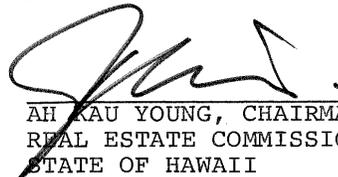
MANAGEMENT OF PROJECT. The By-Laws which are incorporated in the proposed Declaration provide that the operation of the project shall be conducted for the Association under the direction of its Board of Directors initially without a managing agent.

STATUS OF PROJECT. The project is under construction and will be completed by March 31, 1980.

The Purchaser or prospective Purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted March 4, 1980, and information subsequently filed as of March 28, 1980.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES CONDOMINIUM PUBLIC REPORT which is made a part of REGISTRATION NO. 1257, filed with the Commission on March 4, 1980.

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

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

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING COMMISSION, CITY
AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 1257
April 2, 1980