

**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  
**MALUHIA KAI**  
Noelani Way  
Holualoa, North Kona, Hawaii

REGISTRATION NO. 1363

**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 : December 1, 1980  
Expires: January 1, 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 OCTOBER 30, 1980 AND INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 26, 1980. 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. MALUHIA KAI is a fee simple condominium project consisting of two (2) three-story multi-family residential buildings containing eighteen (18) residential units. There will be twenty-three (23) parking stalls provided, at least one of which will later be assigned to each apartment.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners and a copy of the floor plans of the project) have not yet been recorded in the Bureau of Conveyances.
4. Advertising and promotional matter has not yet 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, and the Rules and Regulations which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, December 1, 1980, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Preliminary Public Report is made a part of the registration of MALUHIA KAI Condominium Project. The Developer is held responsible for placing this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor.

**NAME OF PROJECT:** MALUHIA KAI

**LOCATION:** The land presently consists of four (4) parcels containing a combined area of approximately 31.044 square feet. Developer intends to consolidate said parcels into one. The land is located in Hōlualoa 4th, District of North Kona, Island and County of Hawaii, State of Hawaii.

**TAX KEY:** Third Division, 7-7-15:79, 80, 81 and 82

**ZONING:** The land is zoned RM 1.5, but the project is being developed under a Special Management Area Use Permit and a Planned Development Permit.

**DEVELOPER:** The Developer of this project is Maluhia Kai Venture, a Hawaii joint venture, whose principal place of business is in Kailua-Kona, Hawaii; post office address is P. O. Box 1524, Kailua-Kona, Hawaii 96740 (Telephone: 329-3505). The Venturers are Alfie Fujitani, Inc., P. O. Box 1524, Kailua-Kona, Hawaii 96740; Channing, Ltd., 733 Bishop

Street, Suite 2383, Honolulu, Hawaii 96813; and Jess Cope, Inc., P. O. Box 4494, Kailua-Kona, Hawaii 96740.

ATTORNEY REPRESENTING DEVELOPER: Ashford & Wriston (Galen C. K. Leong), P. O. Box 131, Honolulu, Hawaii 96810 (Telephone: (808) 524-4787).

DESCRIPTION: The proposed Declaration states that the project will have 2 three-story buildings which will contain a total of 18 residential apartments. One building will contain 6 apartments and the other will contain 12 apartments. The buildings will contain mezzanines and basements. There will be 23 parking stalls, of which 4 will be covered and 19 will be uncovered.

The apartments are more particularly described as follows:

- (a) Eighteen (18) separate estates are designated as apartments in the spaces within the perimeter walls, floor and ceiling surrounding each apartment, including any appurtenant lanai space, all as shown on the proposed Condominium Map.
- (b) The apartments are numbered in the manner and located in the position shown on the proposed Condominium Map.
- (c) The apartments are constructed according to several different floor plans. A description of each of said floor plans, designating the number of rooms and approximate floor area of each apartment is set forth in Exhibit "A" attached hereto and for every purpose made a part hereof.
- (d) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the unfinished surfaces of 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 its adjacent lanai, including the lanai railings, 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 windows and window frames and doors and door frames serving the apartment and all fixtures and appliances originally installed in such apartment for its exclusive use.
- (e) Each apartment has immediate access to the grounds of the project or to a corridor leading to stairways which connect the apartment to the grounds, walkways and driveways of the project and the adjacent public street.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime states that the common elements shall include:

- (a) The land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, corridors, fire escapes, roofs, stairs, walkways and entrances and exits of said buildings;
- (c) The yards and grounds, fences, driveways, pavement and refuse facilities;
- (d) Central facilities and appurtenant installations for utility and other common services such as power, light, gas and water;
- (e) Swimming pool and whirl pool;
- (f) All other apparatus and installations existing for common use;
- (g) All other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration provides that certain parts of the common elements, called and designated as limited common elements, shall be for the exclusive use and enjoyment of certain apartments, as follows: Each apartment shall have appurtenant thereto an exclusive right to use the parking stall(s) assigned to such apartment as set forth in the Sales Contract; provided, however, that each apartment shall 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 which expressly identifies 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 also be denominated an amendment of the Declaration, shall be executed by the owner of each apartment affected, with the consent of the mortgagee, if any, of each apartment affected, and shall be effective upon the filing of the instrument in the Bureau of Conveyances of the State of Hawaii. A copy of said instrument, together with the filing data, shall be given to the Association by the affected apartment owners within 15 days of the filing thereof.

Under the proposed Declaration, all of the parking stalls have been assigned to Apartment 36. The Developer reserves the right to assign parking stalls from Apartment 36 to various apartments as the apartments are sold. The proposed Declaration will be revised prior to its recordation and the issuance of the Final Public Report on the project to provide for the assignment of the parking stalls in accordance with the sales contracts.

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 expenses of the project and for all other purposes, including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that apartments shall be occupied and used only as dwellings by the respective owners thereof, their tenants, families, domestic servants and guests. Except for the foregoing restriction, the owners of the respective apartments shall have the absolute right to rent or lease such apartments for such durations of time as they shall deem appropriate, subject to all provisions of the Declaration. The House Rules expressly prohibit the use of any apartment for time sharing purposes.

OWNERSHIP OF TITLE: The fee simple title to the land is vested in Tokio Imano and Paul Imano, Trustees under unrecorded Trust Document dated September 3, 1969. Said Trustees, as Sellers, sold said land under an Agreement of Sale dated March 15, 1979, to Ivan Chan Wa, husband of Gloria Chan Wa, Merle Lam, unmarried, and Bryan Kageyama, husband of Maybelle Kageyama, as Buyers, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13582, at Page 192. Said Buyers entered into a Sub-Agreement of Sale dated August 30, 1979, with Robert J. Schlegel and Edna Mae Schlegel, husband and wife, as Sub-Vendees, recorded in said Bureau in Liber 14049, at Page 359. Said Sub-Vendees granted an unrecorded Option to Purchase dated July 16, 1980 to Alfie Fujitani and Jess Cope, as Optionee. By an unrecorded Assignment of Option to Purchase dated November 25, 1980, said Optionee assigned their right to purchase said land to Maluhia Kai Venture, the Developer. The Developer intends to exercise the option and to acquire title to the land prior to the issuance of the Final Public Report on the project.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report prepared by Title Guaranty of Hawaii, Incorporated, and dated September 26, 1980, shows that the land is subject to the following encumbrances:

1. For any taxes that are due and owing and a lien on the land, reference is made to the Office of the Tax Assessor, Third Division.
2. As to Lot 71 only, a Grant of Easement by Y and W Development, Inc. to Hilo Electric Light Company, Limited, now known as Hawaii Electric Light Company, Inc., (undated), as mentioned in instrument recorded in Liber 9167, at Page 2.
3. Terms, conditions and provisions contained in that certain unrecorded trust document dated September 3, 1969.

4. Agreement of Sale dated March 15, 1979, by and between Tokio Imano, husband of May Imano, and Paul Imano, husband of Eiko Imano, as Trustees under unrecorded Trust Agreement dated September 3, 1969, as Vendor, and Ivan Chan Wa, husband of Gloria Chan Wa, Merle Lam, unmarried, and Bryan Kageyama, husband of Maybelle Kageyama, each as to an undivided one-third (1/3) interest, as Vendee, recorded in said Bureau in Liber 13582, at Page 192.
5. Sub-Agreement of Sale dated August 30, 1979 by and between Ivan Chan Wa, husband of Gloria Chan Wa, Merle Lam, unmarried, and Bryan Kageyama, husband of Maybelle Kageyama, as Sub-Vendor, and Robert J. Schlegel and Edna Mae Schlegel, husband and wife, as Sub-Vendee, recorded in said Bureau in Liber 14049, at Page 359.

**PURCHASE MONEY HANDLING:** A copy of the Escrow Agreement dated October 30, 1980, by and between Title Guaranty Escrow Services, a Hawaii corporation, as Escrow, and Developer, as Seller, has been submitted to the Commission as part of this registration. On examination the Escrow Agreement and the specimen Sales Contract are found to be in compliance with Chapter 514A, Hawaii Revised Statutes. Among other things, the Escrow Agreement states: "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 sale 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, 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.

In any of the foregoing events, Escrow shall 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 provides, among other things, that the purchaser agrees that all rights of the purchaser are and at all times will be subject and subordinate to the lien of any mortgage to a lending institution, and to all advances, modification, extensions and renewals thereof, made to finance the cost of construction of the project.

It is incumbent upon the purchaser that he read with care the Sales Contract and Escrow Agreement. The Sales Contract recites the conditions under which the purchaser acknowledges receipt of this Public Report. The Escrow Agreement establishes how the proceeds from the sale of the apartments and all sums of any source are placed in trust as well as the retention, disbursement and refund of said trust fund.

MANAGEMENT AND OPERATION: A Management Agreement has been submitted to the Commission which appoints Aaron Chaney, Inc., Kailua-Kona, Hawaii, as the managing agent for the project.

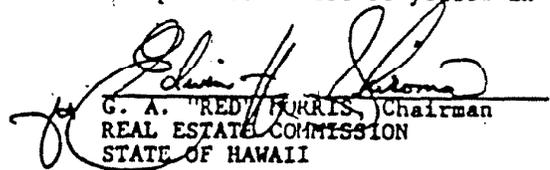
STATUS OF THE PROJECT: The Developer reports that construction is expected to commence in January, 1981. An estimated completion date has not yet been determined.

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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 October 30, 1980 and information subsequently filed as of November 26, 1980.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1363 filed with the Commission on October 30, 1980.

The report, when reproduced, shall be a true copy of the

Commission's public report. The paper stock must be yellow in color.

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

Distribution:  
Department of Taxation  
Bureau of Conveyances  
Planning Department, County of Hawaii  
Federal Housing Administration  
Escrow Agent

REGISTRATION NO. 1363

December 1, 1980

EXHIBIT "A"

There are six (6) apartment types designated as Unit A, Unit B, Unit C, Unit D, Unit E and Unit F.

Units A and B are apartments located on two levels and each apartment consists of 9 rooms (a bedroom, bathroom, dressing room and lanai on the lower level and a living/dining room, kitchen, two bedrooms, two bathrooms and two lanais on the upper level) containing an approximate gross floor area of 1,308 square feet and a total lanai space of 386 square feet for a total of 1,676 square feet.

Units C and D are apartments located on one level and each apartment consists of 6 rooms (a living/dining room, kitchen, two bedrooms, two bathrooms and two lanais) containing an approximate gross floor area of 961 square feet and a total lanai space of 201 square feet for a total of 1,102 square feet.

Units E and F are apartments located on two levels and each apartment consists of 8 rooms (a living/dining room, kitchen, two bedrooms, two bathrooms and two lanais on the lower level and a bedroom and bathroom on the upper or mezzanine level) containing an approximate gross floor area of 1,196 square feet and a total lanai space of 201 square feet for a total of 1,397 square feet.

<u>Apt. No.</u>	<u>Building No.</u>	<u>Apt. Type</u>	<u>Approx. Gross Area</u>	<u>Percentage Common Interest</u>	<u>Parking Stall No.</u>
11	1	C	1102	4.8775%	
12	1	D	1102	4.8775%	
13	2	A	1676	6.0980%	
14	2	B	1676	6.0980%	
15	2	A	1676	6.0980%	
16	2	B	1676	6.0980%	
21	1	C	1102	4.8775%	
22	1	D	1102	4.8775%	
23	2	C	1102	4.8775%	
24	2	D	1102	4.8775%	
25	2	C	1102	4.8775%	
26	2	D	1102	4.8775%	
31	1	E	1397	6.0980%	
32	1	F	1397	6.0980%	
33	2	E	1397	6.0980%	
34	2	F	1397	6.0980%	
35	2	E	1397	6.0980%	
36	2	F	1397	6.0980%	1-23

All parking stalls have been assigned to Apartment 36.

EXHIBIT "A"