

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
HONALO PLAZA
Mamalahoa Highway
Kailua-Kona, Hawaii

REGISTRATION NO. 1374 (CONVERSION)

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: November 5, 1981
Expires: December 5, 1982

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 DECEMBER 2, 1980, AND INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 29, 1981. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514-A, HAWAII REVISED STATUTES, AS AMENDED.

1. HONALO PLAZA, is a leasehold condominium project consisting of one (1) two-story building (plus ground floor) containing a total of thirty (30) units, of which eighteen (18) are residential apartments, and twelve (12) are commercial units. There are thirty-nine (39) marked parking stalls on the premises, five of which are for compact cars, and all of which are unassigned and common elements. The project was completed in 1970.

2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this condominium project and the issuance of this Final Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved floor plans) have been filed in the Bureau of Conveyances in the State of Hawaii. Said Declaration and By-Laws were recorded on November 19, 1980 in Book 15146, Page 227, and said floor plans were designated condominium File Plan No. 770.

An Amendment to Declaration of Horizontal Property Regime dated October 1, 1981 was recorded in the Bureau of Conveyances on October 14, 1981, in Book 15874, Page 175.

4. No advertising or promotional matter has been filed 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 the Horizontal Property Act, Chapter 514-A, 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 (13) months after date of issuance, November 5, 1981, unless the Commission, upon review of the registration, issues an order extending the effective period of this report.

7. This Final Public Report is made a part of the registration of the HONALO PLAZA condominium project. The Developer is responsible for placing this Final Public Report (white paper stock) and Disclosure Abstract in the hands of all purchasers and for securing a signed copy of the Receipt therefor.

NAME OF PROJECT: HONALO PLAZA

LOCATION: The project is located on a 26,754 square feet parcel situated on Mamalahoa Highway in North Kona, County and State of Hawaii.

TAX MAP KEY: 7-9-14 Lot 16, 17 & 18

ZONING: CV-7.5

DEVELOPER: HONALO PLAZA, INC., a Hawaii corporation, whose

address is 77-6399 Nalani Street, Kailua-Kona, Hawaii 96740; telephone: 329-2787. The officers of the corporation are:

Anton Leeb President/Treasurer
Charles Crowe Vice-President/Secretary

ATTORNEY REPRESENTING DEVELOPER: Richard L. Tretheway, 75-5722 Kuakini Hwy, Suite 108, Kailua-Kona, Hawaii 96740, telephone: 329-5216.

DESCRIPTION: The improvements constructed on the project consist of a single two-story building (plus ground floor) comprised of thirty (30) units, of which eighteen (18) are residential apartments, and twelve (12) commercial units, together with 39 parking stalls. Said structure was constructed principally of wood, plaster, metal, and cement.

According to the Declaration of Horizontal Property Regime, the description of the apartments is as follows:

(A) Apartment numbers 1-6 are ground floor commercial units, each consisting of one room and contains a total of approximately 968 square feet.

(B) Apartment numbers 101-112 are on the first floor. Each consists of two (2) rooms, a kitchen area, and a bathroom and contains a total of approximately 468 square feet. The Developer has advised that six of the twelve apartments on the first floor, apartments 101 through 106, are commercial units. The remainder are residential units.

(C) Apartment numbers 201-212 are on the second floor. Each consists of two (2) rooms, a kitchen, and a bathroom and contains a total of approximately 468 square feet. All twelve units on the second floor are residential units.

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 ceiling surrounding each apartment, any pipes, wires, conduits or other utility lines running through such apartments which are utilized for or serve more than one apartment, the same being a common element 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 designated in all of the remaining portions of the project, called the "common elements", which shall include the limited common elements and all other portions of the land and improvements other than the apartments, including the buildings, the land on which they are located and all elements mentioned in the Horizontal Property Act, which are actually constructed on the land. Said common elements shall include but shall not

be limited to:

- (a) Said land in fee simple;
- (b) All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surfaces within each unit), roofs, stairways, walkways, entrances, doors, door frames, window frames and exits of said buildings;
- (c) All yards, grounds, walkways, landscaping and refuse facilities;
- (d) All driveways and parking areas and parking stalls; NOTE: Of the 39 stalls, five are for compact cars;
- (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 service such as water, light, gas, air conditioning, refuse, telephone and radio, and television signal and distribution;
- (f) Any and all other apparatus and installations of common use and all other parts of the property necessary and convenient to its existence, maintenance, or safety and normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, 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 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) Any and all other apparatus and installations set aside and reserved for the exclusive use of certain apartments.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage 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 in the Association of Apartment Owners as follows:

Apartment numbers 1-6	.0568%
Apartment numbers 101-112	.0275%
Apartment numbers 201-212	.0275%

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the apartments in the building shall be occupied and used for residential and commercial

purposes only. Commercial use apartments shall be limited to retail sales or service businesses which shall be non-nuisance with respect to odor and noise and shall in no event include a food and/or beverage service business or retail liquor store. There shall be no structural alterations by any apartment owner of an apartment or the exterior of any apartment or any part of the common elements without the consent of the fee owner and the Association. Any activity that would reduce the value of the project or jeopardize its soundness is prohibited without prior consent of the fee owner and the Association. Subject to the foregoing restrictions and limitations, the owner of each apartment in the building shall have the right to rent or lease the same.

The Disclosure Abstract states that apartment owners may rent their units on a long-term or transitory basis. Though transitory is not defined, the Commission notes that the Declaration does not expressly provide for any time sharing or "transitory" use.

The proposed House Rules prohibit any barbecuing or cooking on lanais and provide that all pets must first be approved by the Association's Board of Directors. Prospective purchasers should review the House Rules for both residential and commercial units with care. A copy is on file with the Commission.

OWNERSHIP OF TITLE: A Policy of Title Insurance issued September 24, 1981, by Commonwealth Land Title Insurance Company indicates that SHIZUKO TESHIMA and FUMIO TESHIMA, husband and wife, HAROLD HARUO TESHIMA, IRENE AYAKO IZUMI and FLORENCE FUMIKO OW are the owners of the fee simple title to the property committed to the project.

ENCUMBRANCES AGAINST TITLE: Said Commitment issued September 24, 1981 by Commonwealth Land Title Insurance Company reflects the following encumbrances:

1. Real property taxes which may be due and owing. Reference is hereby made to the Office of the Tax Assessor, Third Division.

2. 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.

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

4. A 25 foot building construction set back.

5. Covenants, conditions, restrictions, reservations, provisions and obligations set forth in the Declaration of Horizontal Property Regime with by-laws attached, dated October 14, 1980, recorded in the Bureau of Conveyances in Liber 15146, Page 227. (Floor plans designated Condominium File Plan No. 770.)

NOTE: An Amendment to Declaration of Horizontal Property

Regime dated October 1, 1981, was recorded in said Bureau in Liber 15874, Page 175.

6. Terms, provisions and conditions of that certain Lease dated August 10, 1981, by and between Shizuko Teshima and Fumio Teshima, husband and wife, Harold Haruo Teshima, Irene Ayako Izumi and Florence Fumiko Ow as "Lessors" and Tony Leeb, Charles G. Crowe and Jean P. Crowe, doing business under the name of Honalo Plaza as "Lessees" recorded August 31, 1981, in Liber 15788, Page 288. Said Master Lease was amended by instrument dated September 15, 1981, and recorded September 24, 1981, in Liber 15839, Page 682.

Said lease was assigned to Honalo Plaza, Inc., a Hawaii corporation by instrument dated August 10, 1981, recorded in Liber 15788, Page 319.

7. Mortgage dated August 18, 1981 by and between Honalo Plaza, Inc., a Hawaii corporation as "mortgagor" and Dial Finance Company of Hawaii, Inc., a Hawaii corporation as "mortgagee" recorded in the Bureau of Conveyances in Liber 15839, Page 693.

PURCHASE MONEY HANDLING: An Escrow Agreement dated June 19, 1980, has been executed and a copy of same has been filed with the commission. The Escrow Agent is Hawaii Escrow & Title Inc., a Hawaii corporation. Upon examination, the Specimen Sales Contract and the executed Escrow Agreement are found to be consonant with Chapter 514-A, Hawaii Revised Statutes as amended and particularly Sections 514-A 40 (6), 514-A 39, and 514-A 63 through 66.

Said Escrow Agreement states that the purchaser of a condominium unit under a referenced sales contract shall be entitled to refund of all payments made to date thereof, less such fees as hereinafter enumerated, if any, and without interest. Escrow agrees to make such refund to purchaser out of funds then on deposit with Escrow, if purchaser shall so request in writing and any one of the following events shall have occurred:

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

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

It is incumbent upon the prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter Agreement establishes how the proceeds from the sale of condominium units are placed in trust as well as the retention and disbursement of said funds. The former sets forth the terms of the purchase.

MANAGEMENT AND OPERATION: The By-Laws of the Association of Owners vest the Board of Directors with the powers and duties necessary for the administration of the affairs of the project. A Management Agreement was executed on

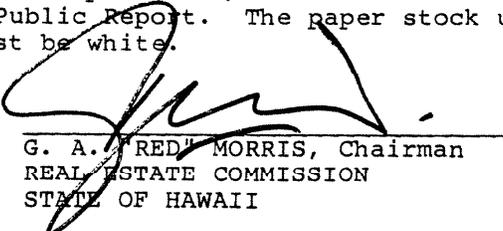
November 26, 1980, with Tony Leeb Realty, Inc., whose principal is an affiliate of the developer), named as Managing Agent.

STATUS OF PROJECT: The Developer has converted an apartment-office building completed in 1970 to a residential-commercial condominium, but has not yet obtained financing nor firmed its sales program. A letter dated July 10, 1980, from the Department of Public Works, Hawaii County, states that at the time the building was completed, it met all building regulations then in affect and that there are no current code violations.

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 December 2, 1980, and information subsequently filed as of October 29, 1981.

THIS FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1374 filed with the Commission on December 2, 1980.

The report, when reproduced, shall be a true copy of the commission's Public Report. The paper stock used in making facsimilies must be white.



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

DISTRIBUTION:

DEPARTMENT OF FINANCE
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, COUNTY OF HAWAII
ESCROW AGENT
FEDERAL HOUSING ADMINISTRATION

REGISTRATION NO. 1374

November 5, 1981

H O N A L O P L A Z A

Registration No. 1374

DISCLOSURE ABSTRACT REQUIRED BY HORIZONTAL PROPERTY ACT

1. Name and Address of Project:

HONALO PLAZA

2. Name, Address and Telephone Number of Developer:

Honalo Plaza, Inc.
77-6399 Nalani Street
Telephone: 329-2787

3. Managing Agent of Project: TONY LEEB REALTY, INC.

has been selected managing agent for the project.

4. Maintenance Fees: The breakdown of the annual maintenance fees and the monthly estimated costs for each apartment, which is hereby certified to be based on generally accepted accounting principles, is more particularly set forth in Exhibit "A" attached hereto and made a part hereof.

5. Use: The project shall consist of 18 residential apartments and 12 commercial apartments. Apartment owners may rent their units either on a long-term or transitory basis.

DATED: Kailua-Kona, Hawaii, this 3rd day of

November, 1981.

TONY LEEB REALTY, INC.

By /s/ Tony Leeb
Its President

"Managing Agent"

HONALO PLAZA

EXHIBIT "A"

PROJECTED COMMON AREA MAINTENANCE FEES

	<u>PER MONTH</u>	<u>PER YEAR</u>
MANAGEMENT FEE	\$ 300.00	\$ 3,600.00
AUDIT(Including Tax Preparation)	100.00	1,200.00
FIRE INSURANCE (\$1,000,000 value)	333.33	4,000.00
LIABILITY INSURANCE (common areas)	40.00	480.00
LEGAL FEES	10.00	120.00
REAL PROPERTY TAXES	482.75	5,793.00
LAND LEASE RENT	800.00	9,600.00
JANITORIAL & YARD WORK CONTRACT (including Parking Lot)	300.00	3,600.00

UTILITIES:

COMMON AREA LIGHTS	\$ 100.00	\$ 1,200.00
TRASH	145.20	1,742.40
WATER	100.00	1,200.00

MISCELLANEOUS SUPPLIES:

CLEANING, YARD & BATH SUPPLIES	\$ 50.00	\$ 600.00
--------------------------------	----------	-----------

TRANSFERS TO RESERVES:

MAINTENANCE	\$ 50.00	\$ 600.00
BUILDING REPAIRS	50.00	600.00

TOTALS	\$2,861.28	\$34,335.40
TOTAL SQ.FT. 17,040	\$0.1679	\$2.0148

MONTHLY ESTIMATED COMMON AREA COST PER APARTMENT

<u>APARTMENT NO.</u>	<u>MONTHLY COST</u>	<u>APT.NO.</u>	<u>M/C</u>	<u>APT.NO.</u>	<u>M/C</u>
1 - 968 sq.ft.	\$ 162.53	101	\$ 78.58	201	\$ 78.58
2 - 968 " "	\$ 162.53	102	78.58	202	78.58
3 - 968 " "	\$ 162.53	103	78.58	203	78.58
4 - 968 " "	\$ 162.53	104	78.58	204	78.58
5 - 968 " "	\$ 162.53	105	78.58	205	78.58
6 - 968 " "	\$ 162.53	106	78.58	206	78.58
		107	78.58	207	78.58
		108	78.58	208	78.58
		109	78.58	209	78.58
		110	78.58	210	78.58
		111	78.58	211	78.58
		112	78.58	212	78.58

Apartments 101 thru 112 and 201 thru 212
all have a total of 468 square feet.