

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

KAHALUU COUNTRY
47-416 Waihee Road
Kaneohe, Hawaii

REGISTRATION NO. 1413

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: May 12, 1981

EXPIRES: June 12, 1982

SPECIAL ATTENTION

A comprehensive reading of this report by the prospective purchaser is urged in order that the 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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED April 9, 1981 AND INFORMATION SUBSEQUENTLY FILED AS OF April 27, 1981. DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND IN SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. KAHALUU COUNTRY is a proposed fee simple condominium project consisting of two (2) apartments in one (1) building and four (4) covered parking stalls.

2. The Developer of the project has submitted to the commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.

3. The Developer reports that the Declaration of Horizontal Property Regime, the By-Laws of the Association of Apartment Owners and the Condominium Map will be recorded in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.

4. No advertising or promotional materials have 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 Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

6. This Preliminary Public Report expires thirteen (13) months after issuance, May 12, 1981, unless a Final or Supplementary Public Report issues, or the Commission upon review of the registration, issues an order extending the effective date of this report.

7. This Preliminary Public Report is part of the registration of KAHALUU COUNTRY CONDOMINIUM PROJECT. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and the Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

NAME OF PROJECT: KAHALUU COUNTRY

LOCATION: The Project is located at 47-416 Waihee Road, Kaneohe, City and County of Honolulu, State of Hawaii, and has a land area of approximately 7,629 square feet.

TAX KEY: 4-7-64-9

ZONING: R-6 under the Ordinances of the City and County of Honolulu.

DEVELOPER: Richard Alan Wheelock, 808 Mokulua Drive, Kailua, Hawaii 96734; Telephone: 262-8275.

ATTORNEY REPRESENTING DEVELOPER: Michael T. Indie, 228 Kuulei Road, Kailua, Hawaii 96734; Telephone: 261-7979.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple project consisting of two (2) apartments, contained in one (1) single-story building without basements. The principal materials used in the construction of the building will be wood, metal, plaster, concrete and composition shingle.

Each apartment contains the number of rooms and the approximate floor area according to the Declaration and Condominium File Plan submitted by the Developer as follows:

APARTMENT 1, located on Lot designated "A"; consists of three (3) bedrooms, one (1) bathroom, one (1) kitchen, one (1) livingroom with attached dining area, containing a total covered area of approximately 970 square feet; one (1) carport, partially covered of approximately 500 square feet; two (2) decks, partially covered, containing an area of approximately 475 square feet.

APARTMENT 2, located on Lot designated "B"; consists of three (3) bedrooms, one (1) bathroom, one (1) kitchen, one (1) livingroom with attached dining area, containing a total covered area of approximately 970 square feet; one (1) carport, partially covered of approximately 500 square feet; two (2) decks, partially covered, containing an area of approximately 475 square feet.

Each apartment has immediate access to the grounds of the project.

The respective apartments shall not be deemed to include any pipes, wires, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions within its perimeter walls, all walls, floors, ceilings and roofs, doors and door frames, windows and window frames, and all fixtures originally installed therein.

NOTE: The said Declaration provides that the owner of any apartment shall have the right to alter, at anytime and from time to time, the plans of his apartment solely by an amendment to the Declaration, such amendment to be executed solely by the apartment owner of such apartment and two officers of the Association who shall execute said amendment upon approval of such altered plans by the Board, provided, that such amendment shall be effective only upon the recording of the same in the Bureau of Conveyances of the State of Hawaii. Such amendment shall set forth the number of the apartment involved, the description thereof as so altered in accordance with Section 514A-11(3) of the Hawaii Revised Statutes, and shall include a complete set of floor plans of such apartment as so altered

certified as built by a registered architect or professional engineer. Such amendment shall also include the consent thereto of the holder of any recorded mortgage of the apartment involved. Such alteration of the plans of an apartment shall be subject to the prior approval thereof by the Board and by the appropriate agencies of the State of Hawaii and the City and County of Honolulu; Such alteration of the plans of an apartment may decrease or increase the size of such apartment, provided that the same shall not extend or place the apartment outside of the limits of the Lot upon which the apartment is build as designated on the condominium file plan; and provided, further, that no such alteration of the plans of an apartment shall be allowed hereunder without the unanimous consent of the Board if the same increases the height of such apartment by more than three feet. Before commencing or permitting construction on any such alteration of an apartment, the apartment owner thereof shall obtain an deposit with the Secretary a bond or certificate thereof, naming all apartment owners as dual obligees, in a penal sum of not less than one hundred percent (100%) of the cost of such construction as the same may change from time to time and with a corporate surety authorized to do business in Hawaii, guaranteeing performance of such construction free and clear of all mechanics' and materialmen's liens arising under Section 514A-16 of the Hawaii Revised Statutes.

COMMON ELEMENTS: One freehold estate is designated in all of the remaining portions of the project, herein called "common elements", including specifically but not limited to:

1. The land in fee simple;
2. All roads, driveways and parking areas;
3. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any.
4. Any and all portions of the project not deemed to be included as an apartment space shall be included as common elements.

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

The lot upon which the respective apartment is built shall be appurtenant to and for the exclusive use of such apartment, being designated on said condominium file plan as follows:

Apartment 1 - Lot designated "A";

Apartment 2 - Lot designated "B";

EASEMENTS: In addition to any easements herein designated 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 non-exclusive easements in the common elements designed for such purposes for ingress to and egress from, utility services for and support of such apartments; 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 for support;

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

INTEREST TO BE CONVEYED TO PURCHASERS: The proposed Declaration indicates that the purchasers securing an apartment deed will obtain an apartment together with an undivided fifty percent (50%) interest in the common elements of the project. This same percentage interest for each apartment shall be used in determining each purchaser's proportionate share of all common profits and expenses of the project and shall be used for all other purposes including determining the proportionate representation for voting purposes in the Association of Apartment Owners of the project.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests. The apartments may not be used for any other purpose unless consent of the Board of Directors is secured. The owners of the respective apartments shall have the absolute right to lease the same subject to the limitations, restrictions, covenants and conditions of the Declaration.

OWNERSHIP OF TITLE: A preliminary title search issued by Title Guaranty of Hawaii Incorporated, dated February 23, 1981, vests title in the name of GODFREY KUHAUPIO KAONOHI and CATHERINE ANNE THOMPSON KAONOHI, husband and wife. By Agreement of Sale, title holders have contracted to sell to the Developer.

ENCUMBRANCES: Said Preliminary Title Report designates the following encumbrances to said subject property:

1. Reservations and exceptions as set forth in Deed dated July 7, 1941, filed as Land Court Document No. 59521.

2. Easement "52", over and across the Northwesterly boundary of Lot L-3-A-2-A-8, as shown on Maps 45 and 82, as set forth by Land Court Order No. 28884, filed August 16, 1968.

3. That certain Agreement of Sale dated April 8, 1980, executed by and between GODFREY KUHAUPIO KAONOHI and CATHERINE ANNE THOMPSON KAONOHI, husband and wife, as Vendor and RICHARD ALAN WHEELLOCK and DIANE DENISE WHEELLOCK, husband and wife, as Vendee, filed in the Land Court of the State of Hawaii, as Land Court Document No. 1006755.

4. For real property taxes due and payable, reference is made to the Tax Assessor, First Division, State of Hawaii.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated April 8, 1981 between Developer and Title Guaranty Escrow Services, Inc., as escrow, has been filed with the Commission. On examination, the executed Escrow Agreement is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly §514A-37 and 514A-39 and 514A-63 and 514A-66. Among other provisions, the executed Escrow Agreement states that a Purchaser shall deposit in trust all monies under said escrow arrangements with instructions that no disbursement shall be made from such trust funds on behalf of the Developer until the contract has become effective and the Final Public Report has been issued.

Additionally, purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, less cancellation fee, 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; 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 unit or the purchaser has first occupied the unit; 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.

Among other provisions, the specimen Sales Agreement provides that the Developer makes no representations or references to either purchasers or prospective purchasers concerning rental of the apartment, income from the apartment or any other economic benefit to be derived from the rental of the apartment, including but not limited to, any reference or representation to the effect the Developer or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental or sale of the apartment, or as to possible advantages from the rental of an apartment under federal or state tax laws. Rental of the apartments and the provision of management services in connection therewith is and shall be the sole responsibility of the purchaser.

It is incumbent on the Purchaser and prospective Purchaser to read and understand the Escrow Agreement before signing any Sales Agreement. Purchasers and prospective purchasers are advised to read with care the provisions of the Escrow Agreement as the Escrow Agreement establishes how the proceeds from the sales are held in trust, as well as the retention and disbursement of said funds.

RESERVATIONS BY DEVELOPER: The proposed Declaration provides that the Developer makes the following reservations concerning the land of the project:

Reservation unto RICHARD ALAN WHEELOCK, his heirs and assigns, easements for electrical, gas, communications and other utility purposes and for sewer, drainage and water facilities over, under, along, across and through said parcels of land, together with the right to grant to the State of Hawaii, City and County of Honolulu, Board of Water Supply of the City and County of Honolulu or any other appropriate governmental agency or to any public utility or other corporation easements for such purposes over, under, across, along and through said parcels of land under the usual terms and conditions required by the grantee for such easement rights;

provided, however, that such easement rights must be exercised in such manner as not to interfere unreasonably with the use of said project, their heirs, personal representatives, successors and assigns, and in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements said parcels of land shall be promptly restored by and at the expense of the person owning and exercising such easement rights to their condition immediately prior to the exercise thereof.

FURTHER Reservation unto RICHARD ALAN WHEELLOCK, his heirs and assigns, the right to grant easements for ingress, egress, rights of ways, and any other easement rights for utility purposes, over and across the common roadway and other necessary land to provide access to and from adjoining land to said property.

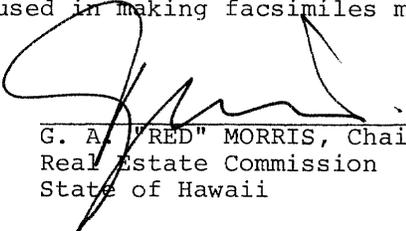
MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project may be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The Developer proposes as initial managing agent: RICHARD ALAN WHEELLOCK, 808 Mokulua Drive, Kailua, Hawaii 96734; Telephone: 262-8275, the Developer.

STATUS OF PROJECT: The Developer currently estimates that construction of the Project commenced in May 1980 and will be completed in June 1981.

The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted April 9, 1981, and information subsequently filed as of April 27, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1413 filed with the Commission on April 9, 1981.

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


G. A. "RED" MORRIS, 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. 1413

DATE: May 12, 1981