

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

HALE KUALONA
Lot 1114, Hillcrest II
at Aunauna Street
Kailua, Hawaii

REGISTRATION NO. 1448

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 : October 6, 1981
Expires : November 6, 1982

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 purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED JULY 29, 1981, AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 26, 1981. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. HALE KUALONA is a fee simple condominium project consisting of two (2) buildings, without basements. There are a total of two (2) apartments, each with a two-car garage.

2. The Developer 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 Developer reports that the basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved Floor Plans) have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

The Declaration of Horizontal Property Regime executed June 29, 1981, with By-Laws attached was filed on July 13, 1981, as Land Court Document No. 1076169.

The approved Floor Plans showing the layout, location, apartment numbers, etc., have been designated as Condominium Map No. 460.

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 514A of the 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 from the date of issuance, October 6, 1981, unless a Supplementary Public Report is published or 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 on HALE KUALONA condominium project. The Developer has the responsibility of placing a true copy of the Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers, and for securing a signed copy of the Receipt therefor.

NAME OF PROJECT: "HALE KUALONA".

LOCATION: The 64,649 square feet of land committed to the regime is situated at Lot 1114, Hillcrest II at Aunauna Street, Kailua, Oahu, Hawaii.

TAX MAP KEY: FIRST DIVISION: 4-2-30-100.

ZONING: R-5 Residential.

DEVELOPERS: BEN DUANE KOSA, husband of Dee Dee Maxine Kosa, and EVAN DOUGLAS CRUTHERS, husband of Shirley Lavinia Cruthers; c/o Evan D. Cruthers, [REDACTED]

ATTORNEYS REPRESENTING DEVELOPERS: BRUCE G. JACKSON, Attorney at Law, 190 South King Street, Suite 1132, Honolulu, Hawaii 96813, Telephone (808) 521-4573; and CLIFFORD J. MILLER, Goodsill, Anderson & Quinn, 130 Merchant Street, Suite 1700, Honolulu, Hawaii 96813, Telephone (808) 547-5600.

DESCRIPTION OF PROJECT: The Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of two (2) buildings, each with two (2) stories and a loft, both without basements, each building containing one (1) apartment for a total of two (2) apartments.

Apartment Malie (Unit "A") is located on Lot 1114-B, as shown on the Condominium Map, and described on Exhibit "C-1" attached to the Declaration. Apartment Lai (Unit "B") is located on Lot 1114-A as shown on the Condominium Map, and described on Exhibit "C-2" attached to the Declaration.

The apartments are constructed according to two types of floor plans. The principal materials used in the construction of the buildings are wood and concrete. A description of said floor plans, designating the layout, number of rooms and approximate area thereof are as follows:

A. Apartment Malie is built according to a floor plan consisting of fourteen (14) rooms, garage, four (4) lanais and a paved terrace, as follows:

1. On the lower level: Four (4) bedrooms, one (1) bath (encompassing laundry and service areas), family room, two (2) lanais, and paved terrace;
2. On the upper (entrance) level: One (1) bedroom, one (1) bath, kitchen, living room, dining room, study, one (1) lanai, breezeway, garage and bridge/entry.
3. On the loft level: One (1) master bedroom, one (1) master bath, and one (1) lanai.

Apartment Malie contains a total floor area of approximately 4,900 square feet, including the garage of approximately 510 square feet and the lanais of approximately 570 square feet.

The "net living area" of the enclosed portion of Apartment Malie, measured from the interior surface of the apartment perimeter walls and exclusive of the garage and lanais, is approximately 3,820 square feet.

B. Apartment Lai is built according to a floor plan consisting of fourteen (14) rooms, garage and four (4) lanais, as follows:

1. On the lower level: Two (2) bedrooms, one (1) bath, family room, equipment room, workshop, storage rooms (2), two (2) lanais, and garage;
2. On the upper (entrance) level: Two (2) bedrooms (1 master), two (2) baths, kitchen, living room, dining room, laundry room and two (2) lanais;
3. On the loft level: Study, and walk-in closet or storage area.

Apartment Lai contains a floor area of approximately 5,665 square feet, including the garage of approximately 803 square feet, and the lanais of approximately 700 square feet.

The "net living area" of the enclosed portion of Apartment Lai, measured from the interior surface of the apartment perimeter walls and exclusive of the garage and lanais, is approximately 4,162 square feet.

The apartments have 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, the appurtenant lanais and terrace, the lanai and terrace air space, and all fixtures originally installed therein.

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

1. The land in fee simple, including the area identified as "C", outlined in yellow on the Condominium Map;
2. All yards and grounds;
3. The common driveway;
4. 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; and
5. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

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 having appurtenant thereto easements for the use of such Limited Common Elements as follows:

1. The lot upon which each respective apartment is built, as outlined in red on the Condominium Map, and as described by metes and bounds in Exhibits "C-1" and "C-2" attached to the Declaration, shall be appurtenant to and for the exclusive use of such apartment; and
2. The driveway providing ingress and egress to and from such apartment to the common drive, as indicated on the Condominium Map, shall be appurtenant to and for the exclusive use of such apartment.

INTEREST TO BE CONVEYED TO PURCHASERS: Documents filed with the Real Estate Commission indicate that the purchaser will secure an Apartment Deed, conveying an apartment and 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 Declaration provides that, except when a first mortgagee has entered into possession of an apartment following (i) a default under a first mortgage, (ii) a foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the apartments shall be occupied and used only as single-family private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than thirty (30) days, or (b) any rental in which the occupants of the apartments are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and the By-Laws attached thereto.

OWNERSHIP OF TITLE: The Owners of the fee simple title to the property committed to the Project are: EVAN DOUGLAS CRUTHERS, husband of

[REDACTED] as equal Tenants in Common. The Policy of Title Insurance dated May 7, 1981 and issued by Title Insurance and Trust Company confirms such ownership.

ENCUMBRANCES AGAINST TITLE: Said Policy of Title Insurance dated May 7, 1981, and documents submitted to the Commission provide that the following are encumbrances against title to the property:

1. For any taxes that may be due and owing and a lien on the land, reference is hereby made to the Office of the Tax Assessor of the First Division, Island of Oahu, Hawaii.
2. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration, dated November 29, 1978, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 910722.
3. Condominium Map No. 460, filed as aforesaid on July 13, 1981.
4. The covenants, agreements, obligations, conditions and other provisions as set forth in that certain Declaration of Horizontal Property Regime dated June 29, 1981, filed as aforesaid as Document No. 1076169, and the By-Laws attached thereto.
5. First Mortgage dated May 4, 1981, filed as Land Court Document No. 1066285, made by Evan Douglas Cruthers and Ben Duane Kosa, Mortgagors, in favor of Bank of Hawaii, Mort-

gagee, securing a loan with an original principal balance of \$140,000.00.

6. Second Mortgage dated May 4, 1981, filed as Document No. 1066286, made by Evan Douglas Cruthers and Ben Duane Kosa, Mortgagors, in favor of Robert Richard Bumgarner and Karen Bumgarner, husband and wife, Mortgagee, securing a loan with an original principal balance of \$63,000.00.

PURCHASE MONEY HANDLING: The Developers have represented to the Commission that, upon completion of construction, it is the intention of each of the Developers to acquire one (1) of the apartment units as his respective personal residence, as an owner/occupant, and that Developers do not intend to sell either apartment to a third party purchaser. Consequently, no specimen Sales Contract or Escrow Agreement has been filed with the Real Estate Commission.

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, but there is no requirement that a managing agent be appointed. At this time, the Developer does not propose to so appoint a managing agent.

PROGRAM OF FINANCING: The Developer has complied with the provisions of Section 514A-40, Hawaii Revised Statutes, as amended, by filing with the Commission the following:

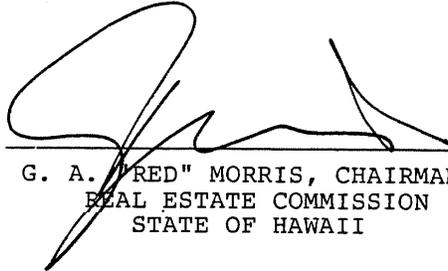
1. Developer's verified statement of Project cost.
2. Developer's verified estimate of completion date of the Project.
3. Construction Contract dated June 17, 1981, by and between Developer and Kai Construction Co., Inc.
4. A performance bond in the amount of not less than 100% of the construction contract price, dated July 22, 1981, issued by First Insurance Company of Hawaii, Ltd.
5. A commitment letter to furnish construction financing from Bancorp Finance of Hawaii dated June 18, 1981.
6. Developer's verified statement of program of financing.

STATUS OF THE PROJECT: The Developer reports that construction of the Project will commence on or before August 1, 1981. Estimated completion date: April 1, 1982.

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 July 23, 1981.

This is a FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 1448 filed with the Commission on July 29, 1981.

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



G. A. "RED" MORRIS, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF FINANCE
BUREAU OF CONVEYANCES
DEPARTMENT OF LAND UTILIZATION,
CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION

REGISTRATION NO. 1448

October 6, 1981

