REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

FINAL
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON

SEAHILL
Mikiola Drive at Iris Place
Kaneohe, Hawaii

REGISTRATION NO. 1647

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: December 27, 1984
Expires: January 27, 1986

A comprehensive reading of this report 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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 14, 1984, AND INFORMATION SUBSEQUENTLY FILED AS OF DECEMBER 24, 1984. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. SEAHILL is a fee simple condominium project consisting of two (2) residential apartments located in two separate buildings, each with a two car garage.

2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report.

3. The Developer reports that the Declaration of Horizontal Property Regime has been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1271944, the Bylaws of the Association of Apartment Owners has been filed in said Office of the Assistant Registrar as Document No. 1271945, and the Condominium Map for the Project has been filed in said Office of the Assistant Registrar as Condominium Map No. 531.

4. No advertising or promotional materials have been submitted 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 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 Final Public Report expires thirteen (13) months after issuance, December 27, 1984, unless a Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.

7. This Final Public Report is part of the registration of SEAHILL condominium project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) and Disclosure Abstract in the hands of all purchasers and securing a signed copy of the receipt therefor.

NAME OF PROJECT: SEAHILL

LOCATION: The Project is located at 44-104A and 44-104B Mikiola Drive at Iris Place, Kaneohe, Hawaii and has a land area of approximately 10,000 square feet.

TAX KEY: 4-4-20-17 (1st Tax Division-City and County of Honolulu).

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

DEVELOPER: JOHN S. KAY, JR., as Trustee of the Kay Investments, Inc. Defined Benefit Pension Plan, whose principal place of business and post office address is 733 Bishop Street, Suite 1765, Honolulu, Hawaii 96813.

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Stanley M. Kuriyama), Suite 1200, 1000 Bishop Street, P. O. Box 939, Honolulu, Hawaii 96808 (telephone: (808) 521-9200).

DESCRIPTION OF PROJECT: The Project consists of two (2) apartments, more particularly described as follows:

Apartment A consists of a three-story building, without a basement, containing on the first floor a two-car garage and one bedroom, on the second floor one bedroom, one bathroom, a living/dining area and a kitchen, and on the third floor two bedrooms, one bathroom and stubbed out plumbing for an additional full bathroom. The apartment contains approximately 1,391 square feet of net living area, two lanai or deck areas totalling approximately 331 square feet and a garage/storage area of approximately 370 square feet.

Apartment B consists of a two-story building, without a basement, containing on the first floor a two-car garage, two bedrooms and one bathroom, and on the second floor two bedrooms, one bathroom, a living/dining area and a kitchen. The apartment contains approximately 1,553 square feet of net living area, two lanai or deck areas totaling approximately 756 square feet and a garage/storage area of approximately 418 square feet.

Each apartment is furnished with a refrigerator, dishwasher, disposal, electric range/oven, washer/dryer, rangehood and carpeting or ceramic floor tiling.

Each building is constructed principally of wood and reinforced concrete foundation.

Each apartment has immediate access to that portion of the land designated in the Declaration as a limited common element reserved for the exclusive use of such apartment.

Each apartment shall be deemed to include the entire building containing the apartment, including, specifically, but not limited to:

(i) all perimeter walls, floors, foundations and roofs of such building; and

(ii) all pipes, wires, conduits, and other utility or service lines in such building, or outside such building, if the same are not utilized for or serve more than one apartment.

COMMON ELEMENTS: The common elements of the Project consist only of the following:

(i) all of the land on which the Project is located (the "Land"), in fee simple;

(ii) the limited common elements described below;

(iii) that portion of the Land and driveway located on the Land which is outlined in green on Sheet 1 of the Condominium Map; and

(iv) all pipes, wires, conduits, or other utility or service lines, drainage ditches and appurtenant drainage structures and retaining walls (if any), which are located outside the buildings and which are utilized for or serve more than one apartment.

Note: In addition to Easements "25" and "26" described below under the topical heading "ENCUMBRANCES", each apartment and the common elements of the Project shall also be subject to a perpetual non-exclusive easement in favor of and appurtenant to Lot 276, which Lot 276 is shown on Map 67, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation No. 31 of Retlaw Corporation, Limited, and is a portion of the land described in and covered by Transfer Certificate of Title No. 251,747 issued to the Developer (said Lot 276 being hereinafter called "Lot 276"), over and across that portion of the Land which is outlined in red (and identified as "Access Driveway to Lot 276") on Sheet 1 of the Project's Condominium Map (such portion of the Land outlined in red being hereinafter called the "Easement Area"). The Easement Area may be used by the owner or owners of Lot 276, or any portion of Lot 276, for roadway purposes and for purposes of vehicular and pedestrian access to and from Easement "26" (as such Easement "26" is shown on said Map 67). The Developer shall have the right in its sole discretion, and without the joinder of or notice to any apartment owner, to grant the easement and easement rights described above and to file a petition and such other documents in the Land Court, State of Hawaii, designating and granting such easement and easement rights, and each apartment owner irrevocably appoints the Developer as the apartment owner's attorney-in-fact to execute all documents and land court petitions in the name and on behalf of the apartment owner, which are deemed necessary or desirable by the Developer to designate and grant such easement and easement rights. Notwithstanding such appointment, each apartment owner shall, upon the Developer's request, promptly and for no additional consideration, join in and execute all such documents and petitions.

LIMITED COMMON ELEMENTS: The limited common elements of the Project consist only of the following:

(i) that portion of the Land outlined in blue on Sheet 1 of the Condominium Map is reserved for the exclusive use of Apartment A for the support of the building and other improvements comprising Apartment A and for yard and driveway purposes; and

(ii) that portion of the Land outlined in yellow on Sheet 1 of the Condominium

Map is reserved for the exclusive use of Apartment B for the support of the building and other improvements comprising Apartment B and for yard and driveway purposes.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: Each apartment shall have an undivided fifty percent (50%) interest in the common elements of the Project, in all common profits and common expenses of the Project (except as otherwise provided in the Declaration or the Bylaws), and for all other purposes, including voting. Interests in each apartment will be transferred by the Developer to each buyer under an Apartment Deed, consisting of a deed of the improvements comprising the particular apartment, and an undivided percentage interest in the common elements, inclusive of the land.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: Each apartment shall be occupied and used for residential purposes. No house rules have been submitted.

DECLARATION OF MERGER: The Project is subject to and governed by a Declaration of Merger dated November 26, 1984, filed in the Office of the Assistant Registrar as Document No. 1271943. The Declaration of Merger allows the Developer to merge the Project with one or more condominium projects which have been or may be developed on adjacent properties. In the event of such merger, all of the common elements (but not the limited common elements) of the Project may be used in common by the other apartment owners in the adjacent condominium project(s). The purchaser will be bound by the terms and provisions of the Declaration of Merger, and should refer to the Declaration of Merger for further details concerning the merger of the Project with adjacent projects.

OWNERSHIP OF TITLE: A preliminary report dated October 4, 1984, issued by Title Guaranty of Hawaii, Inc., states that fee simple title to the land is held by the Developer.

ENCUMBRANCES: Said preliminary report states that the title to the Land is subject to the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Finance Director, City and County of Honolulu, Hawaii.

2. Easement "25" (569 square feet) and Easement "26" (762 square feet) for roadway purposes, as shown on Map 67, as set forth by Land Court Order No. 62204, filed March 9, 1982.

3. Reservation in favor of Retlaw Corporation, Limited of the right to convey to the City and County of Honolulu, or the State of Hawaii the fee simple title to right-of-way Lot F, to be used as a public right-of-way, in which event all private rights therein and thereto shall cease, as reserved in Deed dated October 3, 1951, filed as Land Court Document No. 132743.

4. Subject to an easement in favor of Lots 278 and 279, as set forth in Deed dated August 8, 1983, filed as Document No. 1186621.

5. Terms, conditions and provisions contained in the Kay Investments, Inc. Defined Benefit Pension Plan, with full powers to sell, mortgage, lease and other powers, as set forth in that certain unregistered Trust Agreement dated February 27, 1981.

PURCHASE MONEY HANDLING: A copy of a specimen Deposit Receipt and Sales Contract (the "Sales Contract") and an executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated November 26, 1984, identifies Title Guaranty Escrow Services, Inc. as the "escrowee." Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections 514A-37, 39, 40 and 63 and 65. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement.

Among other provisions, the Escrow Agreement provides for the manner in which purchasers may obtain refunds of their escrow deposits. Paragraph 6 of the Escrow Agreement provides as follows:

"(6) Giving Back of Money ("refunds") to the Buyers.

(a) When Will Refunds Be Made. The Sales Contract shows when refunds of Escrow deposits may be made to the Buyer. Escrow agrees to make any refunds as soon as possible after the Buyer and the Seller tell Escrow in writing that a refund should be made as shown in the Sales Contract. No refund is to be made to any Buyer who asks for it unless Escrow gets written approval from the Seller.

(b) Interest on Refunds. The refunds will be made without any interest unless the Sales Contract shows different instructions.

(c) When Escrow May Subtract Cancellation Fees From Refunds. The words "cancellation fees" mean Escrow's cancellation fees which are described in the Sales Contract and will be described later in this Agreement. Cancellation fees may also be charged by the lender who has agreed to lend the Buyer money to buy the apartment. The Sales Contract shows that there are times when Escrow is to subtract cancellation fees from the amount to be refunded unless the Seller tells Escrow not to change the cancellation fees.

(d) Written Notice of Refunds to a Buyer. Escrow shall give each Buyer who is to get a refund written notice of the refund. Escrow will send this notice by registered or certified mail to the Buyer at the address shown on the Buyer's Sales Contract or to the last address which the Buyer may have given to Escrow.

(e) Owner/Occupant Refund. The Condominium Law has certain requirements about refunding a Buyer's deposits. If the Buyer and the Seller request a refund to the Buyer in writing and if the Buyer is shown on Seller's reservation list as an owner/occupant (an owner who plans to live in the apartment) described in Section 514A-104 of the Condominium Law, Escrow will refund the Buyer's deposits if any one of these things has happened:

(i) No Sales Contract has been offered to the Buyer who has been placed on the Seller's reservation list of the Buyers who plan to live in the apartments they buy (in this case only, no cancellation fees will be subtracted from the refund); or

(ii) Although the Buyer has tried to get a loan for enough money to buy the apartment, or a promise for a loan for enough money, the Buyer has not been able to get a loan, or a promise for a loan, before the time allowed to get a loan or a promise for a loan has passed. The Buyer must do this within thirty (30) calendar days after the end of the ten (10) calendar day time when the Seller may sell only to owner/occupants."

The Sales Contract, among other things, contains acknowledgments by each purchaser: (i) that the Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of apartments in the Project other than apartments owned by the Developer upon completion of the Project, if any; (ii) that the Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to the possible economic benefit arising from ownership of an apartment in the Project; and (iii) that construction of the apartments was completed on or about October 4, 1984, that the apartments may have been rented to various tenants since that date, that the purchaser has had the full opportunity to inspect the apartments and the Project and accepts the apartments and the Project in "as is" condition, that the Developer does not make, and expressly disclaims, any representations or warranties concerning the apartments or

the Project, including, but not limited to, the design or construction of the apartments or the Project, and that the Developer, not being the contractor, architect or engineer of or for the apartments or the Project, nor the manufacturer of or the manufacturer's agent for any of the furnishings or appliances in the apartments or the Project, disclaims any express or implied warranty of any kind whatsoever with respect to the design or construction of the apartments or the Project or such furnishings or appliances, including the merchantability of such furnishings and appliances or their fitness for any particular purpose.

MANAGEMENT AND OPERATION: The Developer does not intend to hire a managing agent for the Project. Article IV, Section 4.15, of the Bylaws, however, states that the Board of Directors may employ a manager or managing agent to manage and control the Project, subject at all times to direction by the Board of Directors.

STATUS OF PROJECT: Construction of Apartments A and B was completed on or about October 4, 1984, as evidenced by submittal of a copy of the Notice of Completion to the Commission.

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 November 14, 1984 and information subsequently filed as of December 24, 1984.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1647 filed with the Commission on November 14, 1984.

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

G. A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

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Registration No. 1647

December 27, 1984