

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

KALANI MAKAI 24
Holualoa, North Kona, Hawaii

REGISTRATION NO. 1662 (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: March 11, 1985

Expires: April 11, 1986

SPECIAL ATTENTION

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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 10, 1985, AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 5, 1985. 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. KALANI MAKAI 24 is a fee simple condominium conversion project, which consists of two (2) residential apartments in an existing one-story duplex building completed in December 1983. Each apartment has an enclosed garage for one car and an open compact parking stall.

2. Developer has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium conversion project and the issuance of this Final Public Report.
3. The basic documents, the Declaration of Horizontal Property Regime dated December 5, 1984, and the By-Laws, have been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18370 at Page 631 and Liber 18370 at Page 656, respectively. The Condominium Map for the Project has been assigned No. 938.
4. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission, except as required under the Horizontal Property Act.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to the Horizontal Property Regime Act.
6. This Final Public Report automatically expires thirteen (13) months after date of issuance, March 11, 1985, unless a Supplementary Public Report issues 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 of KALANI MAKAI 24. Developer is responsible for placing a true copy of this Final Public Report (white paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefore.

NAME OF PROJECT: KALANI MAKAI 24

LOCATION: The 10,054 square feet of property committed to the regime is situated at Holualoa, North Kona, Island, County and State of Hawaii.

TAX MAP KEY: Third Division 7-6-24-24

ZONING: RS-10

DEVELOPER: KALANI SUNSET CORPORATION, a Hawaii corporation, whose principal place of business is in Kailua-Kona, Hawaii and whose post office address is P.O. Box 5170, Kailua-Kona, Hawaii 96745, telephone (808) 325-5410 is the Developer. The officers of the corporation are: Bruce S. Szathmary, P.O. Box 5170, Kailua-Kona, Hawaii 96745 (President/Treasurer) and Leo I. Fleming, P.O. Box 396, Kailua-Kona, Hawaii 96740 (Vice President/Secretary).

ATTORNEYS REPRESENTING DEVELOPER. Ikazaki, Devens, Lo, Youth & Nakano (Attention: Richard C. Lo or Curtis H. Shiramizu), 1600 Central Pacific Plaza, 220 South King Street, Honolulu, Hawaii 96813; telephone 521-1456.

DESCRIPTION: The Declaration of Horizontal Property Regime reflects that the Project consists of an existing one (1) story building. There are two (2) residential apartment units numbered 24A and 24B and the parking area consisting of a total of four (4) parking stalls. Each apartment shall have immediate access to the grounds of the project.

Types of Apartment: Each apartment consists of two (2) bedrooms, a kitchen with refrigerator, stove/oven, two (2) bathrooms, a living room and a dining room area. The approximate area of each apartment in the Project is 1,026 square feet. Each of the apartments has immediate access to the grounds of the Project.

Limits of Apartments: The two (2) apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or of the interior load-bearing walls, the floors and ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided below. Each apartment shall be deemed to include the walls and partitions which are not load-bearing and which are within its perimeter or party walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; and all fixtures originally installed therein. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment as enumerated hereinabove is measured from the interior face of exterior walls and the interior face of party walls, and no reduction is made to account for interior load-bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime designates all of the remaining portions and appurtenances of the Project as common elements, including specifically, but not limited to:

- (a) Said land in fee simple.
- (b) All foundations, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls and roof of said building.
- (c) All building walkways, sidewalks, driveways, yards, and gardens.

(d) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution.

(e) All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.

(f) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, 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:

(a) One (1) automobile garage and one (1) compact uncovered parking space, both designated as 24A on the Condominium Map, shall be assigned to Apartment 24A, and one (1) automobile garage and one (1) compact uncovered parking space, both designated as 24B on the Condominium Map, shall be assigned to Apartment 24B upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of each such apartment.

(b) Entry patios, porches, decks and steps, if any, which would be used only for the purposes of ingress and egress for a specific unit, shall be appurtenant to and for the exclusive use of such unit.

(c) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited common elements appurtenant to the apartments to which they are so related.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment has an undivided fifty percent (50%) interest in the common elements and in all common profits and expenses of the Project. For purposes of voting on all matters requiring action by the owners, the said percentage shall govern.

PURPOSES OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used for residential purposes and for no other purpose. The owners of the respective apartments shall have the right to lease such apartments for resort rental purposes subject to all provisions of the Declaration but shall not be sold, leased, occupied, rented or used for or in connection with any time-sharing plan, arrangement or program. The parking

spaces may be used only as parking spaces for motor vehicles.

The House Rules provide, among others, that occupancy is limited to not more than two persons per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner, tenant or lessee, provided that in no event shall the number of occupants be more than three per bedroom. The House Rules also contain certain restrictions on the keeping of pets, attachments to the exterior of the buildings and alterations and additions thereto.

OWNERSHIP OF TITLE: The Preliminary Title Report dated November 9, 1984, issued by Title Guaranty of Hawaii, Incorporated, reports that title to the land is vested in KALANI SUNSET CORPORATION, a Hawaii corporation, the Developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report issued by Title Guaranty of Hawaii, Incorporated states that as of the date of the search, November 9, 1984, title to the land is subject to:

(1) Real Property taxes as may be due and owing. For further information on taxes, check with the Tax Assessor, County of Hawaii, on Tax Map Key 7-6-24-24.

(2) Reservation in favor of the State of Hawaii of all mineral and metallic mines.

(3) Mortgage dated May 11, 1983, in favor of Hawaii Thrift & Loan, Incorporated, a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17041 at Page 200.

(4) Mortgage dated March 22, 1984, in favor of Hawaii Thrift & Loan, Incorporated, recorded as aforesaid in Liber 17748 at Page 119.

(5) Declaration of Covenants, Conditions and Restrictions for Holualoa Subdivision IV, Increments 1 and 2, dated June 23, 1983, recorded as aforesaid in Liber 17133 at Page 55.

(6) Declaration of Option to Purchase Real Property set forth in the Affidavit of John A. Dobbert dated August 15, 1984, recorded as aforesaid in Liber 18156 at Page 559.

(7) Mortgage dated November 7, 1984, in favor of Hawaii Thrift & Loan, Incorporated, a Hawaii corporation, recorded as aforesaid in Liber 18260 at Page 670.

Developer will cause said mortgages to be partially released prior to the initial conveyance of each apartment.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated November 27, 1984, identifies Title Guaranty Escrow Services, Inc. as the Escrow Agent. On examination, the executed Escrow Agreement and specimen Sales Contract filed with the Commission are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Sections 514A-39, 514A-40, 514A-63 and 514A-65.

Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest and less a reasonable fee not less than \$25.00 to compensate it for services rendered, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

(a) Seller and Purchaser shall have requested Escrow Agent in writing to return to Purchaser the funds of Purchaser then being held by Escrow Agent; or

(b) Seller notifies Escrow Agent of Seller'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 Seller.

The Escrow Agreement also contains the following provisions, among others: that the Escrow Agent shall make no disbursements of Purchaser's funds unless and until Seller has complied with all the provisions of the Escrow Agreement.

The specimen Sales Contract contains the following provisions, among others:

BUYER EXPRESSLY ACKNOWLEDGES AND AGREES that the project consists of a fully constructed and existing building (the Final Certificate of Occupancy having been heretofore issued), that Purchaser has been offered an adequate opportunity to examine the plans for the project (as set forth in said Condominium Map) and to inspect the actual project and Apartment. PURCHASER FURTHER ACKNOWLEDGES AND AGREES that the property described on page 1 of the Sales Contract is being sold by Seller in its present condition, "as is," and that Seller is disclaiming any express or implied warranty of any kind whatsoever, including, without limitation, any implied warranty of merchantability or fitness of the property for a particular purpose, or any implied warranty of habitability.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of residential apartments are placed in trust, as well as the retention and disbursement of said

trust funds. The specimen Sales Contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

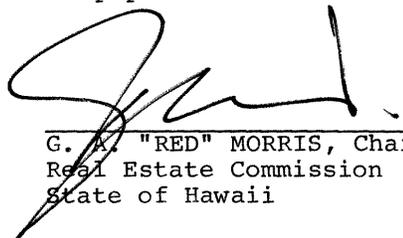
MANAGEMENT OF THE PROJECT: The Declaration provides that administration of the Project shall be vested in the Association of Apartment Owners. No initial Managing Agent for the Project has been appointed by Developer.

STATUS OF PROJECT: The construction of the improvements constituting the Project was completed in December 1983. The Project will be sold in "as is" condition without warranties from Developer. There is on file with the Real Estate Commission a statement by Edward Harada, Chief Engineer, Department of Public Works, County of Hawaii, dated November 13, 1984, that the home constructed on Lot 24 is in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction and that no variances were granted from any ordinances, codes, rules, regulations or other requirements in force at the time of building's construction or from any current ordinances, codes, rules, regulations or other requirements.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by Developer in the required Notice of Intention submitted on January 10, 1985, and information subsequently filed as of March 5, 1985.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1662, filed with the Commission on January 10, 1985.

The 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

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Department of Planning, County of Hawaii
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Escrow Agent

Registration No. 1662

March 11, 1985