

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

THIRD SUPPLEMENTARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

ON

PRINCE KUHIO
Rt. 1 - Lawai Beach Road
Koloa, Kona
Kauai, Hawaii

REGISTRATION NO. 24

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated May 4, 1976 issued by the Real Estate Commission on the above 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: June 14, 1979
Expires: May 4, 1980

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 OCTOBER 8, 1963 AND ADDITIONAL INFORMATION SUBMITTED AS OF JUNE 7, 1979. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL AND REPORTING CHANGES TO THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Final Public Report dated January 14, 1964, Supplementary Public Report dated September 30, 1968, and Second Supplementary Public

Report dated May 4, 1976, on Registration No. 24, the Developer has forwarded additional information reflecting material changes which have been made in the documents for the Project.

2. This Third Supplementary Public Report is made a part of the registration of PRINCE KUHIO condominium project. The Developer is responsible for placing this Third Supplementary Public Report (pink paper stock) and a true copy of the Second Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers. The latter superseded in entirety the Final and First Supplementary Public Reports for the project. Securing a signed copy of the Receipt for both the Second and Third Supplementary Public Reports from each purchaser and prospective purchaser is also the responsibility of the Developer.

3. 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 Third Supplementary Public Report.

4. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached, and Condominium Map No. 8) have been filed in the Bureau of Conveyances of the State of Hawaii, the Declaration and By-Laws being recorded in Liber 4673, Page 517.

Said Declaration was amended by instruments dated February 24, 1966, recorded as aforesaid in Liber 5281, Page 325, and dated July 2, 1968, recorded as aforesaid in Liber 6416, Page 52.

Said Declaration and Condominium Map No. 8 were further amended by instruments dated November 19, 1975, recorded as aforesaid in Liber 11101, Page 10; dated February 16, 1978, recorded as aforesaid in Liber 12937, Page 517; and dated March 27, 1979, recorded as aforesaid in Liber 13641, Page 37.

5. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.

6. 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 and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

7. Upon request from the Developer, the Commission has extended the Second and Third Supplementary Public Reports to May 4, 1980.

The information in the Second Supplementary Public Report under the topical headings DEVELOPER, DESCRIPTION, INTEREST TO BE CONVEYED TO PURCHASERS, PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE, OWNERSHIP OF TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, MANAGEMENT OF THE PROJECT and STATUS OF PROJECT has been altered as follows. All other topical headings have not been disturbed.

DEVELOPER: Metropolitan Mortgage and Securities Company, Inc., a Washington corporation, West 929 Sprague Avenue, Spokane, Washington 99204, Telephone No. (509) 838-3111, whose officers are: C. Paul Sandifur, Chairman of the Board; Charles H. Sandifur, President; LaMar Miller, Vice President; Irv Marcus, Vice President; Donald J. Migliuri, Vice President; Douglas M. Sargent, Vice President; Reuel Swanson, Secretary-Treasurer; Marie Brannan, Assistant Secretary; and George J. Mazna, Vice President Emeritus.

DESCRIPTION: PRINCE KUHIO is a fee simple condominium project consisting of a four (4) story building, with a basement. There are a total of seventy-two (72) apartments. The principal materials used in the construction of the building are concrete, concrete block and brick.

Said Declaration as amended on February 16, 1978, and said Condominium Map No. 8, as amended, both of which have been submitted to the Commission, describe the project as follows:

- (a) Apartment No. 001 is located in the basement.
- (b) Apartment Nos. 101, 102, 103, 104, 105, 106, Commercial No. 1, Commercial No. 2, 1, 2A, 3A, 4A, 5, 6, 130, 131, 132, 133, 134, 135, 136 and 137 are located on the first floor.
- (c) Apartment Nos. 201, 202, 203, 204, 205, 206, 207, 7, 8A, 9A, 10A, 11A, 12A, 13A, 14, 230, 231, 232, 233, 234, 235, 236 and 237 are located on the second floor.
- (d) Apartment Nos. 301, 302, 303, 304, 305, 306, 307, 15, 16A, 17A, 18A, 19A, 20A, 21A, 22, 23, 331, 332, 333, 334, 335, 336, 337 and 338 are located on the third floor.
- (e) Apartment Nos. 401 and 402 are located on the fourth floor.

The apartments are constructed according to several different floor plans. A description of each of the floor plans, designating the layout, the number of rooms and the approximate area thereof is set forth in the Exhibit attached hereto and for every purpose made a part hereof.

Each apartment has immediate access to the grounds of the project or to a corridor and/or an access balcony which leads to stairways, each of which lead to the grounds of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floor and ceilings surrounding each apartment, or 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 fixtures originally installed therein, the lanai air space, if applicable, all the walls and partitions which are not load bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors, ceilings, doors, door frames, windows, window frames and lanai railings, if applicable.

NOTE: The said Declaration, as amended on February 16, 1978, provides:

1. The owner of Apartment 001 may partition said apartment into two or more rooms or areas for such owner's own purposes and/or for the purpose of renting one or more such rooms or areas to apartment owners or non-apartment owners. Such partition shall be subject only to prior written approval thereof by the holders of liens affecting such apartment (if the lienholders require such approval), the Board (which approval by the Board may not be unreasonably or arbitrarily withheld) and the appropriate agencies of the State of Hawaii and the County of Kauai. Such partition may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of such apartment as so altered.

2. The owner of Apartment 001 may successively subdivide said apartment into two or more apartments solely by an amendment to this Declaration, such amendment to be executed solely by the apartment owner of such apartment, provided that each such amendment shall be effective only upon the recording of the same in the Bureau of Conveyances of the State of Hawaii. Each such amendment shall set forth the description of the floor plans for the new subdivided apartments, designating the location, layout, number of rooms, approximate area, new apartment number, and new common interest of each of the new apartments, and shall include a complete set of floor plans of the new apartments. Each such amendment shall also include the consent thereto of the holder of any recorded mortgage of the apartments involved. Each such alteration of the floor plans of such apartments shall be subject to the prior approval of the Board (which approval by the Board may not be unreasonably or arbitrarily

withheld) and of the appropriate agencies of the State of Hawaii and the County of Kauai.

The common interest appurtenant to all new subdivided apartments of Apartment 001 shall at all times equal 7.000%. The common interest appurtenant to each new subdivided apartment of Apartment 001 shall be determined by the following formula:

common interest of new subdivided apartment stated as a percentage = $\frac{\text{square footage of new subdivided apartment}}{6,553 \text{ square feet}} \times 7.0000\% \times 100$

For example, if the new subdivided apartment is 2,184.33 square feet, its appurtenant common interest will be determined as follows:

$\frac{2,184.33 \text{ square feet}}{6,553 \text{ square feet}} = .3333 \times 7.0000\% = .023333 \times 100 = 2.333\%$

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 percentage interest in the common elements of the Project, as set forth in the Exhibit attached hereto and made a part hereof. 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, as amended on February 16, 1978, 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, except that the apartments may also be used for hotel or transient purposes, and except that Apartment Nos. 001, Commercial No. 1 and Commercial No. 2 (and subdivisions of Apartment No. 001, as set forth above) may be occupied and used for such purposes and any other purposes from time to time that are permitted under applicable ordinances, rules and regulations of the appropriate agencies of the County of Kauai, State of Hawaii. 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: As indicated in Preliminary Report issued by Title Guaranty of Hawaii, Incorporated, dated March 13, 1979, covering the Project as submitted to the Commission, the Developer is the fee simple owner of the Project, except for apartments which have previously been conveyed to individual apartment owners. The individual Apartment Deeds to be issued to the purchasers will be executed by the Developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report issued by Title Guaranty of Hawaii, Incorporated, dated March 13, 1979, and other documents as submitted to the Commission, indicate 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 Fourth Division, Island of Kauai, Hawaii.

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

3. Any water rights and konohiki rights as are or may be appurtenant to the land of the Project, as reserved in Exchange Deed dated August 23, 1927, recorded as aforesaid in Liber 898, Page 379.

4. Covenants, conditions, restrictions, easements, reservations and all other provisions set forth in plan of Apartment Ownership Master Deed dated September 24, 1963, recorded as aforesaid in Liber 4673, Page 517 and by the By-Laws attached thereto as the same are or may hereafter be amended in accordance with law. Said Plan of Apartment Ownership Master Deed or By-Laws. (Project covered by Condominium Map No. 8.) Said Plan of Apartment Ownership Master Deed was amended by instruments dated February 24, 1966, recorded in Liber 5281, Page 325, dated July 2, 1968, recorded in Liber 6416, Page 52, dated November 19, 1975, recorded in Liber 11101, Page 10 and dated February 16, 1978 and March 2, 1978, recorded in Liber 12937, Page 517, and dated March 27, 1979, recorded in Liber 13641, Page 37.

5. Various deeds, mortgages and agreements of sale of record, etc., covering apartment units within the condominium project known as "Prince Kuhio" which have been purposely omitted herefrom.

PURCHASE MONEY HANDLING: The specimen Sales Contract filed with the Commission contains, among others, the following provisions:

1. "It is expressly understood and agreed by and between Seller and Buyer that SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROJECT OR ANYTHING INSTALLED THEREIN, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE."

2. "In the event any payment to be made by Buyer hereunder is not made when due, such late payment shall bear interest at the rate of one-percent (1%) per month until paid."

3. "Buyer hereby agrees for the sole benefit of Seller that until Seller has closed out the sale of all the apartments in the condominium project or until December 31, 1981, whichever shall first occur, that Buyer will not enter into any "rental pool" or similar agreement with any purchaser, lessor or owner of another apartment in the condominium project and/or any third party under which Buyer agrees to share expenses and/or rentals of apartments in the condominium project."

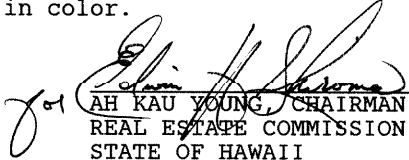
MANAGEMENT OF THE PROJECT: The Developer advises that the current managing agent for the Project is Makoto Ono, Rt. 1 -Lawai Beach Road, Koloa, Kauai, Hawaii.

STATUS OF PROJECT: The Developer advises that construction of the Project was originally completed in March 1966, and that the remodeling of the middle section of the Project was completed in March 1979, as evidenced by Affidavit of Publication of Owner's Notice of Completion of Contract, a copy of which has been supplied to the Commission.

The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the required Notice of Intention submitted October 8, 1963, and additional information subsequently filed as of June 7, 1979.

This THIRD SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 24 filed with the Commission on October 8, 1963.

This report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be pink in color.


AH KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, COUNTY OF KAUAI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 24

June 14, 1979

EXHIBIT

1. Fifteen (15) apartments, being Apartment Nos. 2A, 3A, 4A, 8A, 9A, 10A, 11A, 12A, 13A, 16A, 17A, 18A, 19A, 20A and 21A, are built according to floor plan "Typical Units", and each consists of four (4) rooms, including a living room, a bedroom, a bathroom, a kitchen and a lanai. Each of these apartments contains a floor area of approximately 720 square feet, including the lanai of approximately 50 square feet; except that Apartment Nos. 2A, 3A and 4A each have two (2) lanais and contain a floor area of approximately 770 square feet, including the two (2) lanais of approximately 50 square feet each. Each of these apartments shall have an appurtenant common interest of 1.6059 percent (1.6059%).

2. Apartment Commercial No. 1 consists of two (2) rooms, including the immediately adjacent storage room labeled with the number of the apartment. This apartment contains a floor area of approximately 651 square feet and shall have an appurtenant common interest of 1.4262 percent (1.4262%).

3. Apartment Commercial No. 2 consists of two (2) rooms, including the immediately adjacent storage room labeled with the number of the apartment. This apartment contains a floor area of approximately 703 square feet, including the two (2) lanais of approximately 50 square feet each, and shall have an appurtenant common interest of 1.5402 percent (1.5402%).

4. Apartment No. 1 consists of seven (7) rooms, including two (2) bedrooms, two (2) bathrooms, a storage room, a living room, a kitchen and three (3) lanais. This apartment contains a floor area of approximately 1,194 square feet, including the three (3) lanais of approximately 50 square feet each, and shall have an appurtenant common interest of 2.6103 percent (2.6103%).

5. Apartment No. 5 consists of five (5) rooms, including a bedroom, a bathroom, a living room, a kitchen, storage room, and two (2) lanais. This apartment contains a floor area of approximately 747 square feet, including the two (2) lanais of approximately 50 square feet each, and shall have an appurtenant common interest of 1.6035 percent (1.6035%).

6. Apartment No. 6 consists of five (5) rooms, including a living and sleeping room, a bathroom, a kitchen, a dining room, a storage room and a lanai. This apartment contains a floor area of approximately 519 square feet, including the lanai of approximately 50 square feet, and shall have an appurtenant common interest of 1.1062 percent (1.1062%).

7. Apartment No. 7 consists of five (5) rooms, including a bedroom, a bathroom, a one-half bathroom, a living room, a kitchen and a lanai. This apartment contains a floor area of approximately 861 square feet, including the lanai of approximately 50 square feet, and shall have an appurtenant common interest of 1.8595 percent (1.8595%).

8. Apartment No. 14 consists of seven (7) rooms, including two (2) bedrooms, a bathroom, a one-half bathroom, a living room, a kitchen, a dining room and two (2) lanais. This apartment contains a floor area of approximately 1,243 square feet, including the two lanais of approximately 50 square feet each, and shall have an appurtenant common interest of 2.6040 percent (2.6040%).

9. Apartment No. 15 consists of six (6) rooms, including a bedroom, a bathroom, a one-half bathroom, a living room, a kitchen, a dining room, and a lanai. This apartment contains a floor area of approximately 861 square feet, including the lanai of approximately 50 square feet, and shall have an appurtenant common interest of 1.8595 percent (1.8595%).

10. Apartment No. 22 consists of five (5) rooms, including a bedroom, a bathroom, a living room, a kitchen, a storage room and two (2) lanais. This apartment contains a floor area of approximately 747 square feet, including the two (2) lanais of approximately 50 square feet each, and shall have an appurtenant common interest of 1.6035 percent (1.6035%).

11. Apartment No. 23 consists of four (4) rooms, including a living and sleeping room, a bathroom, a kitchen and a dining room. This apartment contains a floor area of approximately 468 square feet, and shall have an appurtenant common interest of .9984 percent (.9984%).

12. Apartment No. 001 consists of five (5) rooms, including three storage rooms. This apartment contains a floor area of approximately 6,553 square feet. This apartment shall have an appurtenant common interest of 7.0000 percent (7.0000%).

13. Twelve (12) apartments, being Apartment Nos. 130, 132, 134, 136, 230, 232, 234, 236, 332, 334, 336 and 338 are built according to floor plan "Typical Studio (pool side)", and each consists of two (2) rooms, including a combined kitchen-living-sleeping room, a bathroom and a lanai. Each of these apartments contains a floor area of approximately 469 square feet, including the lanai of approximately 48 square feet. Each of these apartments shall have an appurtenant common interest of .9953 percent (.9953%).

14. Twelve (12) apartments, being Apartment Nos. 131, 133, 135, 137, 231, 233, 235, 237, 331, 333, 335 and 337 are built according to floor plan "Typical Studio (park side)", and each consists of two (2) rooms, including a combined

kitchen-living-sleeping room, a bathroom and a lanai. Each of these apartments contains a floor area of approximately 418 square feet, including the lanai of approximately 80 square feet. Each of these apartments shall have an appurtenant common interest of .8870 percent (.8870%).

15. Two (2) apartments, being Apartment Nos. 401 and 402, each consists of five (5) rooms, including a living room, a kitchen, two (2) bedrooms and a bathroom. Each of these apartments contains a floor area of approximately 904 square feet. Each of these apartments shall have an appurtenant common interest of 1.9186 percent (1.9186%).

16. Eighteen (18) apartments, being Apartment Nos. 101, 102, 103, 104, 105, 106, 201, 202, 203, 204, 205, 206, 301, 302, 303, 304, 305 and 306 are built according to floor plan "Typical Family", and each consists of five (5) rooms, including a living-dining room, a kitchen, a bathroom, a bedroom and a lanai room. Each of these apartments shall have an appurtenant common interest, and each of these apartments contains a floor area of approximately, as follows:

<u>Apartment</u>	<u>Square Feet</u>	<u>Common Interest</u>	<u>Apartment</u>	<u>Square Feet</u>	<u>Common Interest</u>
101	609	1.2923%	104	599	1.2711%
201	623	1.3220%	204	622	1.3199%
301	635	1.3475%	304	621	1.3178%
102	610	1.2944%	105	609	1.2923%
202	606	1.2859%	205	608	1.2902%
302	606	1.2859%	305	608	1.2902%
103	608	1.2902%	106	608	1.2902%
203	608	1.2902%	206	607	1.2881%
303	608	1.2902%	306	608	1.2902%

17. Two (2) apartments, being Apartment Nos. 207 and 307, each consists of four (4) rooms, including a living-sleeping room, a lanai room, a bathroom and kitchen-dining room. Apartment No. 207 contains a floor area of approximately 452 square feet, and Apartment No. 307 contains a floor area of approximately 456 square feet. Apartment No. 207 shall have an appurtenant common interest of .9592 percent (.9592%), and Apartment No. 307 shall have an appurtenant common interest of .9676 percent (.9676%).

NOTE: IN ACCORDANCE WITH LOCAL PRACTICE, THE APPROXIMATE GROSS FLOOR AREA OF EACH APARTMENT AS SET FORTH ABOVE INCLUDES ALL OF THE WALLS AND PARTITIONS WITHIN ITS PERIMETER WALLS, THE ENTIRETY OF ITS PERIMETER NON-PARTY WALLS AND THE INTERIOR HALF OF ITS PERIMETER PARTY WALLS, WHETHER LOAD BEARING OR NON-LOAD BEARING.