

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 KAHANALU
2250 Kuai Road
Koloa, Kauai, Hawaii

REGISTRATION NO. 1106

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: April 30, 1979
Expires: May 30, 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 MARCH 21, 1979 AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 24, 1979. THE 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.

1. HALE KAHANALU is a fee simple condominium project consisting of eight (8) residential apartments. The Project also has eight (8) parking stalls.
2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium project and the issuance of this Final Public Report.
3. 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 recorded in the Bureau of Conveyances of the State of Hawaii. The Declaration of Horizontal Property Regime for the Project, together with the By-Laws of the Association of Apartment Owners, was recorded in said Bureau in Liber 13570 at Page 369. The condominium plans have been designated by said Bureau as Condominium File Plan No. 600.
4. The Developer has advised the Commission that advertising and promotional materials required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the condominium rules and regulations which relate to horizontal property regimes.
6. This Final Public Report is made a part of the registration of the HALE KAHANALU condominium project. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed receipt for said Final Public Report from all purchasers and prospective purchasers is also the responsibility of the Developer.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, April 30, 1979, unless a Supplementary Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: HALE KAHANALU

LOCATION: The land of the Project, consisting of approximately 10,204 square feet, is situate at 2250 Kuai Road, Koloa, Kauai, Hawaii.

TAX KEY: Fourth Division, 2-8-18:27

ZONING: R-4

DEVELOPER: The Cleeve Hawaiian Corporation, a Hawaii corporation, whose principal place of business and post office address is R.R. No. 1, Koloa, Kauai, Hawaii 96756. Phone No. 245-3391.

The names and addresses of the officers of the corporation are:

John Cleeve, President/Treasurer
 Rae K. Cleeve, Vice President/Secretary
 100 W. Pender Street #200
 Vancouver, B.C. V6B-1R8

Dan Hashimoto, Director
 P. O. Box 1246
 Lihue, Kauai, Hawaii 96766

ATTORNEY REPRESENTING DEVELOPER: Mukai, Ichiki, Raffetto & MacMillan (Attention: James H. Watson), 345 Queen Street, Suite 800, Honolulu, Hawaii. Telephone number: 531-6277.

DESCRIPTION OF PROJECT: The Declaration of Horizontal Property Regime describes the Project as follows:

1. Description of Building. The building of the Project will consist of three (3) floors and shall contain a total of eight (8) residential units (hereinafter called "apartments"). The first floor shall contain two (2) apartments and a laundry room, and each of the second and third floors shall contain three (3) apartments. The Project is constructed principally of wood, gypsum board, glass, and related building materials on a concrete slab foundation reinforced with wire mesh. A parking area containing eight (8) parking stalls is located adjacent to the building.

2. Description of Apartments. The Project is divided into eight (8) separately designated condominium apartments, as more particularly described herein and on said Condominium File Plan. The location, numbering, type, approximate gross area in square feet, appurtenant parking stall and appurtenant common interest of said apartments are as follows:

<u>Floor</u>	<u>Apartment Number</u>	<u>Type of Unit</u>	<u>Living Area</u>	<u>Parking Stall No.</u>	<u>Percentage Common Interest</u>
First	1	A	362.5	1	7.1855
	2	A	362.5	2	7.1855
Second	3	B	720.0	3	14.2715
	4	B	720.0	4	14.2715
	5	B	720.0	5	14.2715
Third	6	B	720.0	6	14.2715
	7	B	720.0	7	14.2715
	8	B	720.0	8	14.2715

All areas set forth hereinabove were computed by measuring from the outside of the exterior walls and from the centerline of interior party walls, and no reduction has been made to account for interior walls, ducts, vent shafts and the like located within the perimeter walls.

3. Types of Apartments.

(a) Each of the two (2) apartments designated as Type "A" hereinabove contains four (4) rooms consisting specifically of one (1) bedroom, one (1) bathroom, a living/dining room and kitchen.

(b) Each of the six (6) apartments designated as Type "B" hereinabove contains five (5) rooms consisting specifically of two (2) bedrooms, one (1) bathroom, a living/dining room and kitchen.

4. Access. Each apartment on the ground floor has a first floor entry permitting immediate access to the grounds and parking areas of the Project. Each apartment on the second and third floors has immediate access to its entry and to the stairway leading to the ground floor.

5. Limits of Apartments. 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 floors and ceilings surrounding each apartment, any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as provided in the proposed Declaration. Subject to the foregoing, each apartment shall be deemed to include all of the walls and partitions which are not load-bearing within its perimeter or party walls, any glass windows or panels within its perimeter, the inner decorated or finished surfaces of all walls, floors and ceilings, and any fixtures and appliances originally installed therein.

COMMON ELEMENTS. The Declaration states that the common elements shall include, but shall not be limited to:

1. All of the land of the Project.
2. All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surface within each unit), roofs, stairways, walkways, entrances and exits of the building.
3. The laundry room situate on the first floor.
4. All yards, grounds, landscaping, refuse and like facilities.
5. All driveways, loading areas, parking area entryways, and parking areas.
6. All central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines, television lines, sewage disposal and other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for, or in the building for common use.

7. 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, and normally in common use and which are not part of any apartment.

LIMITED COMMON ELEMENTS. The Declaration provides that certain parts of the common elements, designated as "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The only limited elements so set aside are eight (8) automobile parking stalls, as designated on said Condominium File Plan. One (1) parking stall shall be appurtenant to and for the exclusive use of each apartment. The particular parking stall appurtenant to each apartment is set forth under the heading "Description of Apartments" above.

INTEREST TO BE CONVEYED TO PURCHASERS: Developer shall, by means of an apartment deed, convey the apartment and the undivided percentage interest in the common elements (including land) appurtenant thereto. The percentage interest appurtenant to each apartment is set forth hereinabove under the heading "Description of Apartments" and shall be the same proportionate share in all common profits and expenses of the Project, and for all other purposes including voting. Each apartment and its respective common interest shall be conveyed subject to the easements and other encumbrances, restrictions, conditions and terms set forth in the Declaration, and all other applicable encumbrances.

RESTRICTIONS AS TO USE: The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests; and may be utilized for long-term or transient rentals. The owners of the respective apartments shall have the absolute right to rent or lease such apartments subject to all provisions of the Declaration and By-Laws.

Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board or Managing Agent on behalf of the Association or, in a proper case, by any aggrieved apartment owners.

Among other provisions, the House Rules provide that: (1) no livestock, poultry, rabbits, or any other animals or household pets shall be kept in any apartment or on or within any of the common elements of the Project; and (2) each resident installing a waterbed must comply with floor loading criteria and before installing any such bed must gain permission from the Board of Directors and complete a written form stating his acceptance of responsibility for any accidents associated directly or indirectly with use of such bed.

OWNERSHIP OF TITLE: A preliminary title report dated March 15, 1979, by Title Guaranty of Hawaii, Incorporated, indicates that title to the land is vested in The Cleeve Hawaiian Corporation, a Hawaii corporation.

ENCUMBRANCES AGAINST TITLE: A preliminary title report, dated March 15, 1979, issued by Title Guaranty of Hawaii, Incorporated, reports that title to the land is subject to the following:

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, Fourth Division.

2. Reservations contained in Deed dated January 16, 1961, recorded in Liber 4001 at Page 74, which reserve to the State of Hawaii, its successors and assigns, in perpetuity, all rights (1) to ground but not to surface waters and (2) all minerals in, on or under the land and the right to prospect for mine and remove minerals and to occupy and use the surface of the land therefor.

3. A mortgage in the amount of \$131,000.00 between Ralph Martin Davenport and Mary Gertrude Davenport, husband and wife, and Glen Edwin Davenport, formerly husband of Theresa Laverne Davenport, as mortgagor, and American Savings and Loan Association, a Utah corporation, as mortgagee, dated September 14, 1973 and recorded in the Bureau of Conveyances in Liber 9574 at Page 122. Said mortgage was assumed by Developer by instrument dated October 25, 1978 and recorded in said Bureau as aforesaid in Liber 13282 at Page 753, as amended by correction deed recorded in said Bureau in Liber 13465 at Page 743.

4. A second mortgage in the amount of \$101,000.00 between Developer, as mortgagor, and Ralph Martin Davenport and Mary Gertrude Davenport, husband and wife, and Glen Edwin Davenport, unmarried, as mortgagee, dated October 25, 1978 and recorded in said Bureau as aforesaid in Liber 13282 at Page 758, as amended by correction instrument recorded in said Bureau in Liber 13465 at Page 748.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated November 8, 1978, identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation, as the escrow agent. Upon examination, the specimen Deposit Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly §514A-63 through §514A-66.

Among other provisions, the Escrow Agreement provides that a purchaser under a Sales Contract shall be entitled to a return of his funds, without interest and less a \$25.00 escrow cancellation fee, after purchaser has requested such return and if Escrow shall have received from Developer a written notice that any one of the following has occurred:

(a) Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

The specimen Deposit Receipt and Sales Contract also states in part that:

(1) All of Buyer's right, title and interest under the Sales Contract are and shall be subject and subordinate to the lien of any mortgage made by Developer to any lender for the purpose of securing the repayment of any loan described in the Deposit Receipt and Sales Contract.

(2) Any interest earned on Buyer's funds deposited in escrow shall accrue to the benefit of the Seller.

(3) Seller has a right to terminate the sales contract if Buyer, within 30 days from mailing or delivery by Seller of a copy of the Final Public Report or a Supplementary Public Report, shall fail to acknowledge receipt thereof, or shall fail to give his written approval or acceptance of the Final Public Report or Supplementary Public Report if the same differs from the previous public reports in any material respect.

(4) Buyer buys the apartment without warranty from the Seller and Buyer acknowledges that neither the apartment nor the appliances therein are in a new condition and that the same are being purchased "as is".

It is incumbent upon the purchaser and prospective purchaser to read and understand the Deposit Receipt and Sales Contract before signing it and also to read and understand the form of Apartment Deed, Declaration, By-Laws, and public reports and the Disclosure Abstract for the Project, and the Escrow Agreement before executing the Deposit Receipt and Sales Contract, since the Escrow Agreement describes the procedure for receiving and disbursing purchasers' funds, and the Deposit Receipt and Sales Contract specifically provides that the purchaser approves the above documents and assumes the benefit and obligations therein provided.

MANAGEMENT OF PROJECT: The Declaration provides that the operation of the Project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws, except the Declaration permits the Developer to appoint the initial managing agent. The initial managing agent is Aaron M. Chaney, Inc., P. O. Box 817, Lihue, Kauai, Hawaii.

STATUS OF PROJECT: The building comprising part of the Project was completed in 1975.

NOTE: The existing building setbacks and densities are nonconforming as to present Kauai County zoning ordinances. The construction of the building was begun through a variance granted from Kauai County on June 2, 1971 and further extended on August 31, 1973. The structure and present use are deemed legal, nonconforming.

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 March 21, 1979 and additional information subsequently filed as of April 24, 1979.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1106, filed March 21, 1979. 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.

R. H. Young

s: AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

Distribution:

Department of Taxation
Bureau of Conveyances
Planning Commission, County of Kauai
Federal Building Administration
Escrow Agent

Registration No. 1106

____ April 30 _____, 1979