



REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII
424 SO. BERETANIA STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

FINAL
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
HALE O KONA
Kailua-Keauhou Beach Road
Kailua Kona
Island and County of Hawaii
Hawaii

REGISTRATION NO. 125
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.

March 11, 1966

SPECIAL ATTENTION

A comprehensive reading of the report by prospective purchasers is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

1. HALE O KONA is a proposed fee simple cluster condominium project consisting of one hundred and twenty (120) apartments arranged in a complex of twenty (20) separate buildings.
2. The Developer of said project has filed all documents and material deemed essential by the Commission for the registration of this proposed condominium project.
3. Advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission has been submitted as part of this registration.
4. The Declaration of Horizontal Property Regime and the By-Laws of the Association of Apartment Owners are recorded in Liber 5288, pages 337 thru 375, at the Bureau of Conveyances, State of Hawaii, Honolulu, Hawaii. The recording officer has assigned condominium map No. 62 to the project.

5. The prospective purchaser is advised to acquaint himself with the provisions of Chapter 170A, Revised Laws of Hawaii 1955, as amended, and the rules and regulations promulgated thereunder which relate to Horizontal Property Regime.

NAME OF PROJECT: HALE O KONA

LOCATION: On the Westside of Alii Drive, being the Kailua-Keauhou beach road, approximately 1.5 miles from the town of Kailua-Kona, in the District of North Kona, Hawaii County, Hawaii.

TAX KEY: THIRD DIVISION 7-5-21-10, 11 & 12

ZONING: Residential--appropriate variances have been obtained from the Planning Commission, County of Hawaii.

DEVELOPER: MARK-CROSETTI, LTD., a Hawaii corporation, registered to do business with the Department of Regulatory Agencies, May 14, 1965. The officers are as follows:

Joseph S. Mark	President and Director	541 Poipu Dr. Honolulu, Hawaii
Victor J. Crosetti	Vice President, Secretary and Director	3030 Pualei Cir. Apt. 101 Honolulu, Hawaii
Diane L. Mark	Treasurer	541 Poipu Dr. Honolulu, Hawaii
Samuel Landau	Director	2001 Ualakaa St. Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Samuel Landau, Suite 1401, First National Bank Building, Honolulu, Hawaii, telephone 569-678, and Smith, Wild, Beebe & Cades (Attention: Mr. Douglas E. Prior), First National Bank Building, Honolulu, Hawaii, telephone 569-331.

DESCRIPTION: The Declaration states that on the 151,000 square feet of land committed to the project, there will be 20 separate buildings consisting of nine one-story buildings, each containing two apartments and 10 two-story buildings containing from eight to twelve apartments each. The 20th building will consist of a restaurant and cocktail lounge, a kitchen, and a lobby and front desk area.

Each of the 120 one-bedroom apartments will contain 472 square feet within the perimeter walls together with a 72-square foot lanai, and will consist of one bedroom, a living room, a kitchenette area, a bath and a hall. One of the commercial apartments shall consist of a dining room, a cocktail lounge, a kitchen, two restrooms, a storage room and a freezer room, altogether containing a total of 2,769 square feet. The other commercial apartment will consist of an office, a lobby and registration desk, altogether containing a total of 830 square feet. The one-bedroom apartments will be numbered 1 through 120 and the dining room - cocktail lounge apartment will be numbered 121 and the lobby - office apartment will be numbered 122.

Construction will be wood frame consisting of heart of redwood on the exterior with common walls of wolmanized studding with gypsum board over the studding and drop ceilings of gypsum board. The roofing will be heavy shake and the floors and lanais will be concrete. The sliding doors will be of aluminum and glass.

COMMON ELEMENTS: The Developer advises that the common elements will include:
(a) the land in fee simple together with all improvements thereon, exclusive

of the above described apartments, said improvements to include, among other things, a swimming pool, a parking area for 148 cars and landscaped area including plants, grass and other vegetation, and pathways leading throughout the project; (b) all underground television cables, water lines, electric and telephone lines, sewage facilities and other facilities which may be required by government authorities to be constructed or installed; and (c) the foundations, supporting columns, main walls, framing, roofs, stairways, walkways, utility lines and other portions of the buildings existing for or rationally of common use or necessity for the existence, upkeep and safety of each building.

LIMITED COMMON ELEMENTS: The Developer advises that the portion of the land included within the project occupied by each of the above described buildings shall be limited common elements reserved for the exclusive use of owners of apartments within the building occupying the specific portion of the land.

INTEREST TO BE CONVEYED PURCHASER: Each purchaser of a one-bedroom apartment will receive a fee simple interest in his apartment together with a 1/125 undivided fractional fee simple interest in the common elements of the project. Commercial apartment number 121 shall have appurtenant thereto a 4/125 undivided fractional fee simple interest in the common elements and commercial apartment number 122 shall have appurtenant thereto a 1/125 interest.

USE: The Declaration holds that the one-bedroom apartments shall be occupied and used only as private residences by the respective owners thereof, their tenants and families, or as hotel rooms under the operation of the manager of the entire project, and for no other purpose. Apartment 121 shall be used as a restaurant, kitchen, cocktail lounge and other related activities and apartment 122 shall be used as an office, front desk and lobby area.

OWNERSHIP OF TITLE: The Declaration states that the land is owned in fee simple by the Developer, Mark-Crosetti, Ltd., whose post office address is 1401 First National Bank Building, Honolulu, Hawaii, and Marguerite Moore and Helen Madden, whose post office address is 1264 Mokulua Drive, Kailua, Hawaii.

ENCUMBRANCES AGAINST TITLE: The Developer states that the land is subject to the following mortgages, all of which will be released prior to the conveyance of the first apartment: (a) mortgage dated June 18, 1964 and recorded in the Bureau of Conveyances, State of Hawaii, in Book 4773, page 425, in the amount of \$6,421.80; (b) mortgage dated May 14, 1965 and recorded in the Bureau of Conveyances in Book 5043, page 304, in the amount of \$8,000; (c) mortgage dated May 14 1965 and recorded in the Bureau of Conveyances in Book 5043, page 308, in the amount of \$21,500; (d) mortgage dated January 6, 1966, and recorded in the Bureau of Conveyances in Book 5230, page 117, in the amount of \$68,173; and (e) mortgage dated January 6, 1966, and recorded in the Bureau of Conveyances in Book 5230, page 124, in the amount of \$23,956.80.

PURCHASE MONEY HANDLING: The Developer has filed an executed copy of an Escrow Agreement naming Title Guaranty Escrow Services, Inc., as Escrow Agent.

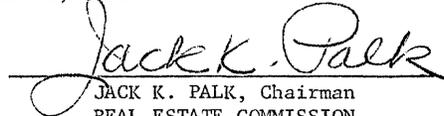
Upon examination, the Escrow Agreement is found to be in consonance with the Commission's Declaratory Ruling No. 1, dated December 14, 1965. The conditions referring to the issuance of final reports prior to completion of construction have been complied with.

Note: It is incumbent upon the purchaser that he reads a copy of the executed Escrow Agreement pursuant to which manner and procedure relative to the receipt, deposit and disbursement of the proceeds of the sale of dwelling units are established.

MANAGEMENT AND OPERATIONS: The By-Laws of the Association of Apartment Owners states that a manager may be appointed and the Developer states that Mercury International Management Company has been employed as manager of the project.

STATUS OF PROJECT: Developer advised that construction of the project commenced on November 22, 1965, and it is estimated that it will be completed by August 1966.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 125 dated March 11, 1966.


JACK K. PALK, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

cc: DEPARTMENT OF TAXATION
DEPARTMENT OF REGULATORY AGENCIES
(Business Registration Division)
BUREAU OF CONVEYANCES
PLANNING COMMISSION, HAWAII COUNTY
FEDERAL HOUSING ADMINISTRATION