

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

## PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on  
THE KONA ALII  
Kailua-Kona, Hawaii

REGISTRATION NO. 309

### 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 but may only take reservations therefore after

- (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: January 27, 1970  
Expires: February 27, 1971

#### 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 8, 1969. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. The Kona Alii is a proposed leasehold condominium project consisting of seventy (70) residential apartments situated in a single building with two wings which are connected on the ground floor and separated above. Both wings are seven (7) stories high. There are four (4) commercial apartments located on the ground floor, ownership of which will be retained by the developer. A two-level parking structure on the mauka portion of the site will provide a total of 117 parking stalls.
2. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.

3. The developer reports that the Declaration of Horizontal Property Regime and the By-Laws will be filed in the Bureau of Conveyances, State of Hawaii, after the mortgage securing the construction loan is recorded and the condominium map shall be recorded at the same time.
4. No advertising or promotional matter has yet been submitted pursuant to rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Hawaii Revised Statutes, Chapter 514, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires twelve (12) months after the date of issuance, January 27, 1970, unless a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective period of this report.
7. This Preliminary Public Report is made a part of the registration of the Kona Alii condominium project. The developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the receipt of the Final Horizontal Property Regime Public Report from each purchaser when it is issued is also the responsibility of the developer.

NAME OF PROJECT: THE KONA ALII

LOCATION: The project is located in North Kona on the Island of Hawaii and consists of approximately 52,475 square feet.

TAX KEY: 7-5-8-1, 2, 24

ZONING: Hotel Resort, VH .75

DEVELOPER: Kona Alii Development Company, a Hawaii limited partnership, whose principal place of business and mailing address is 801 Alakea Street, Honolulu, Hawaii. The general partners are Thomas W. Giles and William L. Burch, whose business address is 801 Alakea Street, Honolulu, Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Cades Cox Schutte Fleming & Wright (Attention: Mr. Douglas E. Prior), 17th Floor, First Hawaiian Bank Building, P. O. Box 939, Honolulu, Hawaii 96808, Telephone 531-7232.

DESCRIPTION OF PROJECT: The project will consist of one building with two wings connected on the ground floor and separated above. Both wings will be seven stories high and there will be an elevator serving each wing. There will be no basement space. Construction will be of reinforced concrete with interior partition walls of concrete block. There will be a two-level parking structure on the mauka portion of the site which will provide a total of 117 parking stalls.

On the ground floor, there will be four commercial apartments numbered Commercial Apartment 1 through 4, inclusive. There will also be two public restrooms located on the ground floor. The approximate floor area of each commercial apartment will be as follows:

Commercial Apartment 1:	720 square feet
Commercial Apartment 2:	3,570 square feet
Commercial Apartment 3:	2,700 square feet
Commercial Apartment 4:	150 square feet

There will be twelve residential apartments on each of the second, third and fourth floors. Each apartment will have two bedrooms and two baths and contain approximately 900 square feet including a lanai of approximately 135 square feet. The apartments will be numbered 201 through 212, inclusive, on the second floor, 301 through 312, inclusive, on the third floor, and 401 through 412, inclusive, on the fourth floor.

There will be twelve residential apartments on the fifth floor numbered 501 through 512, inclusive. Eleven of these will have two bedrooms and two baths and contain a floor area of approximately 900 square feet including a lanai of approximately 135 square feet. Apartment number 512 will consist of three bedrooms and three baths and have a floor area of approximately 1,168 square feet, including a lanai of approximately 135 square feet.

There will be eleven residential apartments on the sixth floor numbered 601 through 611, inclusive. Each will have two bedrooms and two baths and contain approximately 900 square feet of floor area including a lanai of approximately 135 square feet.

There will be eleven penthouse residential apartments on the seventh floor numbered 701 through 711, inclusive. Each will have two bedrooms and two baths and contain a floor area of approximately 1,438 square feet including a lanai of approximately 135 square feet and a sundeck of approximately 585 square feet.

COMMON ELEMENTS: The common elements will include the limited common elements described below and all other portions of the land and improvements, other than the apartments, including the building, the land on which it is located and all elements mentioned in the Horizontal Property Act which are actually constructed on the land described herein and specifically shall include but shall not be limited to: (a) said land as described above; (b) all foundations, columns, girders, beams, supports, bearing walls, corridors, entry halls, stairs, walkways, entrances and exits of said building; (c) the roof; (d) all yards and refuse areas; (e) all driveway areas; (f) all ducts, electrical equipment, wiring, and other central and appurtenant installations for services including power, light, cold and hot water, refuse and telephone; (g) swimming pool; (h) public restrooms on the ground floor; and (i) all other devices or installations upon the land existing for or rationally of common use to all the owners of apartments within the project.

LIMITED COMMON ELEMENTS: The hallways, walkways, and storage rooms on each of the floors, two through seven, inclusive, shall be limited common elements appurtenant to and for the exclusive use of the apartments on such floor.

One parking stall for each residential apartment and one parking stall for approximately each 150 square feet of floor space in the commercial apartments shall be limited common elements appurtenant to and for the exclusive use of such apartments.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The percentage of undivided interest in all the common elements of whatever kind appertaining to each apartment and its owner for all purposes shall be as follows:

Apartment 201 to 212, inclusive	- 1.196% each
Apartment 301 to 312, inclusive	- 1.196% each
Apartment 401 to 412, inclusive	- 1.196% each
Apartment 501 to 511, inclusive	- 1.196% each
Apartment 512	- 2.133%
Apartment 601 to 611, inclusive	- 1.196% each
Apartment 701 to 711, inclusive	- 2.133% each
Commercial Apartment 1	- .495%
Commercial Apartment 2	- 2.524%
Commercial Apartment 3	- 1.910%
Commercial Apartment 4	- .017%

The undivided interest established and to be conveyed with the respective apartments cannot be changed and the developer covenants and agrees that the undivided interest in the common areas and facilities and the leasehold titles to the respective apartments to be conveyed shall not be separated or separately conveyed and each said undivided interest shall be deemed to be conveyed or encumbered with its respective apartment even though the description in the instrument of conveyance may refer only to the leasehold title to the apartment.

The voting rights of apartment owners, as well as his share of the common expenses shall also be in proportion to his common interests.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE: The Residential Apartments hereinabove described shall at all times be used as permanent or temporary residence or as hotel rooms and for no other purpose. The Commercial Apartments hereinabove described shall be used for commercial and charitable purposes and for no other purpose.

OWNERSHIP OF TITLE: A Certificate of Title dated November 14, 1969, prepared by Title Guaranty of Hawaii, Incorporated certifies that Francis K. Akana, Jr., husband of Annie A. Akana, is fee owner of a portion of the land, subject to a life estate in favor of Nani H. Akana, (the "leasehold parcel") committed to the project and that said parcel is subject to a lease dated June 1, 1969 between Francis K. Akana, Jr., husband of Annie A. Akana, and Nani H. Akana, as lessor, and Thomas W. Giles and William L. Burch (general partners in the Kona Alii Development Company, the Developer), as lessee. Another Certificate of Title, dated November 14, 1969 prepared by Title Guaranty of Hawaii, Incorporated certifies that Thomas W. Giles and William L. Burch (general partners in the Developer) are owners in fee of the remainder of the land (the "fee parcel") committed to the project.

ENCUMBRANCES: The Developer reports that the leasehold parcel is subject to a sewer easement in favor of the County of Hawaii and a restriction in favor of Kealaokamalalama Church to use said parcel for religious purposes. However, this restriction was released by Kealaokamalalama Church in an unrecorded Release dated October 7, 1969, a copy of which has been filed with the Commission. The Developer intends to record this release so as to remove this encumbrance. The Developer further reports that the fee parcel is subject to a mortgage dated June 5, 1968 by William L. Burch, Thomas W. Giles and wives to Kona Engineering Corporation and that part of the fee parcel is subject to a reservation in favor of the State of Hawaii of all mineral and metallic mines. Both parcels are also subject to a claim of a mechanics' and materialmen's lien filed October 29, 1969, which claim shall be removed before application is made for a Final Report.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the Escrow Agreement has been submitted as part of the registration. The Escrow Agreement dated December 5, 1969 identifies Title Guaranty Escrow Services, Inc., as the "Escrow." On examination the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 415, Hawaii Revised Statutes, and particularly with Section 415-35 and Section 415-36 through Section 415-40, Hawaii Revised Statutes.

A prospective purchaser should carefully examine the form of Sales Contract, Apartment Lease and Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the total lease rent payable, the estimated monthly common expenses and the sharing of the closing costs.

MANAGEMENT AND OPERATION: The recorded Declaration states that the Board of Directors shall in accordance with the By-Laws of the Association of Apartment Owners appoint a managing agent.

STATUS OF PROJECT: No building contract has been executed and the Developer reports that it shall not commence construction until 56 units are sold to qualified buyers and it has obtained adequate interim and take out financing for the project.

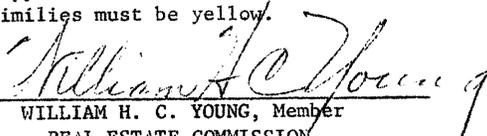
The Developer has been advised that until a new sewer system, which will be completed by the County of Hawaii in one to two years, is installed, the existing sewer system may be inadequate to provide service to the Project. If the existing system is found to be inadequate, the Developer is prepared to install a temporary system until such time as the new County of Hawaii sewer system is completed.

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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 December 8, 1969.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 309 filed with the Commission on December 8, 1969.

The report when reproduced shall be a true copy of the Commission's Public Report. The paper stock used in making facsimilies must be yellow.

  
WILLIAM H. C. YOUNG, Member  
REAL ESTATE COMMISSION  
STATE OF HAWAII

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Distribution:  
DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING COMMISSION, COUNTY OF HAWAII  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

Registration No. 309  
January 27, 1970

