

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

HALE KONA KAI
Kailua, Kona, Hawaii

REGISTRATION NO. 324

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: April 7, 1970

Expires: May 7, 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 FEBRUARY 12, 1970. 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 HALE KONA KAI is a proposed fee simple condominium project consisting of forty-four (44) residential apartments situated in a single six (6) story building. There will be a total of forty-four (44) 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 Land Court and 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 the 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 thirteen (13) months after the date of issuance, April 7, 1970, unless a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this Report.
7. This Preliminary Public Report is made a part of the registration of the HALE KONA KAI 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 HALE KONA KAI

LOCATION: The project is located in North Kona on the Island of Hawaii and consists of approximately 33,024 square feet.

TAX KEY: 7-5-18-17, 18, 25

ZONING: Hotel Resort, VH.75

DEVELOPER: Hale Kona Kai Development Corp. a Hawaii corporation, whose principal place of business and mailing address is 2222 Kalakaua Avenue, Honolulu, Hawaii. The officers of Developer are:

Douglas McCoy	President	2222 Kalakaua Avenue, Honolulu
Ted Crane	Vice President	2222 Kalakaua Avenue, Honolulu
L. Harold Whitaker	Secretary-Treasurer	2222 Kalakaua Avenue, Honolulu

ATTORNEY REPRESENTING DEVELOPER: Cades, 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 consists of a single six-story building without a basement. The structure will be of reinforced concrete with a foundation of continuous concrete pad footings reinforced top and bottom including pilings. The ground level will contain 27 covered parking stalls, an enclosed lobby, a manager's office, a laundry room, a recreation area and a storage room. The completed project will also include a swimming pool and deck area, two driveway entrances, and 17 additional uncovered parking stalls. There will be a total of forty-four (44) apartments. There are three (3) different floor plans, type A contains two bedrooms and two baths, type B contains two bedrooms and two baths, and type D contains one bedroom and two baths. The building contains two elevators and two stairways.

Floors two and three will each contain six (6) one-bedroom, two-bath apartments, and four (4) two-bedroom, two-bath apartments. The approximate floor area, including lanais, of each of these apartments will be as follows:

<u>Apartment</u>	<u>Type</u>	<u>Approximate Total Size</u>
201, 301	D	860 square feet
202, 302	D	760 square feet
203, 303	D	820 square feet
204, 304	D	820 square feet
205, 305	D	760 square feet

<u>Apartment</u>	<u>Type</u>	<u>Approximate Total Size</u>
206, 306	D	750 square feet
207, 307	B	1230 square feet
208, 308	B	1365 square feet
209, 309	A	1305 square feet
210, 310	A	1395 square feet

Floors four, five and six will each contain eight (8) two-bedroom, two-bath apartments. The approximate floor area, including lanai, of each of these apartments will be as follows:

<u>Apartment</u>	<u>Type</u>	<u>Approximate Total Size</u>
401, 501, 601	A	1240 square feet
402, 502, 602	B	1200 square feet
403, 503, 603	B	1200 square feet
404, 504, 604	B	1140 square feet
405, 505, 605	B	1230 square feet
406, 506, 606	B	1365 square feet
407, 507, 607	A	1305 square feet
408, 508, 608	A	1395 square feet

The kitchen in each unit will contain a range, refrigerator, built-in disposal and cabinet space. All units will contain carpeting and drapes and the purchaser will have the option to purchase furniture at an additional cost.

COMMON ELEMENTS: The common elements will include the limited common elements described below and all other portions of the land and improvements, including the apartment 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 in fee simple; (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 and deck areas; (h) the lobby, office, recreation area and storage rooms; 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 and walkways on each floor shall be limited common elements reserved for the exclusive use of the apartments on such floors.

One parking stall for each apartment shall be a limited common element reserved for the exclusive use of such apartment.

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

Apartments 201, 301	- 1.700% each
Apartments 202, 302	- 1.501% each
Apartments 203, 303	- 1.620% each
Apartments 204, 304	- 1.620% each
Apartments 205, 305	- 1.501% each
Apartments 206, 306	- 1.481% each
Apartments 207, 307	- 2.462% each
Apartments 208, 308	- 2.711% each
Apartments 209, 309	- 2.592% each
Apartments 210, 310	- 2.770% each
Apartments 401, 501, 601	- 2.463% each
Apartments 402, 502, 602	- 2.383% each
Apartments 403, 503, 603	- 2.383% each

Apartments 404, 504, 604	- 2.264% each
Apartments 405, 505, 605	- 2.462% each
Apartments 406, 506, 606	- 2.711% each
Apartments 407, 507, 607	- 2.592% each
Apartments 408, 508, 608	- 2.770% each

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 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 fee simple 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 this common interest.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE: The apartments hereinabove described shall at all times be used as permanent or temporary residences or as hotel rooms and for no other purpose.

OWNERSHIP TO TITLE: The property consists of three parcels. A Preliminary Report dated January 30, 1970 prepared by Security Title Corporation certifies that Parcel First is owned in fee by Sandwich Island International, Inc., a Hawaii corporation, and subject to an Agreement of Sale, dated September 4, 1969, to Douglas McCoy, filed as Land Court Document No. 482766 and recorded in the Bureau of Conveyances in Liber 6677, page 436. Parcels Second and Third are owned in fee by Evan Charroin Lambert and Eleanor Hilda Lambert subject to an Agreement of Sale dated October 18, 1967 to Hui-O-Kai, Inc., a Hawaii corporation, filed as Land Court Document No. 433446 and recorded in the Bureau of Conveyances in Liber 5897, page 93. Hui-O-Kai, Inc. conveyed its vendee's interest by an Agreement of Sale dated May 16, 1969 to Sandwich Island International, Inc., a Hawaii corporation, filed as Land Court Document No. 479384 and recorded in the Bureau of Conveyances in Liber 6617, page 171. Consent to this Agreement of Sale was given by Evan Charroin Lambert and Eleanor Hilda Lambert in Land Court Document No. 479385 and recorded in the Bureau of Conveyances in Liber 6617, page 187. Sandwich Island International, Inc. conveyed its vendee's interest to Douglas McCoy by an Agreement of Sale dated September 4, 1969 filed as Land Court Document No. 482766 and recorded in the Bureau of Conveyances in Liber 6677, page 436. Consents to this Agreement of Sale were given by Hui-O-Kai, Inc. in Land Court Document No. 482767 and recorded in the Bureau of Conveyances in Liber 6677, page 452, and by Evan Charroin Lambert and Eleanor Hilda Lambert in Land Court Document No. 482768 and recorded in Liber 6677, page 454. All three parcels are subject to an unrecorded Memorandum of Understanding dated January 26, 1970, wherein Douglas McCoy, owner of the vendee's interest in all three parcels has agreed to transfer his interest to Hale Kona Kai Development Corp, if by September 1, 1970 it appears that sufficient presales of condominium units and commitments for financing have been obtained to insure success of the project. A copy of this memorandum has been filed with the Commission.

(In summary, Douglas McCoy, president of the development corporation, holds title to the Project property under Agreements of Sale and has agreed to assign these Agreements of Sale to the development corporation under certain conditions. The development corporation must satisfy these conditions and pay the balance of the purchase price due under the Agreements of Sale before it can deliver Apartment Deeds to the purchasers of the apartments.)

ENCUMBRANCES: The Developer reports that Parcel First is subject to a reservation in favor of the State of Hawaii of all mineral and metallic mines and a mortgage in favor of Harvey A. Warren and Marjorie W. Warren executed by Sandwich Island International, Inc., a Hawaii corporation, on July 8, 1969 and recorded in the Bureau of Conveyances in Liber 6591, page 217. Parcels Second and Third are subject to a reservation of all mineral and metallic mines in favor of the State of Hawaii.

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 February 3, 1970 identifies Security Title Corporation as the "Escrow" and disclosed that under the terms of the Agreement, down payment funds may be released by Escrow for payment of certain development costs of the project. On examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly with Section 514-35 and Sections 514-36 through Section 514-40, Hawaii Revised Statutes.

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

MANAGEMENT AND OPERATION: The 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 thirty-five (35) units are sold to qualified buyers and it has obtained adequate interim and take-out financing for the project, and the Developer reserves the right to abandon the project and refund all down payment without interest if these conditions are not met by September 1, 1970.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required notice of intention submitted February 12, 1970.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 324 filed with the Commission on February 12, 1970.

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


HERBERT S. ISONAGA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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ESCROW AGENT

Registration No. 324
April 7, 1970

