

REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
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HONOLULU, HAWAII 96801

**SUPPLEMENTARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

on
HALE KONA KAI
Kailua-Keauhou Beach Road
Kona, Hawaii, Hawaii

REGISTRATION NO. 324

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

It was prepared as a supplement to an earlier Report dated _____ 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: May 7, 1971
Expires: June 7, 1972

SPECIAL ATTENTION

A comprehensive reading of the 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 TO SELL SUBMITTED FEBRUARY 12, 1970, AND INFORMATION SUBSEQUENTLY FILED AS LATE AS APRIL 28, 1971. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL AND SUBMITTING INFORMATION ON MATERIAL CHANGES IN THE PROJECT, IS COMPLYING WITH REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on April 7, 1970, on HALE KONA KAI, Registration No. 324, the Developer reports that changes have been made in the plan or setup as presented in the February 12, 1970, Notice of Intention to Sell.

The changes subsequently made are determined to be a material revision to the information disclosed earlier. This Supplementary Public Report (pink paper stock) amends the Preliminary Public Report (yellow paper stock), becoming a part of the HALE KONA KAI registration. The Developer is responsible for placing a true copy of this Supplementary

Public Report in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Public Report. The buyer shall sign the required receipt signifying that he has had an opportunity to read both reports.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of the Project and the updating of information disclosed therein.
3. Promotional matter has not been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The purchaser and prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Condominium Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.

The information in the topical headings, NAME OF PROJECT, TAX KEY, ZONING, DEVELOPER, ATTORNEY REPRESENTING DEVELOPER, LIMITED COMMON ELEMENTS, PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE, OWNERSHIP TO TITLE, and MANAGEMENT AND OPERATION of the Preliminary Public Report of April 7, 1970, has not been disturbed.

DESCRIPTION: Information submitted by the Developer revises the proposed Declaration of Horizontal Property Regimes filed with the Commission on February 12, 1970, and basically pertains to a reduction in the land area of the real property and in the size of the proposed apartment building. The following is a revised description of the Project which replaces the entire description of the Project given in the Preliminary Public Report of April 7, 1970: The Project will be located on approximately 30,425 square feet of land and will be improved with a four-story building without a basement. The structure will have a ground floor of concrete construction, footings, walls, columns, and beams and the top three stories of wood construction and a shake roof. The ground level will contain 27 covered parking stalls, an enclosed lobby, a manager's office, a studio apartment, a laundry room, and a storage area. The completed project will also include a swimming pool and deck area, two driveway entrances and 14 additional uncovered parking stalls. There will be a total of 40 units. Floors 2, 3 and 4 will each contain 13 one bedroom, one bath apartments. The studio apartment on the first floor is numbered 101. The apartments on the second floor are numbered 201 through 213 inclusive, on the third floor 301 through 313 inclusive, and on the fourth floor 401 through 413 inclusive. The building contains one elevator and three stairways. There are two separate floor plans, Unit A and Unit B. There are 39 Unit A apartments each with one bedroom, one bath, a living room, a kitchen, and a dressing room, and each containing an area of approximately 612 square feet, including lanai. The Unit B apartment is a studio apartment with a living-bedroom area, a kitchen, bath and dressing room, and containing an area of approximately 357 square feet. The kitchen in each unit will contain a range, oven, dishwasher, refrigerator, built-in disposal and cabinet space.

COMMON ELEMENTS: The Developer has advised the Commission that all of the common elements remains the same as listed in the Preliminary Public Report of April 7, 1970, except that, there will be no recreation area.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: All 39 one-bedroom apartments will have a 2.52% common interest and the studio apartment has a 1.72% common interest.

ENCUMBRANCES: The updated Preliminary Report by Security Title Corporation is subject to no other encumbrances except to the following: 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 Third Division: As to those portions of the land herein described bordering on the ocean, (a) The effect of the decision by the Supreme Court of the State of Hawaii in the case of Application of Ashford (1968) and (b) The effect of Sections 205-31 to 205-37, inclusive, Hawaii Revised Statutes, as amended.

NOTE: The developer has advised the Commission that an unrecorded Agreement executed on January 25, 1971 by and between Douglas McCoy and the State of Hawaii, establishing the high water mark and seaward boundary and dedicating the property between the seawall and highwater mark for public beaches.

PURCHASE MONEY HANDLING: The specimen Sales Contract has been amended to show the option of the Developer to abandon the Project if thirty (30) apartment units are not sold by December 31, 1971. Also the Sales Contract shows that if construction does not commence by July 1, 1972, the obligations of both Buyer and Seller hereunder shall terminate and all sums paid by the Buyer hereunder shall be refunded without interest.

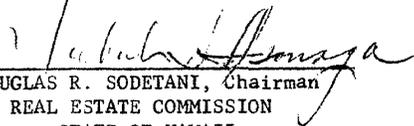
STATUS OF PROJECT: No building permit has been issued or building contract signed and the Developer reports that it shall not commence construction until 30 units are sold to qualified buyers and it has obtained adequate interim and takeout financing for the project, and the Developer reserves the right to abandon the project and refund all downpayments without interest if these conditions are not met by December 31, 1971.

The remaining headings of the Preliminary Public Report have not been disturbed.

The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the Developer in the required notice of intention submitted February 12, 1970, and information subsequently filed as of April 28, 1971.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made part of REGISTRATION NO. 324 filed with the Commission 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 pink in color.


for DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Distribution:
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Registration No. 324
May 7, 1971

