

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  
THE DOLPHIN  
Sarona Road, Keopu 3rd  
North Kona, Hawaii

REGISTRATION NO.422

**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: July 30, 1973  
Expires: August 30, 1974

SPECIAL ATTENTION

A comprehensive reading by the prospective purchasers 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 NOVEMBER 23, 1971. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report of December 30, 1971, on The Dolphin, Registration No. 422, the Developer reports that changes have been made in the plan or setup as presented in the November 23, 1971, notice of intention to sell. These changes relate to the addition of extra lanai space to several units, the addition

of 234 interior square feet to one of the commercial units and to various changes in the apartment lease form. It is determined that these changes are not a material revision to the information disclosed earlier. In addition, the improvements were constructed with central air conditioning and electric power is to be supplied the residential apartment units through a common meter. The lease form has been amended to specify that the air-conditioning expense is a common expense and how the electricity expense will be distributed among the apartment units.

This Final Public Report supersedes the Preliminary Public Report of December 30, 1971, in its entirety.

2. THE DOLPHIN is a proposed leasehold condominium consisting of eighty-one (81) apartments arranged in a single 4-story building with a basement. The eighty-one (81) apartments consist of two (2) commercial shops, four (4) offices, and seventy-five (75) residential apartments. The two commercial units are designated as Apartment No. 1 containing an enclosed floor area of 4,558 square feet and Apartment No. 2 containing an enclosed floor area of 3,564 square feet. It is contemplated that the owner or owners of these two units will sublease portions to various subtenants with the result that there will be more than two commercial operations within Apartment Nos. 1 and 2. One hundred and sixty-seven (167) parking stalls are available on a first come basis. These stalls will be used on a first come basis by employees and customers of the businesses in Apartment Nos. 1 and 2 and in the said four offices. The Developer has agreed with the purchaser of the Dolphin Plaza, a two-story structure containing six (6) commercial shops or offices and five (5) apartments and situate on a parcel containing 9,270 square feet of land which lies between the project and Alii Drive, that the purchaser and his tenants may use as many as fifty (50) of said parking stalls on a first come basis.
3. The Developer of the project has filed all documents and information deemed necessary by the Commission for the registration of a condominium project and issuance of this Final Public Report.
4. The Commission has determined that the basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have been filed in the office of the recording officer.

The Declaration of Horizontal Property Regime executed October 25, 1972, with By-Laws attached, was filed with the Bureau of Conveyances in Book 9104 at page 22. On that same date, the condominium map was filed in the same office

as Condominium Map No. 273. An Amendment to the Declaration has been filed with said Bureau and the Real Estate Commission to correct the lanai area of Apartment No. 109 from 520 square feet to 780 square feet.

5. No advertising or promotional matter has been submitted pursuant to rules and regulations promulgated by the Commission.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, July 30, 1973, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: THE DOLPHIN

LOCATION: The site of the project comprises approximately 67,525 square feet of land situate 56 feet mauka of Alii Drive at Sarona Road, Kailua-Kona, Hawaii.

TAX KEY: THIRD DIVISION 7-5-07 Parcels 14 and 17.

ZONING: Resort-Hotel V. 75.

DEVELOPER: DOLPHIN, INC., is a Hawaii corporation whose place of business and post office address is P. O. Box 969, Kailua, Kona, Hawaii, duly registered with the Department of Regulatory Agencies of the State of Hawaii on July 14, 1966, whose officers are:

President	H. C. Patterson
Vice President and Secretary	Clara T. Patterson
Vice President	Frank J. Zuzak
Treasurer	Sadaharu Tashima

ATTORNEY REPRESENTING DEVELOPER: Anthony, Hoddick, Reinwald and O'Connor (Attention Howard K. Hoddick), 9th Floor, 333 Queen Street, Honolulu, Hawaii, 96813, Telephone No. 537-1941.

DESCRIPTION: The recorded Declaration of Horizontal Property Regime provides that the project is to consist of the leased land and a building containing one basement and four floors constructed principally of concrete, steel, glass, plaster board and allied building materials. There will be eighty-one (81) apartments consisting of Shops Nos. 1 and 2 for commercial purposes in the basement, Apartments Nos. 101 to 113 inclusive for residential purposes and Offices Nos. 117, 118, 119, and 120 for office and residential purposes on the first floor, Apartments Nos. 201 to 222 inclusive for residential purposes on the second floor, Apartments Nos. 301 to 321 inclusive on the third floor and Apartment Nos. 401 to 419 inclusive for residential purposes on the fourth floor. There will be 167 parking spaces on the basement and first floor levels, all of which will be unassigned. Each apartment will have as an appurtenance the non-exclusive right to use one or more parking spaces, according to the conveyance of such apartment.

The project site lies some 56 feet mauka of Alii Drive but will have pedestrian access by a ten-foot easement through the existing shopping building fronting on Alii Drive to the shopping mall on the basement level of the project. The project abuts on Sarona Road and also has both pedestrian and vehicular access to Hanama Place on its mauka side.

Shops Nos. 1 and 2 will have enclosed floor area of 4558 and 3564 square feet respectively. The office apartments will each have enclosed floor area of 684 square feet. Of the 75 residential apartments, 26 are plan A containing 623 square feet of enclosed floor area plus lanai; 14 are plan A-1 containing 665 square feet of enclosed floor area plus lanai; 7 are plan A-2 containing 613 square feet of enclosed floor space plus lanai; 21 are plan B containing 858 square feet of enclosed floor space plus lanai; 3 are plan B-1 containing 840 square feet of enclosed floor space plus lanai; 2 are plan B-2 containing 910 square feet of enclosed floor space plus lanai; and 2 are plan C containing 1199 square feet of enclosed floor space plus lanai. Apartments of plans A, A-1 and A-2 each have one bedroom, one bathroom, one living-dining room and one kitchen; those of plans B, B-1 and B-2 each have two bedrooms, two bathrooms, one living-dining room and one kitchen; and those of plan C each have three bedrooms, two bathrooms, one living-dining room and one kitchen. All residential apartments have lanais ranging in total floor area from 190 to 935 square feet as specified in the attached "Description of Apartments".

Each apartment will have immediate access to the hallways, stairways, elevators, malls and driveways leading to the street entrances of the project.

COMMON ELEMENTS: The recorded Declaration provides common elements of the project consist of the land in fee simple and all the improvements within the definition of "common elements" in the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes.

LIMITED COMMON ELEMENTS: The recorded Declaration provides that there are no limited common elements in the project. All parking spaces of the project will be unassigned, and each apartment will have the non-exclusive right to use one or more parking spaces on a first come basis.

INTEREST TO BE CONVEYED PURCHASER: The recorded Declaration provides that the undivided interest in the common elements appertaining to Shop Nos. 1 and 2 will be 5.10% and 4.20% respectively, to each of the office apartments will be 0.81% and to each of the residential apartments will range between 0.94% and 2.26% as set forth in the attached "Description of Apartments" generally according to the gross floor area of the respective apartments. The percentage interest allocated to each apartment does not quite tally with its gross floor area as the lanai area of 3 apartments was increased and 234 square feet of interior space was added to Apartment No. 1 since the issuance of the Preliminary Report but no change has been made in the allocation of percentage interests among the apartments. The Declaration and By-Laws each provide that an apartment's share of the common expenses of the project will be in proportion to its undivided interest in the common elements, as will its interest for all other purposes including voting.

The Master Lease and Apartment Lease will expire on August 31, 2028. The Master Lease provides that after completion of construction of the project free and clear of any mechanics' and materialmen's liens the Lessor thereunder will at the Lessee's request execute and deliver a surrender therefrom of any apartments of the project and Apartment Leases of such apartments to the Lessee or his designees for terms equal to the remaining term of the Master Lease. The Sale Contract provides that contemporaneously with delivery of the Apartment Lease, Dolphin, Inc., as seller, will execute and deliver to the Lessee under the apartment lease as buyer a Bill of Sale of all the seller's estate, right, title and interest in and to the portion of the building and other improvements of the project comprising such apartment and its appurtenant common interest.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that Shop Nos. 1 and 2 shall be used only for restaurant, bar, retail shops and other lawful commercial uses; that Offices Nos. 117, 118, 119 and 120 shall be used only for commercial, governmental, industrial or professional offices and residential use; and that the remaining residential apartments shall be used only as private dwellings by the respective owners, their tenants, families, domestic servants

and guests and as temporary or permanent residences in a hotel operation. Each apartment may be leased by the owner thereof subject to all provisions of the Declaration.

OWNERSHIP TO TITLE: The certificates of title dated July 13, 1973, and prepared by Title Guaranty of Hawaii, Inc., state that the title to the lease of Parcels A and C of the project is vested in Dolphin, Inc., by a joint lease granted by Kona Properties, Inc., and Marlin Plaza, Inc., and dated October 29, 1971. Said lease is filed with the Bureau of Conveyances in Book 9104 at page 22 and is for a term which will expire August 31, 2028.

ENCUMBRANCES AGAINST TITLE: Existing encumbrances against the leasehold title of Dolphin, Inc., as reflected in said Certificate of Title dated July 13, 1973, are as follows: (1) Mortgage dated March 31, 1972, and recorded in said Bureau of Conveyances in Book 8229 at page 299 to secure a loan of \$4,600,000 made to Dolphin, Inc., by USF investors, a real estate investment trust organized under the laws of Georgia; (2) Reservation in favor of the State of Hawaii of all mineral and metallic mines; (3) The covenants, conditions, restrictions and other provisions contained in said Declaration of Horizontal Property Regime and By-Laws attached thereto; (4) The terms, agreements, reservations, covenants, conditions and provisions contained in said lease dated October 29, 1971, to Dolphin, Inc.; (5) In an Agreement of Sale dated March 1, 1972, by and between the Developer, as "Vendor" and Ronald A. Brown, as "Vendee", recorded in Liber 8712, Page 218, which provides, the said right of the purchaser of a neighboring leasehold and of his tenants to use as many as fifty parking spaces in the completed project on a first come basis; and

NOTE: The Developer advises the Commission that although there is no written agreement, the pro rata share of maintenance of the parking stalls will have to be borne by the purchaser of the neighboring property as a matter of law.

(6) For any taxes that may be due and owing on the land, reference is hereby made to the office of the Tax Assessor of the Third Taxation Division.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated November 15, 1971, identifies National Escrow and Title Corporation, a Hawaii corporation, as "Escrow". This Escrow Agreement and the specimen Sale Contract as submitted are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-14 and Section 514-35 through Section 514-40.

Among its other provisions the Escrow Agreement provides for the Escrow to disburse from escrow all sums received by it under sale

contracts from time to time to pay for construction costs of the building in proportion to the valuation of the work completed by the contractor as certified by a registered architect or professional engineer, and for architectural, engineering, finance and legal fees and for other incidental expenses of the project as approved by the construction mortgagee in accordance with Section 514-14, Hawaii Revised Statutes. It also provides for the refund of all sums received by the escrow under sale contract, without interest and less the Escrow's \$10.00 cancellation fee and such deductions as may be provided in the sale contract, upon receipt of satisfactory evidence that the conditions provided in the sale contract for such refund have been met, including without limitation refunds required by Section 514-37 through Section 514-39. The specimen Sale Contract provides that upon rejection of a buyer's application for a mortgage loan required to meet the final payment of the purchase price therein specified, the seller may terminate the sale contract or refer the buyer to another lending institution, and upon such termination seller will cause the Escrow to refund to the buyer without interest all sums theretofore paid by the buyer less the cost of any credit report, escrow cancellation fee and other expenses incurred by the seller or any lending institution in processing such loan application.

It is incumbent upon the buyers and prospective buyers to read with care the Escrow Agreement and Sale Contract, which together establish how the proceeds from the sale of apartment leases are placed in trust and disbursed.

MANAGEMENT AND OPERATIONS: The By-Laws of the Association of Apartment Owners of The Dolphin provide that the Board of Directors shall annually employ a responsible Hawaii corporation as managing agent to manage and control the project subject at all times to direction by the Board, with all the administrative functions set forth in the By-Laws and such other powers and duties and at such compensation as the Board may establish, subject to the prior approval of every such employment contract by a majority of the apartment owners. The Declaration and Apartment Lease likewise require such appointment of a managing agent, the former designating Dolphin, Inc., as the initial managing agent. Under the Apartment Lease the managing agent is also to be responsible for the collection of assessments for common expenses and, whenever there is no mortgagee to whom the lessee is required to pay the same, for the collection, custody and payment of all rents, taxes and other charges payable by the lessee in accordance with the Apartment Lease.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that the estimated date of completion of the project is August 1973. On March 31, 1972, a building contract was entered into by the Developer with Glenn Construction Corporation and construction commenced about April 15, 1972.

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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 November 23, 1971.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 422 filed with the Commission on November 23, 1971.

The report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock must be white.

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

Distribution:

DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

Registration No. 422  
July 30, 1973.

DESCRIPTIONS OF APARTMENTS

OF

THE DOLPHIN

FLOOR	APT. NO.	TYPE AND PLAN NO.	GROSS FLOOR AREA SQ.FT.	ENCLOSED AREA SQ.FT.	LANAI AREA SQ.FT.	COMMON INTEREST PERCENT
Basement	1	Shop	5,238	4,558	680	5.10
"	2	Shop	3,564	3,564	--	4.20
First	101	Res. B	1,118	858	260	1.32
"	102	Res. A-2	803	613	190	0.94
"	103	Res. A	813	623	190	0.96
"	104	Res. A	813	623	190	0.96
"	105	Res. B-1	1,120	840	280	1.32
"	106	Res. B-2	1,410	910	500	1.66
"	107	Res. A-1	855	655	190	1.00
"	108	Res. B	1,222	858	364	1.44
"	109	Res. B	1,638	858	780	1.44
"	110	Res. A-1	855	665	190	1.00
"	111	Res. A-1	855	665	190	1.00
"	112	Res. B	1,118	858	260	1.32
"	113	Res. B	1,793	858	935	1.32
"	117	Office	684	684	--	.81
"	118	Office	684	684	--	.81
"	119	Office	684	684	--	.81
"	120	Office	684	684	--	.81
Second	201	Res. B	1,351	858	493	1.59
"	202	Res. A-2	803	613	190	0.94
"	203	Res. A	813	623	190	0.96
"	204	Res. A	813	623	190	0.96
"	205	Res. B-1	1,120	840	280	1.32
"	206	Res. B-2	1,410	910	500	1.66
"	207	Res. A-1	855	665	190	1.01
"	208	Res. B	1,118	858	260	1.32
"	209	Res. B	1,118	858	260	1.32
"	210	Res. A-1	855	655	190	1.01
"	211	Res. A-1	855	655	190	1.01
"	212	Res. B	1,118	858	260	1.32
"	213	Res. B	1,464	858	606	1.72
"	214	Res. A-1	855	665	190	1.01
"	215	Res. B	1,118	858	260	1.32
"	216	Res. A-2	803	613	190	0.94
"	217	Res. A	813	623	190	0.96
"	218	Res. A	813	623	190	0.96
"	219	Res. A	813	623	190	0.96
"	220	Res. A	813	623	190	0.96
"	221	Res. A	813	623	190	0.96
"	222	Res. A	1,066	623	443	1.25

Third	301	Res. B	1,351	858	493	1.59
"	302	Res. A-2	803	613	190	0.94
"	303	Res. A	813	623	190	0.96
"	304	Res. A	813	623	190	0.96
"	305	Res. B-1	1,120	840	280	1.32
"	306	Res. A-1	855	665	190	1.01
"	307	Res. B	1,118	858	260	1.32
"	308	Res. B	1,118	858	260	1.32
"	309	Res. A-1	855	665	190	1.01
"	310	Res. A-1	855	665	190	1.01
"	311	Res. B	1,118	858	260	1.32
"	312	Res. B	1,464	858	606	1.72
"	313	Res. A-1	855	665	190	1.01
"	314	Res. B	1,118	858	260	1.32
"	315	Res. A-2	803	613	190	0.94
"	316	Res. A	813	623	190	0.96
"	317	Res. A	813	623	190	0.96
"	318	Res. A	813	623	190	0.96
"	319	Res. A	813	623	190	0.96
"	320	Res. A	813	623	190	0.96
"	321	Res. A	1,066	623	443	1.25
Fourth	401	Res. B	1,351	858	493	1.59
"	402	Res. A-2	803	613	190	0.94
"	403	Res. A	813	623	190	0.96
"	404	Res. A	813	623	190	0.96
"	405	Res. A-1	855	665	190	1.01
"	406	Res. B	1,118	858	260	1.32
"	407	Res. B	1,118	858	260	1.32
"	408	Res. A-1	855	665	190	1.01
"	409	Res. C	1,555	1,199	356	1.83
"	410	Res. C	1,913	1,199	714	2.26
"	411	Res. A-1	855	665	190	1.01
"	412	Res. B	1,118	858	260	1.32
"	413	Res. A-2	803	613	190	0.94
"	414	Res. A	813	623	190	0.96
"	415	Res. A	813	623	190	0.96
"	416	Res. A	813	623	190	0.96
"	417	Res. A	813	623	190	0.96
"	418	Res. A	813	623	190	0.96
"	419	Res. A	1,066	623	443	1.25
<u>RESIDENTIAL APARTMENT PLANS</u>						
<u>PLAN</u>	<u>NO. UNITS</u>	<u>NO. ROOMS</u>	<u>LIVING/ DINING</u>	<u>BEDROOMS</u>	<u>BATHROOMS</u>	<u>KITCHENS</u>
A	26	3	1	1	1	1
A-1	14	3	1	1	1	1
A-2	7	3	1	1	1	1
B	21	4	1	2	2	1
B-1	3	4	1	2	2	1
B-2	2	4	1	2	2	1
C	2	5	1	3	2	1