

# 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 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 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: December 30, 1971

Expires: January 30, 1973

#### 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 NOVEMBER 23, 1971, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS LATE AS DECEMBER 28, 1971. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. 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. One hundred and sixty-seven (167) parking stalls are available.
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 basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.

4. No advertising or promotional matter has 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 Chapter 514, Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, December 30, 1971, unless a Final 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, 16, 17, 41, 42 and 43

ZONING: Resort-hotel V.H. .75

DEVELOPER: DOLPHIN, INC., 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, Waddoups, Hoddick & Brown (Attention Robert E. Brown), 9th Floor, 333 Queen Street, Honolulu, Hawaii 96813, Telephone No. 537-1941.

DESCRIPTION: The specimen Declaration of Horizontal Property Regime states 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 Apartments 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 4324 and 3562 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 714 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 specimen Declaration states that the 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 specimen Declaration states 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 specimen Declaration states 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", according to the gross floor area of the respective apartments. According to the Declaration and By-Laws each 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.

Both specimen Master Lease and Apartment Lease indicate that their respective terms will expire on August 31, 2028. The Master Lease further states 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 its designees for terms equal to the remaining term of the Master Lease. The specimen 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, and the specimen Bill of Sale purports to make such conveyance.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The specimen Declaration states that Shops 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 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 November 10, 1971, and prepared by Title Guaranty of Hawaii, Inc. state that the title to Parcel A of the project is vested in Kona Properties, Inc., and that title to Parcel C of the project is vested in Dolphin, Inc. The questionnaire as submitted states that Parcel C is being transferred to Marlin Plaza, Inc. The specimen Declaration, Master Lease and Apartment Lease indicate that both Kona Properties, Inc. and Marlin Plaza, Inc. will join in the execution of those instruments.

ENCUMBRANCES AGAINST TITLE: Certificates of title by Title Guaranty of Hawaii, Inc. show no liens or encumbrances against title save and except the following: as to Parcel A as of November 10, 1971, a lease to H. C. Patterson and Clara T. Patterson dated April 2, 1966, recorded in Book 5863, page 326, assigned to Dolphin, Inc. by assignment of lease dated October 15, 1966, recorded in Book 6319, page 140, for taxes that may be due and owing and a lien on the land reference is made to the Tax Assessor of the Third Division, and the reservation in favor of the State of Hawaii of all mineral and metallic mines reserved in Royal Patents 4475, 4980 and 6694; and as to Parcel C, as of November 10, 1971, a mortgage to Francis Foo and Evelyn S. Foo dated June 22, 1970, recorded in Book 7084, page 395, and three (3) supplemental agreements extending time for payment and other matters for taxes that maybe due and owing and a lien on the land reference is made to the Tax Assessor of the Third Division, and the reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent 4475. Note: The Developer advises that the project is further subject to sewer easements in favor of the County of Hawaii acquired in Civil No. 873 in the Third Circuit Court. The Developer has filed with the Commission an unrecorded Deed executed December 13, 1971 by and between Dolphin, Inc. as Grantor, and Marlin Plaza, Inc., as Grantee. Said Deed conveys to Marlin Plaza, Inc. title to Parcel C (7,325 square feet), subject to the mortgage in favor of Francis Foo and Evelyn S. Foo dated June 22, 1970. The Developer has also filed with the Commission an unrecorded Master Lease made October 28, 1971 by and between Kona Properties, Inc. and Marlin Plaza, Inc., as Lessors, and Dolphin, Inc., as Lessee. The Master Lease demise and lease unto Dolphin, Inc. all of the property committed to this Horizontal Property Regimes, consisting of Parcel A (60,200 square feet) and Parcel C (7,325 square feet), for a term of 57 years from September 1, 1971 to August 31, 2028.

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 form of Sale Contract, which together establish how the proceeds from the sale of apartment leases are placed in trust and disbursed.

MANAGEMENT AND OPERATIONS: The specimen By-Laws of the Association of Apartment Owners of The Dolphin states 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 specimen Declaration and Apartment Lease likewise require such appointment of a managing agent, the former designating Dolphin, Inc. as the initial managing agent. Under the specimen 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 questionnaire states that no building contract has been executed for construction of the project but that its completion date is estimated to be February 1973.

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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, and additional information subsequently filed as late as December 28, 1971.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (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. In making facsimiles the paper stock shall be yellow in color.

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

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DEPARTMENT OF TAXATION  
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PLANNING COMMISSION, COUNTY OF HAWAII  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

Registration No. 422  
December 30, 1971

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	4,324	4,324	--	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	1,222	858	364	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	1,118	858	260	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