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
BILLFISHER
75-5841 Alii Drive
Kailua-Kona, Island and County of Hawaii

REGISTRATION NO. 486

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: November 17, 1972
Expires: December 17, 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 INTENTIONS SUBMITTED SEPTEMBER 20, 1972, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 15, 1972. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514, HAWAII REVISED STATUTES.

1. Billfisher is a proposed fee simple condominium project consisting of 5 two-bedroom and 60 one-bedroom apartments located in 5 separate three-story buildings. In addition, there will be 1 two-bedroom apartment for a resident manager, which will be a common element. There will be a total of 65 parking stalls, which shall be limited common elements; one stall will be appurtenant to each apartment. In addition, there will be a parking stall for the resident manager, which will be a common element.

2. The Developer of the Project has submitted to the Hawaii Real Estate Commission ("Commission") for examination, all documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.

3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws and the Condominium File Plan will be recorded in the Bureau of Conveyances, Honolulu, Hawaii, prior to the application for a Final Public Report.

4. As of this date, no advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations.

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, November 17, 1972, unless a Final Public Report or 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 Billfisher 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, and securing a signed copy of the receipt for the Preliminary Public Report from each purchaser.

NAME OF PROJECT: BILLFISHER

LOCATION: The address of the Project is 75-5841 Alii Drive, Kailua-Kona, County of Hawaii.

TAX KEY: Third Division, 7-5-09-10

ZONING: RM-1: Multiple Family - Residential

DEVELOPER: Lalakea Corporation, a Hawaii corporation, is the Developer of the Project, with its principal place of business and post office address at 745 Fort Street, Suite 1110, Honolulu, Hawaii.

ATTORNEYS REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Douglas E. Prior or Richard A. Hicks), 17th Floor, First Hawaiian Bank Building, 165 South King Street, Honolulu, Hawaii 96813, telephone: 531-7232.

DESCRIPTION OF PROJECT: Billfisher (the "Project") is situated on an 83,163 square foot "L" shaped parcel of land with 111 feet fronting Alii Drive and 185 feet fronting Kuakini Highway (the "Land").

There are five clusters of three-story buildings in the Project, containing a total of 66 apartments, one of which, Apartment No. 515, is a common element for use by the resident manager. Adjacent to Apartment No. 515 are laundry facilities, a swimming pool and a putting green for use by all apartment owners. In addition, there is an office for the resident manager. The buildings are wood frame structures with wood siding and have composition roofs.

The number of each apartment, its floor level within its building, the approximate size of each apartment's living area and of its enclosed garden area (or in the case of second or third floor apartments, its lanai) are as follows:

Building	Apartment Numbers	Floor	Approximate Square Feet of Living Area in Each Apartment	Approximate Square Feet of Garden Area or Lanai of Each Apartment
1	111	Ground	744	283
	112 and 113	Ground	547	147
	114	Ground	547	196
	115	Ground	547	186
	121	Second	744	47
	122-125, inclusive	Second	547	47
	131	Third	1019	47
	132-135	Third	547	47
2	211-214, inclusive	Ground	547	283
	221-224, inclusive	Second	547	47
	231-234, inclusive	Third	547	47
3	311-314, inclusive	Ground	547	283
	321-324, inclusive	Second	547	47
	331-334	Third	547	47
4	411-414, inclusive	Ground	547	283
	421-424	Second	547	47
	431-434	Third	547	47
5	511-514, inclusive	Ground	547	283
	515	Ground	744	283
	521-524, inclusive	Second	547	47
	525	Second	744	47
	531-534, inclusive	Third	547	47
	535	Third	1019	47

Each ground floor apartment has private access to an enclosed garden, on grade, separated from the adjoining garden by a wall. Each second and third floor apartment has access to a lanai with open railing. Second and third floor apartments are reached by exterior staircases. The layout, location and number of each apartment are shown on the Condominium File Plan.

All apartments, except Nos. 111, 121, 131, 515, 525 and 535, contain a hall, a living-dining room, a bedroom, a bathroom and a kitchen. Apartments Nos. 111, 121, 515 and 525 contain a hall, a living-dining room, two bedrooms, a bathroom and a kitchen. Apartments Nos. 131 and 535 are similar to Apartments Nos. 111, 121, 515 and 525, but have a loft area above the second bedroom.

Each apartment will be carpeted throughout except for the kitchen, bath areas and loft areas, which will have vinyl tile. The kitchens will include a four-burner range with a hood, fan and light combination, a refrigerator, dishwasher, hot water heater and garbage disposal. The bath areas of each apartment have a sink, lavatory and bathtub/shower combination.

All apartments have access to the common elements at the first floor level.

The respective apartments shall not be deemed to include the undecorated or unfinished walls, the floors and ceilings surrounding each apartment, or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each ground floor apartment shall include any adjacent garden area and each second or third floor apartment shall include any lanai shown on said Condominium File Plan. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the built-in fixtures.

COMMON ELEMENTS: The common elements will include the Land and all improvements on the Land, including Buildings 1, 2, 3, 4 and 5 (except for all portions of Buildings 1, 2, 3, 4 and 5 which are apartments other than Apartment No. 515), and the limited common elements as well as all common elements mentioned in Chapter 514, Hawaii Revised Statutes, which are actually constructed on the Land, and specifically shall include, but shall not be limited to:

(a) Said Land in fee simple;

(b) Apartment No. 515, its adjacent enclosed garden area, a parking stall, and the resident manager's office for use by the resident manager or as otherwise determined by the Board of Directors of the "Association of Apartment Owners";

(c) All foundations, floor slabs, column and load-bearing walls;

(d) The roofs;

(e) All landscaped yards, plantings and retaining walls, and similar items;

(f) The swimming pool, putting green and other recreational areas;

(g) The laundry facilities;

(h) All roads, driveway areas and exterior ground level walkways;

(i) All ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, cold and hot water, refuse and telephone; and

(j) All other devices or other installations upon the land existing for or rationally of common use to all the owners of apartments within the Project.

LIMITED COMMON ELE' 'TS: The parking stalls ' 'l be limited common elements reserved : the exclusive use of th(.partments to which they are appurtenant. Each purchaser of an apartment will receive one parking stall. Apartment owners may rent parking stalls to owners and non-owners of apartments. The staircases in each building and the passageways on the exterior of the second and third floors of each building will be limited common elements reserved for the use of apartments on the second and third floors of each building.

INTEREST TO BE CONVEYED TO PURCHASERS: The percentage of undivided interest in all of the common elements appertaining to each of Apartments Nos. 131 and 535 shall be 2.747%; that appertaining to each of Apartments Nos. 111, 121 and 525 shall be 2.002%; and that appertaining to each of the remaining 60 apartments (not including Apartment No. 515, a common element) will be 1.475%.

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 title 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 one or other of the interests. The voting rights of an apartment owner, as well as his share of the common expenses, shall be in proportion to the common interest.

PURPOSE OF BUILDINGS: The apartments hereinabove described shall at all times be used only for a private dwelling for the owner, his family, tenants and social guests and such other purposes as are permitted by the Declaration of Horizontal Property Regime and the Bylaws of Billfisher. An owner may arrange to have his apartment rented to transients.

OWNERSHIP OF TITLE: A Preliminary Report prepared by Security Title Corporation reports that as of November 14, 1972, the title to the property is vested in Irwin Mitsugi Kurashige, as Trustee of the Estate of Elbert Tadao Kurashige, deceased. The Preliminary Report further reports that the Developer executed a Sub-Agreement of Sale dated December 29, 1971, to purchase the property in fee. The Developer reports that the Sub-Agreement of Sale will be satisfied and fee title acquired prior to the issuance of a Final Report for this Project.

ENCUMBRANCES: The Preliminary Report reflects that the Land is subject to the following encumbrances:

(1) Real Property taxes that may be due and owing.

(2) Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No. 7489.

(3) Agreement of Sale, dated September 5, 1968, recorded in the Bureau of Conveyances, Book 6344, Page 35, between Irwin Mitsugi Kurashige, as Seller, and Norman Nobuo Inaba and Hirotoshi Yamamoto, as purchasers, as amended by instrument dated December 4, 1968, recorded as aforesaid in Book 6344, Page 47.

(4) Sub-Agreement of Sale, dated December 29, 1971, between Norman Inaba and Hirotoshi Yamamoto, as sellers, and T. K. Lalakea, Ltd., as purchaser, recorded as aforesaid in Book 8114, Page 262. (The corporate name of the Developer was changed on June 30, 1972 from T. K. Lalakea, Ltd. to Lalakea Corporation.)

(5) Undated Financing Statement recorded in Book 8302, Page 339.

Prior to issuance of a Final Report for this Project, the Sub-Agreement of Sale will be satisfied and the Agreement of Sale, the Sub-Agreement of Sale, and the Financing Statement will be released.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated July 7, 1972, identifies Security Title Corporation as the Escrowee. Upon examination, the executed Escrow Agreement is found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly with § 514-36 through § 514-40, Hawaii Revised Statutes.

A prospective purchaser should carefully examine the form of the Sales Contract and the Escrow Agreement to determine the time for and the amount of payments of the purchase price, and the sharing of closing costs. A prospective purchaser should also note that the Sales Contract reserves to "seller" the right to cancel the Sales Contract if less than 58 apartments in the Project have been sold prior to February 1, 1973. The Escrow Agreement provides that the Escrowee will not disburse any funds deposited with Escrowee by a purchaser until "seller" has waived such right.

MANAGEMENT AND OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property, subject at all times to direction by the Board of Directors. As of this date, the initial managing agent has not been selected.

STATUS OF PROJECT: Final plans and specifications for the Project have been completed and construction financing has been arranged. The Developer has entered into a construction contract with Fouche Construction Co. on September 7, 1972, and construction commenced on November 1, 1972. The Developer estimates that construction will be completed about the end of August, 1973.

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 September 20, 1972, and additional information subsequently filed as of November 15, 1972.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 486, filed with the Commission on September 20, 1972.

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

(For) DOUGLAS R. SODETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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Planning Department, County of Hawaii
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Registration No. 486

November 17, 1972