

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

KONA MANSIONS V
Kailua-Kona
County and State of Hawaii

REGISTRATION NO. 782

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: July 21, 1975
Expires: August 21, 1976

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 prospective Purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 9, 1975, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JULY 16, 1975. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT (CHAPTER 514, HAWAII REVISED STATUTES).

1. KONA MANSIONS V is a proposed leasehold condominium project consisting of 90 residential apartments situated in 5 three-story buildings. There are 93 uncovered parking stalls, one parking stall to be assigned to each apartment and the remainder to be assigned for guest parking.
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 the issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regimes, 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. The prospective purchaser is advised to acquaint himself with the provisions of Hawaii Revised Statutes, Chapter 514, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
5. No advertising or promotional matter has been submitted pursuant to Rules and Regulations promulgated by the Commission.
6. This Preliminary Public Report automatically expires 13 months after the date of issuance, July 21, 1975, unless a supplementary report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

Note: Subject property was earlier filed with the Real Estate Commission as HALE MALIE, Registration No. 481. A preliminary report was issued by the Commission on October 2, 1972, but the filing has expired as of November 2, 1973.

NAME OF PROJECT: KONA MANSIONS V

LOCATION: The project is located between Kuakini Highway and Kailua-Keauhou Middle Road, Kailua, North Kona, Island and State of Hawaii, and consists of 2.472 acres of land.

TAX MAP KEY: 7-5-18-12, Third Division.

ZONING: RM-1

DEVELOPER: K. M. V. Associates, a joint venture registered under the laws of the State of Hawaii and consisting of various Hawaii corporations, whose principal place of business and mailing address is 547 Halekauwila Street, Honolulu, Hawaii. The Partners of K. M. V. Associates are Markson Corporation, Felix Corporation, Kashiwai Inc., Ross/Kona, Inc., J & A Corporation, and Kamuela Land Corp.

ATTORNEY REPRESENTING DEVELOPER: Wooddell, Mukai & Ichiki
(Attention: Eugene W. I. Lau), Suite 500, Alexander Young
Building, Honolulu, Hawaii 96813, Telephone: 531-6277.

DESCRIPTION OF THE PROJECT: The Declaration of Horizontal
Property Regime reflects that the project consists of 5
buildings with 3 floors each, two of which buildings contain
partial basements. Construction is principally of concrete
masonry, lath and plaster, wood and glass, with wood and pitch
and gravel roofs. There are 93 uncovered parking stalls.

Building "A" contains 4 apartment units on each of its 3
floors, each of a Type "A" floor plan. Building "A" contains
units 101-104, 201-204 and 301-304, inclusive.

Building "B" contains 8 apartment units on each of its 3
floors, each of a Type "A" floor plan. Building "B" contains
units 113-120, 213-220 and 313-320, inclusive. Building "B"
also contains in the partial basement a laundry room and
storage area.

Building "C" contains 8 apartment units on each of its 3
floors, each of a Type "A" floor plan. Building "C" contains
units 105-112, 205-212 and 305-312, inclusive, and contains
storage areas in the partial basement.

Building "D" contains 6 apartment units on the first floor and
12 apartment units on the second and third floors. The units
on the first floor are each of a Type "B" floor plan and the
units on the second and third floors are each of a Type "C"
floor plan. Building "D" contains units 121-126, inclusive,
and 221-232, inclusive.

Building "E" contains 4 apartment units on each of its 3
floors, each of a Type "A" floor plan. Building "E" contains
units 133-136, 233-236 and 333-336, inclusive.

The seventy-two (72) apartments of a Type "A" floor plan each
contains 4 rooms, including 1 bedroom, 1 bathroom, 1 kitchen
and 1 living room plus a balcony. Each unit has a floor area
of approximately 584 square feet, including the balcony of
approximately 13 square feet.

The six (6) apartments of a Type "B" floor plan each contains
8 rooms, including 2 bedrooms, 1 foyer, 1 bathroom, 1 powder
room, 1 kitchen, 1 dining room and 1 living room plus a walk-
in closet, balcony and lanai. Each unit has a floor area of
approximately 1,018 square feet, including the balcony of
approximately 16 square feet and the lanai of approximately
81 square feet.

The twelve (12) apartments of a Type "C" floor plan each
contains 7 rooms on a two-level configuration, including 2
bedrooms, 1 bathroom, 1 foyer, 1 powder room, 1 kitchen, 1
living-dining room plus an interior stairway, balcony and
lanai. The 2 bedrooms, bathroom and lanai are on the upper
level, and the foyer, powder room, kitchen, living-dining

room are on the lower level. Each unit has a floor area of approximately 1,033 square feet, including the balcony of approximately 16 square feet and the lanai of approximately 81 square feet.

Each apartment has immediate access to the parking area and public streets of the project by way of walkways and stairways contained in the buildings.

Each apartment unit 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 all fixtures originally installed therein but shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through an apartment which are utilized or serve more than one apartment.

COMMON ELEMENTS: The common elements include the limited common elements described below and all other portions of the land and improvements other than the apartments, including the 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 include but shall not be limited to (a) said land as described above, (b) all foundations, floors, columns, girders, beams, supports, main and load-bearing walls, roofs, corridors, chases, entry, stairs, exterior stairways, walkways, entrances and exits of said building, (c) all yards, grounds, landscaping and refuse facilities, (d) all parking areas and driveways, (e) all ducts, electrical equipment, wiring and other central and appurtenant installations, including power, light, sewer, water and telephone, (f) one swimming pool with deck, cabana and pool equipment, (g) laundry room, storage areas and guest parking spaces as designated on Exhibit "B" to be attached and incorporated in the Declaration of Horizontal Property Regime.

LIMITED COMMON ELEMENTS: The limited common elements are (a) automobile parking spaces as designated on the aforesaid Exhibit "B", and are appurtenant to the respective apartments with which the same are conveyed upon the initial conveyance by lease, (b) such other common elements which are rationally related only to a single building shall be for the exclusive use of the apartments of said building.

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

		<u>Aggregate</u>
Type "A" apartments	1.00%	72%
Type "B" apartments	1.50%	9%
Type "C" apartments	1.58 1/3%	19%
		<u>100%</u>

The voting rights of the apartment owner as well as his share of the common profits and expenses shall also be in proportion to his common interest.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used only for residential purposes (including the long and short term rental thereof for residential purposes) and not for or in connection with the carrying on of any business or trade whatsoever.

OWNERSHIP OF TITLE: A preliminary title report dated April 30, 1975, prepared by Hawaii Escrow & Title, Inc., indicates that Ellen Chong Chee, Henrietta Kim Len Chee, Joseph Allan Chee, and Henry Ahuna Chee, Jr., are the fee owners of the land.

ENCUMBRANCES: The preliminary report reflects that the land is subject to the following reservations, easements, liens and encumbrances, etc.: (1) Lease to Allen Watkins Wooddell, Stanley Yuki Yoshi Mukai, Frank Felix, Jr., Hiroyuki Fujioka and Phyllis Toshiko Kimura, dated June 1, 1971, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 542281, which Lease was assigned by mesne assignments to Michael Marshall Ross, Rodney Yoshimitsu Inaba, Stanley Yuki Yoshi Mukai, Frank Felix, Jr., Hiroyuki Fujioka and Phyllis Toshiko Kimura by Assignment of Lease dated December 18, 1973 filed as Document No. 692356; (2) Mortgage from said Allen Watkins Wooddell, et al., to Honolulu Savings and Loan Company, Limited, dated June 21, 1971, filed as Document No. 543066, for the principal amount of \$1,450,000.00; (3) Assignment as Security from Ellen Chong Chee, et al., to Honolulu Savings and Loan Company, Limited, dated May 28, 1971, filed as Document No. 549170, assigning interest of fee owners in the lease; (4) Additional Charge Mortgage between Allen Watkins Wooddell, et al., and Honolulu Savings and Loan Company, Limited, dated April 17, 1972, filed as Document No. 578302 for the additional principal sum of \$50,000.00; (5) Second Mortgage from said Allen Watkins Wooddell, et al., to THC Financial Corp. dated August 22, 1973, filed as Document No. 645822, for the principal amount of \$555,000.00; (6) Third Mortgage from said Allen Watkins Wooddell, et al., to THC Financial Corp. dated August 22, 1973, filed as Document No. 645823, for the principal amount of \$250,000.00; (7) Taxes for the fiscal year 1974-75; and (8) Reservation of Title of all mineral and metallic mines to the State of Hawaii.

PURCHASE MONEY HANDLING: A copy of the specimen sales contract and the escrow agreement have been submitted as part of the registration. The executed Escrow Agreement dated June 6, 1975, identifies Hawaii Escrow & Title, Inc. as the "Escrow". Upon 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 514-40.

Among other provisions, the executed Escrow Agreement states that a purchaser under contract of sale, upon written request, shall be entitled to a refund of all monies deposited with escrow without interest, and less Escrow's cancellation fee, if the following events shall have occurred:

- (1) Developer has requested Escrow to return to purchaser the funds of purchaser then being held thereunder by Escrow;
- (2) Developer has notified Escrow of Developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Developer;
- (3) The Final Public Report differs in any material respect from the Preliminary Public Report and the purchaser's written approval of such change has not been obtained;
- (4) The Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report.

The sales contract provides that if less than 50 apartments of the project are sold prior to October 15, 1975, or if less than 70 apartments of the project are sold prior to December 24, 1975, the Developer shall have the right to terminate the sales contract upon returning purchaser's deposit without interest and less Escrow's cancellation fee. The Sales Contract provides that the Developer of the project makes no warranties, express or implied, as to the condition of the apartments and the fixtures and appliances installed therein, that the purchaser accepts the apartment in an "as is" condition. Further, the Sales Contract provides the reservation by Developer of the right to maintain on the project until the sale of the last apartment all models, sales offices and advertising signs and banners, if any, and lighting in connection therewith together with the right of ingress and egress and transient parking through the common elements.

Any interest earned on purchaser's funds deposited with escrow shall accrue to the Developer.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the sales contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's funds, and the sales contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

MANAGEMENT AND OPERATION: The Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. The proposed Declaration and By-Laws of the Association place the responsibility of employing a responsible corporate managing agent to manage and control the project, subject at all times to direction by the Board of Directors, upon the Board. No Managing Agent has been identified in the Notice of Intention; however, Developer

reserves the right to appoint a Managing Agent prior to the first assignment of apartment lease.

STATUS OF PROJECT: The project was completed in 1973 and has been used since that time for apartment rental purposes. The Affidavit of Publication of the Notice of Completion was filed in the Third Circuit Court on January 9, 1973. The County of Hawaii Certificate of Occupancy was issued April 11, 1973.

USE OF AN APARTMENT: Subject to scheduling rules to be established by the Managing Agent or its designee, each purchaser will have the right to use one of two apartments owned by Developer in the project for seven (7) consecutive days each year. Developer shall designate any two (2) apartments owned by it for such purpose. The scheduling of the use of the apartments will be subject to such rules as the Managing Agent or its designee may establish from time to time in its sole discretion. The foregoing right will extend for a period of two (2) years commencing with the closing of the first apartment sale.

The purchaser or prospective purchaser should be cognizant of the fact that this Preliminary Public Report represents information disclosed by the Developer in the required Notice of Intention submitted June 9, 1975, and additional information subsequently filed on July 16, 1975.

This Preliminary Horizontal Property Regimes (Condominium) Public Report is made a part of Registration No. 782 filed with the Commission on June 9, 1975.

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


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

Distribution:

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Registration No. 782
July 21, 1975