

**REAL ESTATE COMMISSION**

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

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

on  
KONA BALI KAI  
Alii Drive  
Holualoa, North Kona  
County of Hawaii, State of Hawaii

REGISTRATION NO. 817

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

It was prepared as a supplement to an earlier Report dated March 14, 1977 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: January 12, 1978  
Expires: April 14, 1978

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that the 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 SUBMITTED OCTOBER 21, 1975, AND ADDITIONAL INFORMATION FILED AS OF JANUARY 11, 1978. THE DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report of January 12, 1976, and the Final Public Report of March 14, 1977, on KONA BALI KAI, Registration No. 817, the Developer reports that certain material changes have been made in the project, namely, the addition of six more commercial units and deletion of five apartments; the addition of a jacuzzi, sauna and two laundry rooms; and revision of the recreation area, windows for certain apartments, lobby area, apartment areas, parking areas and common interest allocation. The information contained in this Supplementary Public Report (pink paper stock) amends the Preliminary (yellow paper stock) and Final (white paper stock) Public Reports and becomes part of the KONA BALI 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 and Final Public Reports. Securing a signed receipt for the Preliminary, Final and Supplementary reports shall also be the responsibility of the Developer.

2. Kona Bali Kai is a leasehold condominium project consisting of a swimming pool, jacuzzi, sauna, and 149 apartments and 7 commercial units arranged throughout 8 buildings. The developer proposes to sell each apartment together with an undivided interest in the common elements of the improvements (exclusive of the land) and to lease an undivided interest in the land to each purchaser by means of a Condominium Conveyance Document. Each unit is provided with at least one parking space.

3. A single condominium project is contemplated, however, the developer and its lessor has reserved the right to withdraw a portion of the Project (Phase II).

As shown on the condominium plans: (1) Phase I is situated makai of Alii Drive, Kona, Hawaii and shall consist of 80 apartments and 7 commercial units contained in three buildings (Nos. 1, 2 and 2A), a swimming pool, jacuzzi, sauna, and 113 parking spaces of which 3 are for guest parking; and (2) Phase II is situated mauka of Alii Drive, and shall consist of 69 apartments contained in 5 buildings (Nos. 3 through 7), and 92 parking spaces.

4. The developer has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Supplementary Public Report.

5. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners) have been filed with the Bureau of Conveyances, State of Hawaii, in Liber 12049 at Page 32. Amendments thereto were filed in Liber 12611 at Page 531, and the approved floor plan filed as Condominium Map No. 490 was amended.

6. No advertising or promotional matter has yet been submitted pursuant to the Rules and Regulations promulgated by the Commission.

7. The prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes, and with the rules and regulations promulgated pursuant thereto.

8. This Supplementary Report automatically expires on April 14, 1978, unless a further Supplementary Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information under the following topical headings in the Preliminary and Final Public Reports have been changed: Preliminary Public Report - DESCRIPTION, COMMON ELEMENTS and COMMON INTEREST TO BE CONVEYED TO PURCHASER; and Final Public Report - USE, and ENCUMBRANCES AGAINST TITLE has been updated. The information under the remaining topical headings of the Preliminary and Final Public Reports remain unchanged.

DESCRIPTION: There will be 149 apartments and 7 commercial units in 8 buildings. The 8 buildings, which are designated on the condominium plans by numbers 1 through 7, will be constructed as follows:

Buildings Nos. 1 & 2 - principally of spread footings, load bearing reinforced concrete and masonry walls, party walls, Hambro D500 composite floor system, heavy timber roof, lanais, and walkways, wooden posts, concrete, steel, aluminium and allied building materials. Building No. 1 consists of three floors while building No. 2 consists of four floors with parking on the ground floor.

Building No. 2A - principally of concrete pad footings, wood studs and shakerooof. Building No. 2A consists of one floor.

Buildings Nos. 3, 4, 5, 6 & 7 principally of spread footings, load bearing wood frame and reinforced masonry party walls, floor system of plywood and wood joints, heavy timber roof, lanais, and stairways, wooden posts, aluminium and allied building materials. Buildings 3, 4, 5, 6 & 7 will each consist of 3 floors.

The apartments, including the apartment for the manager, and the commercial units will be numbered and located as shown on the condominium plans, the digit which precede the last two digits of a unit indicates the floor of the building in which the unit will be located. Each of the units will be one of the following types:

<u>Apt. No.</u>	<u>Type</u>	<u>Bldg. No.</u>
101	G, Commercial Unit (loft space)	1
102	G, Commercial Unit (loft space)	1
104A	G, Commercial Unit (loft space)	1
111	G, Commercial Unit (loft space)	2A
*226	F-R, Manager's Unit	1
227	E, Modified to Commerical Unit	1
230	E-R, Modified to Commercial Unit	1
231	F, Modified to Commercial Unit	1
326	F-R	1
327	E	1
328	E	1
329	E-R	1

\*NOTE: Apartment 226, the manager's unit, is a common element.

<u>Apt. No.</u>	<u>Type</u>	<u>Bldg. No.</u>
330	E-R	1
331	F	1
201	A	2
202	B	2
203	B-R	2
204	B	2
205	B-R	2
206	B	2
207	B-R	2
208	B	2
209	B-R	2
210	B	2
211	B-R	2
212	B	2
213	B-R	2
214	B	2
215	B-R	2
216	E	2
217	B	2
218	B-R	2
219	B	2
220	B-R	2
221	B	2
222	B-R	2
223	B	2
224	C	2
225	D	2
301	A	2
302	B	2
303	B-R	2
304	B	2
305	B-R	2
306	B	2
307	B-R	2
308	B	2
309	B-R	2
310	B	2
311	B-R	2
312	B	2
313	B-R	2
314	B	2
315	B-R	2
316	E	2
317	B	2
318	B-R	2
319	B	2
320	B-R	2
321	B	2

<u>Apt. No.</u>	<u>Type</u>	<u>Bldg. No.</u>
322	B-R	2
323	B	2
324	C	2
325	D	2
401	A	2
402	B	2
403	B-R	2
404	B	2
405	B-R	2
406	B	2
407	B-R	2
408	B	2
409	B-R	2
410	B	2
411	B-R	2
412	B	2
413	B-R	2
414	B	2
415	B-R	2
416	E	2
418	B	2
418A/419(one unit)	B & B-R combined	2
420	B-R	2
421	B	2
422	B-R	2
423	B	2
424	C	2
425	D	2
132	H	3
133	H-R	3
134	H	3
135	H-R	3
232	H	3
233	H-R	3
234	H	3
235	H-R	3
332	H	3
333	H-R	3
334	H	3
335	H-R	3
141	J	4
142	J-R	4
143	J	4
144	J-R	4
241	J	4
242	J-R	4
243	J	4
244	J-R	4

<u>Apt. No.</u>	<u>Type</u>	<u>Bldg. No.</u>
341	J	4
342	J-R	4
343	J	4
344	J-R	4
151	J-R	5
152	J	5
153	J-R	5
251	J-R	5
252	J	5
253	J-R	5
351	J-R	5
352	J	5
353	J-R	5
161	H-R	6
162	H	6
163	H-R	6
164	H	6
165	H-R	6
166	J-R	6
167	J	6
168	H	6
261	H-R	6
262	H	6
263	H-R	6
264	H	6
265	H-R	6
266	J-R	6
267	J	6
268	H	6
361	H-R	6
362	H	6
363	H-R	6
364	H	6
365	H-R	6
366	J-R	6
367	J	6
368	H	6
171	J	7
172	J-R	7
173	J	7
174	J-R	7
271	J	7
272	J-R	7
273	J	7
274	J-R	7
371	J	7
372	J-R	7
373	J	7
374	J-R	7

The number of rooms and approximate area of each type of unit are as follows:

Type A: An eight room apartment, consisting of three bedrooms, two baths, kitchen, dressing room and a living/dining room, with an approximate living area of 1052 square feet, and a lanai area of approximately 162 square feet.

Type B: A six room apartment, consisting of two bedrooms, two baths, kitchen and living/dining room, with an approximate living area of 806 square feet, and a lanai area of approximately 176 square feet.

Type B-R: The reverse of type B.

Type B & B-R Combined: A ten room apartment, consisting of 3 bedrooms, 3 baths, kitchen, den, living/dining room, laundry, with an approximate living area of 1638 square feet, and a lanai area of approximately 357 square feet.

Type C: A four room apartment, consisting of one bedroom, one bath, kitchen and a living/dining room, with an approximate living area of 651 square feet, and a lanai area of approximately 123 square feet.

Type D: A four room apartment, consisting of one bath, a dressing room, kitchen and a studio (living/bedroom), with an approximate living area of 437 square feet, and a lanai area of approximately 139 square feet.

Type E: A five room apartment, consisting of one bedroom, one bath, a dressing room, kitchen and a living/dining room, with an approximate living area of 586 square feet, and a lanai area of approximately 176 square feet.

Type E-R: The reverse of Type E.

Type F: A similar type as Type E, except that the living area is greater; Type F will have an approximate living area of 628 square feet, with a lanai area similar to Type E-approximately 176 square feet.

Type F-R: The reverse of Type F.

Type G: Commercial units consisting of loft spaces with areas as follows:

Unit 101, 610 square feet; Unit 102, 766 square feet; Unit 104A, 583 square feet; and Unit 111, 385 square feet (consisting of loft space of 176 square feet and veranda of 209 square feet).

Type H: A four room apartment, consisting of one bath, a dressing room, kitchen and a studio (living/bedroom), with an approximate living area of 417 square feet, and a lanai area of approximately 61 square feet.

Type H-R: The reverse of Type H.

Type J: A five room apartment, consisting of one bedroom, one bath, a dressing room, kitchen and a living/dining room, with an approximate living area of 538 square feet, and a lanai area of approximately 61 square feet.

Type J-R: The reverse of Type J.

Each of the apartments above the first floor will have immediate access to a walkway which leads to five stairways and an elevator in buildings 1 and 2, or to an adjacent stairway in buildings 3, 4, 5, 6 and 7, and each stairway and the elevator lead to the grounds of the project.

The apartments and 7 commercial units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, or of the interior load-bearing walls; the floors and perimeter ceilings surrounding each unit, or any pipes, wires, ducts, conduits, or other utility or service lines running through such unit which are utilized for or serve more than one unit, all of which are common elements as hereinafter provided. Each unit shall be deemed to include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and frames; windows and window frames; the inner decorated or finished surfaces of all walls, floors, and ceilings; the lanai, adjoining and connected thereto; and all fixtures originally installed therein.

COMMON ELEMENTS: The Declaration states that the common elements for the project include, but are not limited to:

- (a) Said land in fee simple.
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, chassis, apartment vestibules, entries, stairways, walkways, entrances and exits of said buildings and all exterior finishes.
- (c) The lobby, the manager's one bedroom apartment, office and parking stall, accounting office, washrooms, storage rooms, laundry rooms, employees' area and sauna room, elevator equipment room, electrical equipment room, picnic area, equipment storage closet, and court with swimming pool/jacuzzi and trash enclosures.
- (d) All yards, grounds and landscaping.
- (e) All roads, driveways and parking areas (including guest parking stalls) as indicated on the condominium map.
- (f) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any.
- (g) The sewer treatment plant, lift station and all appurtenant equipment, including but not limited to sewer pipelines.
- (h) Elevator lobby located on each floor and the elevator; all tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use.
- (i) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

COMMON INTEREST TO BE CONVEYED TO PURCHASER: The Declaration discloses that each apartment shall have appurtenant thereto an undivided percentage interest, or common interest, in the common elements, in all profits and expenses of the project (except for limited common elements reserved for the use of more than one apartment as hereinabove provided), and for all other purposes, including voting (except as modified as herein-after provided), according to the type of such apartment, as follows:

<u>Type of Apartment</u>	<u>Percentage Common Interest</u>
A	1.0209920
B, B-R	0.8258763
B & B-R combined	1.6778240
C	0.6509453
D	0.4844244
E, E-R	0.6408530
E (modified)	0.6408530
F, F-R	0.6761757
F (modified commercial unit)	0.6761757
G (commercial unit 101)	0.5130219
G (commercial unit 102)	0.6442212
G (commercial unit 104A)	0.4903115
G (commercial unit 111)	0.3237906
H, H-R	0.4020049
J, J-R	0.5037677

In the event Phase II is withdrawn from the project, the common interests appurtenant to each apartment in Phase I shall automatically convert into a new undivided percentage interest equal to the quotient obtained by dividing the original percentage common interest of that apartment by the total of the original percentage common interests of all apartments in Phase I.

USE: The Declaration provides that, except for the 7 commercial condominium units, the accounting office and the manager's office, which shall be used, respectively, for commercial, accounting, and managerial purposes, the apartments shall be used only as living quarters and occupied and used by the respective owners thereof and their tenants, and the families, servants and guests of such owners and tenants, and for no other purpose; provided, however, that until all Condominium Conveyance Documents covering the apartments in the project have been assigned to others, the developer shall be entitled to use the apartments as sales offices and as models for display to the public. The apartment owners shall have the absolute right to lease their apartments subject

to limitations, restrictions, covenants, and conditions contained in the Declaration or the By-Laws.

ENCUMBRANCES AGAINST TITLE: A copy of the Preliminary Report dated September 12, 1977 and updated by letter dated December 28, 1977, issued by Title Guaranty of Hawaii reflects the following encumbrances on the project property:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

2. The terms and provisions of that certain Indenture of Lease dated April 21, 1960, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 3819 at Page 460, made by and between Marjorie C. Hind, also known as Marjorie Capps Hind, wife of R. Leighton Hind, as Lessor, and Hung Wo Ching, husband of Elizabeth Lau Ching, and Man Kwong Au, husband of Lilly Hee Au, Joint Tenants, as Lessee; as amended by instrument dated June 3, 1969, and recorded in said Bureau of Conveyances in Liber 6544 at Page 35; said Lease, through mense assignments is now held by Walter S. S. Zane, husband of Florence F. Zane, as Lessee, by Assignment of Lease dated January 15, 1973, recorded in said Bureau of Conveyances in Liber 10374 at Page 25; and said Lease has been further amended by instrument dated June 24, 1975, recorded in said Bureau of Conveyances in Liber 10857 at Page 408, and instrument dated October 12, 1976, recorded aforesaid in Liber 11745 at Page 52.

3. The terms, agreements, reservations, covenants, conditions and provisions contained in the Lease, as amended, referred to in paragraph 2.

4. The Declaration of Horizontal Property Regime and the By-Laws attached thereto have been recorded in the Bureau of Conveyances in the State of Hawaii in Liber 12049 at Page 32. A copy of the approved Floor Plans has been filed as Condominium Map No. 490. The First Amendment of Horizontal Property Regime has been recorded in Liber 12611 at Page 531.

5. Mortgage and Financing Statement dated October 12, 1976, recorded in Liber 11745 at Page 83, made by Walter S. S. Zane, husband of Florence F. Zane, to Honolulu Federal Savings and Loan Association, to secure the repayment of the sum of \$6,779,000.00 together with interest thereon all according to the terms of that certain promissory note of the mortgagor of even date. Further, an Additional Security Mortgage and Financing Statement dated October 18, 1976, recorded in Liber 11745 at Page 153, made by Lawai Development Company to Honolulu Federal Savings & Loan Association mortgaging all its right, title and interest in those certain five parcels of land situated at Lawai, Koloa, Island and County of Kauai, State of Hawaii.

6. AS TO PARCEL FIRST ONLY: A grant of easement by Bishop Trust Company, Limited to Hawaii Electric Light Company, Inc., formerly known as Hilo Electric Light Company, Limited, dated January 13, 1958, as mentioned in instrument recorded in Liber 9167 at Page 2.

7. AS TO PARCEL FOURTH ONLY: Location of the seaward boundary in accordance with the law of the State of Hawaii.

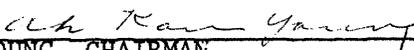
8. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, Third Division.

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The purchaser or prospective purchaser should recognize that this Supplementary Public Report represents information disclosed by the developer in the required Notice of Intention submitted on October 21, 1975, and additional information filed as of January 11, 1978.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 817 filed with the Commission on October 21, 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 pink.

  
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AH KAU YOUNG, CHAIRMAN  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

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

Registration No. 817

January 12, 1978