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

UNIT II, KE·AU·HOU KONA SURF & RACQUET CLUB
Keauhou Kona, Hawaii

REGISTRATION NO. 915

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: November 23, 1977
Expires: December 23, 1978

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 and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 3, 1977, AND INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 17, 1977. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report of August 11, 1977, the Developer reports that no changes have been made in the plan or setup as presented in the June 3, 1977 notice of intention to sell.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Final Public Report.

3. The basic documents (Declaration, By-Laws and Condominium Map) have been filed in the office of the recording officer. The Declaration and attached By-Laws, dated April 7, 1977, have been recorded at the Bureau of Conveyances in Liber 12214 at Page 398 and Condominium Map No. 502 has been assigned to the project.

4. Advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public dissemination.

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 Final Public Report is made a part of the registration on UNIT II, KE·AU·HOU KONA SURF & RACQUET CLUB condominium project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) along with a copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and obtaining a receipt therefor.

7. This Final Public Report automatically expires thirteen (13) months from the date of issuance, November 23, 1977, unless a supplementary report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information in the topical headings of the Preliminary Public Report of August 11, 1977, with the exception of ENCUMBRANCES AGAINST TITLE, has not been disturbed.

ENCUMBRANCES AGAINST TITLE: The Developer has filed with the Commission an updated Preliminary Report prepared by Title Guaranty of Hawaii, Incorporated dated September 29, 1977. Said report reveals that title to the land is subject to the following:

1. For real property taxes that may be due and owing, reference is hereby made to the Office of the Tax Assessor, Third Division.

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

3. As to Unit II-A:

(a) Location of the seaward boundary in accordance with the law of the State of Hawaii.

(b) Easements as shown on File Plan 1506:

Easement 8 for walkway and cartway purposes;
Easement 10 for sanitary sewer purposes;
Easement 11 for roadway and utility purposes;
Easement 12 for sanitary sewer purposes;
Easement 13 for waterline purposes;
Easement 14 for waterline purposes;
Easement 15 for waterline purposes;
Easement 16 for roadway and utility purposes;
Easement 17 for sanitary sewer purposes;
Easement 40 for waterline purposes; and
Easement 41 for waterline purposes.

4. As to Unit II-B:

Easements as shown on said File Plan 1506:

Easement 20 for public access purposes;
Easement 22 for sanitary sewer purposes;
Easement 24 for roadway and utility purposes;
Easement 25 for utility purposes; and
Easement 26 for waterline purposes.

5. The terms, conditions and provisions contained in that certain unrecorded Joint Venture Agreement dated June 20, 1974, by MEC Hawaii Corporation, International Management Corporation, Park Investment, Inc., Pacific Holiday, Inc. and Lehua Investment Corporation, all Hawaii corporations, of which a short form is dated August 21, 1975 and recorded in Liber 10864 at Page 233.

6. Terms, agreements, reservations, covenants, conditions and provisions contained in Lease dated July 8, 1975, recorded in Liber 10895 at Page 513, made by and between Kamehameha Development Corporation, a Hawaii corporation, as Lessor, and MEC Hawaii Corporation, International Management Corporation, Park Investment, Inc., Pacific Holiday, Inc. and Lehua Investment Corporation, all Hawaii corporations, the General Partners of Kona Five, a Hawaii general partnership, as Lessee, for a term of 58 years commencing on July 1, 1973.

7. Mortgage and Security Agreement dated September 29, 1975 and recorded in Liber 10936 at Page 315, made by and between said MEC Hawaii Corporation, et al., the General Partners of Kona Five, as Mortgagor, and City Bank, a Hawaii corporation, as Mortgagee, as amended by instrument dated July 30, 1976, recorded in Liber 11586 at Page 284.

8. Second Mortgage and Security Agreement dated March 30, 1976 and recorded in Liber 11322 at Page 327, made by and between said MEC Hawaii Corporation, et al., the General Partners of Kona Five, as Mortgagor, and Servco Financial Corp., a Hawaii corporation, as Mortgagee.

9. Covenants, conditions and restrictions and other provisions set forth in Declaration of Horizontal Property Regime dated April 7, 1977, recorded in the Bureau of Conveyances in Liber 12214 at Page 398 and the By-Laws attached thereto as the same are or may hereafter be amended in accordance with law, said Declaration or By-Laws. (Project covered by Condominium Map No. 502).

10. Mortgage and Security Agreement dated August 5, 1977, recorded in the Bureau of Conveyances in Liber 12422 at Page 664, made between said MEC Hawaii Corporation, et al., the General Partners of Kona Five, as Mortgagor, and City Bank, as Mortgagee.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted June 3, 1977 and information subsequently filed as of November 17, 1977.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 915.

This report when reproduced shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be white in color.

Ah Kau Young

AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

Registration No. 915

November 23, 1977