

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

KONA REEF
Alii Drive at Kahakai Drive
Kailua-Kona, Hawaii

No. 960

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

It was prepared as a supplement to an earlier Report dated _____ 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: February 28, 1980
Expires: November 26, 1980

SPECIAL ATTENTION

A comprehensive reading of this report by the prospective Purchaser 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 14, 1979, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 19, 1980. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON MATERIAL CHANGES IN THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES.

1. Since the issuance of the Final Report on the KONA REEF project, Registration No. 960, dated October 26, 1979, and the Developer's submission of additional information on October 11, 1979, further information has been provided the Commission. The changes subsequently made are determined

to be a material revision to the information disclosed earlier. This Supplementary Public Report (pink paper stock) amends the Final Public Report (white paper stock) and is made a part of the registration. The Developer is required to provide all purchasers or prospective purchasers of apartments with a copy of this Supplementary Public Report, as well as the Final Public Report and Disclosure Abstract. Securing a signed receipt therefor is also the responsibility of the Developer.

2. The Developer has complied with Chapter 514A, Hawaii Revised Statutes, and has fulfilled the requirements of the Commission for the issuance of this Supplementary Public Report prior to the completion of construction.
3. No advertising or promotional matter required has been filed pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, as amended, Bylaws of the Association of Apartment Owners, as amended), and a copy of the approved Floor Plans have been filed in the office of the recording officer.

The Amendment to the Declaration and Bylaws, dated January 7, 1980 was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document NO. 993420, and also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14442, at Page 178. The Declaration, as amended, and the Bylaws, as amended, are hereinafter referred to as the "Declaration" and the "Bylaws", respectively.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. This Supplementary Public Report automatically expires on November 26, 1980, unless the Commission upon review of the registration, issues an order extending the effective period of this report.

With the exception of the information under the topical headings listed below, the Final Public Report remains the same. As to the following topical headings only, the information in the Final Report is amended and supplemented as follows:

LOCATION: The location of the project as described under said topical heading on page 2 of the Final Public Report is amended to reflect that the project is located at the corner of Alii Drive and "Kahakai Road" rather than "Kahakai Drive".

DESCRIPTION: Subsections under this heading are revised as follows:

1. The description of Building D on page 3 of the Final Public Report is amended in its entirety to read as follows:

"Building D" - Building D contains 24 one-bedroom

units and 8 two-bedroom units on four levels served by covered exterior corridors on each level which provide access to each unit and which adjoin the corridors serving Building E. Building D is also served by a stairway at the north end of the building and an elevator at the mauka end of Building E. All of the units in Building D are oriented so that the lanais face the ocean.

2. The description of Building E on page 3 of the Final Public Report is amended in its entirety to read as follows:

"Building E" - Building E contains 12 one-bedroom units on four levels served by covered exterior corridors one each level which provide access to each unit and which adjoin the corridors serving Building D. Building E is also served by an elevator at the mauka end of the building and a stairway adjacent to the elevator. All units in Building E are angled to direct interior and lanai exposure towards the ocean.

3. The last paragraph beginning at the bottom of page 3 of the Final Public Report is amended to reflect that a portion of the makai side of Building B and a portion of the mauka side of Building A share a common wall at the first level as well as the second, third and fourth levels.

4. The description of the one-bedroom apartment Type G on page 4 of the Final Public Report is amended to reflect that said Type G apartment has a lanai of 128 square feet rather than 129 square feet.

5. The description of the two-bedroom Type T apartment on page 4 of the Final Public Report is amended to reflect that said Type T apartment has a lanai of 160 square feet rather than 169 square feet.

6. In the second line of Paragraph 3.B on page 5 of the Final Public Report, the word "form" is changed to "from".

7. The second sentence of Paragraph 3.D on page 6 of the Final Public Report is amended in its entirety to reflect that rather than being Type K apartment units, Apartment D-1 is a Type T apartment unit and Apartments D-11, D-21 and D-31 are Type U apartment units.

8. The first line of paragraph 3.F on page 6 of the Final Public Report is amended by inserting the word "non-parking" between the words "typical" and "level".

COMMON ELEMENTS: In the last line of Paragraph G under this topical heading on page 7 of the Final Public Report, the word "liens" is changed to "lines".

OWNERSHIP OF TITLE: A Preliminary Report issued by Security Title Corporation on January 25, 1980 now reflects that the fee title to the land upon which the project is situate is held by Guy Anthony Paul, husband of Helen Paul, as Trustee under that certain Gomes-

Paul Trust dated January 7, 1980, filed in the Office of said Assistant Registrar as Document No. 993421 and also recorded on January 25, 1980 in the said Bureau of Conveyances in Liber 14442, at Page 197.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report of January 25, 1980 reflects the following encumbrances:

1. Any taxes that are due and owing; reference is made to the Office of the Tax Assessor, Third Division.

2. The terms and provisions of that certain Lease and Development Agreement dated November 1, 1973, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9892, at Page 461; as amended by instrument dated March 12, 1974, recorded in said Bureau of Conveyances in Liber 9892, at Page 484.

3. The terms and provisions of that certain Sublease dated November 1, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 680507; as amended by instrument dated March 12, 1974, filed in the Office of said Assistant Registrar as Document No. 680508.

4. Condominium Map No. 383, filed in the Office of said Assistant Registrar on July 16, 1979.

Condominium File Plan No. 629, filed in said Bureau of Conveyances on July 16, 1979.

5. The covenants, agreements, obligations, conditions and other provisions set forth in that certain DECLARATION OF HORIZONTAL PROPERTY REGIME FOR THE KONA REEF CONDOMINIUM PROJECT dated May 22, 1979, filed in the Office of said Assistant Registrar as Document No. 951774, and also recorded in said Bureau of Conveyances in Liber 13848, at Page 493.

By instrument dated January 7, 1980, filed in the Office of said Assistant Registrar as Document No. 993420, and also recorded in said Bureau of Conveyances in Liber 14442, at Page 178, the foregoing Declaration was amended.

6. Mortgage dated November 21, 1979, filed in the Office of said Assistant Registrar as Document No. 979649 and also recorded in said Bureau of Conveyances in Liber 14193, at Page 533, made by Regent Land Corp., a Hawaii corporation, as Mortgagor, to State Savings and Loan Association, a Utah corporation, as Mortgagee, to secure the repayment of the sum of \$9,800,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said Mortgagor therein referred to.

7. Undated Financing Statement covering certain fixtures located on the real property, given as security by Regent Land Corp., a Hawaii corporation, in favor of State Savings and Loan Association, recorded in said Bureau of Conveyances in Liber 14193, at Page 570.

8. Any adverse claim based upon (a) a conflict in the determination of the seaward boundary of said land, (b) a conflict in

the location of such seaward boundary, or (c) the assertion that any portion of said land is submerged land or is land beneath tidal waters.

9. Reservation in favor of the State of Hawaii of all mineral and metallic mines of every description as reserved under Royal Patent No. 1930 and Land Patent Grant 13083.

10. Reservation in favor of the State of Hawaii of all water and water rights as reserved in Land Patent Grant No. 13083.

11. The terms and provisions contained in the Gomes-Paul Trust dated January 7, 1980, filed in the Office of said Assistant Registrar as Document No. 993421, and also recorded in said Bureau of Conveyances in Liber 14442, at Page 197.

PURCHASE MONEY HANDLING: In the second paragraph under this topical heading on page 10 of the Final Public Report, the term "Reservation and Sales Contract" is changed to "Sales Contract".

1. At the end of Paragraph A on page 11 of the Final Public Report, the period following the word "change" is deleted and a comma substituted therefor and the following language is inserted after the comma:

or has accepted the apartment in writing or occupied it and ninety (90) days have expired before any attempt to cancel by purchaser, and upon such cancellation, purchaser shall be entitled to a refund of all sums paid by purchaser pursuant to the Sales Contract, with interest, as provided in the Escrow Agreement, less the cancellation fee charged by Escrow.

2. Paragraph B on page 11 of the Final Public Report is amended to reflect that the Seller shall have the right and option to cancel the Sales Contract by written notice to the purchaser if within thirty (30) days (rather than five (5) days) from the mailing or delivery by Developer (Seller) of a copy of said Final Public Report, the purchaser shall fail to acknowledge receipt thereof.

3. The period appearing between the words "Report" and "the" in the fourth line of Paragraph B on page 11 of the Final Public Report is hereby changed to be a comma.

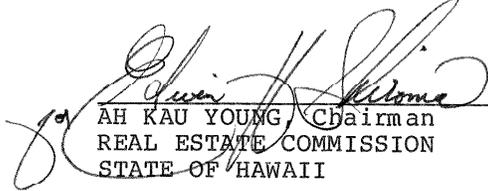
4. Paragraph B on page 11 of the Final Public Report is further amended by deleting the words "of paragraph G(18)(a)" from the second to the last line of said Paragraph B.

PROGRAM OF FINANCING: Paragraph 4 under this topical heading on page 12 of the Final Public Report is amended to refer to a revised Construction Contract dated November 13, 1979, rather than September 4, 1979.

STATUS OF THE PROJECT: Under this topical heading on page 12 of the Final Public Report, the estimated completion date is changed from October 1, 1981 to March 1, 1981.

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 14, 1979, and additional information subsequently filed as of February 19, 1980.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 960, filed with the Commission on June 14, 1979. This report, when reproduced, shall be a true copy of the Commission's public report. The paper stock must be pink in color.


AH KAU YOUNG Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Taxation
Bureau of Conveyance
Planning Department, County of Hawaii
Escrow Agent
Federal Housing Administration

Registration No. 960
Dated: February 28, 1980