

# 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  
BLUESTONE  
319 Kaelepulu Drive  
Lanikai, Kailua, Oahu, Hawaii

REGISTRATION NO. 982

### **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: December 4, 1978

Expires: January 4, 1980

#### 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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 9, 1978 AND INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 21, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report dated April 14, 1978 and the Commission's Supplementary Public Report dated June 29, 1978 on BLUESTONE, Registration No. 982, the Developer has prepared and forwarded additional information to that filed in the March 9, 1978 submittal.

2. The Developer has submitted to the Commission for examination all documents necessary for the issuance of this Final Public Report.
3. No advertising or promotional matter has been submitted pursuant to Chapter 514A of the Hawaii Revised Statutes and the rules and regulations promulgated by the Commission.
4. The basic documents and a copy of the approved Floor Plans have been recorded in the office of the recording officer. The Declaration of Horizontal Property Regime, together with the By-Laws of Association of Apartment Owners attached thereto was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13284, page 197, and Condominium Map No. 578 has been assigned to the project by said recording officer.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, the Horizontal Property Act and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, December 4, 1978, unless a Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Final Public Report is made a part of the registration on "BLUESTONE" condominium project. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock), the Preliminary Public Report (yellow paper stock) and the Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt for each of such Horizontal Property Regime Public Reports from such persons.

The information in the topical headings of the Preliminary Public Report as revised by the Supplementary Public Report has not changed, except for LOCATION, TAX MAP KEY, DEVELOPER, DESCRIPTION, COMMON ELEMENTS, OWNERSHIP TO TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, MANAGEMENT OF THE PROJECT and STATUS OF PROJECT. A new topical heading entitled PROGRAM OF FINANCING has been added.

LOCATION: Instead of the 52.816 acres stated in the Preliminary Public Report, approximately 130.46 acres have been submitted to the Regime. Upon completion of a legal subdivision of the land, the Declaration will be amended so that the Project will be established on approximately 52.616 acres as explained in the Declaration and below.

TAX MAP KEY: When the land on which the project is established is legally subdivided as mentioned in the Declaration, the land will be assigned a new tax key number by the State Tax Office.

DEVELOPER: The Developer identified in the Preliminary Public Report has assigned its interests to a partnership called the Mid-Pacific Partners which consists of J & G Venture, Lone Star Hawaii, Inc. and Kaelepulu Company, Inc. The Mid-Pacific Partners is the developer as well as the Seller under the sales contracts (by assignment from Kaelepulu Company, Inc.).

DESCRIPTION: The first subparagraph (entitled "Numerical Designation and Location of Apartments") of Paragraph 2 in the Supplementary Public Report is deleted and the following substituted therefor:

Description of Apartments.

Numerical Designation and Location of Apartments.

There will be a total of five (5) basic types of apartments, the detailed plans for which are shown on the Condominium Map filed with the Commission. Each apartment within each of the foregoing types is substantially the same as all others within its type, except that the floor plans may be mirror images of other floor plans. The Declaration (with the "R" designating a mirror image) describes ten apartment types: Type A2, A2R, A3, A3R, B, BR, C3, C3R, C3 FE and C3R FE. The Declaration and the Condominium Map further designates some of the foregoing types with either an "INT" for interior or "END" for exterior to denote the location of the apartment in its respective building. Note that the "C3 FER" designation used in the Supplementary Public Report has been changed to "C3R FE".

Except for the following additional description of the apartments by type and only to the extent indicated, the information given in the Supplementary Public Report under the topical heading "DESCRIPTION" still applies:

The apartments are further described as follows:

(a) Types A2 and A2R. The Type A2R apartment is a mirror-image of the Type A2 apartment, which is a two-story apartment built over a parking garage, containing an entry hall, two lanais, one-half bathroom/powder room, kitchen, utility/storage/laundry room, and a living room/dining area, on the lower level and two bedrooms, two full bathrooms, and a balcony on the upper level, with an interior stairway connecting both levels, for a floor area of approximately 1,532 square feet not including the lanai and balcony areas. The lanai and balcony areas have an aggregate floor area of approximately 542 square feet. The Types A2 and A2R apartments are designated on the Condominium Map as "INT" for interior of building location.

(b) Types A3 INT, A3R INT, A3 END and A3R END. The Type A3 INT apartment is a mirror-image of the Type A3R INT apartment and the Type A3R END apartment is a mirror-image of the Type A3 END apartment. Each is a two-story apartment built over a parking garage, containing an entry hall, two lanais (three lanais for Type A3 END and A3R END), one-half bathroom/powder room, kitchen, family room, utility/storage/laundry room, and a living room/dining area on the lower level, and three bedrooms, two full bathrooms, a

balcony, and a storage closet on the upper level, with an interior stairway connecting both levels, for a floor area of approximately 1,821 square feet not including the lanai and balcony areas for Type A3 INT and A3R INT and approximately 1,897 square feet not including the lanai and balcony areas for Type A3 END and A3R END. The lanai and balcony areas have an aggregate floor area of approximately 438 square feet for Type A3 INT and A3R INT and approximately 1,087 square feet for Type A3 END and A3R END. The A3 and A3R apartments are designated on the Condominium Map as either "INT" for interior or "END" for end, depending on its location in the building.

(c) Types B INT, BR INT, B END and BR END. The Type BR INT apartment is a mirror-image of the Type B INT apartment and the Type BR END apartment is a mirror-image of the Type B END apartment. Each is a two-story apartment containing an entry hall, pantry/general storage room, kitchen, living room/dining area, a bedroom, lanai and one-half bathroom/powder room on the lower level and two bedrooms, a utility/laundry room, a balcony and two full bathrooms on the upper level, with an interior stairway connecting both levels, for a floor area of approximately 1,806 square feet not including the lanai and balcony areas for Type B INT and approximately 1,832 square feet not including the lanai and balcony areas for Type B END. The lanai and balcony areas have an aggregate floor area of approximately 340 square feet. The B and BR apartments are designated on the Condominium Map as either "INT" for interior or "END" for end, depending on its location in the building.

(d) Types C3 INT, C3R INT, C3 END and C3R END. The Type C3R INT apartment is a mirror-image of the Type C3 INT apartment and the Type C3R END apartment is a mirror-image of the Type C3 END apartment. Each is a three-level apartment containing a living room, separate dining room, storage room, kitchen and lanai on the middle level, two bedrooms, laundry room, one full bathroom, one-half bathroom/powder room, and a lanai on the lower level and a master bedroom, a lanai and one full bathroom on the upper level, with an interior stairway connecting the three levels, for a floor area of approximately 1,946 square feet not including the lanai, entry deck or garage areas for Type C3 INT and C3R INT and approximately 1,996 square feet not including the lanai, entry deck or garage areas for Type C3 END and C3R END. The Type C3 INT, C3R INT, C3 END and C3R END apartments will include a two-car garage, built either at the middle level or the upper level or at an entry level which is in between the upper and middle levels. Each will also include an entry deck and an entry hall at the entry level. The lanai and entry deck areas have an aggregate floor area of approximately 547 square feet for Type C3 INT and C3R INT and approximately 728 square feet for Type C3 END and C3R END. The garage has a floor area of approximately 450 square feet. The C3 and C3R apartments are designated on the Condominium Map as either "INT" for interior or "END" for end depending on its location in the building.

(e) Types C3 FE and C3R FE. The Type C3R FE apartment is a mirror-image of the Type C3 FE apartment

which is a three-level apartment containing a living room, separate dining room, storage room, kitchen, family room and lanai on the middle level, two bedrooms, laundry room, one full bathroom, one-half bathroom/powder room, and a lanai on the lower level and a master bedroom, a lanai and one full bathroom on the upper level with an interior stairway connecting all three levels, for a floor area of approximately 2,209 square feet not including the lanai, entry deck or garage areas. The Type C3 FE and C3R FE apartments will include a two-car garage, built at the upper level, and an entry hall and entry deck at the entry level. The lanai and entry deck areas have an aggregate floor area of approximately 807 square feet. The garage has a floor area of approximately 450 square feet.

The square footage areas for the respective unit types are computed from and to the center lines of the apartment perimeter party walls and the exterior surface of all other apartment perimeter walls, not including the area to the edge of the entry decks, outdoor lanais or balconies and excluding the respective garages.

The areas for the garages are computed from the interior garage surface of the wall separating the garage from the apartment unit and to the exterior surface of all other walls. The areas for the lanais and balconies are computed from the outside surface of the apartment unit walls to the outside surface of the lanai or balcony railings and include the entirety of any side walls. The areas for the entry decks are computed from the outside surface of the garage walls and the apartment unit walls to the outside surface of the railings and to the center lines of any party walls.

COMMON ELEMENTS. Paragraphs (d) and (f) in the Preliminary Public Report are deleted and the following substituted therefor:

(d) All yards, grounds, landscaping, planters, fences, mail boxes, refuse facilities, swimming pool, pool equipment, tennis courts and the other open areas.

(f) All roadways, sidewalks, and driveways, which are rationally of common use including forty-one (41) guest parking stalls designated with a "G" on said condominium Map.

LIMITED COMMON ELEMENTS. The information in the Preliminary Public Report still applies except that the assignment of parking stalls may be changed from time to time by amendment to the Declaration as provided in Paragraph O (and not Paragraph M) of the Declaration and paragraph (b) in the Preliminary Public Report has been deleted and paragraph (c) has been redesignated as paragraph (b).

OWNERSHIP TO TITLE. The Policy of Title Insurance dated October 3, 1978 and issued by Title Guaranty of Hawaii, Inc. states that title to the land is vested in The Trustees of the Bishop Estate (the "Trustees"). The Trustees have issued to Kaelepu Company, Inc. a lease (Lease No. 16,220)

covering the land and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5706, Page 350, as amended by instrument recorded in Liber 13127, Page 637. The Trustees and Kaelepulu Company, Inc. in turn subleased the land to the Developer by Lease No. 16,220-A recorded in said Bureau in Liber 13127, Page 642, as amended by instrument recorded in said Bureau in Liber 13231, Page 72 (the "Lease").

The land demised to the Developer by the Lease contains approximately 130.46 acres. The Declaration as well as the Lease contemplates a legal subdivision of the land followed by amendments to the Declaration and to the Lease whereby the land covered by the Lease and by the Declaration of Horizontal Property Regime will consist of approximately 52.616 acres. In other words, the Developer plans to subdivide the 52.616 acres from the 130.46 acres. The subdivision will be accomplished in connection with a consolidation with adjoining lands owned by the Mid-Pacific Country Club in order to obtain certain easement benefits for the Project. The consolidation and subdivision will result in a realignment of the boundary line between the Project and the land area owned by the Mid-Pacific Country Club as well as a realignment of the boundary of the Project conforming said boundary with the boundaries designated in the Planned Development--Housing Ordinance No. 4260. As a result of such consolidation and resubdivision the boundaries of the Project will be substantially as described in the Exhibit A-1 attached to the Declaration. Therefore, the Developer, Kaelepulu Company, Inc. and the Trustees have reserved rights pursuant to Section N of the Declaration to effectuate such consolidation and resubdivision of the land, and without the necessity of obtaining the consent or joinder of any apartment owner or purchaser or lienholder, to amend the Declaration by substituting a revised Exhibit "A" to the Declaration describing the approximately 52.616 acres which, upon such amendment, will be subject to the Declaration.

ENCUMBRANCES AGAINST TITLE. Said Policy of Title Insurance dated October 3, 1978, prepared by Title Guaranty of Hawaii, Inc. describes the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. A perpetual right-of-way and easement for an access road in favor of the United States of America, comprising Tracts P-15 and P-17 in Civil No. 743, dated July 23, 1946, now held by Robert C. Kupfer and wife by quitclaim deed dated December 16, 1963, recorded in Liber 4842, Page 101, in the Bureau of Conveyances of the State of Hawaii;
4. A perpetual right-of-way and easement for an access road in favor of the United States of America, as described in that certain grant of easement dated July 16, 1948, recorded in Liber 2183, Page 292, in

said Bureau, now held by Robert C. Kupfer and wife by quitclaim deed dated December 16, 1963, recorded in Liber 4842, Page 101, in said Bureau;

5. A perpetual easement in favor of Charles R. Frazier, his heirs and assigns, for ingress, egress and regress in, through, over, across and upon a 40-foot strip of land, as described in that certain instrument dated July 1, 1926, recorded in Liber 830, Page 44, in said Bureau;
6. An easement (10-feet wide) in favor of Hawaiian Electric Company, Inc., for the transmission of electricity to be used for light and power and/or communications and control circuits, granted by Bishop Estate Lease No. 8911 dated February 26, 1952, recorded in Liber 2562, Page 345, in said Bureau;
7. A right-of way in favor of Mid-Pacific Country Club for a road forty (40) feet wide from Kaelepulu Drive across the demised premises for ingress and egress to the Country Club premises, granted by Bishop Estate Lease No. 14,803 dated September 29, 1965, recorded in Liber 5158, Page 56, in said Bureau.
8. Easement "A" (10 feet wide, area 3,546 square feet), for public access purposes, as shown on said map prepared by George S. Yoshimura, dated June 12, 1975, subject to extension as required by City and County of Honolulu Ordinance No. 4260.
9. Easement "B" (10 feet wide, area 11,045 square feet), for public access purposes, as shown on said map dated June 12, 1975, subject to extension as required by City and County of Honolulu Ordinance No. 4260.
10. That certain unrecorded Cross-Use Agreement, dated August 7, 1978, entered into by and between the Trustees of the Estate of Bernice Pauahi Bishop, Mid-Pacific Country Club, and Kaelepulu Company, Inc.
11. An easement (25-feet wide) in favor of Hawaiian Electric Co., Inc. and Hawaiian Telephone Company for light and power and/or communications and control circuits, granted by Bishop Estate Lease No. 11388 dated March 10, 1959, recorded in Liber 3592, Page 246, in said Bureau;
12. A perpetual easement in favor of the City and County of Honolulu for storm drainage purposes, comprising Easement "F", as described in that certain instrument dated June 14, 1967, recorded in Liber 5977, Page 347, in said Bureau;
13. A nonexclusive perpetual easement in favor of the City and County of Honolulu and the Board of Water Supply for road purposes and an underground water pipeline and other equipment under, over and across the 40-foot roadway described in that certain instrument dated May 8, 1968, recorded in Liber 6082, Page 129, in said Bureau.

14. A perpetual easement in favor of the City and County of Honolulu for an underground sewer pipeline and other appurtenant equipment under and across the 40-foot roadway described in that certain instrument dated November 8, 1976, recorded in Liber 12057, Page 363, in said Bureau.
15. Mortgage and Financing Statement dated October 5, 1978, recorded in Liber 13237 at Page 601, made by Mid-Pacific Partners, a Hawaii limited partnership, to First Hawaiian Bank, a Hawaii corporation.
16. Additional Security Mortgage and Financing Statement dated October 27, 1978, recorded in Liber 13237 at Page 647, made by Kaelepulu Company, Inc., a Hawaii corporation, to First Hawaiian Bank, a Hawaii corporation.

The Developer has informed the Commission that the lien of the mortgages described in items 15 and 16 above will be released and discharged of record as to each condominium apartment prior to its being transferred to a purchaser.

PURCHASE MONEY HANDLING. The Developer has filed with the Commission a copy of a form letter by which the Developer forwarded to each original purchaser a notice that the Developer was exercising its rights to cancel the sales contracts pursuant to the terms thereof (as set forth in paragraph 2 under the topical heading "PURCHASE MONEY HANDLING" in the Supplementary Public Report) and further notified each purchaser that the Developer was offering each of such purchasers the first opportunity to execute an Addendum to Sales Contract to purchase the apartment at a higher price. A copy of the Addendum to Sales Contract has been filed with the Commission. The Addendum deletes Section D.11 (the Developer's reserved rights to increase prices) and Section D.31 (constituting the sales contract as a reservation agreement) from the Sales Contract. In addition the Developer has filed a revised form of Sales Contract with the Commission, for use with purchasers, other than the original purchasers. The revised form does not contain the reserved rights to increase prices (formerly Section D.11) and the paragraph constituting the sales contract as a reservation agreement (formerly Section D.31) which provisions were described in paragraph 2 of the supplementary public report under the topical heading "PURCHASE MONEY HANDLING". In all other respects the information under paragraph 2 of said topical heading is accurate.

MANAGEMENT OF THE PROJECT. The Developer intends to enter into a contract with Hawaiiana Management Company to act as the managing agent for the Project.

STATUS OF PROJECT. On October 11, 1978, Developer entered into a Construction Contract with Swinerton & Walberg Co. to construct the Project. The Developer advises that construction by Swinerton & Walberg Co. commenced on October 23, 1978, and that it is estimated that construction will be completed by January 15, 1980.

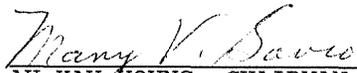
PROGRAM OF FINANCING. The statement of the Program of Financing submitted by the Developer reflects that the Developer intends to pay the cost of the Project from funds available through a Construction Loan, purchasers' funds deposited with Escrow, and Developer's equity funds.

-----

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 March 10, 1978, and information subsequently filed as of November 21, 1978.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 982 filed with the Commission on March 10, 1978.

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.

  
(for) AH KAU/YOUNG, CHAIRMAN,  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Department of Taxation  
Bureau of Conveyances  
Planning Department, City and  
County of Honolulu  
Federal Housing Administration  
Escrow Agent

Registration No. 982

December 4, 1978