

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII
1010 RICHARDS STREET
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FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

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

REGISTRATION NO. 1020

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 : January 9, 1979
Expires: February 9, 1980

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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 JULY 20, 1978, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 4, 1979. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report of August 8, 1978, the Developer reports that changes have been made in the plan or setup of the project. The changes subsequently made are determined to be a material revision to the information disclosed earlier.

This Final Public Report (white paper stock) amends the KE.AU.HOU KONA SURF & RACQUET CLUB, UNIT III, Preliminary Public Report (yellow paper stock), becoming a part of this registration. The Developer is responsible for placing a true copy of this Final Public Report in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Public Report. A copy of each report shall be delivered to the purchaser who shall be asked to sign a receipt signifying that he has received and has had an opportunity to read the reports.

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 Final Public Report.
3. The basic condominium documents have been filed in the Bureau of Conveyances of the State of Hawaii, as follows:

The Declaration of Horizontal Property Regime of Keauhou Kona Surf & Racquet Club, Unit III, with Bylaws of the Association of Apartment Owners, dated November 16, 1978 was recorded in said Bureau in Liber 13321, at Page 590.

The Registrar has designated Condominium Map No. 581 to floor plans of the project.
4. Advertising and promotional matter has been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, 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, January 9, 1979, unless a Supplementary Public Report issues 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 8, 1978 has not been disturbed except that there are certain corrections and clarifications under the topical headings LOCATION, DEVELOPER, OWNERSHIP TO TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, NOTICE OF HIGH-WAVE ACTION and STATUS OF PROJECT.

LOCATION: The property submitted to the horizontal property regime consists of one lot, now known as Lot 1 of the Keauhou

Kona Surf and Racquet Club, as shown on File Plan No. 1583 filed in the Bureau of Conveyances and containing an area of 8.133 acres. Said lot includes within it, among other land, Unit II-B, area 1.260 acres, Unit III, area 3.320 acres, and Unit IV, area 3.514 acres, all as shown on File Plan 1506 filed in the Bureau of Conveyances.

DEVELOPER: The Developer is KAINALU DEVELOPMENT, a registered Hawaii limited partnership, having its principal place of business at Kailua-Kona, Hawaii, and its post office address at P. O. Box 1926, Kailua-Kona, Hawaii (Phone: 329-1667). The general partners of the limited partnership are Donald E. Kraemer and Christine F. Kraemer, P. O. Box 1926, Kailua-Kona, Hawaii, and WLT Development Co., a Washington corporation, 110 N. Atwater Street, Monmouth, Oregon.

OWNERSHIP TO TITLE: The fee simple owner of the land is Kamehameha Development Corporation, a Hawaii corporation. By Assignment of Lease dated November 15, 1978, the Developer became the lessee of the land.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report dated December 7, 1978 by Title Guaranty of Hawaii, Incorporated, reports 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. Location of the seaward boundary in accordance with the law of the State of Hawaii, and shoreline setback line in accordance with County Regulation and/or Ordinance.
4. Easement "1" (12 feet wide, area 6,477 square feet) for public access purposes, as shown on File Plan No. 1583.
5. Easement "2" (12 feet wide, area 11,491 square feet) for walkway and cartway purposes, as shown on said File Plan No. 1583.
6. Easement "3" (area 6,190 square feet) for waterline purposes, as shown on said File Plan No. 1583.
7. 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, as amended by Amendment of Lease dated November 15, 1978, recorded in Liber 13321, at Page 568.

8. Declaration of Horizontal Property Regime of Keauhou Kona Surf & Racquet Club, Unit III, dated November 16, 1978, recorded in Liber 13321, at Page 590 (Condominium Map No. 581).

9. Undated Mortgage and Security Agreement and Financing Statement recorded in Liber 13321, at Page 658, by and between Kainalu Development, as Mortgagor, and Amfac Financial Corp., as Mortgagee.

10. Assignment of Sales Agreements and Escrow Deposits, recorded in Liber 13321, at Page 677.

PURCHASE MONEY HANDLING: The form of sales contract used by the Developer for sales made under the Preliminary Public Report contained a provision whereby the Sales Contract would be automatically cancelled and extinguished if the Developer did not complete the purchase of the leasehold interest in the land on which the project will be built. The Developer has acquired the leasehold interest and the aforesaid provision is, therefore, of no further force and effect.

Each purchaser shall obtain title to the apartment purchased under and subject to the terms of an Apartment Lease, the form of which has been submitted to the Real Estate Commission. The term of said lease will be approximately 52 years, with the lease rent thereunder fixed at varying rates for approximately the first 27 years of said term. Thereafter, the lease rent will be determined by agreement or appraisal, as set forth in the lease.

NOTICE OF HIGH-WAVE ACTION: Prospective purchasers and purchasers are hereby notified that the project is in a high-wave action area. Portions of the land included in the project are bounded by the sea and may, therefore, be subject on occasion to high-wave action. All buildings of the project have been required by the County of Hawaii to be set back at least forty feet from the certified shoreline, and the minimum average setback for all buildings in the project is seventy feet.

STATUS OF PROJECT: The Developer advises that construction commenced in December, 1978, and the estimated date of completion of all the units in the project is December 31, 1979.

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 July 20, 1978 and information subsequently filed as of January 4, 1979.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1020.

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. 1020

January 9, 1979