

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

## PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on  
KONA KAI  
75-5614 Palani Road  
Kailua-Kona, Hawaii 96740

REGISTRATION NO. 1132

### 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 but may only take reservations therefore after

- (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: June 22, 1979

Expires: July 22, 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 MAY 17, 1979 AND INFORMATION SUBSEQUENTLY FILED AS OF JUNE 19, 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.

1. The KONA KAI is a proposed leasehold condominium conversion project in 12 two-story buildings with no basements having a total of 95 existing apartments, swimming pool, recreation center and 109 parking stalls.
2. The Developer of the project has submitted to the Commission for examination all the documents deemed necessary for the registration of this condominium project and the issuance of the Preliminary Public Report.



having a total of 95 existing apartments, swimming pool and recreation area. There are 109 parking stalls.

The buildings are identified alphabetically A, B, C, D, E, F, G, I, J, K, L and M and its approximate location in the project is as shown on the Condominium Map and the description are as follows:

a. There are 58 one-bedroom apartments each having a kitchen-dining room, living room, lanai, bedroom and bathroom.

b. There are 36 two-bedroom apartments each having a kitchen-dining room, living room, lanai, two bedrooms and bathroom.

c. There is one three-bedroom apartment F-8 located in Building F having a total square feet of 1,007 square feet, having a kitchen, office, dining room, living room, lanai, three bedrooms, two bathrooms and a lanai.

The location, type, apartment number of the above apartments are set forth in Exhibit "A" attached hereto and incorporated herein by reference.

Each apartment shall have immediate access to the land adjacent thereto and to the walkways, sidewalks and driveways connecting it to the street entrance of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls. The floors and ceilings surrounding each of them or any pipes, wires, conduits or other utility lines running through them which are utilized for or serve more than one units are deemed common elements as herein provided. Each apartment shall be deemed to include all the walls and partitions, floors and ceilings which are not load bearing within its perimeter walls including paint, wallpaper, or the like, carpeting, floor covering and built-in fixtures.

COMMON ELEMENTS: The common elements include:

a. The land in fee simple.

b. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs and stairways in the buildings.

c. The yards, swimming pool, community center and recreation area, landscaping, refuse facilities, walkways, parking areas, driveways and streets.

d. Unassigned parking stalls.

e. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities.

f. All other parts of the project existing for the common use or necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS: The limited common elements are the parking stalls set aside and reserved for the exclusive use of each apartment located on the land, the parking stall(s) being designated and assigned with the same number as the apartment as shown on the Condominium Map. In addition, the stairs, stairways and walkways located in each building shall be a limited common element for the respective apartments located on the second floor of each of the respective buildings.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto the undivided interest in the common elements of the project as set forth in Exhibit "A" attached hereto. The interest in the common elements are also referred to as the "common interest" and each apartment shall have the percentage interest in the common elements and voting on all matters requiring action by the owners and the percentage as provided above shall govern.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The uses to which the apartments and buildings are to be put are as follows:

(a) The apartments shall be occupied and used for residential apartments, his family, tenants and social guests and such other uses as are permitted by the By-Laws and House Rules, and may be leased or rented for any period or periods; provided, however, that during the time that the Developer is the owner of any apartment, Developer shall have the right to retain any apartment in the project and to lease or rent to any third party for the occupancy of any apartment that it retains.

(b) The owner of an apartment shall not use the same for any purpose which will injure the reputation of the project. Such owner shall not suffer anything to be done or kept in said apartment or elsewhere which will jeopardize the soundness of the building; or which will interfere with or unreasonably disturb the rights of other owners, or which will increase the rate of fire insurance on the building or the contents thereof or which will reduce the value of the building.

(c) The owner of an apartment shall not, without the prior written consent of the Board, make any structural alterations in or additions to the apartment or make any alterations in or additions to the exterior of an apartment (including awnings, jalousies or screens), or to any other portion or portions of the common elements unless otherwise provided in the By-Laws.

OWNERSHIP OF TITLE: The Liliuokalani Trust of 161 South King Street, Honolulu, Hawaii, is the Lessor and has entered into a lease with Kenneth M. Young and Lydia S. Young, as Lessee, dated December 16, 1968, recorded in the Bureau of Conveyances, State of Hawaii in Book 6361, Page 13. The above lease was assigned to and is now held by Kenneth M. Young as General Partner of Kona Kai Apartments, a Hawaii registered limited partnership, recorded in the Bureau of Conveyances, State of Hawaii in Book 6361, Page 46. An Option to Purchase agreement dated March 28, 1979 has been executed between Kona Kai Apartments, as Optionor, and Cadillac Fairview Homes West-California, a California partnership, as Optionee, to purchase the leasehold

real property with all improvements thereon. Said Option to Purchase was subsequently assigned to the developer of the project, C F F Associates, a Hawaii partnership, by Cadillac Fairview Homes West-California on May 29, 1979.

ENCUMBRANCES AGAINST TITLE: The Title Guaranty of Hawaii, Inc. Preliminary Report of April 3, 1979 reflects the ownership as above and notes the following encumbrances against the property:

1. For real property taxes reference is 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. A grant in the nature of an easement commencing July 10, 1969 and ending December 15, 2033 in favor of the Water Commission of the County of Hawaii, recorded in Book 6724, Page 212, to maintain, operate, repair, remove and replace any and all pipes or other structures in, over and across the following described parcels of land:

FIRST: All of that certain parcel of land (being portions of Land Commission Award 8559-B, Apana 11 to Wm. C. Lunalilo, Certificate of Boundaries Number 25 and Land Commission Award 8452, Apana 12 to Keohokalole, Certificate of Boundaries Number 45), situate, lying and being on the Northwest side of Palani Road at Lanihau 1st and Keahuolu, District of North Kona, Island, County and State of Hawaii, being Water Line Easement "A", fifteen (15) feet wide, running over and across Lot A, being 7.5 feet wide on either side of described centerline and more fully bounded and described as follows:

Beginning at the East end of this water line easement on the West side of Palani Road, the coordinates of which referred to Government Survey Traingulation Station "KAILUA" being 233.48 feet North and 442.36 feet West and running by azimuths measured clockwise from true South:

1. 117° 26' 266.62 feet;
2. 207° 26' 74.99 feet;
3. 230° 08' 148.71 feet;
4. 207° 26' 80.00 feet and containing an area of 8,600 square feet, more or less.

SECOND: All of that certain parcel of land (being a portion of Land Commission Award 8452, Apana 12 to Keohokalole, Certificate of Boundaries Number 45), situate, lying and being 4.5 feet from the end of Course Two (2) of Water Line Easement A, at Keahuolu, District of North Kona, Island, County and State of Hawaii, being Water Line Easement "B", fifteen (15) feet wide, running over and across Lot A, being 7.5 feet wide on either side of described centerline and more fully bounded and described as follows:

Beginning at a point 4.50 feet East of the end of Course Two (2) of Water Line Easement A, the coordinates of which referred

to Government Survey Triangulation Station "KAILUA" being 425.76 feet North and 641.00 feet West and running by azimuth measured clockwise from true South:

1. 140° 08' 23.00 feet;
2. 165° 13' 34.00 feet;
3. 117° 26' 40.00 feet and containing an area of 1,455 square feet, more or less.

4. A grant in favor of the County of Hawaii, dated August 12, 1974 and recorded in Book 10134, Page 1; granting an Easement to construct, reconstruct, cut and/or fill, maintain and repair a slope, as and for support of a portion of the adjacent roadway, along, through, over and across the following described "Easement Area":

All of that certain parcel of land (portion of the land described in and covered by Royal Patent Number 6851, Land Commission Award Number 8452, Apana 12 to A. Keohokalole, Certificate of Boundaries No. 45), situate, lying and being about 30 feet Northwest of Palani Road, at Keahuolu, District of North Kona, Island, County and State of Hawaii, being Slope Easement S-5, and thus bounded and described:

Beginning at the Southeast corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KEAHUOLU" being 2,132.47 feet South and 10,477.16 feet East, thence running by azimuths measured clockwise from true South:

1. 52° 55' 50" 6.97 feet along the land of Lanihau 1st, along Royal Patent 7456, Land Commission Award 8559-B, Apana 11 to William C. Lunaililo, Certificate of Boundaries No. 25;
2. 207° 25' 20" 80.00 feet along the remainder of Royal Patent 6851, Land Commission Award 8452, Apana 12 to A. Keohokalole, Certificate of Boundaries No. 45;
3. 284° 57' 02" 3.07 feet along same;
4. 27° 25' 20" 74.37 feet along same, to the point of beginning and containing an area of 231 square feet, more or less.

5. Slope Easement situate on the Southerly portion of the premises described in Exhibit "A" of the Declaration and as shown on the Tax Map.

6. Terms, agreements, reservations, covenants, conditions and provisions contained in lease referred to under ownership of title.

7. The Mortgage and Financing Statement made by Kenneth M. Young, husband of Lydia S. Young, General Partner of the Limited

Partnership known as Kona Kai Apartments, as Mortgagor, in favor of First Hawaiian Bank, a Hawaii corporation, as Mortgagee, dated January 7, 1971, recorded in said Bureau in Book 7364, Page 77, in the amount of \$900,000.00. Consent was given by instrument dated January 13, 1971 and recorded in said Bureau in Book 7364, Page 84. The above mortgage was assigned to Sun Life Assurance Company of Canada, a Canadian corporation, on January 11, 1971 and recorded in said Bureau in Book 7364, Page 88.

Revision Agreement dated June 30, 1978 and recorded in Book 13443, Page 182, made by and between Sun Life Assurance Company of Canada, a Canadian corporation, Kenneth M. Young, General Partner of Kona Kai Apartments, a Hawaii limited partnership, Kenneth M. Young, individually, and Lydia S. Young, individually.

PURCHASE MONEY HANDLING: An executed Escrow Agreement dated May 11, 1979 identifies Title Guaranty Escrow Services, Inc. as Escrow Agent. The purchaser's funds shall be placed with Title Guaranty Escrow Services, Inc. pending the closing of each sale. There will either be a partial release from the existing mortgage encumbrances at the time of each such closing so that units will be conveyed free and clear or Developer will obtain a complete release of said encumbrances if sufficient sales are made to satisfy said encumbrances.

The Sales Contract should be read with care. Among other things, it provides that:

1. ALL SALES ARE "AS-IS" AND NO WARRANTIES ATTACH.
2. THE SELLER AND BUYER AGREE TO CLOSE THIS SALE UPON TWENTY (20) DAYS WRITTEN NOTICE FROM SELLER BUT IN NO EVENT LATER THAN EIGHTY (80) DAYS FROM THE DATE of contract.

MANAGEMENT AND OPERATIONS: The Developer indicates that it anticipates appointing Inter-Island Management, Inc. of 75-5665-B Alii Drive, Kailua-Kona, Hawaii 96740 as its initial management agent.

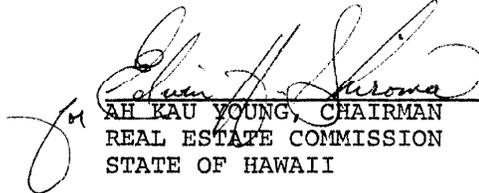
STATUS OF PROJECT: The Developer advises the Real Estate Commission that the buildings were completed in 1970 and 1971 and refurbishing is to take place prior to individual sale.

The County of Hawaii Building Department, dated June 4, 1979, verified the building permits, records and information on file are in compliance with all past and present ordinances, rules and regulations, and there was no variance granted for the construction of its improvements.

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The purchaser or prospective purchaser shall be cognizant of the fact that this public report represents information disclosed by the Developer in the required Notice of Intention submitted May 17, 1979 and information subsequently filed as of June 19, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1132 filed with the Commission on May 17, 1979.

This report when reproduced shall be a true copy of the Commission's Public Report. The paper stock must be yellow in color.

  
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. 1132

June 22, 1979

Exhibit "A"

<u>Buildings</u>	<u>Type</u>	<u>Apt. No.</u>	<u>Square Footage</u>	<u>Percentage Interest</u>
A, B, C, E, G	2 BR	1, 2, 7, 8	616	1.17
	1 BR	3, 4, 5, 6	480	.97
D, M	2 BR	1, 2, 7, 8	624	1.17
	1 BR	3, 4	514.5	.97
		5, 6	535.5	.97
F	2 BR	1, 2, 4, 7	614	1.17
	1 BR	3, 5	480	.97
	3 BR	8	1,007	1.62
I	2 BR	9, 10	624	1.17
	1 BR	1, 2, 7, 8	514.5	.97
	1 BR	3, 5	535.5	.97
		4, 6		
J	2 BR	1, 2	624	1.17
	1 BR	3, 4, 5, 6	514.5	.97
K, L	1 BR	1, 2, 7, 8	514.5	.97
		3, 4, 5, 6	535.5	.97