

# 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 PALMS  
Alii Drive, Holualoa,  
Kona, Hawaii

REGISTRATION NO. 1147

### **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: August 23, 1979  
Expires: September 23, 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 JULY 3, 1979 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 16, 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. KONA PALMS is a fee simple condominium project consisting of a three (3) story building containing a total of twelve (12) residential units, twelve (12) regular size and six (6) compact size parking stalls, all under cover, on the ground level. There will be one (1) space for delivery or service vehicles.
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 issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have not been recorded in the Bureau of Conveyances as of this date.
4. 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.
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 Regime.
6. This Preliminary Public Report is made a part of the registration of KONA PALMS, a condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and developer's Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed copy of the receipt for this Preliminary Public Report and developer's Disclosure Abstract is also the responsibility of Developer.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, August 23, 1979, unless a Final or Supplementary Public Report issues or the Commission upon review of registration issues an order extending the effective period of this Preliminary Public Report.

NAME OF PROJECT: KONA PALMS

LOCATION: The approximate 20,620 square feet of real property to be committed to the regime, as a fee simple condominium project, is located on Alii Drive, Holualoa, Kona, Hawaii.

TAX KEY: THIRD DIVISION 7-7-4:53

ZONING: RM 1.5, Multiple Family Residential

DEVELOPER: HOLUALOA BAY INVESTMENT LIMITED PARTNERSHIP,  
a Hawaii registered limited partnership, whose  
place of business and mailing address is Suite 303, Waiialae  
Avenue, Honolulu, Hawaii 96816. The General Partner is:  
Holualoa Bay Investment, Inc., a Hawaii corporation, of the  
same address. Telephone No. 732-6622.

ATTORNEY REPRESENTING DEVELOPER: VERNON T. TASHIMA, Suite  
400, Amfac Building,  
700 Bishop Street, Honolulu, Hawaii 96813. Telephone No.  
521-2951.

DESCRIPTION: The proposed Declaration of Horizontal Property  
Regime reflects that the project is to consist  
of the fee simple land located at Holualoa, Kona, Hawaii,  
and a three-story building containing a total of twelve (12)  
residential apartments, comprised of six (6) one-bedroom and  
six (6) two-bedroom residential units, and eighteen (18)  
parking spaces. Each one-bedroom residential unit will be  
assigned one (1) stall, and each two-bedroom will be assigned  
two (2) stalls, all as a limited common element (exhibit A).

There will be one elevator and two (2) staircases at both  
ends of the building which provides access to the units on  
the second and third floors, from the ground floor of the  
building.

The building runs in a north to south direction and as  
viewed from Alii Drive (makai side) the units are numbered  
from left to right as "01", "02", "03", "04", "05" and "06",  
preceded by the number of the floor on which it is located.

There will be twelve (12) storage lockers of 60 square feet  
each on the ground level, and one space each will be assigned  
to each unit as a limited common element.

There will also be a swimming pool, approximately 16' X 30'  
in size.

There will be twelve (12) units for sale in fee, of which  
six (6) will be one-bedroom, and one and one-half bath units  
and six (6) two-bedroom, two-bath units, all described as  
follows:

a) One-Bedroom Units. There will be six (6)  
one bedroom-one and one-half bath apartments in the  
project. The units have identical floor plans and  
contain a net livable area of about 825 square feet  
and lanai of about 160 square feet. Each one bedroom  
unit will have 5 rooms consisting of the following:

Hall and hall closet, bedroom and walk-  
in closet, full bath, half bath, washer/dryer closet,  
hot water heater closet, linen closet, kitchen, and  
living/dining room.

b) Two-Bedroom Units. There will be six (6) two bedroom-two bath apartments in the project. The units have essentially identical floor plans except for the four end units. All of the two-bedroom units have about 1041 square feet of enclosed living area plus about 160 square feet of covered lanai adjacent to the living/dining area. Each of the four end units has an additional 225 square feet, more or less, of lanai which wraps around the end of the building.

Each two-bedroom unit will have six (6) rooms consisting of the following:

Hall, washer/dryer closet, hot water heater closet, hall closet, master bedroom and wardrobe closet, master bath, bath #2, Bedroom #2 and closet, kitchen, and living/dining room.

c) The common elements to which each unit will have immediate access are the common entry hall, which serves two adjacent units (one a one-bedroom unit, and the other a two-bedroom unit), and which leads to the common balcony walkway leading to the stairways at either end of the building and to the elevator at the north end of the building.

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 apartment or any pipes, wires, conduits, ducts or other utility lines running through such apartment, the same being deemed common elements as hereinafter provided.

COMMON ELEMENTS: The proposed Declaration reflects that the common elements consist of:

(a) The land described in fee simple.

(b) All foundations, floor slabs, columns, girders, beams, supports, load-bearing walls, interior walls separating adjacent apartments, fences and building roofs.

(c) All yards, grounds, landscaping, refuse facilities, all utility rooms, trash rooms, swimming pool, common laundry areas and storage rooms.

(d) All building walkways, building sidewalks, stairways, pathways, parking areas, driveways, corridors or common balcony on each floor.

(e) All ducts, house meters, electrical equipment wiring and other central and appurtenant installations, including power, light, water, sewer, gas and telephone, machine, meter room and switch room, solar water system, all pipes, wires, conduits or other utility or services lines, including TV cables, if any, which run through an apartment, but which are utilized by or serve more than one apartment.

(f) Elevator and any and all other apparatus and installation of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The 18 parking stalls and 12 storage spaces, although part of the common elements are hereby designated as "Limited Common Elements" and set aside for the exclusive use of the unit to which each space may be assigned.

All parking stalls are as shown on the Condominium Map, and each one-bedroom unit will be assigned one (1) parking stall and each two-bedroom unit will be assigned two (2) stalls, as limited common elements. The assignment of parking stalls are as shown in Exhibit "A" attached hereto. There will be an extra stall for delivery and service vehicles.

INTEREST TO BE CONVEYED PURCHASER: The Declaration states that the undivided interest in the common elements appertaining to each apartment are as follows:

<u>APARTMENT NO.</u>	<u>% COMMON INTEREST</u>
201	10.17%
202	7.03%
203	7.03%
204	8.57%
205	7.03%
206	10.17%
301	10.17%
302	7.03%
303	7.03%
304	8.57%
305	7.03%
306	10.17%
	<u>100.00%</u>

According to the Declaration and By-Laws, each apartment's share of the common expense and voting rights shall be in proportion to its undivided interest in the common elements.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration states that each residential apartment shall be used only as a single-family residence dwelling by the respective owners, their tenants, families and domestic servants and for no other purpose. Each owner shall comply with the terms of the Declaration, By-Laws and House Rules of the Association of Apartment Owners.

The House Rules provides, among others: (1) Occupants shall not make any alterations, installations, including radio and T.V. antennas or aerials, repairs or changes of any nature whatsoever to the exterior surfaces of the building(s), including entry doors, windows and lanais, except as provided

in the Declaration and its By-Laws; (2) Unless otherwise approved in writing by the Board, no more than six (6) persons shall be allowed to occupy any residential apartment in the Project or be employed by the owner or occupant or lessee of the commercial apartment; (3) In addition to the number of occupants specified in the foregoing Paragraph, no more than two (2) guests may be permitted in each residential apartment for a period not to exceed three (3) days at any one time; (4) Bicycles, tricycles, skateboards and other toys which may be ridden or driven may not be operated in the driveway, any walkway or the grassy areas; (5) No livestock, poultry, rabbits, dogs, cats or other animals whatsoever shall be allowed or kept within an apartment or upon any part of the project; provided that fish, birds and other household pets that are contained in a tank or cage may be kept by an occupant upon written consent of the Board.

OWNERSHIP TO TITLE: A copy of a Supplemental Commitment for Title Insurance issued by First American Title Company of Hawaii, Inc. as of June 19, 1979 reports that the title to the land is vested in HOLUALOA BAY INVESTMENT LIMITED PARTNERSHIP, a Hawaii registered limited partnership, by Quitclaim Deed dated November 2, 1978, and a Warranty Deed bearing similar date, and respectively recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13253 at Page 541 and Liber 13253 at Page 546.

ENCUMBRANCES AGAINST TITLE: The Supplemental Commitment for Title Insurance dated June 19, 1979 identifies the following encumbrances on the land committed to the project:

(a) For any taxes that are due and owing, reference is made to the Office of the Tax Assessor, First Division.

(b) Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 4279.

(c) Mortgage dated October 24, 1978, in favor of FINANCE FACTORS, LIMITED, recorded in said Bureau in Liber 13253 at Page 554.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated June 6, 1979, identifies First American Title Company of Hawaii, Inc. as "Escrow". On examination, the specimen Sales Contract and Receipt and executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

Among other provisions the executed Escrow Agreement reflects that a purchaser shall be entitled to a refund of his funds, without interest, if any one of the following shall have occurred: (1) Escrow receives a written request from Seller to return to purchaser the funds of such purchaser

then held hereunder by Escrow; or (2) if purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any changes in the building plans, subsequent to the extension of purchaser's contract, requiring approval of a county officer having jurisdiction over the issuance of permits for construction, unless the purchaser has given written approval or acceptance of the change or ninety (90) days have elapsed since the purchaser has accepted in writing, the apartment or he has first occupied the apartment; or (3) if the purchaser's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has given written approval or acceptance of the difference; or (4) if the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report and purchaser's rights are not waived under Section 514A-66, Hawaii Revised Statutes.

Among other provisions in the Specimen Sales Contract and Receipt provides: (1) that the purchaser's rights are and shall be subject and subordinate to the lien of any mortgage made to finance the cost of construction and other costs during construction; (2) that upon notification of completion by Owner, purchaser agrees to inspect and accept unit(s) (together with list of defects, if any) so long as the unit(s) are not deemed uninhabitable; (3) If the development and construction of the Project is delayed due to governmental restrictions or regulations, or if said delay is caused by fire, earthquake, acts of God, the elements, war or civil disturbances, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or material, or any other event, matters or conditions beyond the control of Seller, including any litigation or threat of litigation concerning the Project, and Seller determines that increases in development and construction costs have or will occur because of such delay, then and in any such event, Seller may increase the total purchase price for the property by an amount not in excess of the property's proportionate share (approximately based on the percentage common interest) of the total amount of such increases in development and construction costs and Purchaser acknowledges that the Sales Contract will be deemed to be amended to incorporate the increased total purchase price upon Seller's giving notice, of the amount of the new price, and Purchaser shall be deemed to have approved and accepted the Sales contract, as amended, with the new price and agrees to pay such new price; provided, however, upon receipt of the notice from Seller of the amount of the new price, Purchaser shall have ten (10) days from the date of the notice to cancel the Sales Contract by written notice to Seller. If notice of cancellation is not received from Purchaser within said ten (10) day period, Purchaser shall be bound to fulfill all of Purchaser's obligations pursuant to the terms of the Sales Contract as amended with the new price. Purchaser will, within thirty (30) days of the date of the notice from Seller, provide evidence to Seller that Purchaser's mortgage loan commitment has been revised in

accordance with the increase in Payment B of the Sales Contract.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sale Contract and Receipt and the Escrow Agreement. The Escrow Agreement establishes how the proceeds from the apartment unit and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds.

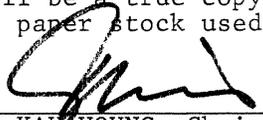
MANAGEMENT AND OPERATIONS: The By-Laws of this project states that the Board of Directors may employ for the Association of Apartment Owners, a management agent to perform such duties as the Board shall authorize, including the collection of all assessments from the owners. The Developer has entered into a contract with Waikiki Kona, Inc., as the initial managing agent.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that construction of the building had commenced in June 1979, and completion is expected to take place at the end of October 1979.

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The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted July 3, 1979, and additional information subsequently filed as of August 16, 1979. THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1147 filed with the Commission on July 3, 1979.

The report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.

 (for)  
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AH KAI 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. 1147

August 23, 1979

EXHIBIT "A"

KONA PALMS CONDOMINIUM

Parking Stall and Storage Space Assignment

<u>Apartment No.</u>	<u>Parking Stall No.</u>	<u>Storage Space No.</u>
201	16 & 17	1
202	12	2
203	13	3
204	7 & 10	4
205	14	5
206	8 & 9	6
301	1 & 2	7
302	5	8
303	6	9
304	15 & 18	10
305	11	11
306	3 & 4	12

END OF EXHIBIT "A"