

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
KAILUA BAY RESORT
Kuakini Highway
Kailua-Kona, Hawaii 96740

REGISTRATION NO. 1248

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 : September 10, 1982
Expires: October 10, 1983

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 ON FEBRUARY 19, 1980, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 31, 1982. 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 March 21, 1980 on KAILUA BAY RESORT and the Commission's Supplementary Public Report of

August 14, 1980, both under Registration No. 1248, and both reports of which were extended by the Commission (most recently on April 28, 1982 for a period of six months), the Developer reports that material changes have been made in the plan or setup of Kailua Bay Resort.

2. This Final Public Report (white paper stock) amends the KAILUA BAY RESORT Preliminary Public Report (yellow paper stock) and Supplementary Public Report (pink paper stock), becoming a part of this registration. The Developer is responsible for placing a true copy of this Final Public Report, the Preliminary Public Report, the Supplementary Public Report and the Disclosure Abstract (as amended on April 15, 1982) in the hands of all purchasers and prospective purchasers and obtaining a receipt therefor.
3. The Developer 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.
4. 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 Kailua Bay Resort and the Bylaws of the Association of Apartment Owners of Kailua Bay Resort, both dated April 30, 1982 were filed in said Bureau in Liber 16448, at Page 248 and at Page 277, respectively.

The floor plans of the project have been designated Condominium Map No. 849.
5. Advertising and promotional matter have been submitted to the Commission.
6. 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.
7. This Final Public Report expires thirteen (13) months after date of issuance, September 10, 1982, unless the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information under the topical headings of the Preliminary Public Report of March 21, 1980, as amended by the Supplementary Public Report dated August 14, 1980, remains unchanged except for the new or updated information which is to be found under the following topical headings: DEVELOPER, DESCRIPTION,

LIMITED COMMON ELEMENTS, INTEREST TO BE CONVEYED TO PURCHASER, ENCUMBRANCES AGAINST TITLE, MANAGEMENT AND OPERATIONS, and STATUS OF THE PROJECT.

DEVELOPER: The Developer of this project has changed. The new Developer is Canada-Kona Forty Limited Partnership, a Foreign Limited Partnership, licensed to do business in the State of Hawaii, whose post office address is P. O. Box 131, Honolulu, Hawaii 96810 and whose telephone number is 524-4787. The general partner is 108340 Canada Inc. and the limited partner is 246826 Alberta Ltd., both of which have as their address 900 Canada Trust Building, 10150-100 Street, Edmonton, Alberta T550P6.

DESCRIPTION: Certain changes have been made in the description of the apartment types in the project and the floor areas of the apartments have been recalculated to provide the approximate net living area and approximate net lanai area of each apartment. A description of the apartment types, designating the number of rooms and approximate net area of each apartment is set forth in Exhibit "A" attached hereto and made a part hereof.

LIMITED COMMON ELEMENTS: The provision in the Declaration concerning the storage lockers has been revised to provide as follows:

Each apartment in Buildings 1, 2, 3 and 5 shall have appurtenant thereto an exclusive right to use one storage locker bearing the same number as the apartment and located in the semi-basement parking area of the building in which the apartment is located. Each apartment in Building 4 shall have appurtenant thereto the non-exclusive right to use the storage room assigned to such apartment, as shown in Exhibit "B" attached hereto. The apartments assigned to a particular storage room shall be the only apartments entitled to use such storage room. Developer reserves the right to redesignate without amendment of this Declaration, at any time up to and including closing of the initial conveyance of an apartment, the storage locker which shall be appurtenant to any apartment. Each apartment shall have appurtenant thereto a nonexclusive right of access over and across the parking stalls located in the semi-basement parking area in which the storage locker or storage room appurtenant to such apartment is located.

INTEREST TO BE CONVEYED TO PURCHASER: The undivided percentage interests have been revised. Each apartment shall have appurtenant thereto the undivided percentage interest in all common elements of the Project, called the "common interest", and the same proportionate share in the common profits and expenses of the Project and for all other purposes, including voting, as set forth in Exhibit "A" attached hereto.

ENCUMBRANCES AGAINST TITLE: A Preliminary Title Report prepared by Title Guaranty of Hawaii, Incorporated, dated July 8, 1982, shows that the land is subject to the following encumbrances:

1. For any taxes that are due and owing and a lien on the land, 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. As to Parcel FIRST only, Grant in favor of the County of Hawaii, dated March 11, 1971, recorded in said Bureau in Liber 7472, at Page 382.
4. As to Parcel SECOND only, a perpetual easement in favor of Parcel 6 conveyed to Marguerite Lima.
5. Mortgage and Security Agreement dated June 18, 1981, by Kailua Bay Resort Venture and Alaskan Kahala Investments, Ltd., as Mortgagor, in favor of The Royal Bank of Canada, recorded in said Bureau in Liber 15771, at Page 2.
6. Assignment of Sales Proceeds and Security Agreement dated June 18, 1981 in favor of The Royal Bank of Canada, recorded in said Bureau in Liber 15771, at Page 40.
7. Master Lease dated February 14, 1980, by and between Alaskan Kahala Investments, Ltd., as Lessor, and Kailua Bay Resort Venture, as Lessee, recorded in said Bureau in Liber 15611, at Page 401, which lease was assigned to the Developer herein on April 30, 1982, as recorded in Liber 16448, at Page 235, and which lease was amended by instrument dated April 30, 1982, recorded in Liber 16448, at Page 243.
8. The Declaration of Horizontal Property Regime, Bylaws and Condominium Map mentioned on Page 2 of this Report.

NOTE: In addition to the above encumbrances, the Developer has provided the Commission with documents that show the property will be further encumbered as follows:

An easement from ALASCAN KAHALA INVESTMENTS, LTD., fee owner, to BIG TIME DEVELOPMENT, being a perpetual, nonexclusive 30' wide easement for ingress and egress within Parcel 7, described in the Bureau of Conveyances in Book 7033, at Page 283.

A perpetual easement in favor of HAWAII ELECTRIC LIGHT COMPANY, INC. for installing and maintaining electrical

lines and transmission equipment within the easement area shown in HELCO Drawing No. 79-E-619, December 26, 1979, on file in the offices of the Grantor and Grantee.

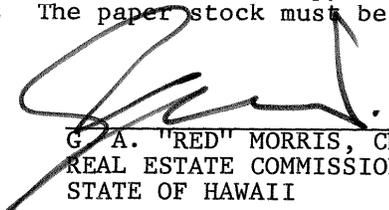
MANAGEMENT AND OPERATIONS: The initial Managing Agent appointed by the Developer has changed. Knutson, Burley & Reese, Ltd., a Hawaii corporation, whose principal place of business and address is 75-5722 Kuakini Hwy., Suite 216A, Kailua-Kona, Hawaii 96740, has been named as the initial Managing Agent.

STATUS OF THE PROJECT: The Developer reports that construction of the buildings commenced in September, 1981. The estimated completion date is December 15, 1982.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted on February 19, 1980, and additional information subsequently filed as of August 31, 1982.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1248 filed with the Commission on February 19, 1980.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock must be white in color.


G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Finance
Bureau of Conveyances
Planning Commission, County of Hawaii
Federal Housing Administration
Escrow Agent

REGISTRATION NO. 1248

September 10, 1982

EXHIBIT "A"

There are nine (9) apartment types: Types A, AM, B, BM, B', B'M, C, CM, and D.

Each of Types A, B, B' and C is a one-story apartment consisting of four rooms, being a living/dining room, kitchen, bathroom and bedroom, plus a lanai. Apartments of the same apartment type may vary in floor area. Type B' is the reverse of Type B except for the placement of the lanai. Apartment 4-105 is a Type B' apartment which contains a bathroom equipped for a paraplegic. The apartment types in Building 4 are the reverse of the same apartment types located elsewhere in the project.

Apartment Types AM, BM, B'M and CM are split-level apartments on the third floor of each building containing seven rooms, being a living/dining room, kitchen, bathroom and bedroom, plus a lanai, on the first level of the apartment and a living room or master bedroom, bathroom and storage room on the mezzanine level, which is connected to the first level by an internal stairway.

Apartment Type D is a two-story apartment with mezzanine containing ten rooms, being a bedroom, bathroom, living room or rumpus room and lanai on the first floor (the second floor of the building in which the apartment is located), a bedroom, bathroom, kitchen, living room or dining room and lanai on the second floor (the third floor of the building in which the apartment is located) and a living room or master bedroom, bathroom and storage room on the mezzanine level connected to the second floor of the apartment by an internal stairway.

The floor areas set forth below are all approximate.

<u>Apt. No.</u>	<u>Type</u>	<u>Net Living Area</u>	<u>Net Lanai Area</u>	<u>Total Net Area</u>	<u>Percentage Common Interest</u>	<u>Parking Stall No.</u>	
						<u>Covered</u>	<u>Uncovered</u>
1-101	C	682	110	792	.9403		1-101
1-102	B'	665	108	773	.9177		1-102
1-103	B	665	108	773	.9177		1-103
1-104	B'	665	108	773	.9177		1-104
1-105	B	665	108	773	.9177		1-105
1-106	A	682	108	790	.9379		1-106
1-201	C	714	105	819	.9723	1-201	
1-202	B'	665	105	770	.9141	1-202	
1-203	B	665	105	770	.9141		1-203
1-204	B'	665	105	770	.9141		1-204
1-205	B	665	105	770	.9141		1-205
1-206	A	716	111	827	.9818	1-206	
1-301	CM	997	105	1102	1.3083	1-301	
1-302	B'M	943	105	1048	1.2442	1-302	
1-303	BM	943	105	1048	1.2442	1-303	
1-304	B'M	943	105	1048	1.2442	1-304	
1-305	BM	943	105	1048	1.2442	1-305	
1-306	AM	999	111	1110	1.3178	1-306	
2-101	C	682	110	792	.9403		2-101
2-102	B'	665	108	773	.9177		2-102
2-103	B	665	108	773	.9177		2-103
2-104	B'	665	108	773	.9177		2-104
2-105	B	665	108	773	.9177		2-105
2-106	A	682	108	790	.9379		2-106
2-201	C	714	105	819	.9723	2-201	
2-202	B'	665	105	770	.9141	2-202	
2-203	B	665	105	770	.9141		2-203
2-204	B'	665	105	770	.9141		2-204
2-205	B	665	105	770	.9141		2-205
2-206	A	716	111	827	.9818	2-206	
2-301	CM	997	105	1102	1.3083	2-301	
2-302	B'M	943	105	1048	1.2442	2-302	
2-303	BM	943	105	1048	1.2442	2-303	
2-304	B'M	943	105	1048	1.2442	2-304	
2-305	BM	943	105	1048	1.2442	2-305	
2-306	AM	999	111	1110	1.3178	2-306	

<u>Apt. No.</u>	<u>Type</u>	<u>Net Living Area</u>	<u>Net Lanai Area</u>	<u>Total Net Area</u>	<u>Percentage Common Interest</u>	<u>Parking Stall No.</u>	
						<u>Covered</u>	<u>Uncovered</u>
3-101	C	682	110	792	.9403		3-101
3-102	B'	665	108	773	.9177		3-102
3-103	B	665	108	773	.9177		3-103
3-104	B'	665	108	773	.9177		3-104
3-105	B	665	108	773	.9177		3-105
3-106	A	682	108	790	.9379		3-106
3-201	C	714	105	819	.9723	3-201	
3-202	B'	665	105	770	.9141	3-202	
3-203	B	665	105	770	.9141		3-203
3-204	B'	665	105	770	.9141		3-204
3-205	D	1608	210	1818	2.1583	3-205	3-205
3-206	A	716	111	827	.9818	3-206	
3-301	CM	997	105	1102	1.3083	3-301	
3-302	B'M	943	105	1048	1.2442	3-302	
3-303	BM	943	105	1048	1.2442	3-303	
3-304	B'M	943	105	1048	1.2442	3-304	
3-306	AM	999	111	1110	1.3178	3-306	
4-101	A	682	113	795	.9439		4-101
4-102	B	665	113	778	.9237		4-102
4-103	B'	665	113	778	.9237		4-103
4-104	B	665	113	778	.9237		4-104
4-105	B'	665	113	778	.9237		4-105
4-106	C	682	115	797	.9463		4-106
4-201	A	716	111	827	.9818		4-201
4-202	B	665	105	770	.9141		4-202
4-203	B'	665	105	770	.9141		4-203
4-204	B	665	105	770	.9141		4-204
4-205	B'	665	105	770	.9141		4-205
4-206	C	714	105	819	.9723		4-206
4-301	AM	999	111	1110	1.3178		4-301
4-302	BM	943	105	1048	1.2442		4-302
4-303	B'M	943	105	1048	1.2442		4-303
4-304	BM	943	105	1048	1.2442		4-304
4-305	B'M	943	105	1048	1.2442		4-305
4-306	CM	997	105	1102	1.3083		4-306

<u>Apt. No.</u>	<u>Type</u>	<u>Net Living Area</u>	<u>Net Lanai Area</u>	<u>Total Net Area</u>	<u>Percentage Common Interest</u>	<u>Parking Stall No.</u>	
						<u>Covered</u>	<u>Uncovered</u>
5-101	C	682	110	792	.9403		5-101
5-102	B'	665	108	773	.9177		5-102
5-103	B	665	108	773	.9177		5-103
5-104	B'	665	108	773	.9177		5-104
5-105	B	665	108	773	.9177		5-105
5-106	B'	665	108	773	.9177		5-106
5-107	B	665	108	773	.9177		5-107
5-108	A	682	108	790	.9379		5-108
5-201	C	714	105	819	.9723	5-201	
5-202	B'	665	105	770	.9141	5-202	
5-203	B	665	105	770	.9141		5-203
5-204	B'	665	105	770	.9141		5-204
5-205	B	665	105	770	.9141		5-205
5-206	B'	665	105	770	.9141		5-206
5-207	B	665	105	770	.9141	5-207	
5-208	A	716	111	827	.9818	5-208	
5-301	CM	997	105	1102	1.3083	5-301	
5-302	B'M	943	105	1048	1.2442	5-302	
5-303	BM	943	105	1048	1.2442	5-303	
5-304	B'M	943	105	1048	1.2442	5-304	
5-305	BM	943	105	1048	1.2442	5-305	
5-306	B'M	943	105	1048	1.2442	5-306	
5-307	BM	943	105	1048	1.2442	5-307	
5-308	AM	999	111	1110	1.3178	5-308	

EXHIBIT "B"

<u>Storage Room No.</u>	<u>Located in Building No.</u>	<u>Apartments Sharing Storage Room</u>
4	2	4-101, 4-201 and 4-301
6	2	4-102, 4-202 and 4-302
7	3	4-103, 4-203 and 4-303
9	3	4-104, 4-204 and 4-304
10	5	4-105, 4-205 and 4-305
11	5	4-106, 4-206 and 4-306