

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**

011

PALI KE KUA

Princeville, Kauai, Hawaii

REGISTRATION NO. 455

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 26, 1972

Expires: July 26, 1973

SPECIAL ATTENTION

A comprehensive reading by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED MAY 23, 1972. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. PALI KE KUA is a proposed leasehold condominium project consisting of three (3) buildings without basements, each containing three (3) stories and twelve (12) apartments. There are a total of thirty-six (36) residential apartments and forty (40) parking spaces.

2. Materials. The principal materials used in the construction of the building are wood, concrete, aluminum and glass.

3. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of this Preliminary Public Report.

4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been filed in the Bureau of Conveyances of the State of Hawaii.

5. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, June 26, 1972, unless a Final Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

8. This Preliminary Public Report is made a part of registration on Pali Ke Kua condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers. Securing a signed copy of the Receipt for the Preliminary Horizontal Property Regime Public Report from each purchaser is also the responsibility of the Developer.

NAME OF PROJECT: PALI KE KUA
LOCATION: Princeville, Kauai, Hawaii
TAX MAP KEY: Fourth Division: 5-4-12:5
ZONING: R-10 (Resort) - (County of Kauai interim zoning code)

DEVELOPER: Inter-Mack, a joint venture consisting of The McCormack Land Company, Ltd., a Hawaii corporation, 1341 Lusitana Street, Honolulu, Hawaii, Phone 537-3311, and Inter-Island Builders and Developers, Ltd., a Hawaii corporation, 100 Hanapepe Loop, Honolulu, Hawaii 96821, Phone 395-2355.

ATTORNEY REPRESENTING DEVELOPER: Conroy, Hamilton, Gibson, Nickelsen & Rush (Attention: Dwight M. Rush and Walter Beh), 20th Floor Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813, Phone 521-2611.

DESCRIPTION:

The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a leasehold condominium project consisting of three (3) buildings without basements, each containing three (3) stories and twelve (12) apartments.

Building "1" contains Apartments Nos. 101 to 106 on its first floor, and Apartments Nos. 201 to 206 on its second and third floors.

Building "2" contains Apartments Nos. 107 to 112 on its

first floor, and Apartments Nos. 207 to 212 on its second and third floors.

Building "3" contains Apartments Nos. 113 to 118 on its first floor, and Apartments Nos. 213 to 218 on its second and third floors.

Each apartment has the layout and contains the number of rooms and the approximate floor area according to the plans submitted by the Developer as follows:

(a) ONE-BEDROOM-DOWNSTAIRS: Eighteen (18) apartments, being Nos. 101 through 118, inclusive, each consist of five (5) rooms, including a bedroom, a bathroom, a living room, a dining room, a kitchen and a lanai; all rooms and the lanai for each apartment are located on the first floors of their respective buildings; each of these apartments contain a floor area of approximately 814 square feet, including the lanai of approximately 97 square feet.

(b) ONE-BEDROOM-UPSTAIRS: Six (6) apartments, being Nos. 201, 206, 207, 212, 213 and 218, each consist of six (6) rooms, including a bedroom, a bathroom, a living room, a dining room, a kitchen and a lanai, located on the second floors of their respective buildings, and a loft located on the third floors of their respective buildings; each of these apartments contain a floor area of approximately 924 square feet, including the lanai of approximately 97 square feet.

(c) TWO-BEDROOM: Twelve (12) apartments, being Nos. 202 through 205, inclusive, 208 through 211, inclusive, and 214 through 217, inclusive, each contain seven (7) rooms, including a bedroom, a bathroom, a living room, a dining room, a kitchen, and a lanai, located on the second floors of their respective buildings, and a bedroom and a bathroom located on the third floors of their respective buildings; each of these apartments contain a floor area of approximately 1,211 square feet, including the lanai of approximately 97 square feet.

Each apartment has immediate access to a hallway which leads to a stairway, each stairway leading to the grounds of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment, or any pipes, wires, conduits, or other utilities or service lines running through such apartments which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, the lanai air space, and all fixtures originally installed therein.

COMMON ELEMENTS: One freehold estate is designated in all of the remaining portions of the project, herein called "common elements", including specifically but not limited to:

1. The land in fee simple;
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, chases, entries, stairways, walkways, entrances and exits of said buildings;
3. All yards, grounds and landscaping;
4. All parking areas;
5. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any;
6. Any and all other apparatus and installations 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: Certain parts of the common elements, herein called the "limited common elements", are designated and set aside for the exclusive use of certain apartments, and such apartments having appurtenant thereto easements for the use of such limited common elements as follows:

The stairways and adjacent walkways leading to the grounds of the project shall be appurtenant to and for the exclusive use of the apartments served by them.

INTEREST TO BE CONVEYED TO PURCHASERS: The Declaration states that the purchasers will secure an apartment lease demising an apartment together with the following appurtenant undivided percentage interests in the common elements of the project:

ONE-BEDROOM-DOWNSTAIRS:	2.3400
ONE-BEDROOM-UPSTAIRS:	2.6666
TWO-BEDROOM:	3.4900

This same percentage interest for each apartment shall be used in determining each purchaser's proportionate share of all common profits and expenses of the project and shall be used for all other purposes including determining the proportionate representation for voting purposes in the Association of Apartment Owners of the project.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests. The apartments may also be used for hotel or transient purposes. The apartments may not be used for any other purpose unless consent of the Board of Directors is secured. The owners of the respective apartments shall have the absolute right to lease the same subject to the limitations, restrictions, covenants and conditions of the Declaration.

OWNERSHIP OF TITLE: The Developer in its Notice of Intention represents that it is the owner of the fee simple title to the property committed to the project, said property having been conveyed to the Developer by Eagle County Development Corporation, a Colorado corporation, by Deed dated March 20, 1972, and recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 8201, at Page 9. The Developer will issue individual apartment leases directly to the buyers.

ENCUMBRANCES AGAINST TITLE: A Certificate of Title dated March 21, 1972, and continued to May 15, 1972, issued by Long & Melone, Ltd., as submitted to the Commission, provides that the following are encumbrances against title to the property.

1. Reservations unto Eagle County Development Corporation, contained in Deed dated March 20, 1972, recorded in Liber 8201, Page 9, to-wit:

(a) Right to grant roadway easements over and across any and all roadway lots shown on File Plan Nos. 1179 and 1197, to the purchaser, purchasers, lessee, lessees, owner or owners of each of the lots within Princeville at Hanalei and to any purchaser, purchasers, lessee, lessees, owner or owners of lots hereinafter created within Princeville at Hanalei.

(b) Easement P-1, as shown on File Plan 1252, for pedestrian access purposes, together with the right to grant to the State of Hawaii, County of Kauai, or any other appropriate governmental authority or to the public Easement P-1.

(c) Easement S-1 for sanitary sewer purposes, together with the right to grant said easement to the Kauai County Public Improvement Corporation.

2. Declaration of Restrictions, Covenants and Conditions by Eagle County Development Corporation, dated March 1, 1971, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7444, Page 93, as amended by Declaration of Additional Land annexed to Princeville at Hanalei, dated July 6, 1971, and recorded in Liber 7663, Page 264.

NOTE: The Declaration provides that all apartment owners and any other persons or entities having a leasehold interest in any apartment, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation, are subject to, bound by, and shall comply strictly with the provisions of said Declaration of Restrictions, Covenants and Conditions, which provides that such apartment owners and others shall be members of the Princeville at Hanalei Community Association.

3. Water and Sanitation Assessment and Lien Agreement by and between Kauai County Public Improvement Corporation and Eagle County Development Corporation dated April 7, 1971, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7486, Page 292, which agreement was assigned to First Hawaiian Bank, Trustee, by instrument recorded as aforesaid in Liber 8192, Page 276.

NOTE: The Developer has advised that either the Developer

shall pay in full the balance of the allocated assessment charge against the real property comprising the land of the Project under the said Water and Sanitation Assessment and Lien Agreement, in which case the Specimen Reservation Agreement submitted by the Developer provides that the Purchaser shall reimburse the Developer a prorated amount of such payment, being equal to Purchaser's unit's appurtenant common interest multiplied by the full amount of such payment, or the said Water and Sanitation Assessment and Lien Agreement will be amended to provide that the blanket lien on the land of the Project be converted to individual liens on each apartment unit and its appurtenant common interest, each securing a prorated amount of the unpaid balance of the said assessment, the responsibility of paying each of the said prorated amounts will be assumed by the respective individual owners of each of the apartments, and thus this additional reimbursement to Developer will not be required. The Developer has advised that it estimates that the maximum amount of such reimbursement, or of such individual lien, for each type of apartment unit will be as follows:

ONE-BEDROOM-DOWNSTAIRS:	\$ 1,360.00
ONE-BEDROOM-UPSTAIRS:	\$ 1,545.99
TWO-BEDROOM:	\$ 2,028.39

4. Exception of title to that portion of the property lying below the wash of waves, usually evidenced by the edge of vegetation or by the line of debris left by the wash of such waves of the sea.

5. Provisions of Act 136 of 1970 Legislature of State of Hawaii relative to shoreline setbacks.

6. Mortgage dated March 20, 1972, to secure an indebtedness of \$254,449.35, recorded as aforesaid in Liber 8201, Page 16.

Mortgagors: The McCormack Land Company, Ltd. (formally known as Mike McCormack, Inc.), and Inter-Island Builders and Developers, Ltd., both Hawaii corporations.

Mortgagee: Eagle County Development Corporation, a Colorado corporation.

By instrument dated March 20, 1972, recorded as aforesaid in Liber 8201, Page 24, the foregoing mortgage was assigned to Mortgage Trust of America, a California trust; Lomas & Nettleton Mortgage Investors, a Massachusetts trust; Fidelco Growth Investors, a Pennsylvania trust; and State Mutual Investors, a real estate investment trust.

NOTE: The Developer has advised that said mortgage will be released prior to the issuance of a lease for any of the apartments, or that the individual apartment and its appurtenant common interest being demised by an individual apartment lease will be released therefrom by a partial release duly recorded.

7. For any taxes that may be due and owing and a lien on the land, reference is hereby made to the Office of the

Tax Assessor of the Fourth Division.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated May 22, 1972, between Title Guaranty Escrow Services, Inc., as Escrow, and Developer has been filed with the Commission. On examination, the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Sections 514-36 through 514-40, H.R.S. Among other provisions, the executed Escrow Agreement states that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest, and less Escrow's \$25.00 cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

1. Escrow receives a written request from Developer to return to purchaser the funds of such purchaser then held under the Escrow Agreement by Escrow; or

2. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the condominium building plans, subsequent to the execution of purchaser's sales contract, requiring the approval of a County officer having jurisdiction over the issuance of permits for construction of building, unless the purchaser has given written approval or acceptance of the specific change; or

3. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or

4. If 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

5. If the Final Public Report is not issued within one year of the date of issuance of the Preliminary Public Report.

The specimen reservation agreement states that in the event less than 31 apartment units are sold prior to April 15, 1973, Seller may at its option cancel this contract and refund all moneys to Buyers, without interest.

It is incumbent of the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the reservation agreement since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's funds. The specimen reservation agreement specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided. Purchasers and prospective purchasers are advised to read with care the provisions of the reservation agreement.

MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible

managing agent. The Developer in its Notice of Intention indicates that it has not yet selected an initial managing agent; the reservation agreement to be signed by purchasers provides that Developer may appoint the initial managing agent for the project.

STATUS OF PROJECT: Complete and final plans and specifications are in the process of preparation. The Developer advises that it estimates construction on the project will begin in June, 1972.

The purchaser and 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 May 23, 1972.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 455 filed with the Commission May 23, 1972. This 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) DOUGLAS R. SODEYANI, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING COMMISSION, COUNTY OF KAUAI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

June 26, 1972
Registration No. 455