

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
HANAIEI BAY VILLAS
Princeville, Kauai, Hawaii

REGISTRATION NO. 528

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: May 14, 1973
Expires: June 14, 1974

SPECIAL ATTENTION

A comprehensive reading of the 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 12, 1973. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514 HAWAII REVISED STATUTES.

1. Hanalei Bay Villas is a proposed fee simple condominium project consisting of 37 individual dwellings and 37 parking stalls.
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 Dwelling Owners, and a copy of the approved Floor Plans) have not been recorded in the Bureau of Conveyances.
4. Advertising and promotional matter has been submitted pursuant to the rules and regulations of the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, May 14, 1973, unless a Supplementary Public Report issues or the Commission, upon review of the Registration, issues an order extending the effective period of the report.

NAME OF PROJECT: HANAIEI BAY VILLAS

LOCATION: The approximate 7.135 acres of land area, to be committed to the regime is situate at Princeville, Hanalei, Island of Kauai, State of Hawaii.

TAX KEY: 5-4-12-3(4)

ZONING: Hotel-Apartment

DEVELOPER: Hanalei Bay Villas Associates, a Joint Venture, whose business address is Suite 1214, Bank of Hawaii Building, 2222 Kalakaua Avenue, Honolulu, Hawaii. The partners of the joint venture are:

Deisseroth Enterprises, Ltd., 2222 Kalakaua Avenue, Honolulu, Hawaii. The officers are:

R. H. Deisseroth	-	President
R. A. Henderson	-	Vice President
Henry Shigekane	-	Secretary/Treasurer
Mary Connelly	-	Assistant Secretary

Fidelity Land & Management Corporation, 745 Fort Street, Honolulu, Hawaii. The officers are:

Axel Ornelles	-	President
Aaron M. Chaney	-	Vice President
Geraldine B. Ornelles	-	Secretary/Treasurer

Marshall F. Goldman, 2999 Kalakaua Avenue, Honolulu, Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Axel Ornelles, 745 Fort Street, Honolulu, Hawaii. Telephone 538-1991.

DESCRIPTION: This will be a fee simple condominium complex consisting of 37 individual three story dwellings, each with its own parking space. The units will be numbered from 1 to 37 as shown on the floor plans to be filed with the Declaration in the Office of the Bureau of Conveyances and each parking stall will be designated on said plan with the same number as its dwelling.

The immediate common element to which each dwelling has access are the adjacent walkways leading to the parking spaces and driveways of the project.

Each of the 37 individual dwellings will be constructed on a concrete slab, will be three stories in height and be principally of wood construction. Each dwelling will contain two bedrooms, two baths, a kitchen, a living room and two lanais. Each unit will have approximately 1248 sq. ft. of living area and approximately 120 sq. ft. of lanai area for an approximate total area of 1368 sq. ft.

Each dwelling shall include the spaces enclosed by and within the outside surfaces of the exterior walls and roofs and the bottom surfaces of the slabs, footings, foundations and supporting structures, and all fixtures originally installed therein.

COMMON ELEMENTS: The proposed Declaration states that the common elements of the project include the following: (a) the fee simple title to the land above described; (b) the access drives, areas adjacent to access drives, parking areas and sidewalks; (c) all central and appurtenant installations including all pipes, wires, cables, conduits and other utility lines running within said lands for services such as power, gas, light, water and radio and TV signal distribution; (d) all other parts of the property necessary, or convenient to its existence, maintenance and safety or normally in common use for the operation of the building or the common elements.

LIMITED COMMON ELEMENTS: The limited common elements, according to the proposed Declaration, shall consist of one parking stall for the exclusive use of each unit and designated on the floor plans to be placed on record by a number corresponding to the number of such unit, and the site of each dwelling consisting of the land beneath and immediately adjacent to such dwelling.

INTEREST TO BE CONVEYED PURCHASER: Each apartment unit shall have appurtenant thereto an equal undivided 2.707 percentage (1/37) interest in the common elements as specified and established herein for such, and known as the "common interest." The aggregate of the common interests of all the owners shall be the basis for determination of assessments and allocations of common expenses, division and distribution of common profits, for voting in the Association of Hanalei Bay Villas Dwelling Owners, and for all other related purposes.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: All of the buildings are intended for residential use and shall be used for no other purpose, in accordance with the terms of the proposed Declaration, the By-Laws of the Association of Hanalei Bay Villas Dwelling Owners, and the House Rules, as they exist or as they may be amended from time to time, and each Owner shall also observe, comply with and perform all applicable laws, ordinances and rules and regulations of all governmental agencies.

OWNERSHIP TO TITLE: An abstract of title prepared May 4, 1973 by Title Guaranty of Hawaii shows that title to the land committed to the regime is vested in Eagle County Development Corporation. (Deisseroth Enterprises Ltd. has entered into a contract to purchase the land, dated August 18, 1972, amended by document dated October 19, 1972.)

ENCUMBRANCES AGAINST TITLE: The abstract of title dated May 4, 1973 reports that title to the land is subject to the following:

1. Sanitary Sewer Easement.

GRANTED TO: Kauai County Public Improvement Corporation

DATED: March 16, 1972

RECORDED: Liber 8192, Page 284

2. Water and Sanitation Assessment and Lien by Kauai County Public Improvement Corporation and Eagle County Development Corporation dated April 7, 1971 and recorded in Liber 7486, Page 292; confirmed by instrument dated March 1, 1972, recorded in Liber 8192, Page 257; assigned by Kauai County Public Improvement Corporation to First Hawaiian Bank, Trustee, by instrument dated March 16, 1972, recorded in Liber 8192, Page 276; supplement thereto dated March 27, 1972, recorded in Liber 8222, Page 388.

3. Declaration of Restrictions, Covenants and Conditions by Eagle County Development Corporation, dated March 1, 1971, recorded in Liber 7444, Page 93, as amended by Declaration of Additional Land Annexed to Princeville at Hanalei, dated July 6, 1971, recorded in Liber 7663, Page 264.

4. Declaration of Restrictive Covenants by Eagle County Development Corporation dated March 1, 1972, recorded in Liber 8192, Page 262.

5. MORTGAGE AND SECURITY AGREEMENT

MORTGAGOR: Eagle County Development Corporation, a Colorado corporation, et al

MORTGAGEE: J. Wendell Coombs, et al., as Trustees of Mortgage Trust of America, a California real estate investment trust, Gene H. Bishop, et al., as Trustees of Lomas & Nettleton Mortgage Investors, a Massachusetts real estate investment trust; Howard C. Peterson, et al., as Trustee of Fidelco Growth Investors, a Pennsylvania real estate investment trust; and H. Ladd Plumley, et al, as Trustees of State Mutual Investors, a real estate investment trust.

DATED: November 30, 1970.

RECORDED: Liber 7308, Page 129

AMOUNT: \$14,900,000.00
on land under search, besides other lands.

Said mortgage was subordinated to encumbrances Nos. 3, 4 and 5 hereinbefore set forth and to financing statement recorded in Liber 8192, Page 268, hereinafter set forth, by instrument dated March 14, 1972, recorded in Liber 8192, Page 270.

6. TAXES FOR 1973: Real property taxes for the year 1973 are a lien, rate pending.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement, executed February 5, 1973 between Title Guaranty Escrow Services, as "Escrow", and Deisseroth Enterprises, Ltd., Fidelity Land & Management Corporation and Marshall Goldman, as "Developer", has been submitted to the Commission as part of this registration. The specimen Contract of Sale and the executed Escrow Agreement have been examined. The documentation provides that the sale contract will not become effective until the Commission issues its Final Public Report on the project and the purchaser has given his receipt for a copy of same.

Among other provisions the Escrow Agreement provides 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 cancellation fee of \$15.00, and less the cost of the credit reports, if any, if Purchaser shall have requested in writing refund of his funds and any one of the following shall have occurred: (a) Seller has requested Escrow in writing to return to Purchaser the funds of such Purchaser then held hereunder by Escrow; or (b) 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 agreement, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the Purchaser has given written approval or acceptance of the specific change; or (c) 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 (d) 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 (e) If the final public report is not issued within one year from the date of issuance of the preliminary public report.

The specimen Sales Agreement provides that in the event (a) Less than thirty (30) dwellings are sold prior to December 31, 1973 or (b) Seller is unable to obtain financing reasonably satisfactory to it for the development of the project as a condominium, or (c) Seller is unable to obtain a building permit to construct the project as described in the Declaration of Horizontal Property Regime and as shown on the plans filed with the Real Estate Commission, Seller may in any of these three cases at its option cancel this contract, refund to Buyer all monies paid without interest and be released of all further liability hereunder.

It is incumbent upon the purchaser and prospective purchaser that he reads, with care, the Contract of Sale and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of units and all sums from any sources are placed in trust, as well as the retention, disbursement and refund of said trust funds.

MANAGEMENT AND OPERATION: The proposed Declaration of Horizontal Property Regime states that the administration of the project shall be vested in the Association of Hanalei Bay Villas Condominium Owners, whose members include all of the owners of dwelling units, in accordance with the By-Laws of the Association. The By-Laws

vest the Board of Directors with the authority to employ and at all times maintain a responsible managing agent. The specimen Contract of Sale represents that the Developer will employ Aaron M. Chaney, Inc. as the first Managing Agent.

STATUS OF PROJECT: No building contract has been executed as of the date of this Preliminary Public Report. It is anticipated that groundbreaking and commencement of building will start during the week of September 1, 1973. Construction time is estimated to be nine (9) months.

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 February 12, 1973.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT IS MADE A PART OF REGISTRATION NO. 528 filed with the Commission on February 12, 1973.

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



(For) DOUGLAS R. SODEYAMA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

Registration No. 528
May 14, 1973