

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

ALII KAI AT HANAIEI
Princeville, Hanalei, Kauai

REGISTRATION NO. 588

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: August 7, 1974

Expires: September 7, 1975

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 6, 1973 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF JULY 29, 1974. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on ALII KAI AT HANAIEI, Registration No. 588 dated March 5, 1974 the Developer has forwarded additional information and documents, and requested a Final Public Report on the Project.

This Final Public Report (white paper stock) amends the Preliminary Public Report (yellow paper stock) becoming a part of the ALII KAI AT HANAIEI registration.

The Developer is responsible for placing a true copy of this Final Public Report in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Public Report from each purchaser or prospective purchaser, signifying that he has had an opportunity to read both reports.

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 Final Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached, and a copy of the approved Floor Plans) have been filed in the office of the recording officer.

The Declaration and By-Laws dated June 10, 1974 have been recorded in the Bureau of Conveyances of Hawaii in Book 10034, Page 302.

The Bureau of Conveyances has assigned Condominium Map No. 368 to the project.

4. Advertising and promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser and prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, as amended, and the rules and regulations promulgated thereunder which relate to the Horizontal Property Act.
6. This public report automatically expires thirteen months after the date of issuance, August 7, 1974 unless a supplementary report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information in the topical headings of the Preliminary Public Report of March 5, 1974 with the exception of DESCRIPTION OF APARTMENTS, COMMON ELEMENTS, OWNERSHIP OF TITLE, INTEREST TO BE CONVEYED TO THE PURCHASER, ADDITION TO THE PROJECT - COMMON INTERESTS, ENCUMBRANCES AGAINST TITLE, and STATUS OF PROJECT has not been changed.

NAME OF PROJECT: Alii Kai at Hanalei.

TAX KEY: 4th Division 5-4-05; portion of 1.

DESCRIPTION OF APARTMENTS: The Developer advises that Paragraph "b" of the two-bedroom semi-circular apartments has been amended to change the lanai of Apartments 104 and 204 in Building 3 from 95 square feet to 149 square feet.

COMMON ELEMENTS: The Developer advises that Paragraph "c" of the common elements has been amended to delete the reference to "storage area".

INTEREST TO BE CONVEYED TO THE PURCHASERS: The percentage of undivided interest in the common elements appertaining to each unit and parking stall has been changed to read as follows:

a. Each of the two-bedroom rectangular apartments in Building 7 totaling 8 units shall have a .0142 percentage interest in the common elements.

b. Each of the two-bedroom semi-circular apartments in Buildings 1 through 5 inclusive totaling 48 units shall have .0173 percentage interest in the common elements.

c. In Building 6 the two-bedroom semi-circular apartments shall have the following percentage interest in the common elements: Apartments 101 and 103, .0188 percentage interest each; and Apartment 102, .0184 percentage interest.

ADDITION TO THE PROJECT - COMMON INTERESTS. The percentage of undivided interests in the common elements and the common interests after the addition of the second phase shall be as follows:

a. Each of the two-bedroom rectangular apartments shall have a .0078 percentage interest in the common elements.

b. Each of the two-bedroom semi-circular apartments shall have a .0095 percentage interest in the common elements except in Building 6.

c. In Building 6 the two-bedroom semi-circular apartments shall each have a .0104 percentage interest in the common elements.

d. In the event that the type and number of apartments is required to be changed by the Grantor for any reasons whatever the percentages stated in "a", "b" and "c" above will be adjusted by the Grantor to bring about as close an allocation of percentage interest so as the same will total a 100 percentage interest.

OWNERSHIP OF TITLE: A copy of the Preliminary Title Report as of July 18, 1974 issued by Security Title Corporation certifies that the fee simple title to the land is vested in HANAIEI HORIZON, INC. and PROSSER-CHILDS, INC., both Hawaii corporations, who are the General Partners of Alii Kai Development Company.

ENCUMBRANCES AGAINST TITLE: The Developer has submitted an updated Preliminary Report dated July 18, 1974, prepared by Security Title Corporation. Said report reveals that title to the land committed to the regime is affected as follows:

Mortgage and Security Agreement dated April 30, 1974, recorded in the Bureau of Conveyances of the State of Hawaii in Book 9917, Page 228, on May 22, 1974 at 1:00 P. M., made by HANAIEI HORIZON, INC., a corporation organized and existing under the laws of the State of Hawaii, and PROSSER-CHILDS, INC., a corporation organized and existing under the laws of the State of Hawaii, as Mortgagors, to THE FIRST NATIONAL BANK OF JAMESTOWN, a national banking association, as Mortgagee, to secure the repayment of the sum of \$3,325,000.00, any additional advances and other amounts secured thereby,

all according to the terms of that certain promissory note of said mortgagors therein referred to.

Tax Key: 5-4-05-1 (por) - Area Assessed: 14.771 Acres
Taxes for the Fiscal Year 1973 - 1974 are a lien; payable as follows:

1st Installment \$436.08 PAID PRO RATA SHARE
2nd Installment \$436.08 PAID PRO RATA SHARE

As to that portion of the land herein described bordering on the Ocean:

The effect of Sections 205-31 to 205-37, inclusive, Hawaii Revised Statutes, as now or hereafter amended, pertaining to shoreline setbacks.

Declaration of Restrictions, Covenants and Conditions dated March 1, 1971, recorded on March 12, 1971, in the Bureau of Conveyances of the State of Hawaii in Book 7444, Page 93, to which reference is hereby made.

By instrument dated January 14, 1974, recorded on January 17, 1974, in said Bureau of Conveyances in Book 9694, Page 548, the foregoing Declaration was amended.

Condominium Map 368, filed in the Bureau of Conveyances of the State of Hawaii on July 16, 1974.

The restrictions, covenants, conditions and other provisions contained in that certain Declaration of Horizontal Property Regimes dated June 10, 1974, recorded on July 16, 1974, in said Bureau of Conveyances in Book 10034, Page 302, and the By-Laws attached thereto.

The terms and provisions of that certain instrument entitled "WATER AND SANITATION ASSESSMENT AND LIEN", dated April 7, 1971, recorded on April 12, 1971 in said Bureau of Conveyances, in Book 7486, Page 292, to which reference is hereby made. Confirmation thereto recorded in Book 8192, Page 257.

Said "WATER AND SANITATION ASSESSMENT AND LIEN" is subject to the following:

- (a) By instrument dated March 16, 1972, recorded on March 16, 1972 in said Bureau of Conveyances in Book 8192, Page 276, the foregoing "WATER AND SANITATION ASSESSMENT AND LIEN" was assigned to FIRST HAWAIIAN BANK, an Hawaiian banking corporation, as Trustee.
- (b) SUPPLEMENT TO WATER AND SANITATION ASSESSMENT AND LIEN dated March 27, 1972, recorded on April 3, 1972 in said Bureau of Conveyances in Book 8222, Page 388, to which reference is hereby made.
- (c) By instrument dated November 13, 1972, recorded on November 20, 1972 in said Bureau of Conveyances in Book 8743, Page 1, the foregoing "WATER AND SANITATION ASSESSMENT AND LIEN" was amended.

Reservation in favor of Princeville Corporation, its successors and assigns, of the following easements:

- (a) Portion of drainage Easement D-3 for drainage purposes affecting Lot 4;
- (b) Portion of Easement P-2 for pedestrian use affecting said Lot 4;
- (c) Easement S-1 for sanitary sewer purposes affecting said Lot 4;
- (d) Easement W-1 for water meter purposes affecting said Lot 4; and
- (e) The right to grant roadway easements over and across any and all roadway lots shown on File Plan Nos. 1179 and 1360, and said Roads A, C and D, 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;

as reserved in that certain Deed dated January 23, 1974, recorded on January 23, 1974, in said Bureau of Conveyances in Book 9701, Page 334.

Mortgage dated January 23, 1974, recorded on January 23, 1974, in the Bureau of Conveyances of the State of Hawaii in Book 9701, Page 348, made by ALII KAI DEVELOPMENT CO., a general partnership comprised of Hanalei Horizon, Inc., a Hawaii corporation, and Prosser-Childs, Inc., a Hawaii corporation, as Mortgagor, to PRINCEVILLE CORPORATION, a Colorado corporation, authorized to do business in the State of Hawaii, as Mortgagee, to secure the repayment of the sum of \$805,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor therein referred to (also effects other property).

- (a) By instrument dated January 23, 1974, recorded on January 23, 1974, in said Bureau of Conveyances in Book 9701, Page 367, the foregoing mortgage was assigned to MORTGAGE TRUST OF AMERICA, a California real estate investment trust, FIRST WISCONSIN MORTGAGE TRUST, formerly First Wisconsin Mortgage Investors, a Wisconsin real estate investment trust, owner by assignments of all of the interests of Lomas & Nettleton Mortgage Investors and State Mutual Investors in said mortgage, and FIDELITY MORTGAGE INVESTORS, a Florida real estate investment trust, owner by assignment of all of the interest of Fidelco Growth Investors in said mortgage, their successors in trust and assigns, pursuant to the terms of the unrecorded General Security Agreement dated April 27, 1971, and to the terms of the unrecorded Agreement for Release from Mortgage of a Portion of Security dated December 11, 1971.

(b) By instrument dated May 22, 1974, recorded on May 24, 1974, in said Bureau of Conveyances in Book 9921, Page 528, the foregoing mortgage was subordinated to the lien of that certain mortgage described above in favor of THE FIRST NATIONAL BANK OF JAMESTOWN.

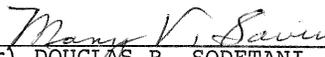
Undated Financing Statement recorded on May 22, 1974 in said Bureau of Conveyances in Book 9917, Page 261.

STATUS OF PROJECT: The Developer has advised the Commission that construction of the project has commenced and the estimated completion date of the project is March 1, 1975.

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 6, 1973 and information subsequently filed on July 29, 1974.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 588 filed with the Commission on July 6, 1973.

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


(for) DOUGLAS R. SODEVANI, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

REGISTRATION NO. 588

August 7, 1974