

**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

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 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: March 5, 1974

Expires: April 5, 1975

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JULY 6, 1973 AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 5, 1974. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. ALII KAI AT HANAIEI is a proposed fee simple condominium project with a total of fifty-nine (59) two bedroom apartments, consisting of four 2-story apartment buildings, two 3-story apartment buildings and one 1-story apartment building and one hundred one (101) paved parking stalls and twenty-seven (27) grassed parking stalls.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this preliminary public report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Owners and a copy of the Condominium Map) have been submitted to the Commission for examination but has not yet been filed for record with the Office of the Bureau of Conveyances.
4. Advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The Developer owns the fee simple interest in the land subject to encumbrances. On completion of conveyance of the units the Developer will retain no residual interest in the fee.
6. 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 the Horizontal Property Regime.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance March 5, 1974 unless a Final Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: ALII KAI AT HANAIEI.

LOCATION: The 8.880 acres of property to be committed to the regime as a fee simple condominium project is situated on the westerly side of Edwards Road, Princeville, Hanalei, County of Kauai, State of Hawaii.

TAX MAP KEY: Fourth Division, 5-4-05 portion of 1.

ZONING: Class IV Zoning Permit 2-324-73 within R-10 District of Hanalei.

DEVELOPER: The Alii Kai Development Co., a Hawaii partnership, whose address is Suite 715, 2222 Kalakaua Avenue, Honolulu, Hawaii 96815, Tel. 922-3364.

The partners are two corporations and the respective names of the officers of both corporations are as follows:

HANALEI HORIZON, INC.

<u>Name</u>	<u>Office Held</u>
Edward K. Jensen	President
Felipe Baulista, Jr.	Vice President
Amelia T. Cetrone	Secretary-Treasurer

PROSSER-CHILDS, INC.

<u>Name</u>	<u>Office Held</u>
Robert J. Prosser	President
Clinton Childs	Vice President
Yoshiko Kano	Secretary-Treasurer

ATTORNEY REPRESENTING DEVELOPER: Hiroshi Sakai, Suite 602, 810 Richards Street, Honolulu, Hawaii 96813, Tel. 531-4171.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects the project is to consist of 8.880 acres of land located at Princeville, Hanalei, Kauai, consisting of four 2-story apartment buildings, two 3-story apartment buildings and one 1-story apartment building having a total of 59 two-bedroom apartments to be constructed thereon in accordance with plans and specifications prepared by Charles J. Parsons, Registered Professional Architect. There are 59 separately designated and described apartment units together with 101 paved parking stalls and 27 grassed parking stalls of which 59 of the paved parking stalls are limited common elements assigned to the apartment units. The unassigned paved and unpaved parking stalls are subject to such control and use as are provided by the Association. There is a swimming pool and tennis court in the project. The seven (7) buildings are of wood stud construction with a shake roof with no basements.

DESCRIPTION OF APARTMENTS. The type of apartments located in the project are as follows:

a. Two-bedroom Rectangular Apartments. Each two-bedroom apartment that is rectangular in shape has a living-dining room, kitchen, two bedrooms and two bathrooms and a lanai. The living area is 886 square feet and the lanai is 70 square feet for Apartments 101 through 104 inclusive and 201 through 204 inclusive in Building 7.

b. Two-bedroom Semi-circular Apartments. Each two-bedroom semi-circular apartment has a living-dining room, kitchen, two bedrooms and two bathrooms and a lanai. Apartments 101 and 201 in Buildings 1, 2 and 3 and Apartments 101, 201 and 301 in Building 5 have a living area of 1,086 square feet and a lanai of 149 square feet. Apartments 104 and 204 in Buildings 1 and 2 and Apartments 104, 204 and 304 in Building 5 have a living area of 1,085 square feet and a lanai of 149 square feet. Apartments 104 and 204 in Building 3 has a living area of 1,085 square feet and a lanai of 95 square feet. Apartments 102 and 202 in

Buildings 2 and 3 and Apartments 102, 202 and 302 in Building 5 have a living area of 1,086 square feet and a lanai of 85 square feet. Apartments 103 and 203 in Buildings 1, 2 and 3 and Apartments 103, 203 and 303 in Building 5 have a living area of 1,085 square feet and a lanai of 85 square feet. Apartments 101, 201 and 301 and 104, 204 and 304 in Building 4 have a living area of 1,086 square feet and a lanai of 149 square feet. Apartments 102, 202 and 302 and 103, 203 and 303 in Building 4 have a living area of 1,086 square feet and a lanai of 85 square feet. Apartments 101 and 103 in Building 6 have a living area of 1,088 square feet and a lanai of 232 square feet. Apartment 102 in Building 6 has a living area of 1,088 square feet and a lanai of 231 square feet.

NUMBER AND LOCATION OF UNITS: All of the two-bedroom units in the 7 buildings are as shown on the Condominium Map and are numbered as follows:

<u>Building No.</u>	<u>Number of Units</u>	<u>Apartment No.</u>	<u>Floor</u>
1	8 Units	101, 102, 103, 104 201, 202, 203, 204	Ground Second
2	8 Units	101, 102, 103, 104 201, 202, 203, 204	Ground Second
3	8 Units	101, 102, 103, 104 201, 202, 203, 204	Ground Second
4	12 Units	101, 102, 103, 104 201, 202, 203, 204 301, 302, 303, 304	Ground Second Third
5	12 Units	101, 102, 103, 104 201, 202, 203, 204 301, 302, 303, 304	Ground Second Third
6	3 Units	101, 102, 103	Ground
7	8 Units	101, 102, 103, 104 201, 202, 203, 204	Ground Second

Each of the apartment units on the ground floor will have immediate access to the walkways and to the ground areas and each of the apartment units on the second and third floors will have immediate access to stairways in the center and in the end of each building leading to the ground.

COMMON ELEMENTS: The common elements include:

- a. The land in fee simple.
- b. The foundations, floor slabs, columns, girders, beams, supports,

bearing walls, roofs and stairways in the buildings.

c. The yards, tennis court, swimming pool, grounds, landscaping, storage area, refuse facilities, walkways, parking areas, driveways and streets.

d. Unassigned parking stalls.

e. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities.

f. All other parts of the project existing for the common use or necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS: The limited common elements are the parking stalls set aside and reserved for the exclusive use of each apartment located in the land, the stall being designated and assigned with the same number as the apartment as shown on the Condominium Map. In addition, the stairs, stairways and walkways located in each building shall be a limited common element for the respective apartments located on the second floor of each of the respective buildings.

INTEREST TO BE CONVEYED TO THE PURCHASER: The percentage of undivided interest in the common elements appertaining to each unit and parking stall appurtenant thereto is 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 Building 1 through 6 inclusive totaling 51 units shall have a .0173+ percentage interest in the common elements.

The interest in the common elements are also referred to as the "common interest" and each apartment shall have the percentage interest in the common elements and voting on all matters requiring action by the owners and the percentages as provided above shall govern.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used as an apartment, resort or hotel dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. Subject to such limitation as may be contained herein, the By-Laws and the House Rules which may be adopted from time to time governing the use of the apartments. The parking stalls are intended and shall be used primarily for parking purposes subject to such limitations as may be contained herein or the By-Laws and House Rules which may be adopted from time to time governing the use of the project.

ADDITION TO PROJECT: The Grantor shall have the right at its sole option to amend the Declaration, at any time up to, but not later

than July 1, 1978, by the construction and addition to the Project of up to fifty-six additional apartments together with common elements and limited common elements which the Grantor determines in its sole discretion as being beneficial to the Project, including, without limiting the generality of the foregoing, the land described as follows:

Portion of Lot 4, area approximately 5.591 acres;  
Parcel 1-B, Unit XI; Princeville at Hanalei;

Together with facilities that Grantor deems necessary, such additions to be added as the second phase to the Project. The Project described herein is the first phase to which may be added an additional second phase more particularly described hereafter.

AMENDMENT TO TAKE EFFECT IN THE FOLLOWING MANNER. When the Grantor decides to undertake the development of the second phase, the following will be required to take place.

Additional Land. The acquisition by the Grantor of the title to the land described above as portion of Lot 4, area approximately 5.591 acres, Parcel 1-B, Unit XI, Princeville at Hanalei.

Recordation of Amendment. Recordation in the Bureau of Conveyances of an Amendment to this Declaration and By-Laws together with a Condominium Map which incorporates the following and such other amendments which in the sole opinion of the Grantor shall be beneficial for the project with the addition of the second phase.

Common Elements Use by Both Phases. The apartments after the Amended Declaration, By-Laws and Condominium Map are filed shall have the right to use the common elements in both phases to the same extent and subject to the same limitations as are imposed upon an apartment in each phase just as though the two phases had been developed as one project.

Common Interests. The common interests of each of the two-bedroom rectangular apartments and the two bedroom semi-circular apartments after the addition of the second phase for the apartments 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.

c. 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" and "b" 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.

AMENDMENT OF DECLARATION: Except as otherwise provided herein, this Declaration may be amended by vote of the owners whose interests in the common elements totaling in the aggregate of not less than seventy-five per cent (75%), provided, however, that upon completion of the buildings and improvements as set forth in the Condominium Map for Phases 1 and 2 the Grantor is authorized to file the "as built" certification of the Architect or Engineer without approval of the Association.

OWNERSHIP OF TITLE: A copy of the certificate of title as of January 23, 1974 issued by Long & Melone, Ltd. certifies that the fee simple title to the land is vested in Alii Kai Development Co., a general partnership comprised of Hanalei Horizon, Inc. and Prosser-Childs, Inc., both Hawaii corporations.

ENCUMBRANCES AGAINST TITLE: The Long & Melone, Ltd. Report dated January 23, 1974 notes the following encumbrances against the property:

Declaration of Restrictions, covenants and conditions by Eagle County Development Corporation, a Colorado corporation, dated March 1, 1971 and recorded in the Bureau of Conveyances in Book 7444, Page 93, as amended,

Water and Sanitation Assessment Lien Agreement dated April 7, 1971, by and between Eagle County Development Corporation and Kauai County Public Improvement Corporation, recorded in Book 7486, Page 292, as supplemented and amended.

"Exception of title to that portion of the property lying below the high water mark as presently or hereafter established by law or ruling of the Courts."

The reservation unto Princeville Corporation, a Colorado corporation, of 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 Deed dated January 23, 1974 and recorded in the Bureau of Conveyances in Book 9701, Page 334.

The following easements:

Drainage Easement D-3, 10 feet wide;  
Pedestrian Access P-2, 5 feet wide;  
Sanitary Sewer Easement S-1, 10 feet wide;  
Water Meter Easement W-1.

The reservation unto Princeville Corporation, its successors and assigns, of the right to grant to the State of Hawaii, County of Kauai, Princeville at Hanalei Community Association, Kauai County Public Improvement Corporation, or to others, said Easements D-3, P-2, S-1 and W-1, as reserved in deed dated January 23, 1974 and recorded in the Bureau of Conveyances in Book 9701, Page 334.

Mortgage in favor of Princeville Corporation, a Colorado corporation, dated January 23, 1974, recorded in said Bureau of Conveyances in Book 9701, Page 348.

Said Mortgage being assigned to Mortgage Trust of America, First Wisconsin Mortgage Trust and Fidelity Mortgage Investors, dated January 23, 1974, recorded in said Bureau of Conveyances in Book 9701, Page 367.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated November 19, 1973 identifies Security Title Corporation as "Escrow". On examination the specimen Condominium Reservation Agreement, Deposit Receipt and Sales Contract and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes. The provisions of the executed Escrow Agreement as filed with the Commission provides that disbursement from the Escrow fund will be made by Escrow Agent upon the written request of the Developer for the following purposes:

- a. To pay for construction of the building or buildings and other improvements and fixtures in such amounts and at such times and in proportion of the valuation of the work completed by the contractor as certified by a registered architect or professional engineer in accordance with the Sales Contract and upon bills approved or certified for payment by Seller's mortgagee;
- b. To other persons as required for architectural, engineering, finance, advertising, printing, accounting, escrow fees, selling expenses, taxes, assessments and legal fees, and for other incidental expenses of the project, to the extent approved by Seller's mortgagee;
- c. For the total or partial release of any master mortgage or other lien covering the project

and for the removal of any other encumbrances required to be removed in order to place title of the apartments in the required state;

- d. For such title reports and costs of recordation as may be necessary or proper in connection with recordation of deeds, mortgages, and other documents required to effect transfer of title under the Sales Contracts;
- e. To seller, or order, forty-six (46) days after the filing of the Affidavit of Publication of Notice of Completion as provided for under Chapter 507, Part II, Hawaii Revised Statutes, provided, however, if a notice of mechanics' or materialmen's lien has been filed against any of the property included in the project, or suit thereon is filed, Escrow shall withhold one hundred and fifty per cent (150%) of the amount claimed thereunder until any lien existing or possible thereunder has been removed.

The executed Escrow Agreement illustrates compliance with the requirements of Section 514-36 through 514-39, Hawaii Revised Statutes.

Purchaser shall be entitled to have a refund of his funds and Escrow Agent shall pay said funds to said purchaser without interest less Escrow Agent's cancellation fee if purchaser shall in writing request refund of his funds and if any one of the following shall have occurred:

- a. Escrow Agent receives a written request from the developer to return to purchaser the funds of such person then held hereunder by Escrow Agent;
- b. If a purchaser's fund were obtained prior to the issuance of the final public report and there has been a change in the condominium building prints subsequent to the execution of the purchaser's Condominium Reservation Agreement, Deposit, Receipt and Sales Contract requiring the approval of the County of Kauai, officers having jurisdiction over the issuance of permits for construction of buildings unless the purchaser has given written proof accepting the specific change;
- c. If the purchaser's funds were obtained prior to the issuance of the final public report, the request is prior to the time the final public report is issued; and
- d. If the final public report differs in any material respect from the preliminary public report that has been issued unless the purchaser has given written approval or acceptance of the difference; or

- e. The final public report is not issued within one (1) year from the date of the issuance of the preliminary public report. Upon refund of said funds to the purchaser as aforesaid Escrow Agent shall return to the Developer such purchaser's Condominium Reservation Agreement, Deposit, Receipt and Sales Contract and any Apartment Deed theretofore delivered to Escrow Agent and thereafter purchaser shall no longer be obligated thereunder.

The Sales Contract provides that in the event less than 30 apartment units are sold prior to December 31, 1974, Seller may at its option cancel this agreement, in which even Seller will cause Escrow to refund to Buyer all monies paid, without interest, and Seller shall be relieved and released of all further liability hereunder.

The Sales Contract further provides that if Seller shall prepay in full the unpaid balance of the allocated assessment charging as to real property comprising the land of the project under that certain Water and Sanitation Assessment and Lien Agreement dated April 7, 1971 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7486, Page 292 as amended Buyer shall reimburse Seller a prorated amount of such payment being equal to buyer's unit's appurtenant common interest multiplied by the full amount of such payment. In the event that said agreement is amended to provide that this 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 amount will be assumed by the respective individual owners of each of the apartment and thus this additional reimbursement to Seller will not be required.

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

RESERVATION: The Princeville Corporation, its successors and assigns, has reserved the right to grant roadway easement over and across any and all roadway lots described in the description to the purchasers, purchasers' lessee, lessees' owner and owner or owners of each of the lots within Princeville at Hanalei and to any purchaser or purchasers' lessee or lessee's owner or owners of lots hereinafter created within Princeville at Hanalei.

MANAGEMENT AND OPERATIONS: The Developer has selected Prosser-Childs, Inc., 4444 Rice Street, Lihue, Kauai, as the management agent, and has

entered into a three year agreement on behalf of the Association of Owners of Alii Kai at Hanalei.

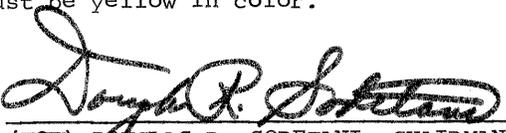
STATUS OF PROJECT: The Developer advises the Real Estate Commission that the construction of the buildings has not yet commenced and will be commenced as soon as the financing is closed.

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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 July 6, 1973 and information subsequently filed as of March 5, 1974.

This PRELIMINARY 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 must be yellow in color.

  
DOUGLAS R. SODETANI, CHAIRMAN  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Department of Taxation  
Bureau of Conveyances  
Planning Department, County of Kauai  
Federal Housing Administration  
Escrow Agent

March 5, 1974

Registration No. 588