

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

SEALODGE II
Princeville, Kauai, Hawaii

Registration No. 798

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 11, 1975
Expires: September 11, 1976

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 JULY 30, 1975 AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 7, 1975. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. SEALODGE II is a fee simple condominium project consisting of four (4) three-story buildings without basements. There are a total of thirty-six (36) residential apartments and sixty-two (62) parking spaces available.

NOTE: This project was formerly registered with the Real Estate Commission as a Horizontal Property Regime known as Princeville Sealodge - Increment II, Registration No. 583.

2. Materials. The principal materials used in the construction of the buildings are wood and concrete.

3. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this condominium project and the issuance of this Final 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 been filed in the Bureau of Conveyances of the State of Hawaii.

The Declaration of Horizontal Property Regime, dated July 24, 1975, with By-Laws attached, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10809, Page 418.

The approved Floor Plans showing the layout, location, apartment numbers, and dimensions of said apartments have been designated as Condominium File Plan No. 426 in said Bureau of Conveyances.

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 Regime.

7. This Final Public Report automatically expires thirteen (13) months after the date of issuance, August 11, 1975, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

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

NAME OF PROJECT: SEALODGE II

LOCATION: The Developer advises that the land submitted to the Regime consists of approximately 10.276 acres and is located at Princeville at Hanalei, Kauai, Hawaii.

TAX MAP KEY: Fourth Division: 5-4-05-12.

ZONING: R-10 (Resort).

DEVELOPER: Equity Management, Inc., a Colorado corporation, qualified to do business in Hawaii, whose local address is Suite 1100, Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813; Phone No. 524-0132; and whose officers are: M. Stanley Hendrickson -President; E. E. Greiner - Vice President; Jack D. Pickrel -Vice President; W. Roger Acierno - Vice President; and, Linda J. Gumb - Secretary, all of whose address is 2460 W. 26th Avenue, Denver, Colorado; and C. R. Wade - Vice President; and Mary P. Witzak - Assistant Secretary, both of whose address is Suite 1100, Hawaii Building, 745 Fort Street, Honolulu, Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Conroy, Hamilton, Gibson, Nickelsen & Rush (Attention: Dwight M. Rush and D. Scott MacKinnon), 20th Floor Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813, Phone No. 521-2611.

DESCRIPTION: The Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of four (4) three-story buildings without basements, containing a total of thirty-six (36) apartments.

Apartment Nos. F-1, F-2, F-3 and F-4 are located solely on the ground level of Building "F".

Apartment No. F-6 is located solely on the second level of Building "F".

Apartment Nos. F-5, F-7 and F-8 are located on the second level of Building "F", with each apartment having a bedroom and a bathroom located on the third level of Building "F", the two floors of each apartment being connected by an internal stairway.

Apartment No. F-9 is located solely on the third level of Building "F".

Apartment Nos. G-1, G-2, G-3 and G-4 are located solely on the ground level of Building "G".

Apartment No. G-6 is located solely on the second level of Building "G".

Apartment Nos. G-5, G-7 and G-8 are located on the second level of Building "G", with each apartment having a bedroom and a bathroom located on the third level of Building "G", the two floors of each apartment being connected by an internal stairway.

Apartment No. G-9 is located solely on the third level of Building "G".

Apartment Nos. H-1, H-2, H-3 and H-4 are located solely on the ground level of Building "H".

Apartment No. H-6 is located solely on the second level of Building "H".

Apartment Nos. H-5, H-7 and H-8 are located on the second level of Building "H", with each apartment having a bedroom and a bathroom located on the third level of Building "H", the two floors of each apartment being connected by an internal stairway.

Apartment No. H-9 is located solely on the third level of Building "H".

Apartment Nos. J-2, J-3, J-4 and J-5 are located solely on the ground level of Building "J".

Apartment No. J-1 is located on the ground level of Building "J", with a bedroom and a bathroom located on the second level of Building "J", the two floors of this apartment being connected by an internal stairway.

Apartment Nos. J-6, J-7, J-8 and J-9 are located on the second level of Building "J", with each apartment having a bedroom and a bathroom located on the third level of Building "J", the two floors of each apartment being connected by an internal stairway.

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

(a) Type "A": Apartment Nos. F-1, G-1, H-1, F-3, G-3, H-3, J-3, J-4 and J-5 each consists of five (5) rooms, including a living room, a dining room, a bedroom, a kitchen, a bathroom and a lanai; each of these apartments contains a floor area of approximately 620 square feet, including the lanai of approximately 64 square feet.

(b) Type "B": Apartment Nos. F-2, G-2, H-2, J-2, F-4, G-4, H-4, F-6, G-6, H-6, F-9, G-9 and H-9 each consists of five (5) rooms, including a living room, a dining room, a bedroom, a kitchen, a bathroom and a lanai; each of these apartments contains a floor area of approximately 631 square feet, including the lanai of approximately 64 square feet.

(c) Type "C": Apartment Nos. F-5, G-5, H-5, F-7, G-7, H-7, J-7, J-8 and J-9 each consists of seven (7) rooms, including a living room, a dining room, two (2) bedrooms, a kitchen, two (2) bathrooms and a lanai; each of these apartments contains a floor area of approximately 804 square feet, including the lanai of approximately 61 square feet.

(d) Type "D": Apartment Nos. J-1, J-6, F-8, G-8 and H-8 each consists of seven (7) rooms, including a living room, a dining room, two (2) bedrooms, a kitchen, two (2) bathrooms and a lanai; each of these apartments contains a floor area of approximately 815 square feet, including the lanai of approximately 61 square feet.

Each apartment has immediate access to a walkway which leads either to the grounds of the project or 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 hereby designated in all remaining portions of the project, herein called the "common elements", including specifically but not limited to:

1. Said land in fee simple;
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, walkways, entrances and exits of said buildings;

NOTE: The Developer has advised the Commission that although the Declaration lists elevators as a common element, there are no elevators in this project.

3. All yards, grounds and landscaping;
4. All roads, driveways and 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. One (1) laundry room located on the ground level of Building "F";
7. 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:

One (1) parking space, as designated on said condominium file plan by a number, which number is also set forth opposite to the letter and number of each of the respective apartments in Exhibit "D" attached to the Declaration, shall be appurtenant to and for the exclusive use of such apartment.

INTEREST TO BE CONVEYED TO PURCHASERS: The documents filed with the Real Estate Commission indicate that the purchasers will secure an apartment deed conveying an apartment together with the following appurtenant undivided percentage interests in the common elements of the project:

Type "A" and "B" Apartments:	2.508%
Type "C" and "D" Apartments:	3.201%
except for Apartment No. J-7	3.211%

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 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 Kassler & Co., a Colorado corporation, by Deed dated July 15, 1975, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10791, Page 467. The Developer will issue individual Apartment Deeds directly to the purchasers.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated June 16, 1975, issued by Security Title Corporation, as submitted to the Commission, provides that the following are encumbrances against title to the property:

1. Water and Sanitation Assessment and Lien 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, as amended and supplemented.

NOTE: The Developer advises that said Assessment and Lien was amended by instrument dated November 13, 1972, recorded as aforesaid in Liber 8743 at Page 1, to provide that the balance of the allocated assessment charge and lien against the real property comprising the land of the project under the said Assessment and Lien 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 that of the respective individual owners of each of the apartments. The Developer has advised that it estimates that the maximum amount of such individual lien for each type of apartment unit will be as follows:

Type "A" and "B" Apartments: \$2,877.84
Type "C" and "D" Apartments: \$3,710.70

2. 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.

3. The provisions of Section 205-31 to 37, inclusive, of Hawaii Revised Statutes, 1972 Supplement, with reference to water front setback.

4. The following reservations unto Princeville Corporation, contained in Deed dated October 10, 1973, recorded as aforesaid in Liber 9560 at Page 438, to wit:

a. The right to tap into and use such water, telephone and electric lines which may be installed by the Developer within Easement R-1 and shown on File Plan 1350 to serve not less than 50 apartment units which may be constructed on Lot 5, File Plan 1350. Such rights to run in favor of said Lot 5.

b. Easement S-1 for sewer facilities over, under and across Lot 4 as shown on File Plan 1350, together with the right to enter on said lot for the maintenance, repair and replacement of the sewer facilities, together with the right to grant to Kauai County Public Improvement Corporation said easement under such terms and conditions required by the Grantee of such easements.

c. Right to grant roadway easements over and across any and all roadway lots shown on File Plan No. 1179, 1350 and 1360, 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 at Princeville at Hanalei.

d. Easement R-1 as shown on File Plan 1350, fifty (50) feet wide, being a road easement for ingress and egress to Lot 5, File Plan 1350 over said Lot 4, File Plan 1350.

5. 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 at Page 93, as amended.

NOTE: The Declaration provides that all apartment owners and any other persons or entities having a fee simple title to or 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.

6. Easements S-1 for sanitary sewer purpose and R-1 for road easements as shown on File Plan 1350.

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.

NOTE: The Developer advises that since the issuance of the Preliminary Title Report dated June 16, 1975, the following easements have been granted:

a. Grant of Easement for Roadway and Utility Purposes (being Easement R-2-A) dated June 19, 1975, in favor of PRINCEVILLE CORPORATION, recorded as aforesaid in Liber 10756, Page 277.

b. Grant of Easement for Roadway and Utility Purposes (over a portion of Easement R-2 within Lot 5) dated June 19, 1975, in favor of KASSLER & CO., recorded as aforesaid in Liber 10756, Page 267.

NOTE: The Developer further advises that the Developer presently intends to grant an Easement for Roadway and Utility Purposes (over a portion of Easement R-2) in favor of THE BOARD OF DIRECTORS OF THE ASSOCIATION OF APARTMENT OWNERS OF SEALODGE II; and to also grant an Easement in favor of CITIZENS UTILITY COMPANY and HAWAIIAN TELEPHONE COMPANY.

NOTE: The specimen Sales Agreement includes a provision under which the purchaser agrees that until the Developer has closed out the sale of all of the apartments in the condominium project, or until December 31, 1976, whichever shall first occur, the purchaser will not enter into an agreement with any owner of another apartment in the project and/or any third party under which the purchaser agrees to

share expenses and/or rentals of apartments in the project, and that this agreement of the purchaser shall survive the issuance to the purchaser of the Apartment Deed of the apartment and shall bind the purchaser's heirs, executors, administrators, successors and assigns during the term thereof.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated June 16, 1975, between Landmark Escrow, Ltd., 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 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 buildings, 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 (1) year of the date of issuance of the Preliminary Public Report.

It is incumbent of the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the sales agreement since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's funds. The Specimen Sales 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 has selected AARON M. CHANEY, INC., whose place of business and post office address in the County of Kauai is c/o James Vierkotter, Apt. No. H-4, Sealodge II, Princeville at Hanalei, Kauai, Hawaii 96714, as the initial managing agent for the project.

NOTE: The Developer advises that it is not offering to provide services relating to the sale or rental of apartments of the project and that no representation or reference to that effect has been made or will be made by or on behalf of the Developer. Rental of the apartments with the provision of management services in connection therewith is and shall be the sole responsibility of the purchaser.

STATUS OF PROJECT: The Developer advises that the project has been completed, as evidenced by the Notice of Completion dated July 10, 1974.

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 July 30, 1975.

This is a FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of Registration No. 798 filed with the Commission on July 30, 1975. This 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. SODEHANI, 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. 798
August 11, 1975