

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 II HANAIEI
Princeville, Hanalei, Kauai

REGISTRATION NO. 1128

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 27, 1979

Expires: July 27, 1980

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 MAY 4, 1979 AND INFORMATION SUBSEQUENTLY FILED AS OF JUNE 22, 1979. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. ALII KAI II HANAIEI is a proposed fee simple condominium project with a total of fifty-six (56) two-bedroom apartments, consisting of seven (7) 2-story apartment buildings and seventy-eight (78) paved parking stalls and forty-one (41) lawn 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) has not yet been filed for record with the Bureau of Conveyances.
4. Advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. This Preliminary Public Report is made a part of the registration of the ALII KAI II HANAIEI condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed receipt for same from all purchasers and prospective purchasers is also the responsibility of the Developer.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, 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 27, 1979, unless a Supplementary or 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 II HANAIEI.

LOCATION: The 5.89 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, 5-4-05:17.

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

DEVELOPER: The Alii Kai Princeville, Inc., a Utah corporation, whose address is 564 North 550 East, Orem, Utah 84057, Telephone (801) 225-6287.

The officers of the corporation are:

<u>Name</u>	<u>Office Held</u>
Dale A. Smith	President
I. Wells Stevens	Vice President
J. Ron Stacey	Secretary-Treasurer

ATTORNEY REPRESENTING DEVELOPER: Hiroshi Sakai, Attorney at Law, A Law Corporation, Suite 602, 810 Richards Street, Honolulu, Hawaii 96813, Telephone (808) 531-4171.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects the project is to consist of seven (7) 2-story apartment buildings having a total of fifty-six (56) two-bedroom apartments to be constructed thereon in accordance with plans and specifications prepared by Harold K. Beecher, Registered Professional Architect. There are seventy-eight (78) paved parking stalls and forty-one (41) lawn parking stalls of which 56 of the paved parking stalls are limited common elements assigned to the apartments. The unassigned lawn parking stalls are subject to such control and use as are provided by the Association. There are paddle courts, gazebo and barbeque area. The seven (7) buildings are of wood stud construction with a shake roof with no basements.

All apartments located in the project consist of a living-dining room, kitchen, two bedrooms, two bathrooms, storage room and a lanai. The square footage of each model is as set forth in Exhibit "A" attached hereto.

The two-bedroom units in the 7 buildings are as shown on the proposed Condominium Map and are numbered as follows: The first digit indicates the building number, the second letter indicates the model type and letters A through D are located on the first floor and E through H are located on the second floor. The apartments for Building 8 are numbered 8A, 8B, 8C, 8D, 8E, 8F, 8G, and 8H. The other buildings 9 through 14 are likewise numbered and located in the same manner.

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

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls. The floors and ceilings surrounding each of them or any pipes, wires, conduits or other utility lines running through them which are utilized for or serve more than one unit are deemed common elements. Each apartment shall be deemed to include all the walls and partitions, floors and ceilings which are not load bearing within its perimeter walls including paint, wallpaper, or the like, carpeting, floor covering and built-in fixtures. Additionally, the boundary lines of each apartment are the exterior of doors, windows and glass walls and the frames thereof.

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, grounds, manager's apartment, paddle courts, gazebo and barbecue area, jacuzzi, landscaping, 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 on the land, the parking 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: Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project, herein called the "common interest", and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting, as follows:

a. Each of the apartments in Building 8 shall have a 1.7858 percentage interest in the common elements.

b. Each of the apartments in Buildings 9 through 14 shall have a 1.7857 percentage interest in the common elements.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used as an apartment, resort, dwelling, or time sharing use for any time period or periods including any annual recurring period on a fixed or floating basis 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.

MERGER OR JOINT USE OF COMMON ELEMENTS WITH ALII KAI AT HANAIEI. The Developer may merge this condominium with Alii Kai at Hanalei or enter into a joint use agreement of the common elements of Alii Kai at Hanalei with that of the common elements of Alii Kai II Hanalei.

OWNERSHIP OF TITLE: A copy of the Certificate of Title as of May 31, 1979 issued by Long & Melone, Ltd. certifies that the fee simple title to the land is vested in Alii Kai Princeville, Inc., a Utah corporation.

ENCUMBRANCES AGAINST TITLE: The Long & Melone, Ltd. Report dated May 31, 1979 notes the following encumbrances against the property:

1. 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,

2. 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.
3. Easement R-4 (15.00 feet wide) for roadway purpose over, under and across Lot 4-B, more particularly described in Exhibit "A" of the Declaration.
4. Reservation of said Easement R-4 in favor of Consolidated Oil & Gas, Inc., a Colorado corporation, as contained in Deed dated February 15, 1979, recorded in the Bureau of Conveyances in Book 13057, Page 160.
5. PORTION OF DRAINAGE EASEMENT D-3, 10 feet wide, more particularly described in Exhibit "A" of the Declaration.
6. ROADWAY EASEMENT R-3, being a strip of land 40.00 feet wide, across a portion of Lot 4-B, Unit XI, for traffic ingress and egress, in favor of Lot 4-A, Unit XI, Parcel 1-B, more particularly described in said Exhibit "A" of the Declaration.
7. The reservation of said Easements D-3 and R-3, in favor of Princeville Corporation, now known as Consolidated Oil & Gas, Inc., et al. and restrictions as contained in Deed dated January 23, 1974, recorded in the Bureau of Conveyances in Book 9701, Page 334.
8. Mortgage in favor of Consolidated Oil & Gas, Inc., a Colorado corporation, dated February 26, 1979, recorded in the Bureau of Conveyances in Book 13507, Page 174.
9. For any taxes that are due and owing, reference is made to the Office of the Tax Assessor, Fourth Division.
10. DEED OF TRUST WITH ASSIGNMENT OF RENTS

Trustor(s) : Alii Kai Princeville, Inc.
 Trustee(s) : Security Title & Abstract Company,
 a Utah corporation
 Beneficiary : Sanford M. Bingham and Eda A. Bingham
 Dated : March 15, 1979

Recorded in the Bureau of Conveyances in Book 13590,
 Page 391
 For the purpose of securing \$70,937.50.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated April 26, 1979 certifies Title Guaranty Escrow Services, Inc. as "Escrow". On examination the specimen Reservation Agreement, Sales Contract and Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes. The provisions of the executed Escrow Agreement as filed with the Commission provides that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans requiring approval of a county officer having jurisdiction over the issuance of building permits (except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or to which said purchaser has otherwise consented in writing); or

(d) The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived his right to a refund.

The Reservation Agreement and Sales Contract provide the following:

(1) Purchaser agrees to pay the unpaid balance of the allocated assessment charged against the 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 Book 7486, Page 292, as amended on the basis of Buyer's appurtenant common interest, multiplied by the full amount of such payment due on either of the following basis: (i) Reimburse the amount Seller has paid at the time of closing and any additional amounts that he may be required to pay in the future; (ii) Pay the amount as directed by the Seller where the assessment is on a continuing basis; or (iii) If the assessment is converted to an individual lien, then, the Buyer to pay his individual assessment as the same falls due; (2) The construction and other costs are on the increase constantly and therefore the Seller prior to the execution of the Sales Contract may advise Purchaser of the increased cost of the Apartment and after written notice is given Purchaser has the option within 10 days thereafter to accept the cost increase and if he fails to do so, then this Reservation Agreement will be deemed terminated and Escrow is to refund to Purchaser all monies paid without interest and Seller shall be released from all liability hereunder; (3) Purchaser subordinates his interest to the lien of the interim mortgage obtained for the construction of the Project and to any and all advances, whether contractual or voluntary made pursuant to said mortgage, and to any and all sums which may become a lien pursuant to the terms of said mortgage or the construction loan agreement or any other agreement relating to the interim mortgage; and (4) The Purchaser is advised that Seller intends to preclose by having all documents necessary for closing executed and deposited with Escrow, and Purchaser agrees to pay all amounts due for Reserves and Closing Costs and execute all necessary documents for such closing, including irrevocable escrow instructions, upon request by Seller for any pre-closings as directed by Seller which may be three (3)

months prior to the completion of the project as reasonably determined by the Seller in its discretion.

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.

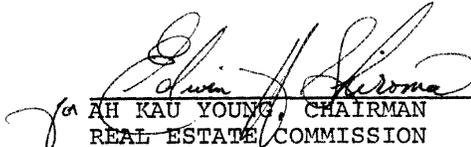
MANAGEMENT AND OPERATIONS: The Developer is to select the initial managing agent.

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.

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 May 4, 1979 and information subsequently filed as of June 22, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1128 filed with the Commission on May 4, 1979.

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



AH KAU YOUNG, 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. 1128

June 27, 1979

Exhibit "A"

ALII KAI II HANAIEI

<u>Model</u>	<u>Living Space</u>	<u>Storage</u>	<u>Lanai</u>	<u>Total</u>
A	1,020 sq. ft.	32 sq. ft.	80 sq. ft.	1,132 sq. ft.
B	1,020 sq. ft.	36 sq. ft.	79 sq. ft.	1,135 sq. ft.
C	1,020 sq. ft.	34 sq. ft.	79 sq. ft.	1,133 sq. ft.
D	1,020 sq. ft.	32 sq. ft.	80 sq. ft.	1,132 sq. ft.
E	1,037 sq. ft.	32 sq. ft.	80 sq. ft.	1,149 sq. ft.
F	1,037 sq. ft.	36 sq. ft.	79 sq. ft.	1,152 sq. ft.
G	1,037 sq. ft.	34 sq. ft.	79 sq. ft.	1,150 sq. ft.
H	1,037 sq. ft.	32 sq. ft.	80 sq. ft.	1,149 sq. ft.