

**REAL ESTATE COMMISSION**

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

**PRELIMINARY  
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)  
PUBLIC REPORT**

ON

ALIHI LANI  
HOONANI ROAD  
POIPU, KAUAI

REGISTRATION NO. 1507

**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: November 16, 1982

Expires: December 16, 1983

SPECIAL ATTENTION

A comprehensive reading of this Preliminary Public 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 1, 1982, AND INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 12, 1982. 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, AS AMENDED.

1. ALIHI LANI is a proposed fee simple condominium project with a total of four (4) apartment units contained in one two-story building without basement. The Project includes a swimming pool, recreation cabana and eight (8) open parking stalls.

2. The Developer of the Project has submitted to the Commission for examination all documents and materials deemed necessary for the registration of a condominium project and issuance of a Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners, and a copy of the Condominium Map) have not been recorded in the Bureau of Conveyances of the State of Hawaii.

4. An advertising and promotional brochure has been submitted to the Commission for examination with the Notice of Intention.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes as amended, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

6. This Preliminary Public Report is made part of the registration of the ALIHI LANI condominium project. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock) and the Disclosure Abstract in the hands of all purchasers or prospective purchasers and for securing a signed copy of the receipt(s) therefor.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, November 16, 1982, unless a Supplementary or Final Public Report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: ALIHI LANI

LOCATION: The project consists of 20,000 square feet of property located at Poipu, Kauai, Hawaii, in the County of Kauai, State of Hawaii. The property overlooks the Pacific Ocean on the South side of the Island of Kauai.

TAX MAP KEY: Fourth Division 2-8-15-9.

ZONING: Residential R-20.

DEVELOPER: ALIHI LANI PARTNERSHIP, a Hawaiian registered partnership, is the Developer. Its principal address is 19820-47th Avenue Northeast, Seattle, Washington 98155 (Telephone (206) 367-3267). The Managing Partner is Watson B. Hovis. The partners are:

Watson Bauer Hovis and Maryn Naomi Hovis, husband and wife, 19820-47th Avenue Northeast, Seattle, Washington 98155

Mari Lou Johnson, P. O. Box 327, Steilacoom, Washington  
98288

Watson Bauer Hovis, as Trustee under a Residuary Trust  
for the Benefit of Mari Lou Johnson, 19820-47th Avenue  
Northeast, Seattle, Washington 98155

Watson Bauer Hovis, as Trustee under a Residuary Trust  
for the Benefit of Watson Bauer Hovis, 19820-47th Avenue  
Northeast, Seattle, Washington 98155

ATTORNEY REPRESENTING DEVELOPER: Duane C. Woods, Attorney at  
Law, Carmody, Syrdal, Danelo & Klein, P.S., 2400 Fourth and  
Blanchard Building, Seattle, Washington 98121, Telephone No.  
(206) 464-1490.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal  
Property Regime and the Condominium Map describes the Project as:

1. The project consists of one two-story building of  
concrete block with beige stucco exterior, dark stained cedar  
trim, glass and a dark brown tile roof. The structure will con-  
tain four units, two on the upper level and two on the ground  
level of the building. There will be no basement in the  
building. The grounds will be professionally landscaped with a  
30-foot by 15-foot solar heated swimming pool. There will be  
eight compact size parking stalls. Each unit will have one  
assigned stall and use of one additional stall.

2. The designation of each unit and its approximate  
location in the Project is as shown on the Condominium Map and  
ground floor and second floor site plans and the description of  
each of the Apartments are as follows:

a. Apartments 1 and 2 on the ground floor each contain  
a gross floor area of 1,375 square feet, a net living area of  
1,213 square feet, and a lanai of 240 square feet. Each unit  
consists of a living room, dining room, kitchen, two bedrooms and  
two bathrooms.

b. Apartments 3 and 4 on the second floor each con-  
tain a gross floor area of 1,450 square feet, a net living area  
of 1,276 square feet, and a balcony of 250 square feet. Each  
unit consists of a living room, dining room, kitchen, two  
bedrooms and two bathrooms.

Each apartment on the ground floor shall have immediate access to  
the land adjacent thereto and each apartment on the second floor  
shall have immediate access via a stairway to the land and to the  
walkways, sidewalks and driveways connecting it to the entrances  
of the Project. Interior appointments in each apartment will  
include tile, carpeted living and bedroom areas, wallpapered  
accent walls, and custom crafted wood doors, windows, cabinetry  
and trim. Appliances will include range/grill and oven,  
microwave oven, dishwasher, disposal, washer and dryer. The  
master bedroom in each unit will connect with the living room by  
a sliding door. Both bedrooms in each unit will be air con-  
ditioned with direct access to an outdoor lanai or deck.

Each apartment shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floor and ceiling surrounding each apartment, or any pipes, wires, conduits, or other utility or service lines which are utilized for or serve more than one apartment, the same being 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.

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, landscaping, refuse facilities, walkways, parking area, drive and four (4) parking stalls, nos. 5 to 8.
- d. A 30-foot by 15-foot swimming pool, recreation cabana, solar panels and heating equipment, picnic facilities.
- 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: Each unit will have one assigned stall designated on the Condominium Map by a number corresponding to the number of the apartment and the use of one additional stall. All stalls are open and compact size.

INTEREST TO BE CONVEYED TO THE PURCHASER: Each of the apartments shall have appurtenant thereto an undivided 25% interest in all of the common elements of the Project, and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting.

USE: The apartments shall be occupied and used as residential apartments. No interest in any apartment may be sold unless it grants to the purchaser the right of use sixty (60) or more days per year. Apartment units may be leased, rented or used by transient users only for time periods in excess of thirty (30) days. The By-Laws restrict livestock, poultry, rabbits or other animals on the Project except that household pets may be kept in the apartment and allowed on the common elements only in transit when carried or on leash.

OWNERSHIP OF TITLE: The June 2, 1982 Preliminary Title Report prepared by Title Guaranty Escrow Services, Inc. shows ownership of title in the property in the following persons as tenants in common:

Watson Bauer Hovis (husband of Maryn Naomi Hovis) as to an undivided 9% interest,

Maryn Naomi Hovis (wife of Watson Bauer Hovis) as to an undivided 9% interest,

Mari Lou Johnson (wife of Richard Melvin Johnson) as to an undivided 17% interest,

Watson Bauer Hovis, as Trustee under the Residuary Trust established by the Will of Watson E. Hovis for the benefit of Mari Lou Johnson, as to an undivided 33% interest, and

Watson Bauer Hovis, as Trustee under the Residuary Trust established by the Will of Watson E. Hovis for the benefit of Watson B. Hovis, as to an undivided 32% interest.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report also indicates the following encumbrances on the property as of that date:

1. For any taxes that may be due and owing; reference is made to the Office of the Tax Assessor, County of Kauai.

2. Terms, conditions and provisions contained in the Residuary Trusts established by the will of Watson E. Hovis for the benefit of Mari Lou Johnson and Watson B. Hovis.

3. A Mortgage by and between the owners in title "Mortgagor" and Kings Row Development Corporation "Mortgagee," a Canadian Corporation, acknowledged April 9, 1981, in the amount of \$280,000 and filed in Land Court Document No. 1063846.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated July 1, 1982, identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation as escrow agent ("Escrow" herein). On examination, the specimen Sales Agreement and Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes as amended.

The Escrow Agreement states, in part, that a purchaser under a Sales Agreement shall be entitled to a return of his funds promptly after one of the following has occurred:

1. Developer and the purchaser have jointly requested Escrow to return the funds to purchaser; or

2. Developer notifies Escrow of Developer's exercise of its option to cancel or rescind the Sales Agreement pursuant to any right of cancellation or rescission provided therein, or otherwise available to Developer; or

3. Developer and the purchaser notify Escrow, in writing, that the Final Public Report differs in a material respect from the Preliminary Public Report and that the purchaser does not approve of such difference in writing; or

4. Developer and the purchaser notify Escrow, in writing, that the Final Public Report has not been issued within one year from

the date of issuance of the Preliminary Public Report and that the purchaser has not waived or has not been deemed to have waived his right to a refund.

If any of the foregoing events occur, Escrow shall, upon receipt of the written request for a refund, pay such funds to the purchaser, less reasonable expenses incurred to process the Agreement, as well as a cancellation fee to Escrow. The Sales Agreement and any conveyance document delivered to Escrow will be returned to Developer.

The Sales Agreement provides, among others, that the purchaser subordinates his interest under the sales contract to the lien of the interim mortgage obtained for the construction of the Project and to any and all advances, made pursuant to the terms of such mortgage.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the Sales Agreement and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trusts as well as the retention and disbursement of said trust funds. The specimen Sales Agreement specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided.

MANAGEMENT AND OPERATIONS: The Developer has not selected a managing agent.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that the Developer has not yet executed a Construction Contract nor has any construction commenced.

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The purchaser or prospective purchaser shall be cognizant of the fact that this Preliminary Public Report represents information disclosed by the Developer in the required Notice of Intention submitted July 1, 1982, and information subsequently filed as of November 12, 1982.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1507 filed with the Commission on July 1, 1982.

This Preliminary Report, when reproduced, shall be a true copy of the Commission's Preliminary Public Report. The paper stock must be yellow in color.

  
G. A. "RED" MORRIS, CHAIRMAN  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

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

November 16, 1982

REGISTRATION NO. 1507

ALIHI LANI  
DISCLOSURE ABSTRACT

1. Name of Project: Alihi Lani
2. Address of Project: Poipu, Kauai, Hawaii
3. Name of Developer: Alihi Lani Partnership
4. Address of Developer: 19820 47th Northeast, Seattle, Washington 98155
5. Telephone Number: (206) 367-3267
6. Project Manager: Watson B. Hovis
7. Address: 19820 47th Northeast, Seattle, Washington 98155
8. Maintenance Fees: Annual maintenance fees shall be allocated between the owners of each apartment based upon an estimate of actual costs to be incurred. The fees shall be calculated and allocated based upon generally accepted accounting principles. (See Exhibit "A" for Estimated Maintenance Budget.)
9. Commencement of Maintenance Fees: An apartment owner shall become obligated for the payment of the share of the common expenses allocated to his apartment on the earlier of (i) such time that the Developers advise the owner that the apartment is ready for occupancy, or (ii) such time that the Developers advise the owner that after a date certain all apartments, including the Developers' retained and/or unsold apartments, shall uniformly be required to pay their respective share of common expenses.
10. Warranties:

Individual apartments and common elements: The warranty by the general contractor will be for labor, materials and equipment produced or incorporated into the Project. The completed project is to be free from defects and in accordance with the construction contract. The manufacturer or supplier's warranties for appliances will be transferred to the Buyer.

Initiation and expiration of any such warranties: The general contractor's warranty shall extend for one year from the date of the certificate of completion issued by the Architect for the Project. Appliance warranties will extend for the period set by the manufacturer's or supplier's warranty.
11. Project: The project includes four apartments in one building, a swimming pool and 8 parking stalls. Each

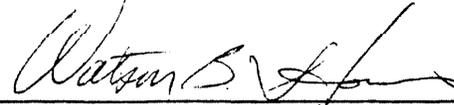
apartment unit will have one assigned parking stall and use of one other parking stall. The pool is a common element to all apartment owners.

12. Use: The Declaration of the Horizontal Property Regime provides that the apartments shall be occupied and used as residential apartments on a permanent basis. No interest in any apartment which represents the right to use, occupy or possess such apartment for less than sixty (60) days per year may be sold. No apartment unit may be leased, rented or used by transient users for time periods less than thirty (30) days in duration.

Dated this 4<sup>th</sup> day of November, 1982.

ALIHI LANI PARTNERSHIP

By



Watson B. Hovis  
Managing Partner

September 8, 1982

Alihi Lanl Revised Operating Budget

<u>Item</u>	<u>Per Unit Per Month</u>	<u>Total Per Month</u>	<u>Total Per Year</u>
Management Agency Fee	\$ 50.00	\$ 200.00	\$ 2,400.00
Landscape Maintenance	62.50	250.00	3,000.00
Pool Maintenance	30.00	120.00	1,440.00
Other Maint. & Repair, incl. Reserves	30.00	120.00	1,440.00
Pest Control	5.00	20.00	240.00
Supplies, Pool & Building	15.00	60.00	720.00
Electricity	75.00	300.00	3,600.00
Water	10.00	40.00	480.00
Refuse Collection	10.00	40.00	480.00
Insurance (Liability, Fire, Theft)	37.50	150.00	1,800.00
Tax Prep., Audit, Legal, Taxes	12.50	50.00	600.00
Miscellaneous Expense	<u>12.50</u>	<u>50.00</u>	<u>600.00</u>
	\$350.00	\$1,400.00	\$ 16,800.00

<u>Apartment</u>	<u>Common Interest</u>	<u>Monthly Maintenance Fee</u>
1.	25%	\$350.00
2.	25%	\$350.00
3.	25%	\$350.00
4.	25%	\$350.00

EXHIBIT A