

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

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

on

MAKAI CLUB AT PRINCEVILLE
Princeville, Kauai, Hawaii

REGISTRATION NO. 1691 (CONVERSION)

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 30, 1985
Expires: September 30, 1986

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED July 9, 1985, AND INFORMATION SUBSEQUENTLY FILED AS OF August 28, 1985. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENT OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. MAKAI CLUB AT PRINCEVILLE is a fee simple condominium conversion project consisting of forty (40) residential apartments constructed in 1979.

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 the issuance of this Final Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime dated June 21, 1985, has been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18744, Page 600, and the Bylaws dated June 21, 1985, has been recorded as aforesaid in Liber 18744, Page 651. The Condominium Map has been filed as Condominium File Plan No. 961.

A First Amendment to Declaration of Horizontal Property Regime of Makai Club at Princeville has been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18843, Page 536.

4. As of this date no advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations.
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 Final Public Report automatically expires thirteen (13) months after the date of issuance, August 30, 1985, unless a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Final Public Report is made a part of the registration of MAKAI CLUB AT PRINCEVILLE condominium project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) and the attached Disclosure abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

NAME OF PROJECT: MAKAI CLUB AT PRINCEVILLE

LOCATION: The project is located at Princeville, Kauai, Hawaii, and consists of approximately 3.827 acres.

TAX KEY: 5-4-06-02, Fourth Division

ZONING: R-15 (Resort)

DEVELOPER: PRINCEVILLE DEVELOPMENT CORPORATION is a Colorado corporation and has its principal place of business at Princeville, Kauai, Hawaii, and mailing address is P.O. Box 3040, Princeville, Kauai, Hawaii 96722; telephone: 826-6561. The officers are: Michael J. Hannon, President; Michael Y. M. Loo, Vice President; Walter W. Challenger, Secretary-Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Dwight M. Rush, RUSH, MOORE, CRAVEN, KIM & STRICKLIN, 20th Floor, Hawaii Building 745 Fort Street, Honolulu, Hawaii 96813, telephone: 521-0400.

DESCRIPTION OF PROJECT:

1. Apartments. The Declaration of Horizontal Property Regime and plans submitted by the developer indicate a fee simple condominium project consisting of eight (8) three-story buildings without basements, referred to as Buildings A, B, C, D, E, F, G and H constructed principally of wood, hollow tile and concrete, with adjoining paved parking areas containing space for at least 40 cars. There will be forty (40) condominium apartments designated in the spaces within the perimeter and party walls, floors and ceilings of each of the forty (40) apartment units of the project, which spaces, together with the appurtenant lanais, if any, are referred to herein as "apartments". All apartments contain a gas range, refrigerator and garbage disposal and are designated on said plans and described as follows:

Apartment 601 is located on the ground floor, Apartments 602 and 603 are located on the first floor, and Apartments 604 and 605 are located on the third floor of Building A;

Apartment 606 is located on the ground floor, Apartments 607 and 608 are located on the first floor, and Apartments 609 and 610 are located on the second floor of Building B;

Apartment 701 is located on the ground floor, Apartments 702 and 703 are located on the first floor, and Apartments 704 and 705 are located on the second floor of Building C;

Apartment 706 is located on the ground floor, Apartments 707 and 708 are located on the first floor, and Apartments 709 and 710 are located on the second floor of Building D;

Apartment 801 is located on the ground floor, Apartments 802 and 803 are located on the first floor, and Apartments 804 and 805 are located on the second floor of Building E;

Apartment 806 is located on the ground floor, Apartments 807 and 808 are located on the first floor, and Apartments 809 and 810 are located on the second floor of Building F;

Apartment 901 is located on the ground floor, Apartments 902 and 903 are located on the first floor, and Apartments 904 and 905 are located on the second floor of Building G;

Apartment 906 is located on the ground floor, Apartments 907 and 908 are located on the first floor, and Apartments 909 and 910 are located on the second floor of Building H.

2. Description. A description of each of the apartments, designating the layout, number of rooms, approximate floor area thereof and common interest appurtenant thereto is as follows:

Apartments 601, 606, 701, 706, 801, 806, 901 and 906 are Type B apartments, each of which consists of four (4) rooms, including a bedroom, a bathroom, a kitchen and a living-dining room, containing a floor area of approximately 586.5 square feet (578 net square feet), and one (1) covered lanai containing an area of approximately 94 square feet.

Apartments 602, 607, 702, 707, 802, 807, 902 and 907 are Type A-1 apartments, each of which consists of four (4) rooms, including a bedroom, a bathroom, a kitchen and a living-dining room, containing a floor area of approximately 596 square feet (591 net square feet), and one (1) covered lanai containing an area of approximately 94 square feet.

Apartments 603, 608, 703, 708, 803, 808, 903 and 908 are Type A-2 apartments, each of which consists of four (4) rooms, including a bedroom, a bathroom, a kitchen and a living-dining room, containing a floor area of approximately 631 square feet (622 net square feet), one (1) covered lanai containing an area of approximately 68 square feet, and decking containing an area of approximately 16 square feet.

Apartments 604, 609, 704, 709, 804, 809, 904 and 909 are Type C-1 apartments, each of which consists of four (4) rooms, including a bedroom, a bathroom, a kitchen and a living-dining room, containing a floor area of approximately 596 square feet (592 net square feet), and one (1) covered lanai containing an area of approximately 94 square feet.

Apartments 605, 610, 705, 710, 805, 810, 905 and 910 are Type C-2 apartments, each of which consists of four (4) rooms, including a bedroom, a bathroom, a kitchen

and a living-dining room, which rooms have open beam ceilings and contain a floor area of approximately 631 square feet (631 net square feet), one (1) covered lanai containing an area of approximately 68 square feet, and decking containing an area of approximately 8 square feet.

3. 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 service lines running through such apartment which are utilized for or serve more than one apartment. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the lanai air space (if any), the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

COMMON ELEMENTS: The common elements include the land and all improvements on the land (except for all portions thereof which are apartments) as well as all common elements mentioned in Chapter 514-A, Hawaii Revised Statutes, as amended, which are actually included in the project, including specifically but not limited to:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, elevators, walkways, entrances and exits of said building(s);
- (c) All yards, grounds and landscaping;
- (d) All parking stalls and parking areas;
- (e) 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;
- (f) 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: No part of the common elements are limited common elements.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED TO PURCHASERS: Each apartment shall have appurtenant thereto an undivided two and one-half (2.50%) percentage interest in all 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.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: With the exception of a mortgagee in possession of an apartment following a default under a mortgage encumbering an apartment in the project, a foreclosure proceeding or other arrangement in lieu of foreclosure, the residential apartments shall at all times be occupied and used only for residential purposes or time sharing ownership by the respective owners thereof, their tenants, families, domestic servants and social guests. The apartments may also be rented for transient or hotel purposes as defined in the Declaration.

NOTE: In the event any person, including the Developer, desires to sell any time-share interest in any apartment in the project, such person(s) will have to comply with the provisions of Chapter 514E of the Hawaii Revised Statutes and any rules and regulations promulgated thereunder prior to selling any such time-share interest.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Status Title Report, dated June 19, 1985, prepared by Title Guaranty of Hawaii, Incorporated, which certifies that title to the land committed to this regime is vested in Princeville Development Corporation the Developer.

ENCUMBRANCES: Said Title Report prepared by Title Guaranty of Hawaii, Incorporated states that the land is subject to the following encumbrances:

1. Easement "D-1" (10 feet wide) for surface drainage purpose, as shown on File Plan 1265.
2. Declaration of Restrictions, Covenants and Conditions by Eagle County Development Corporation dated March 1, 1971, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7444, Page 93.
3. Grant in favor of Kauai County Public Improvement Corporation dated March 16, 1972, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8192, Page 283.
4. Easement "U-1" (10 feet wide) for utility purposes, as shown on surveyor's map prepared by Wes Thomas & Associates, Inc., dated February 5, 1982.
5. Reservations contained in Deed dated December 19, 1973, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9665, Page 200.

6. Grant in favor of Kauai Electric Division of Citizens Utilities Company, a Delaware corporation, dated May 31, 1978, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13069, Page 75.
7. Grant in favor of Citizens Utilities Company, a Delaware corporation, and Hawaiian Telephone Company, a Hawaii corporation, dated September 8, 1980, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15138, Page 511.
8. Mortgage in favor of the Trustees of Charlotte B. Warren's Grandchildren's Trust dated March 21, 1985, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18528, Page 213.

NOTE: The mortgage listed under number 8 above will be partially released upon the conveyance of each of the apartments within the project.

9. For real property taxes due and payable, reference is made to the Director of Finance, County of Kauai.

The property is also subject to the restrictions, conditions, and other provisions set forth in Declaration of Horizontal Property Regime dated June 21, 1985, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18744, Page 600, and the Bylaws dated June 21, 1985, recorded as aforesaid in Liber 18744, Page 651. Project covered by Condominium File Plan No. 961.

The Declaration of Horizontal Property Regime has been amended and recorded in Liber 18843, Page 536.

PURCHASER MONEY HANDLING: A copy of the specimen sales contract and the escrow agreement has been submitted as part of the registration. The escrow agreement dated July 3, 1985 identifies Title Guaranty Escrow Services, Inc., as the escrow agent. Upon examination, the specimen sales contract and the executed escrow agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections 514A-37, 514A-63 and 514A-65, Hawaii Revised Statutes, as amended.

Among other provisions, the executed escrow agreement provides that a purchaser under contract of sale, upon written request, shall be entitled to a refund of all monies deposited with escrow (without interest), if any, and less any cancellation fee if any one of the following shall have occurred: (1) Developer has requested escrow in writing to return to purchaser the funds of such purchase then held by escrow; or (2) a material change as defined in Section 514A-63(a) occurs and the purchaser has not waived his rights or is not deemed to have waived his rights as set forth in Section 514A-63(b).

Upon examination, the specimen sales contract provides in part, (1) where purchasers who have agreed to obtain mortgage loans do not secure commitments therefor satisfactory to Developer, Developer may cancel the sales contract and refund all monies paid by the purchasers without interest less the costs of any credit report, an escrow cancellation fee and other costs actually incurred in processing the loan application (2) Purchaser agrees that all of the rights of Purchaser under the Sales Contract shall be subject and subordinate to the lien of any mortgage securing the repayment of the loan, if any, made to finance the acquisition of the project, the cost of construction and other costs which may become a lien pursuant to the terms of such loan or agreement; and (3) Purchaser understands that the project consists of a fully constructed and existing building and accepts the same "as is" without warranties.

It is incumbent upon the purchaser that he reads with care the executed Escrow Agreement and specimen Sales Agreement. The Escrow Agreement established how the proceeds from the apartment units and all sums received from and source are placed in escrow, as well as the retention and disbursement of said trust funds.

MANAGEMENT AND OPERATION: Article IV Section 2 of the Bylaws states that the Board of Directors may employ a responsible corporate managing agent to manage and control the property subject at all times to direction by the Board of Directors. At this time, no management agent has been hired.

STATUS OF PROJECT: All forty units were completed in 1979. According to a letter dated July 15, 1985, from the Director of Public Works for the County of Kauai, the project was built, to the best of his knowledge, in conformance with all codes, ordinances, rules and regulations in force at that time and there were no variance or special permit to allow deviation from any applicable building code.

The purchaser or respective 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 9, 1985, and information subsequently filed as of August 28, 1985.

THIS FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1691 filed with the Commission on July 9, 1985.

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.


G.A. "Red" Morris, Chairman, for
REAL ESTATE COMMISSION OF
THE STATE OF HAWAII

DISTRIBUTION:

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

DATE: August 30, 1985

REGISTRATION NO. 1691