



REAL ESTATE COMMISSION

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
1010 Richards Street - P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on
MAKAI CLUB AT PRINCEVILLE
(Registration limited to apartment numbers
601 through 605, 607 through 610, 701, 702,
704 through 710, 801 through 803, 805 through
810, 901 through 910 only)

Registration No. 1691 (conversion)

Issued: January 9, 1991
Expires: February 9, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of December 20, 19 90, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued
 - Supersedes all prior public reports
 - Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated August 30, 1985
 - Supp. Public Report dated _____

And Supersedes all prior public reports
 Must be read together with _____

This report reactivates the Final public report(s) which expired on March 31, 1990

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- Required
- Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the Commission.

Changes made are as follows:

The prior Final Public Report is restated below in the new format required by the Commission. Since the time of the last Final Report, Princeville Corporation sold its interest in the Project to Hannon Brothers, Ltd. As a result, the identity of the Developer and related information have changed. This Supplementary Public Report restates the information contained in prior Public Reports with changes where necessary to reflect the change in ownership. Moreover, this Supplementary Public Report updates the Estimates of Maintenance Fees and Maintenance Fee Disbursements.

This Supplementary Public Report is part of the reactivation of the condominium registration for the Project. The reactivation is limited to unsold interest in Apartments 601 through 605, 607 through 610, 701, 702, 704 through 710, 801 through 803, 805 through 810, 901 through 910.

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings
- 5. Apartment Description See Exhibit "A"

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 40

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	_____
Guest Stalls	_____
Unassigned Stalls	<u>40</u>
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>40</u>

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Hannon Brothers, Ltd.
Name
2310 Kuhio Avenue, Suite 220
Business Address
Honolulu, Hawaii 96815

Phone: (808) 922-6666
(Business)

Names of officers or general partners of developers who are corporations or partnerships:

Michael J. Hannon, President & Treasurer; Theodore B. Hannon,
Vice President & Secretary; and Bruce Hannon, Vice President &
Assistant Secretary

Real Estate
Sales Agent: Hannon Realty, Ltd.
Name
2310 Kuhio Avenue, Suite 216
Business Address
Honolulu, Hawaii 96815

Phone: (808) 922-6666
(Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen Street
Business Address
Honolulu, Hawaii 96813

Phone: (808) 521-0211
(Business)

Managing
Agent: Makai Management, Ltd.*
Name
Lei O Papa Road
Business Address
Princeville, Kauai, Hawaii

Phone: (808) 826-3590
(Business)

* formerly known as Princeville Management Corporation

Attorney for
Developer: Michiro Iwanaga
Name
737 Bishop Street, Suite 3100
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances - Book 18744 Page 600
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

August 7, 1985, recorded in Book 18843, Page 536

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyance Condo Map No. 961
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances - Book 18744 Page 651
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

- Proposed Adopted
- Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	---	<u> </u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

None.

B. Underlying Land:

Address: Lei O Papa Road Tax Map Key: 5-4-06-02:4
Princeville, Kauai, Hawaii (TMK)

[] Address [] TMK is expected to change because _____

Land Area: 3.827 [] square feet [X] acre(s) Zoning: R-15

Fee Owner: Hannon Brothers, Ltd.
Name
2310 Kuhio Avenue, Suite 220
Address
Honolulu, Hawaii 96815

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

1. [] New Building(s) [X] Conversion of Existing Building(s)
[] Both New Building(s) and Conversion

2. Buildings: 8 Floors Per Building 3
[X] Exhibit "A" contains further explanations.

3. Principal Construction Material:

[X] Concrete [X] Hollow Tile [X] Wood
[] Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[X] Residential	<u>40</u>	[] Agricultural	_____
[X] Timeshare/Hotel	<u>40</u>	[] Recreational	_____
[] Other:	_____		_____

5. **Special Use Restrictions:**

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

- Pets Dogs, cats, and household pets permitted, provided, they create no unreasonable disturbance or nuisance.
- Number of Occupants: _____
- Other: _____
- There are no special use restrictions.

6. **Interior (fill in appropriate numbers):**

Total Apartments 40

Elevators 0

Stairways 8

Trash Chutes 0

See Exhibit "A"

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment: 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.

Permitted Alterations to Apartments: Any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall require only the written approval thereof, including the apartment owner's plans therefor, by the holder of a first lien affecting such apartment (if the lienholders require such approval), the Board of Directors of the Association of Apartment Owners, all other apartment owners thereby directly affected (as determined by the Board), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the project as so altered.

7. Parking Stalls:

Total Parking Stalls: 40

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	_____	_____	_____	_____	_____	_____	_____
Guest Unassigned	_____	40	_____	_____	_____	_____	40
Extra Available for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	_____	40	_____	_____	_____	_____	_____

Each apartment will have the exclusive use of at least _____ parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities.

- There are no recreational or common facilities.
- Swimming pool
- Recreation Area
- Tennis Court
- Other: _____
- Storage Area
- Laundry Area
- Trash Chute

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

As reported by a report dated June 27, 1985, from Interisland Architects, Inc., the then present condition of structural components and mechanical and electrical installation material to the use and enjoyment of the Project, as corrected, appeared satisfactory. No representations are being made by the Developer with respect to the useful life of the structural components or mechanical and electrical installation.

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

The original developer of the Project has stated in the Declaration of Horizontal Property Regime that:

1. The Project is in compliance with all ordinances, codes, rules, regulations, or other requirements in force at the time of its construction.

2. No variance has been granted from any ordinance, code, rule, regulation, or other requirement in force at the time of the Project's construction or from any current ordinance, code, rule, regulation, or other requirement.

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X	_____	_____
Structures	X	_____	_____
Lot	X	_____	_____

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit "C" describes the encumbrances against the title contained in the title report dated February 27, 1990 and issued by Ticor Title Insurance Co. of California, and lien letter dated November 1, 1990, issued by Title Guaranty of Hawaii.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[x] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Buyer's interest under a Sales Contract is subordinate to the interests of the holder of the Mortgage. Among other things, this means that if the Developer defaults, the holder may take over the property so that the buyer would lose his or her rights and claims to the apartment. If this happens, the buyer would get his or her money back from Escrow. Before the apartment is conveyed to the Buyer, it must be free from the Mortgage.

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[] not affiliated with the Developer.

[x] the Developer or the Developer's affiliate.

[] self-managed by the Association of Apartment Owners.

[] other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit "D" contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

Electricity

Television Cable

Gas

Water & Sewer

Other _____

Not applicable

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. **Building and Other Improvements:**

See Exhibit "E"

2. **Appliances:**

Same as "Building and Other Improvements"

J. **Status of Construction and Estimated Completion Date:**

The Project was completed on January 5, 1979.

K. **Project Phases:**

The developer [] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

L. **Sales Documents Filed With the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

[] Notice to Owner Occupants

[X] Specimen Sales Contract

Exhibit "E" contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated _____

Exhibit "F" contains a summary of the pertinent provisions of the escrow contract.

[] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

NONE.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
 - a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
AND
 - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 1691 filed with the Real Estate Commission on July 9, 1985.

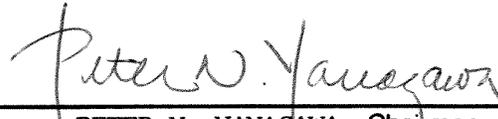
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.



PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances

Department of Finance, County of Kauai

Planning Department, County of Kauai

Federal Housing Administration

Escrow Agent

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), and 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.

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.

ENCUMBRANCES AGAINST TITLE

1. Easement "D-1" (10 feet wide) for surface drainage purposes, as shown on File Plan No. 1265.
2. Grant in favor of Princeville at Hanalei Community Association, a non-profit corporation, dated November 12, 1987, recorded as aforesaid in Book 21516, Page 321.
3. Declaration of Restrictions, Covenants and Conditions by Eagle County Development Corporation, dated March 1, 1971, recorded as aforesaid in Book 7444, Page 93, by Eagle County Development Corporation, "Declarant". By Declaration of Declarant dated May 16, 1985, recorded as aforesaid in Book 18662, Page 485, Princeville Development Corporation was declared and designated the Declarant under said Declaration.
4. Grant in favor of Kauai County Public Improvement Corporation, dated March 16, 1972, recorded as aforesaid in Book 8192, Page 283. The interest of Kauai County Public Improvement Corporation was assigned to Princeville Utilities Company, Inc. by instrument dated December 1, 1985, recorded as aforesaid in Book 19127, Page 116.
5. Easement "U-1" (10 feet wide) for utility purposes, as shown on the map prepared by Wes Thomas & Associates, Inc., dated February 5, 1982.
6. Reservations contained in Deed dated December 19, 1973, recorded as aforesaid in Book 9665, Page 200.
7. Grant in favor of Kauai Electric Division of Citizens Utilities Company, dated May 31, 1978, recorded as aforesaid in Book 13069, Page 75.
8. Grant in favor of Citizens Utilities Company and GTE Hawaiian Telephone Company Incorporated, dated September 8, 1980, recorded as aforesaid in Book 15138, Page 511.
9. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated June 21, 1985, recorded as aforesaid in Book 18744 at Page 600, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 961.) Said Declaration was amended by instrument dated August 7, 1985, recorded as aforesaid in Book 18843 at Page 536.

10. By-Laws of the Association of Apartment Owners of the Condominium Project known as "MAKAI CLUB AT PRINCEVILLE" dated June 21, 1985, recorded as aforesaid in Book 18744 at Page 651, as the same may hereafter be amended.

11. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Covenants, Conditions and Restrictions for Makai Club Interval Ownership Program dated June 21, 1985, recorded as aforesaid in Book 18757, Page 206, as amended, and to the By-Laws attached thereto.

12. Grant in favor of Princeville Utilities Company, Inc., dated December 1, 1985, recorded as aforesaid in Book 19127, Page 162.

13. Real Property Mortgage and Financing Statement dated February 27, 1990, in favor of Princeville Corporation, recorded as aforesaid as Document No. 90-027989.

14. Second Mortgage, Security Agreement and Financing Statement dated February 27, 1990, in favor of Del-Val Capital Corp., a Delaware corporation, recorded as aforesaid as Document No. 90-027991.

Notation: A lien letter issued by Title Guaranty of Hawaii, Inc., dated November 1, 1990, reports release of mortgage on whole Apartments 904, 908 and 909 in CM 961.

EXHIBIT "D"

**ESTIMATE OF INITIAL MAINTENANCE FEES *
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
Each apartment	\$ 298.53	\$ 3,582.36

* Other fees associated with the Makai Club Interval Ownership Program are detailed in the Disclosure Statement in the Makai Club Interval Ownership Program.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning	\$ 2,849.00	\$ 34,188.00
Electricity		
<input type="checkbox"/> common elements only		
<input checked="" type="checkbox"/> common elements and apartments		
Gas		
Refuse Collection	97.00	1,164.00
Telephone		
Water and Sewer	600.00	7,200.00

Maintenance, Repairs and Supplies

Building	1,986.00	23,832.00
Grounds	2,756.00	33,072.00

Management

Management Fee	480.00	5,760.00
Payroll and Payroll Taxes		
Office Expenses		

Insurance	514.00	6,168.00
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Reserves	1,560.00	18,720.00
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Taxes and Government Assessments	459.28	5,511.36
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Audit Fees	200.00	2,400.00
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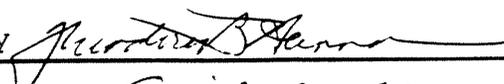
Other

Pest Control	145.00	1,740.00
Community Association Dues	295.00	3,540.00

TOTAL	\$11,941.28	\$143,295.36
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I/We, MAKAI MANAGEMENT, LTD., as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

MAKAI MANAGEMENT, LTD.

By 
Date: April 23, 1990

SUMMARY OF OF SALES CONTRACT AND ESCROW AGREEMENT

A. Sales Contract

The Deposit Receipt & Sales Contract for the Makai Club at Princeville (the "Sales Contract") provides for the sale of fee simple interest in the apartments of the project. The Contract calls for three payments: (1) Payment A as the initial downpayment upon execution of the contract; (2) Payment B upon loan approval or within 45 calendar days after acceptance of the Agreement by Seller; and (3) the balance of the purchase price. Under the Contract, the Purchaser undertakes an obligation to pursue mortgage financing.

Payments A, B, and C will not be disbursed by the escrow agent until the time of closing. In other words, the Buyer's downpayment will not be used to finance construction of the project.

The risk of loss of the apartment and other improvements shall be borne by the Seller until the date of closing.

SELLER MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE APARTMENT, COMMON ELEMENTS, APPLIANCES, FURNISHINGS OR OTHER PRODUCTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO WARRANTIES OF

Exhibit "E"

MERCHANTIBILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OF USE.

The Buyer's rights under the Sales Contract are subordinate to the interest of Princeville Corporation, which provided the acquisition financing for the project. In the event of Seller's default under the acquisition loan, Buyer may lose whatever interest he or she had in the project. In such an event, however, Buyer will receive the return of any payments made into escrow.

The Sales Contract contains a number of other important provisions. As a result, prospective purchasers are directed to the Sales Contract, since this document will dictate the terms of the transaction.

B. Escrow Agreement

The Escrow Agreement is between the developer, Hannon Brothers, Ltd., and Title Guaranty Escrow Services, Inc., 235 Queen Street, 1st Floor, Honolulu, HI 96813. The Escrow Agreement makes it clear that the construction of the project will not be financed using funds of purchasers under Sales Contracts. Interest will accrue in the funds on deposit under Sales Contracts and payments of that interest will be controlled by the terms of the Sales Contract. All money received by the developer will be placed into escrow for the applicable transaction. No disbursements will be made from Buyer's funds until various conditions preceding are met.

Those conditions precedent are set forth in Section 3.02 of the Escrow Agreement.

Purchasers under Sales Contracts will be entitled to a refund by escrow, without interest, if the purchaser makes a written request for the refund and one of a number of events occurs.

Escrow will not be responsible for the validity or sufficiency of any Sales Contracts or other documents received by it and will be entitled to assume that those documents were signed by the persons whose signatures purport to be on those documents. Escrow may also assume that instructions or written certifications from the developer are true and accurate. If any dispute or difference arises, or if any conflicting demands are made upon escrow, escrow shall not be required to determine the proper solution to the conflict or to take any particular action. Escrow may simply await settlement of the controversy or may bring an action in interpleader for the purpose of having the respective rights of the parties adjudicated. In an interpleader action, escrow may be fully released and discharged from all further obligations.