

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

PRINCEVILLE MAUNA KAI NO. 1
Princeville, Kauai, Hawaii

REGISTRATION NO. 493

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: January 29, 1973

Expires: February 28, 1974

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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED November 9, 1972 AND INFORMATION SUBSEQUENTLY FILED AS OF January 23, 1973. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. Princeville Mauna Kai No. 1 is a proposed leasehold apartment condominium project, which will consist of seventeen (17) apartment buildings consisting of five (5)

different types of structures designated as Tower, Duplex 1, Duplex-2, Duplex-3, Fourplex and partial rights to a swimming pool and pavilion to be constructed thereon in Plot A designated on the Condominium Map.

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 Developer has submitted to the Commission for examination a proposed Declaration of Horizontal Property Regime, proposed By-Laws of the Association of Owners and preliminary floors plans. A Final Public Report will not be issued until these items have been executed, approved and recorded where applicable.
4. In this Preliminary Public Report, the statements regarding the Declaration refer to the proposed Declaration submitted to the Commission.
5. Advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
6. The Developer advises the Commission that at such time that the construction of the project is commenced it will own an unencumbered fee simple interest in the land.
7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, Condominium Rules and Regulations which relate to the Horizontal Property Regime.
8. If the Final Public Report is not issued the purchasers are entitled to a refund of all monies paid by the purchasers hereunder without further obligation and without interest.
9. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, January 29, 1973, unless a Supplementary Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: Princeville Mauna Kai No. 1

LOCATION: The 4.724 acres of property to be committed to the regime as a leasehold condominium project is situated 4,020 feet Northeast from the intersection of Kuhio Highway and Honu Road, Princeville, Hanalei, County of Kauai, State of Hawaii.

TAX MAP KEY: Fourth Division 5-4-05 portion of 1.

ZONING: V-72-18 Variance - Apartment Use

DEVELOPER: Princeville Mauna Kai Development Co., a Colorado joint venture registered to do business as a foreign partnership in the State of Hawaii whose address is P. O. Box 222, Hanalei, Kauai, State of Hawaii, Telephone 826-6482, Hanalei, Kauai.

The partners are: William J. Chambers, P. O. Box 258, Aspen, Colorado, and P. O. Box 222, Hanalei, Kauai; Garrett-Bromfield & Company, 724-17th Street, Denver, Colorado. The names of the officers and directors of Garrett-Bromfield & Company are:

<u>Name</u>	<u>Office Held</u>
Donald C. Bromfield	Chairman of the Board & Director
Van Holt Garrett, Jr.	President & Director
C. G. Cozart	Executive Vice President & Director
Donald C. Bromfield, Jr.	Senior Vice President & Director
James R. Struthers	Senior Vice President & Director
F. W. Herres	Vice President
Richard E. Theander	Vice President & Director
Lewis M. Gibb, Jr.	Vice President & Director
Larry W. Thrower	Vice President & Director
Lois J. Edwards	Secretary-Treasurer & Director

ATTORNEY REPRESENTING DEVELOPER: Hiroshi Sakai, Suite 602, 810 Richards Street, Honolulu, Hawaii 96813, Telephone 531-4171.

DESCRIPTION: The Declaration reflects that the project is to consist of the 4.724 acres of land located at Princeville, Hanalei, Kauai, consisting of seventeen apartment buildings with five different types of structures designated as Tower, Duplex-1, Duplex-2, Duplex-3, Fourplex and partial rights to a swimming pool and pavilion designated as Plot A to be constructed thereon in accordance with plans and specifications prepared by Hewitt Clark Associates, Architect. There are forty-seven separately designated and described apartment units together with forty-seven parking stalls being limited common elements assigned to the apartment units. There are twenty-three grass parking stalls which are unassigned and are subject to such control and use as are provided by the Association.

APARTMENTS, LOCATION AND NUMBERING:

Tower. There are five (5) Tower structures within the project, each covering a ground space of 504 square feet, with no basement. The Tower structures are constructed with modular plywood

panels and Decramastic roofs. Each Tower structure is three (3) stories in height and contains one (1) apartment. Each floor contains 504 square feet of living area, resulting in a total apartment size of 1,512 square feet. One or two bedrooms, bath, closet, deck and stairway area are located on each of the first two floors. A living-dining area, kitchen, small hallway, stairway area and deck are contained on the top floor of each Tower structure. The apartments in the Tower structures are numbered T-1, T-2, T-3, T-4 and T-5, and are located on the project as depicted on the Condominium Map. Each Tower apartment has immediate access to the outdoor common element by way of an entrance door located at ground level.

Duplex-1. There is one Duplex-1 structure within the project covering a ground space of 2,048 square feet, with no basement. The Duplex-1 structure is constructed with modular plywood panels, and has a Decramastic roof. The Duplex-1 structure is one floor in height, and contains two apartments. Each apartment contains 1,164 square feet of living area, consisting of two bedrooms, a living-dining room, one bathroom, closets, kitchen, deck and entry area. The apartments in the Duplex-1 structure are numbered D-101 and D-102 and are located on the project as depicted on the Condominium Map. Each Duplex-1 apartment has immediate access to the outdoor common element by way of entrance doors located at ground level.

Duplex-2. There is one Duplex-2 structure within the project covering a ground space of 2,368 square feet, with no basement. The Duplex-2 structure is constructed with modular plywood panels, and has a Decramastic roof. The Duplex-2 structure is one and a half stories in height, and contains two apartments. Each apartment contains 1,576 square feet of living area, consisting of three bedrooms, a living-dining area, three bathrooms, closets, kitchen, deck, entry and stairway area. The apartments in the Duplex-2 structure are numbered D-201 and D-202, and are located on the project as depicted on the Condominium Map. Each Duplex-2 apartment has immediate access to the outdoor common element by way of entrance doors located at ground level.

Duplex-3. There is one Duplex-3 structure within the project covering a ground space of 1,968 square feet, with no basement. The Duplex-3 structure is constructed with modular plywood panels, and has a

Decramastic roof. The Duplex-3 structure is two stories in height, and contains two apartments. Each apartment contains 1,488 square feet of living area, consisting of three bedrooms, a living-dining area, two bathrooms, closets, kitchen, deck, entry, stairway and hall areas. The apartments in the Duplex-3 structure are numbered D-301 and D-302, and are located on the project as depicted on the Condominium Map. Each Duplex-3 apartment has immediate access to the outdoor common element by way of entrance doors located at ground level.

Fourplex. There are nine Fourplex structures within the project, each covering a ground space of 3,084 square feet, with no basement. The Fourplex structures are constructed with modular plywood panels, and have Decramastic roofs. Each Fourplex structure is two floors in height, and contains four apartments. Two of the apartments in each Fourplex contain 1,478 square feet, and the other two apartments contain 1,280 square feet. The 1,478 square foot apartments consist of three bedrooms, a living-dining area, two bathrooms, closets, kitchen, deck and entry area. The 1,280 square foot apartments consist of two bedrooms, a living-dining room, two bathrooms, closets, kitchen, deck and entry area. The apartments in the Fourplex structures are numbered F-1 through F-18 inclusive for the two bedroom apartments and F-18 through F-36 inclusive for the three bedroom apartments and are located on the project as depicted on the Condominium Map. Each Fourplex apartment has immediate access to the outdoor common elements by way of entrance doors located at ground level and second floor level.

LIMITS OF APARTMENTS: The limits of the apartments are the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the roofs or any pipes, wire, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime reflects that the common elements include:

- (a) Said land in leasehold;
- (b) All foundations, floors slabs, columns, girders, beams, supports, bearing walls, roofs, and entries of said buildings;
- (c) All yards, grounds, landscaping, refuse facilities, walkways, parking areas, driveways and streets;

(d) All ducts, electrical equipment, wiring and other central appurtenant installations, including power, light, water, sewer and telephone.

(e) 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 Declaration reflects that the limited common elements are as follows:

(a) One parking space, designated on said plans by the number corresponding to that of each apartment shall be appurtenant to and for the exclusive use of such apartment. All other parking spaces are for the general use of the owners, and may be used as determined by the Association of Apartment Owners of the project.

(b) The entries of each apartment shall be appurtenant to and for the exclusive use of each apartment.

(c) The swimming pool and pavilion, depicted as Plot A in Lot 4, Princeville at Hanalei, as shown on the Condominium Map (hereinafter referred to as Plot A), are to be owned by all of the apartment owners in this project and the owners of any apartments constructed by Declarant in or on the balance of the land within Lot 4, Princeville at Hanalei. It is contemplated that in addition to the forty-seven apartments herein provided for, Declarant will construct thirty apartment units in the second phase of the development of Lot 4, Princeville at Hanalei, and fifty-two apartments in the third phase of the development of Lot 4, Princeville at Hanalei, the construction of such additional apartments to be hereinafter referred to as "Phase 2" and "Phase 3". Accordingly, each of the apartments in this project shall have appurtenant thereto a 1/129 fractional interest in and to Plot A, and Declarant shall retain the ownership of the remaining 82/129 thereof. Declarant's ownership, however, shall be subject to the following conditions:

(1) Declarant shall not sell or convey its 82/129 interest in Plot A, or any part thereof, except to persons who are, at the time of conveyance, acquiring apartments contained within Lot 4, Princeville at Hanalei, and as a part of Phase 2 or Phase 3.

(2) Each person acquiring an apartment outside this project, but within Lot 4,

Princeville at Hanalei as a part of Phase 2 or Phase 3 of the development, from Declarant or its successors, shall be entitled to a 1/129 undivided interest in and to Plot A, such interest to be and become appurtenant to the apartment unit so acquired.

(3) Any and all apartment units constructed by Declarant as a part of Phase 2 or Phase 3 shall be constructed of similar materials and be of similar size and architectural design as the apartment units in this project, and Declarant shall submit the land upon which any such apartments are constructed to the Horizontal Property Act of the State of Hawaii using documents (including Apartment Owners Association By-Laws) substantially similar to the documents covering this project.

(4) As the Phase 2 Horizontal Property Regime is established by filing the Declaration with the Bureau of Conveyances, the Declarant's interest will be reduced to 52/129. As the Phase 3 Horizontal Property Regime as established by filing the Declaration with the Bureau of Conveyances, the Declarant's interest will be entirely eliminated.

(5) Each owner of an apartment constructed by Declarant within Lot 4, Princeville at Hanalei shall have the right to use the swimming pool and pavilion located in Plot A of Lot 4, Princeville at Hanalei, in accordance with the By-Laws of his respective Apartment Owners Association, and all such apartments shall have appurtenant thereto appropriate easements across and over Lot 4, Princeville at Hanalei for the use thereof.

(6) In the event Declarant shall fail to construct a total of 129 apartment units on Lot 4, Princeville at Hanalei within six years from the date hereof or Declarant files a Certificate attached to Declaration as Exhibit "C" disclaiming a leasehold interest in Plot A, then the owner of each apartment then

located within the boundaries of Lot 4, Princeville at Hanalei, shall be increased to such additional fractional undivided interest in Plot A as may be necessary to divide the said Plot A equally among the apartment owners established by the Horizontal Property Regime or Regimes in Lot 4, Princeville at Hanalei. Any additional interest in Plot A so acquired shall be and become appurtenant to the apartment then owned, and shall be subject to the Declarations and the By-Laws applicable to such apartment.

PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS: The percentage of undivided interest in the common elements appertaining to each apartment are as follows:

<u>Apartment</u>	<u>Units</u>	<u>Percentage Interest of Each Unit</u>	<u>Totals</u>
Tower	5	2.33	11.668
Duplex-1	2	1.79	3.593
Duplex-2	2	2.43	4.864
Duplex-3	2	2.29	4.593
fourplex (1,478 sq. ft.)	18	2.28	41.058
Fourplex (1,280 sq. ft.)	18	1.90	<u>34.224</u>
			100.000

The interest of each apartment shall have the same proportionate share in all common profit and expenses of the project and for the purposes of voting excepting ownership of Plot A.

INTEREST TO BE CONVEYED TO PURCHASER: The Declaration states that the percentage of undivided interest in the common element would be as stated above and as stated in the Limited Common Elements for Plot A.

PURPOSES FOR WHICH THE BUILDINGS AND EACH OF THE APARTMENTS MAY BE USED: The apartments shall be occupied and used only as private, apartment, or resort dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration.

OWNERSHIP OF TITLE: W. J. Chambers and Garrett-Bromfield & Company, a Colorado corporation, as Tenants in Common, are the developers and fee owner of the subject properties as confirmed by a Preliminary Report dated December 21, 1972, issued by Security Title Corporation.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report dated December 21, 1972, reports that title to the land is subject to the following encumbrances:

1. Mortgage dated September 15, 1972 in favor of Eagle County Development Corporation filed in the Bureau of Conveyances, State of Hawaii in Book 8598, Page 333. By instrument dated September 15, 1972 recorded on September 21, 1972 in said Bureau of Conveyances in Book 8604, Page 291, Eagle County Development Corporation, a Colorado corporation, assigned the foregoing Mortgage to Mortgage Trust of America, a California trust, Lomas & Nettleton Mortgage Investors, a Massachusetts trust, Fidelco Growth Investors, a Pennsylvania trust, and State Mutual Investors, a real estate investment trust, et al., as additional security for the repayment of that certain promissory note dated November 30, 1970 and secured by that certain Mortgage dated November 30, 1970, recorded on January 28, 1971 in said Bureau of Conveyances in Book 7375, Page 331.

2. Declaration of Restrictions, Covenants and Conditions dated March 1, 1971, recorded in the Bureau of Conveyances of the State of Hawaii in Book 7444, Page 93 to which reference is hereby made.

By instrument dated August 31, 1972, recorded on September 13, 1972 in said Bureau of Conveyances in Book 8582, Page 366, the foregoing Declaration was amended.

3. The terms and provisions of that certain WATER AND SANITATION ASSESSMENT AND LIEN dated April 7, 1971, recorded on April 12, 1971 in said Bureau of Conveyances in Book 7486, Page 292, to which reference is hereby made. Confirmation thereto recorded in Book 8192, Page 257.

- a) By instrument dated March 16, 1972, recorded on March 16, 1972 in said Bureau of Conveyances

in Book 8192, Page 276, the foregoing WATER AND SANITATION ASSESSMENT AND LIEN was assigned to FIRST HAWAIIAN BANK, an Hawaiian banking corporation.

- b) SUPPLEMENT TO WATER AND SANITATION ASSESSMENT AND LIEN dated March 27, 1972, recorded on April 6, 1972 in said Bureau of Conveyances in Book 8222, Page 388, to which reference is hereby made.
- c) By instrument dated November 13, 1972, recorded on November 20, 1972 in said Bureau of Conveyances in Book 8743, Page 1, the aforementioned WATER AND SANITATION ASSESSMENT AND LIEN was further amended.

NOTE: The Developer has provided that if it prepays in full the unpaid balance of the allocated assessment charge against the real property comprising the land of Assessment and Lien Agreement the Buyer shall reimburse the Developer a prorated amount of such payment, being equal to 1/129 of the total amount the Seller prepays in full of the assessment charge. In the event that said Agreement is amended to provide that this blanket lien on the land of the project be converted to individual liens on each apartment unit and its appurtenant common interest, each securing a prorated amount of the unpaid balance of said assessment, the responsibility of paying each of the said prorated amounts will be assumed by the respective individual owners of each of the apartments and thus this additional reimbursement to Developer will not be required. The Developer has advised that it estimates that the maximum amount of such reimbursement of such individual lien for each type of apartment unit will be as follows:

Tower	\$852.00
Duplex-1 Units	\$852.00
Duplex-2 Units	\$852.00
Duplex-3 Units	\$852.00

Fourplex, 1,280 sq. ft. \$852.00

Fourplex, 1,478 sq. ft. \$852.00

4. For any real property taxes that may be due and owing on the land a reference is hereby made to the office of the Tax Assessor of the Fourth Taxation Division, State of Hawaii.

RESERVATION: Reserving however to the Eagle County Development Corporation, its successors and assigns, the right to grant roadway easements over and across any and all roadway lots described in the description to the purchasers, purchasers' lessee, lessees, owner or owners of each of the lots within Princeville at Hanalei and to any purchaser, purchasers, lessee, lessees, owner or owners of lots hereinafter created within Princeville at Hanalei.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated December 15, 1972 between Bank of Hawaii, as Escrow, and Developer, has been filed with the Commission. On examination the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514, Hawaii Revised Statutes and particularly Sections 514-36 through 514-40 HRS.

Among other provisions the executed Escrow Agreement states that the purchaser shall be entitled to a refund of his fund and Escrow shall pay said funds to said purchaser without interest and less Escrow's \$15.00 cancellation fee if Purchaser shall in writing request refund of his funds and any one of the following shall have occurred: (a) Escrow Agent receives a written request from Developer to return to purchaser the funds of such person then held hereunder by Escrow Agent; (b) A purchaser's funds were obtained prior to the issuance of the Final Public Report and there has been a change in the condominium building plans subsequent to the execution of the purchaser's Condominium Reservation Agreement, Deposit Receipt and Sales Contract requiring the approval of the City and County officer having jurisdiction over the issuance of permits for construction of buildings, unless the purchaser has given written approval or acceptance of the specific change or (c) If the purchaser's funds were obtained prior to the issuance of the Final Public Report and the request is prior to the time the Final Public Report is issued or, (d) If the Final Public Report differs in any material respect from any Preliminary Public Report that has been issued, unless the purchaser has given written approval or acceptance of the difference or (e) The Final Public Report is not issued within one (1) year from the date of the issuance of the Preliminary Public Report. Upon refund of said funds to the purchaser as aforesaid, Escrow Agent shall return to Developer such purchaser's Condominium

Reservation Agreement, Deposit Receipt and Sales Contract and any apartment deed and ground lease heretofore delivered to Escrow Agent and thereafter purchaser shall be no longer obligated thereunder.

The Sales Contract provides that in the event less than 24 apartment units are sold prior to November 1, 1973, Seller may at its option cancel this agreement, in which event Seller will cause Escrow to refund to Buyer all monies paid, without interest, and Seller shall be relieved and released of all further liability hereunder. In the event development and construction of the project is delayed due to governmental restrictions or regulations enacted after the date of this agreement, or by occurrence of a contingency, the nonoccurrence of which was a basic assumption on which this agreement was made, and Seller determines that increases in development and construction costs because of such delay require increases in Apartment sales prices to maintain financial feasibility of the project, then and in any such event Seller may at its option terminate this agreement and cause Escrow to refund to Buyer all monies paid, without interest, and Seller shall be released from all liability hereunder, provided, however, that Seller shall offer to Buyer the first right to execute a new reservation agreement in a form similar hereto at the increased Apartment unit price.


It is incumbent upon the purchaser and prospective purchaser that he read with care the Condominium Reservation Agreement, Deposit Receipt and Sales Contract and the Escrow Agreement. The Escrow Agreement units and all sums received from any source are placed in trust, as well as retention and disbursement of said trust funds.

MANAGEMENT OF THE PROJECT: The Declaration provides that the management of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible corporate managing agent. The Developer in its notice of intention indicate that it has not yet selected an initial managing agent. The Reservation Agreement to be signed by the purchasers provided the Developer may appoint the initial manager and agent of the project.

STATUS OF PROJECT: The plans and specifications have been prepared by Hewitt Clark Associates. The Developer has undertaken the construction of model units. It is estimated that the construction of the project will begin thirty (30) days after the interim financing is completed.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 493 filed with the Commission on November 9, 1972.

The report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.


(FOR) DOUGLAS R. SODEBTANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

Registration No. 493

January 29, 1973.