

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

## FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT on

HANAIEI BAY RESORT  
Princeville, Hanalei  
Island of Kauai, State of Hawaii

REGISTRATION NO. 1027

### **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, 1978  
EXPIRES: September 30, 1979

#### 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 AUGUST 10, 1978 AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 29, 1978. THE DEVELOPER, BY NOTIFYING THE REAL ESTATE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, HAWAII REVISED STATUTES, CHAPTER 514A.

1. HANAIEI BAY RESORT is a fee simple condominium project containing 134 residential Apartments located in 16 buildings, 1 commercial Apartment located in a separate building and 1 Apartment consisting of 4 tennis courts and a tennis shelter. The Common Elements of the Project contain parking for 180 vehicles.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of the Project and the issuance of this Final Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime and the Bylaws (the "Bylaws") have been recorded in the Bureau of Conveyances, State of Hawaii, in Book 13050, Page 465, that the Condominium Map (the "Condominium Map") has been recorded as aforesaid, as Map No. 557, and that the First Amendment to Declaration of Horizontal Property Regime has been recorded as aforesaid in Book 13104, Page 759. The Declaration of Horizontal Property Regime, as so amended, is hereinafter called the "Declaration". Copies of the Declaration, the Bylaws and the Condominium Map are on file with the Commission and may be inspected at the Commission's office by any prospective Apartment purchaser.
4. As of this date no advertising and promotional matters have been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Act and the Rules and Regulations of the Commission which relate to Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, August 30, 1978, unless a Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this Final Public Report.
7. This Final Public Report is made a part of the registration of HANAIEI BAY RESORT condominium project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and securing a signed copy of the receipt for the Final Public Report from each purchaser.

NAME OF PROJECT: HANAIEI BAY RESORT.

LOCATION: The Project consists of approximately 19.174 acres of land located at Princeville, Hanalei, Kauai.

TAX KEY: 5-4-11:3 (Fourth Division).

ZONING: R-10 (Residential) and O (Open).

DEVELOPER: Hanalei BRC, Inc., a Hawaii corporation, whose business address is P.O. Box 220, Hanalei, Kauai, Hawaii, Phone (808) 826-6521.

The current officers of Hanalei BRC, Inc., are:

Chairman of the Board	Edward A. Montgomery, Jr.
Vice President	Carl H. Kalberkamp
Vice President	Douglas E. Prior
Vice President	Theodore C. Miller
Vice President	Robert E. DeSilva
Vice President	David M. Knight
Vice President/Secretary	Albert Z. Hodge
Treasurer	James D. Morrill
Assistant Secretary	Harold G. Dix

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Douglas E. Prior or Philip J. Leas), 14th Floor, 1000 Bishop Street, P. O. Box 939, Honolulu, Hawaii 96808; telephone: 521-9200.

DESCRIPTION OF PROJECT: The Project consists of seventeen Buildings, numbered 1 through 11, inclusive, 12A and 12B, and 13 through 16, inclusive. Each is a three-story structure except numbers 9, 11, 12A and 16 which have two stories, and a portion of number 12B which has four stories. Each of the Buildings has a concrete foundation; the second- and any third- and fourth-story floors are reinforced concrete. The floors within each Apartment in Buildings 1 through 11, inclusive, 12A, 12B, 13, 14 and 15 are carpeted, except that the kitchen and bathroom have asbestos tile floor coverings. Exterior walls of all Buildings are concrete block with rough texture finish. Roofs will be of asphalt shingles.

There are 135 Apartments in the seventeen Buildings, plus 1 Apartment consisting of tennis courts 8, 9, 10 and 11 and the nearby tennis shelter. The number of each Apartment, its floor level within its Building, the approximate size of each Apartment's living area and of its lanai and its type are as follows:

<u>Build- ing</u>	<u>Apartment Numbers</u>	<u>Floor</u>	<u>Approximate Square Feet Living Area in Each Apartment</u>	<u>Approximate Square Feet of Lanai in Each Apartment</u>	<u>Type</u>
1	A11, A12	1st	1,705	381	3 Bedroom
	A21, A22	2nd	"	"	" "
	A31, A32	3rd	"	"	" "
2	B13, B14	1st	1,335	288	2 Bedroom
	B23, B24	2nd	"	"	" "
	B33, B34	3rd	"	"	" "
3	C15, C16	1st	1,705	381	3 Bedroom
	C25, C26	2nd	"	"	" "
	C35, C36	3rd	"	"	" "
4	G11, G12	1st	1,335	288	2 Bedroom
	G21, G22	2nd	"	"	" "
	G31, G32	3rd	"	"	" "

<u>Build- ing</u>	<u>Apartment Numbers</u>	<u>Floor</u>	<u>Approximate Square Feet Living Area in Each Apartment</u>	<u>Approximate Square Feet of Lanai in Each Apartment</u>	<u>Type</u>
5	H13, H14	1st	1,335	288	2 Bedroom
	H15, H16	1st	"	"	" "
	H23, H24	2nd	"	"	" "
	H25, H26	2nd	"	"	" "
	H33, H34	3rd	"	"	" "
	H35, H36	3rd	"	"	" "
6	L17, L18	1st	1,335	288	2 Bedroom
	L27, L28	2nd	"	"	" "
	L37, L38	3rd	"	"	" "
7	K15, K16	1st	1,335	288	2 Bedroom
	K25, K26	2nd	"	"	" "
	K35, K36	3rd	"	"	" "
8	J11, J12	1st	1,335	288	2 Bedroom
	J13, J14	1st	"	"	" "
	J21, J22	2nd	"	"	" "
	J23, J24	2nd	"	"	" "
	J31, J32	3rd	"	"	" "
	J33, J34	3rd	"	"	" "
9	F15, F16	1st	1,335	288	2 Bedroom
	F25, F26	2nd	"	"	" "
10	E13, E14	1st	1,335	288	2 Bedroom
	E23, E24	2nd	"	"	" "
	E33, E34	3rd	"	"	" "
11	D11, D12	1st	1,335	288	2 Bedroom
	D21, D22	2nd	"	"	" "
12A	M15, M16	1st	867	224	1 Bedroom
	M25, M26	2nd	"	"	" "
12B	N11, N12	1st	867	224	1 Bedroom
	N13, N14	1st	"	"	" "
	N21, N22	2nd	"	"	" "
	N23, N24	2nd	"	"	" "
	N31, N32	3rd	"	"	" "
	N33, N34	3rd	"	"	" "
13	N41, N42	4th	"	"	" "
	P11, P12	1st	867	224	1 Bedroom
	P13, P14	1st	"	"	" "
	P21, P22	2nd	"	"	" "
	P23, P24	2nd	"	"	" "
	P31, P32	3rd	"	"	" "
	P33, P34	3rd	"	"	" "

<u>Build- ing</u>	<u>Apartment Numbers</u>	<u>Floor</u>	<u>Approximate Square Feet Living Area in Each Apartment</u>	<u>Approximate Square Feet of Lanai in Each Apartment</u>	<u>Type</u>	
14	T11, T12, T13	1st	867	224	1 Bedroom	
	T14, T15, T16	1st	"	"	" "	
	T21, T22, T23	2nd	"	"	" "	
	T24, T25, T26	2nd	"	"	" "	
	T31, T32, T33	3rd	"	"	" "	
	T34, T35, T36	3rd	"	"	" "	
	15	R15, R16	1st	867	224	1 Bedroom
		R17, R18	1st	"	"	" "
R25, R26		2nd	"	"	" "	
R27, R28		2nd	"	"	" "	
R35, R36		3rd	"	"	" "	
R37, R38		3rd	"	"	" "	
16 N/A	16 99	1st & 2nd N/A	Approximate floor area: Approximate floor area:	25,200 square feet 25,600 square feet		

The layout, location, dimensions and number of each Apartment are shown on the Condominium Map.

Each of the twelve Apartments in Buildings 1 and 3 shall have a living-dining room, a kitchen, 3 bedrooms, 3 bathrooms and 4 lanais. Each of the sixty-two Apartments in Buildings 2 and 4 through 11, inclusive, shall have a living-dining room, a kitchen, 2 bedrooms, 2 bathrooms and 3 lanais. Each of the sixty Apartments in Buildings 12A, 12B, 13, 14 and 15 shall have a living-dining room with an efficiency kitchen, a bedroom, 2 bathrooms and 2 lanais.

Apartment 16 shall contain a lounge area, a bar, a dining room, a kitchen, an office, a lobby and lobby seating areas, a porte cochere, an area for a commercial shop, restrooms, open decks and an open expansion area on the main floor; and storage areas, a housekeeping service area, an employee lounge, employee locker rooms, sauna and shower rooms, restrooms, a meeting room, a loading dock, a maintenance room, a snack bar, a gazebo and connecting walkway and an area for a pro shop or other commercial shops on the ground floor.

The kitchens in the 2- and 3-bedroom Apartments shall include a double stainless steel sink, a garbage disposal, a range, a refrigerator/freezer, a dishwasher and a clothes washer/dryer. The efficiency kitchen in the 1-bedroom Apartments shall include a Dwyer kitchen unit consisting of a 3-burner electric range with oven and broiler, an under-counter 8-cubic-foot

refrigerator, a single-compartment 1-piece sink with disposal, storage drawers and cabinets.

Each bathroom in an Apartment (except for Apartment 16) shall contain a sink, lavatory and bathtub/shower combination.

Apartment 99 consists of tennis courts 8, 9, 10 and 11, together with adjacent retaining walls and perimeter paving, and the nearby tennis shelter.

All first-floor residential Apartments and Apartments 16 and 99 shall have direct access to the Land and walkways comprising a portion of the Common Elements. All other residential Apartments shall have direct access to exterior stairways and landings comprising a portion of the Common Elements.

Limits of Apartments: Except for Apartments 16 and 99, the respective Apartments shall not be deemed to include the undecorated or unfinished walls, the floors and ceilings surrounding each Apartment, or any pipes, wires, conduits or other utility lines running through such Apartment which are utilized for or serve more than one Apartment, the same being deemed Common Elements as hereinafter provided. Each Apartment shall include any adjacent lanais shown on the Condominium Map. Each Apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated and finished surfaces of all walls, floors and ceilings, and the built-in fixtures. Apartment 16 shall be deemed to include the space and all walls, floors, ceilings, roofs, slabs, footings, foundations and other structural components enclosed by and within the outside surfaces of the exterior walls and roofs and the bottom surfaces of the slabs, footings and foundations of such Apartment, except that Apartment 16 shall not include any space within or beneath the telephone and electrical equipment rooms in the basement of Building 16. Apartment 99 shall be deemed to include the space and all slabs, fences, walls pavement and other structural components above the bottom surfaces of the slabs, footings and foundations of such Apartment.

COMMON ELEMENTS: The Common Elements of the Project will include the Land and all buildings and improvements on the Land, including Buildings 1 through 11, inclusive, Buildings 12A, 12B, 13, 14, 15 and 16 (except for all portions of such Buildings which are Apartments), the Limited Common Elements, as well as all Common Elements mentioned in Chapter 514A, Hawaii Revised Statutes, which are actually constructed on the Land and specifically shall include, but shall not be limited to:

- (a) The land in fee simple;
- (b) All foundations, floor slabs, columns, exterior stairways and landings, loadbearing walls and roofs of Buildings 1 through 11, inclusive, Buildings 12A, 12B, 13, 14 and 15;

(c) All landscaped yards, plantings and retaining walls, and similar items;

(d) Two swimming pools, their respective adjacent terraces and the pool shelter near Building 7;

(e) Tennis courts 1 through 7;

(f) Three laundry and utility buildings;

(g) All roads, driveway areas and exterior ground-level walkways and golf cart paths;

(h) All parking areas including parking stalls;

(i) The telephone and electrical equipment rooms in the basement of Building 16 and all ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, cold and hot water, fire alarm, refuse and telephone, except that the telephone switchboard in Building 16 shall not be part of the Common Elements but shall be part of Apartment 16; and

(j) All other devices or other installations upon the Land existing for, or rationally of, common use to all Apartments within the Project.

LIMITED COMMON ELEMENTS: The three laundry and service buildings and the future parking or recreation area as delineated on the Condominium Map adjacent to tennis courts 6 and 7 shall be Limited Common Elements appurtenant to and for the exclusive use of Apartment 16.

PERCENTAGE INTERESTS IN THE COMMON ELEMENTS APPURTENANT TO APARTMENTS: The percentage of undivided interest in all of the Common Elements appertaining to each of the twelve Apartments in Buildings 1 and 3 shall be 1.08%; that appertaining to each of the sixty-two Apartments in Buildings 2 and 4 through 11, inclusive, shall be 0.85%; that appertaining to each of the remaining sixty Apartments in Buildings 12A, 12B, 13, 14 and 15 shall be 0.57%; that appertaining to Apartment 16 shall be 0.10%; and that appertaining to Apartment 99 shall be 0.04%.

PURPOSES OF BUILDINGS AND RESTRICTIONS AS TO USE: The Apartments in Buildings 1 through 15, inclusive, shall at all times be used only for permanent or temporary residential purposes or for transient occupancy; PROVIDED that the Developer may use any of the Apartments for sales or display purposes prior to the sale and conveyance thereof by the Developer. An Apartment Owner may rent or arrange to have his Apartment rented for any length of time. The Apartment Owners of Apartments in Buildings 1 through 15 shall not, without the prior written consent of the Board, make any structural alterations in or additions to the exterior of an Apartment (including awnings, jalousies or screens) or to any other portion or portions of the Common Elements unless otherwise provided by the Bylaws. Apartment 16 and its appurtenant Limited Common Elements may be used by its Apartment Owner for any commercial and recreational activities permitted by law, including but not limited to use as a

restaurant and bar, a tennis or other club or clubs, a tennis equipment shop, food and beverage shops and other commercial shops. All or any portion or portions of Apartment 16 may be leased or rented by its Apartment Owner to third parties on such terms and for such lengths of time as such Apartment Owner shall determine. Apartment 99 shall be used only for recreation.

The Declaration provides that:

"Anything in this instrument or in the Bylaws to the contrary notwithstanding, the Owner of Apartment 16 shall have the right, to be exercised from time to time, consistent with the provisions of Article IV, Paragraph 8 hereof, to alter the dimensions, structure or character of such Apartment or any improvements on or comprising such Apartment; and the Board of Directors of the Association and all Apartment Owners shall be deemed conclusively by their acceptance of an Apartment or interest therein to have consented to any such alteration or addition, and such alteration or addition may be made without further consent of the Board, any other Apartment Owner or any other person having an interest in the Project."

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Preliminary Report, dated August 2, 1978, prepared by Title Guaranty of Hawaii, Incorporated, which shows that title to the land committed to this regime is vested in the Developer.

ENCUMBRANCES: The Preliminary Title Report prepared by Title Guaranty of Hawaii, Incorporated, states that as of the date of the search (August 2, 1978) title to the land is subject to:

1. For any taxes that may be due and owing, reference is made to the officer of the tax assessor, fourth division.
2. Easement "D-20" (10 feet wide) for surface drainage purposes, in favor of Princeville Community Association, situate along the northwesterly (front) boundary of Lot 2, as shown on File Plan No. 1181.
3. Easement "S-1" (10 feet wide) for sanitary sewer purposes, situate along the northeasterly portion of Lot 2, as shown on File Plan No. 1303, as confirmed by instrument dated October 26, 1973, recorded in the Bureau of Conveyances in Book 9615 at Page 404.
4. As to Easement "S-1", File Plan No. 1303, the reservation set forth in that certain Deed dated December



6, 1972, made by and between Eagle County Development Corporation, a Colorado corporation, as Grantor, and General Hawaiian Development Corporation, a Hawaii corporation, as Grantee, recorded in said Bureau in Book 8786 at Page 143, as follows:

"RESERVING, HOWEVER, unto the Grantor, its successors and assigns, Easement S-1 (10 ft. wide) for sanitary sewer purposes as shown on Schedule 'B' attached hereto and by reference made a part hereof, together with the right to enter on the lot herein conveyed for the maintenance, repair, and replacement of the sewer facilities, together also with the right to grant to the State of Hawaii, County of Kauai, or any other appropriate governmental authority, or to any public utility corporation, Princeville at Hanalei Community Association, Kauai County Public Improvement Corporation or to any person, persons or corporation, easements for such purpose within said easement area under such terms and conditions required by the Grantee or Grantees of such easements."

5. That certain Grant dated October 29, 1975, in favor of Kauai County Public Improvement Corporation, recorded in said Bureau in Book 11034 at Page 88, granting said Easement "S-1" of File Plan No. 1303.
6. Easement "S-1" (10 feet wide), running through the northeasterly portion of Lot 2, and Easement "S-2" (10 feet wide), situate along the easterly portion of Lot 2, as shown on File Plan No. 1187, for sanitary sewer purposes, which said easements were granted to Kauai County Public Improvement Corporation by instrument dated March 16, 1972, recorded in said Bureau in Book 8192 at Page 284.
7. That certain Grant dated November 15, 1973, in favor of Princeville Corporation, recorded in said Bureau in Book 9615 at Page 392, granting a permanent easement to construct, reconstruct and maintain an access road for maintenance and servicing of a sewage pump station, together with the right of ingress and egress to such sewage pump station, over and across the land described therein as the "easement area", containing 14,698 square feet.
8. Declaration of Restrictions, Covenants and Conditions dated March 1, 1971, recorded in said Bureau in Book 7444 at Page 93, as amended by instruments recorded in said Bureau in Book 7663 at Page 264, and in Book 8786 at Page 121.
9. Water and Sanitation Assessment and Lien in favor of Kauai County Public Improvement Corporation, recorded in said Bureau in Book 7486 at Page 292, as confirmed by instrument recorded in said Bureau in Book 8192 at Page 257, and as amended by instruments recorded in

said Bureau in Book 8222 at Page 388, Book 8743 at Page 1, Book 9583 at Page 521, and Book 10584 at Page 326, the interest of Kauai County Public Improvement Corporation having been assigned to First Hawaiian Bank, Trustee, as security for the bond holders by instrument recorded in said Bureau in Book 8192 at Page 276.

10. The reservations in favor of Princeville Corporation (now known as Consolidated), a Colorado corporation, and its successors and assigns, as set forth in those certain Deeds dated December 6, 1972, December 6, 1972 and October 24, 1973, recorded in said Bureau in Book 8786 at Page 143, Book 8795 at Page 9, and Book 9615 at Page 411, respectively, as follows:

- a) Easements for electrical, telephone, communication, gas, sewer, water and drainage facilities, over, under, across, along and through any easement area shown on File Plan Nos. 1187, 1181 and 1303, together with the right to enter on the lot herein conveyed for the maintenance, repair and replacement of the facilities, together also with the right to grant to the State of Hawaii, County of Kauai, or any other appropriate governmental authority or to any public utility corporation, Princeville at Hanalei Community Association, Kauai County Public Improvement Corporation or to any person, persons or corporation, easements for such purposes within said easement areas under such terms and conditions required by the grantee or grantees of such easements.

- b) Easements for ingress and egress over and across the above described lot for the maintenance, repair and replacement of any drainage, water, sewer, and utility facilities over, under, across, along and through any easement area shown on File Plan Nos. 1187, 1181 and 1303 and affecting the above described lot, together with the right to grant to the State of Hawaii, County of Kauai or any other appropriate governmental authority, or to any public utility corporation, Princeville at Hanalei Community Association, Kauai County Public Improvement Corporation or to any person, persons or corporation, easements for such purposes within said easement areas under such terms and conditions required by the grantee or grantees of such easements.

- c) Right to grant roadway easements over and across any and all roadway lots shown on File Plan Nos. 1179, 1180, 1181, 1187 and 1303 to the purchaser, 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 hereafter created within Princeville at Hanalei.

11. That certain Grant dated October 21, 1975, in favor of Kauai Electric Division of Citizens Utilities Company, recorded in said Bureau in Book 11867 at Page 26, granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate underground lines, etc., over, under, upon, across and through a portion of the land herein described, said easement being more particularly described as follows:

ALL of that certain parcel of land, being EASEMENT E-1 for electrical purposes over, under and across Lot 2, Unit XV, File Plan No. 1303, situate at Hanalei, Halelea, Island and County of Kauai, State of Hawaii, being more particularly described as follows:

Beginning at the south corner of this easement on the southwest side of Lot 2, Unit IX, File Plan No. 1187, the true azimuth and distance from the east corner of Lot 2, Unit XV, File Plan No. 1303, being: 168° 20' 47" 18.43 feet, thence,

1. 97° 00' 15" 15.86 feet;
2. 171° 11' 21" 166.60 feet;
3. 151° 00' 44" 295.20 feet;
4. 75° 00' 44" 342.63 feet; thence on a curve to the right having a radius of 155.00 feet, the chord azimuth and distance being:
5. 91° 04' 12" 85.75 feet;
6. 234° 38' 59" 12.88 feet; thence on a curve to the left having a radius of 145.00 feet, the chord azimuth and distance being:
7. 269° 31' 11.5" 72.65 feet;
8. 255° 00' 44" 350.44 feet;
9. 331° 00' 44" 295.50 feet;
10. 15° 10' 44" 1.21 feet;
11. 348° 20' 47" 180.55 feet to the point of beginning. Area of Easement 7,200 square feet.

12. Declaration of Horizontal Property Regime for the Project dated July 13, 1978, recorded in said Bureau in Book 13050 at Page 465, together with the Bylaws attached thereto and Condominium Map No. 557.

PURCHASE MONEY HANDLING: Copies of the specimen Sales Contracts and the executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement dated July 31, 1978, identifies Bank of Hawaii as the Escrowee. Upon examination, the specimen Sales Contracts and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

A prospective purchaser should carefully examine the form of Sales Contract and Escrow Agreement to determine the time for and the amount of installment payments on the purchase price and the purchaser's responsibility for the closing costs.

Among other things the specimen Sales Contracts state that the Developer and the sales agents and brokers have made no representations as to rental or any other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an Apartment in the Project. The Developer will not sponsor, arrange or promote any program for the rental or temporary occupancy of Apartments in the Project other than Apartments owned by the Developer. The purchaser must make any such arrangements for his Apartment, if desired, without the involvement or participation of the Developer.

The executed Escrow Agreement provides in part that Buyer shall be entitled to a return of his funds and Escrowee shall pay such funds to such Buyer without interest promptly at the request for return by the Buyer if one of the following has occurred:

- a. The Seller asks the Escrowee to return to the Buyer the funds of the Buyer then being held hereunder by the Escrowee; or

- b. The Seller notifies Escrowee of the Seller's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Seller.

Upon return of such funds to Buyer, the Escrowee shall return to the Seller such Buyer's Sales Contract and any conveyance documents theretofore delivered to the Escrowee pursuant to such Sales Contract; and thereupon, the Buyer shall no longer be obligated under the Sales Contract. Other documents held by the Escrowee relating to the sale of the apartment identified in such Sales Contract are to be returned to the person or entity from which they were received.

Upon the cancellation of any Sales Contract as specified above the Escrowee shall be entitled to a fee of \$25.00 to compensate him for services rendered prior to such cancellation.

The specimen Sales Contract provides in part that the Seller's obligation under the Sales Contract shall be conditioned upon:

a. The receipt by Seller of a Sales Contract (together with a deposit of at least \$5,000.00 from each Sales Contract) in substantially the same form as the Sales Contract covering all available residential apartments in the project within twenty (20) days after Syncap, Inc., received notice of the issuance of the Final Public Report issued by the Hawaii Real Estate Commission for the Project; and

b. Closing of at least one hundred (100) sales under such Sales Contract by November 1, 1978, or forty-five (45) days after issuance of the Final Public Report whichever occurs later.

If either of such conditions shall not be satisfied, Seller may: a) waive such condition, or b) cancel the Sales Contract. If the Sales Contract is so cancelled, all monies theretofore paid under the Sales Contract, shall be refunded or the check therefor returned to the Buyer, less any cancellation fee imposed by the Escrowee and any other actual expenses incurred by reason of the Buyers having signed the Sales Contract.

MANAGEMENT AND OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible Managing Agent to manage and control the property, subject at all times to direction by the Board of Directors. The Developer has advised the Commission that it intends to retain Village Resorts, Inc. as the initial Managing Agent for a period of five (5) years unless sooner terminated by it or by the Association upon 90 days prior written notice at any time after the first six months of the term.


HOUSE RULES: The proposed House Rules provide in part that no pets or animals of any kind are permitted in the Project.

STATUS OF PROJECT: The Developer advises that construction of the Project was initially completed in 1975 and that current repair and remodeling work should be completed in December 1978.

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The purchaser or prospective purchaser should be cognizant of the fact that this public report represents information disclosed by the Developer in the required Notice of Intention submitted August 10, 1978 and information subsequently filed as of August 29, 1978.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1027 filed with the Commission on August 10, 1978.

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.

  
(for) AH KAU YOUNG, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

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Bureau of Conveyances  
Planning Department, County of Kauai  
Federal Housing Administration  
Bank of Hawaii, Escrow Department

August 30, 1978  
Registration No. 1027