

**REAL ESTATE COMMISSION**  
PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES  
STATE OF HAWAII  
424 SO. REBEKKA STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

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

on  
POIPU BEACH APARTMENTS  
Weliweli, Koloa  
Island and County of Kauai  
Hawaii

REGISTRATION NO. 203

**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: July 1, 1968  
Expires: August 1, 1969

SPECIAL ATTENTION

A comprehensive reading of the 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 MARCH 22, 1968 AND INFORMATION SUBSEQUENTLY FILED AS LATE AS JUNE 6, 1968. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT AND AMENDMENTS THERETO BY ACT 244 (L. 1967) EFFECTIVE JUNE 6, 1967.

1. POIPU BEACH APARTMENTS is a proposed leasehold condominium project consisting of thirty-six (36) units arranged throughout a single five-story building, without basement. Thirty-five (35) residences are being offered for sale and one (1) additional residence unit is reserved for use by the manager and constitutes a common element. Thirty-six (36) parking stalls are available, including one stall reserved for the manager.

The documentation reflects that the purchasers will acquire a leasehold interest in the residential unit purchased for a term expiring June 14, 2042.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium and issuance of this Preliminary Public Report.
3. The Declaration of Horizontal Property Regime, with By-Laws of the Association of Apartment Owners attached, was executed May 16, 1968.

The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.

4. Advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 170A, Revised Laws of Hawaii 1955 (as amended, particularly ACT 244, L. 1967 effective June 6, 1967) and the condominium Rules and Regulations which relate to Horizontal Property Regimes.

This Preliminary Public Report automatically expires thirteen months after date of issuance, July 1, 1968, unless a Supplementary Public Report issues or the Commission, upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: POIPU BEACH APARTMENTS

LOCATION: The 31,930 square feet of lease land committed to the regime is situate on the makai (south) side of Pee Road, a principal waterfront thoroughfare of Poipu Beach, at Poipu, in the District of Koloa, Island and County of Kauai, Hawaii. The site is approximately twelve (12) miles from Lihue, the county seat. The existing Federal Aid Secondary (County) Highway on which one approaches the project is designated "52."

TAX KEY: FOURTH DIVISION 2-18-19 Parcels 62 and 3

ZONING: Hotel-Apartment/Resort

DEVELOPER: POIPU DEVELOPMENT ASSOCIATES, a joint venture, composed of Tract Development Corporation and Ackerman-Chillingworth & Associates, Inc., both Hawaii corporations. Developer's principal place of business and post office address is 915 South Street, Honolulu, Hawaii, telephone 583-641. The two corporations are organized as follows:

<u>Tract Development Corporation</u>	915 South Street Honolulu, Hawaii	Ph: 583-941
William Blackfield	Chairman of the Board and Treasurer	5900 Manchester Drive Oakland, California
Clarence R. Short	President and Secretary	915 South Street Honolulu, Hawaii
Hisashi Tanaka	Vice President, Assistant Secretary and Assistant Treasurer	915 South Street Honolulu, Hawaii
<u>Ackerman-Chillingworth &amp; Associates, Inc.</u>	235 Queen Street Honolulu, Hawaii	Ph: 514-211
Merhtens G. Chillingworth	President	235 Queen Street Honolulu, Hawaii
Warren Ackerman	Vice President	235 Queen Street Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Stephenson, Wriston and Ashford, (Attention: Mr. A. James Wriston, Jr.), 235 Queen Street, Honolulu, Hawaii. Telephone 513-761.

DESCRIPTION: Thirty five (35) freehold estates are designated in the spaces within the perimeter walls, floors and ceilings and the adjacent lanais of each of the 25 apartment units of the project contained in one (1) five-story building without basement, constructed principally of reinforced concrete floors and roof slabs, containing pre-stressed concrete planks, reinforced concrete beams and columns, and reinforced concrete block walls and consisting of two (2) wings designated as the North Wing and the East Wing respectively, intersecting at an approximate angle of one hundred and fifteen degrees (115°) with stairwell and elevator shaft rising at the area of intersection. These spaces (hereinafter called the "apartments") are designated on the plans and described as follows:

- (a) Apartments 101 to 104 inclusive are located on the first floor of the East Wing, with Apartment 104 being reserved as the manager's apartment and being included in the common elements hereinafter described. Apartments 201 to 204 inclusive are located on the second floor of the East Wing and Apartments 205 to 208 inclusive are located on the second floor of the North Wing. Apartments 201 to 308 inclusive, 401 to 408 inclusive, and 501 to 508 inclusive are located on the third, fourth and fifth floors of the East and North Wings in the same relative position as those on the second floor and having the same last digit in the apartment number.
- (b) Each apartment contains the number of rooms and approximate gross floor area according to its respective plan, which plans are designated A, B and C, as follows:
  - A. Nine apartments (101, 201, 208, 301, 308, 401, 408, 501 and 508) contain two bedrooms, two bathrooms, living room, kitchen and lanai, and floor area of 1,056 square feet.
  - B. Eighteen apartments (102, 103, 202, 203, 206, 207, 302, 303, 306, 307, 402, 403, 406, 407, 502, 503, 506 and 507) contain one bedroom, one bathroom, living room, kitchen and lanai, and floor area of 806 square feet.
  - C. Eight apartments (204, 205, 304, 305, 404, 405, 504 and 505) contain one bedroom, one bathroom, living room, kitchen and lanai, and floor area of 794 square feet.
- (c) The manager's apartment (104) follows Plan C.
- (d) Each of the 35 apartments has immediate access to the walkways or balconies of the building and thereby to the stairways and elevator between the floors of the building leading to the lobby and entrances to the project.
- (e) The 35 respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service 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 be deemed to include the adjacent lanai, all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors, windows, glass walls and frames thereof, and all fixtures and equipment originally installed therein including dish-washer, refrigerator, stove, combination washer-dryer, garbage disposer, hot water heater, and all plumbing and lighting fixtures, and, in addition, carpeting and drapes furnished by the developer.

COMMON ELEMENTS: One freehold estate is designated in all remaining portions of the project, called the "common elements," including specifically but not limited to: (a) Said land in fee simple; (b) All foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, chases, entries,

stairways, walkways and elevators of said building; (c) All yards, grounds, landscaping, pools, mail boxes, refuse facilities, storage rooms, maintenance rooms, meter rooms, the manager's office and playroom; (d) All parking areas, ramps and driveways; (e) All ducts, electrical equipment, wiring and other central and appurtenant installations including power, light, water, sewer, telephone and master television antenna; and (f) Manager's apartment.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called the "limited common elements," are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows: (a) One parking space shall be assigned to each of the 35 apartments upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of such apartment; (b) One storage space in Storage Room 2 shall be assigned to each of the 35 apartments upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of such apartment; and (c) The hallways, walkways and utility rooms on the second, third, fourth and fifth floors of the North and East Wings shall be appurtenant to and for the exclusive use of the apartments of such floors, and similarly the walkway on the first floor of the East Wing shall be appurtenant to and for the exclusive use of the apartments there located.

INTEREST TO BE CONVEYED PURCHASER: Each of the 35 apartments shall have appurtenant thereto an undivided percentage interest in all common elements of the project (called the "common interest"), and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting, according to the plan of such apartment as follows:

Plan A apartments:	3.441%
Plan B apartments:	2.655%
Plan C apartments:	2.655%

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used only as dwelling units or transient living accommodations by the respective owners thereof, their tenants, families, domestic servants and guests, and for no other purpose. Except for the limitations on use expressed in the preceding sentence, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration.

OWNERSHIP TO TITLE: The Developer in his Notice of Intention to sell represents that the owners of the fee are Hong Min Hee and Violet C. L. Hee, husband and wife, of Kekaha, Kauai, Hawaii. The Certificate of Title executed April 15, 1968 by United Title Company, Limited, verifies that Hong Min Hee and Violet C. L. Hee, husband and wife, as Tenants by the Entirety, are vested with the fee as to Parcels of land described in the abstract as "FIRST" and "SECOND"; the abstractor's certificate also reflects that Hong Min Hee and Violet C. L. Hee, husband and wife, have the fee as to the Parcel described as "THIRD."

The Owners of the Lease are identified in the Notice of Intention to sell, as follows: Tract Development Corporation, as General Partner of and Trustee for Poipu Venturers, a registered Hawaii limited partnership, is owner of the Lessee's interest in the land under lease from Hong Min Hee and Violet C. L. Hee to Tract Development Corporation. The Limited Partners are as follows: William Blackfield, Clarence R. Short, Merhtens G. Chillingworth and Warren Ackerman.

The proposed condominium project consists of the land and improvements to be submitted jointly to a Horizontal Property Regime by the Developer, the Lessees and the owners of the fee simple title to the land, creating a fee simple condominium. The Developer represents, however, that the 35 residential units contained within the project to be offered for sale will be sold upon and subject to the terms and provisions of leases expiring June 14, 2042 to be issued by the Lessees, jointly with said fee simple owners, to each purchaser. Purchasers will be sublessees under the Lease until June 14, 1997 and thereafter will be direct lessees of the fee simple

owners. The residential units themselves will be sold by the Developer, upon and subject to such leases. The Purchaser will, therefore, acquire a leasehold interest in the residential unit purchased for a term expiring June 14, 2042.

ENCUMBRANCES AGAINST TITLE: The registrant in his Notice of Intention describes the following: Lease in favor of Tract Development Corporation made by and between Hon Min Hee and Violet G. L. Hee, husband and wife, "Lessors" and Robert St. Clair and Dorothy St. Clair, husband and wife, as Joint Tenants, "Lessees," dated May 26, 1965, recorded in Liber 5062, page 442, which lease was assigned to Tract Development Corporation, a Hawaii corporation, by instrument dated October 2, 1967, recorded in Liber 5899, page 180, and amended by Amendment of Lease dated October 2, 1967, recorded in Liber 5899, page 186. Taxes - Real Property Taxes for year 1967 have been paid. Taxes for the year 1968 are now a lien - rate pending. Reservation - in favor of the State of Hawaii of all mineral or metallic mines as reserved in Royal Patent Grant No. 1416. Setback - a 5 feet Building Setback Line along the North boundaries of the parcels of land as described in the abstractor's Certificate of Title and a 15 feet Building Setback Line along the Westerly boundary of the parcel of land described by the abstractor as "Second." Right of way - in common with others legally entitled thereto over and across a lane 6 feet wide along and within the Westerly boundary of the described Lot 42-A. Portion of road right-of-way - for motor vehicles conveyed by Hannah K. Brandt, and her husband, Herman Brandt, Jr., to Mary A. Kiser by deed dated June 24, 1948 recorded in the office of the recording officer in Liber 2143, page 398. Declaration of Horizontal Property Regime - with By-Laws of the Association of Apartment Owners attached, executed May 16, 1968, although not recorded as of the date of this Preliminary Public Report, is a matter the Commission believes should be called to the attention of purchasers and prospective purchasers.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement, made March 19, 1968, by and between Title Guaranty Escrow Services, Inc., a Hawaii corporation, as "Escrow," and Tract Development Corporation, a Hawaii corporation, as General Partner of Poipu Development Associates, a Joint Venture, as "Seller" has been submitted to the Commission as part of the registration. On examination the Reservation Agreement, Sales Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 170A, Revised Laws of Hawaii 1955, and particularly Sec. 170A-33., and Sec. 170A-33.1 through Sec. 170A-33.5 as incorporated in the Horizontal Property Act through ACT 244 (L.1967) effective June 6, 1967.

The provisions of the Sales Agreement should be carefully read by the purchasers. The specimen document filed as part of the registration recites the conditions under which the Purchaser acknowledges receipt of the public report; further the Sales Agreement holds if at the time the Purchaser signs the contract the Commission has not issued its Final Public Report covering POIPU BEACH APARTMENTS, the agreement shall not be fully effective until such report is issued and a copy is received by the Purchaser. If the Final Public Report varies in any material respect from this Preliminary Public Report, at the Purchaser's option, the Purchaser may cancel the Sales Agreement upon written notice to the Seller within five (5) days of the Purchaser's receipt of a copy of the Final Public Report. The Sales Agreement also holds that if the Purchaser does not receive such Final Public Report by March 1, 1969, Purchaser may likewise cancel the agreement upon written notice to the Seller.

It is incumbent upon the purchaser and prospective purchaser that he reads, with care, the Reservation Agreement, Sales Agreement, and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of units and all sums from any source are placed in trust, as well as the retention, disbursement and refund of said trust funds.

MANAGEMENT AND OPERATION: The Declaration of Horizontal Property Regime provides that the operation of the project shall be conducted for the Association of Apartment Owners by a responsible corporate Managing Agent and the initial Managing Agent shall be Aaron M. Chaney, Inc., whose principal place of business

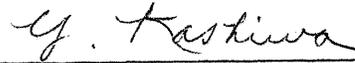
and post office address is Room 205, 1022 Bethel Street, Honolulu, Hawaii. The specimen Sales Agreement authorizes the Developer to employ Aaron M. Chaney, Inc., and authorizes it, as Managing Agent, to assume full control and responsibility for the management, operation, and maintenance of the completed project at the expense of the Association.

STATUS OF PROJECT: The Developer represents to the Commission that the improvements will not be constructed until eighty per cent (80%) of the residential units have been pre-sold under sales agreements. Complete and final plans and specifications are in the process of preparation and preliminary cost estimates have been obtained, sufficient in the Developer's opinion to justify an estimate that a contract will in all probability be let prior to September 1, 1968. Nevertheless the Developer has reserved the option to refund Purchasers' funds and not proceed further with the project if eighty per cent (80%) of such units have not been sold by March 1, 1969, or the project cannot be built by December 21, 1969. Developer advises that it plans to sign a contract for construction with Leeward Development Corporation and that construction is expected to be completed within five months from commencement.

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The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted March 22, 1968 and information subsequently filed as late as June 6, 1968.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 203 filed with the Commission on March 22, 1968.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock must be yellow in color.



YURIO KASHIWA, Vice Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

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FEDERAL HOUSING ADMINISTRATION

July 1, 1968  
Registration No. 203