

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
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PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
POIPU PALMS
Weliweli, Koloa
County of Kauai, State of Hawaii

REGISTRATION NO. 445

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: August 9, 1972
Expires: September 9, 1973

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED APRIL 10, 1972, AND INFORMATION SUBSEQUENTLY FILED AS OF JULY 7, 1972. 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. POIPU PALMS is a proposed fee simple condominium project with a total of twelve (12) two (2) bedroom apartments in a three (3) story wooden building without basement and twelve (12) surface parking stalls.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this preliminary public report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Owners and a copy of the approved Floor Plans) have not yet been filed in the Office of the Recording Officer.

4. No advertising or promotional matter has yet been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The Developer advises the Commission that when construction of the project is commenced, it will own the fee simple interest in the land. On completion of conveyance of the units, the Developer will retain no residual interest in the fee.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to the Horizontal Property Regime.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, August 9, 1972, unless a Final Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: POIPU PALMS

LOCATION: The 28,938 square feet of property to be committed to the regime, as a fee simple condominium project, is situated in Weliweli, Koloa, Kauai, in the County of Kauai, State of Hawaii.

TAX KEY: FOURTH DIVISION 2-8-20-41

ZONING: Apartment Use (per Variance Application V-70-20)

DEVELOPER: Marion H. Emerich, James C. Blackwell, Jr., and Prosser-Childs, Inc., a registered Hawaii partnership, doing business under the name of Poipu Palms. The mailing address is P. O. Box 296, Anahola, Kauai, Hawaii 96703.

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

DESCRIPTION: The specimen Declaration of Horizontal Property Regime reflects that the project is to consist of the 28,938 square feet of land located at Weliweli, Koloa, County of Kauai, in a three (3) story wood frame building, consisting of twelve (12) two bedroom apartment units with no basement. Each floor of the building contains four (4) two bedroom apartment units. There are 12 parking stalls marked on the ground area.

APARTMENTS: There are twelve (12) two bedroom apartments in the building and are located as shown on the Condominium Map and are numbered as follows:

FIRST FLOOR: Two bedrooms - 101, 102, 103, 104
SECOND FLOOR: Two bedrooms - 201, 202, 203, 204
THIRD FLOOR: Two bedrooms - 301, 302, 303, 304

All two bedroom apartments contain approximately 900 square feet and consists of a living room-kitchen, two bathrooms, two bedrooms with closets and a lanai. Apartments ending in "03" and "04" have a lanai of 157 square feet. Apartments ending in "01" have a lanai of 252 square feet and those ending in "02" have a lanai of 210 square feet. Each of the apartment units on the first floor will have immediate access to the ground area. Each of the apartment units on the second and third floors will have immediate access to a stairway at the entrance of the building.

PARKING STALLS: There are twelve (12) parking stalls located on the ground with the same numbers as the apartment units.

COMMON ELEMENTS: The specimen Declaration reflects the common elements which shall consist of: (a) The land, (b) the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, stairs, stairways, fire escapes, entrances and exits of the building, (c) shake roof, service and yard areas, parking areas, trash and garbage areas, (d) central and appurtenant installations for services such as power, light, gas, hot and cold water and like utilities, (e) all other parts of the property existing for the common use or necessary to the existence, maintenance and safety of the building.

LIMITED COMMON ELEMENTS: The twelve (12) parking stalls are limited common elements appurtenant to each apartment with the same number.

INTEREST TO BE CONVEYED PURCHASER: The specimen Declaration states that the undivided interest in the common elements appertaining to each two bedroom apartment is 8.33% and totals 99.96%.

According to the Declaration and By-Laws the share of the common expenses of each apartment, and the appurtenant parking stalls shall be in proportion to its undivided interest in the common elements; for purposes of voting on all matters requiring action by the owners, these same percentages shall govern.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The specimen Declaration states that the apartments shall be used for residential apartment uses and such other uses as may be permitted under the zoning ordinances of the County of Kauai subject to such limitations as may be contained in the By-Laws of the Association and House Rules which may be adopted from time to time governing the use of the project.

OWNERSHIP TO TITLE: Margaret Lois Klebahn, wife of Frederick W. Klebahn, Jr., whose residence and post office address is 51 Coelho Way, Honolulu, Hawaii, is the fee owner of the subject property and under Agreement of Sale dated May 24, 1971 has sold the subject property to Marion H. Emerich, husband of Gertrude Margaret Emerich of Redlands, California, and James C. Blackwell, Jr., husband of Virginia R. Blackwell, of Anahola, Kauai, Hawaii, as Buyer, said Agreement of Sale having been recorded in the Bureau of Conveyances in Book 7639, Page 438. Marion H. Emerich, husband of Gertrude Margaret Emerich, by instrument dated October 21, 1971 and recorded in the Bureau of Conveyances in Book 8176, Page 445, has sold one-half (1/2) of his interest in the Agreement of Sale (which is 25% interest of the Agreement of Sale) to Prosser-Childs, Inc., a Hawaii corporation, whose principal place of business and post office address is 4444 Rice Street, Lihue, Kauai, Hawaii.

A copy of the title search as of June 26, 1972 issued by Security Title Corporation, certifies that the fee simple title to the land is vested as aforesaid.

ENCUMBRANCES AGAINST TITLE: The title search certifies that the property is free and clear of all encumbrances except the following:

1. Taxes that may be due and owing.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No. 1416.
3. As to the location of the seaward boundary of the subject parcel of land, it is affected by the law of the State of Hawaii.
4. Reservation in favor of Developer the right to construct, maintain and operate a sewage treatment plant for this Association as well as to allow other properties in the neighborhood to hook up to this plant.
5. Agreement of Sale dated May 24, 1971, recorded on June 29, 1971 in the Bureau of Conveyances of the State of Hawaii in Book 7639, Page 438, made by and between Margaret Lois Klebahn, wife of Frederick W. Klebahn, Jr., as Seller, and Marion H. Emerich, husband of Gertrude Margaret Emerich, and James C. Blackwell, Jr., husband of Virginia R. Blackwell, as Tenants in Common, as Purchasers.

By instrument dated October 21, 1971, recorded on March 10, 1972 in said Bureau of Conveyances in Book 8176, Page 445, Marion H. Emerich, husband of Gertrude Margaret Emerich, assigned 25% of his right, title and interest in and to the foregoing Agreement of Sale to Prosser-Childs, Inc.

NOTE: The specimen Apartment Deed submitted to the Commission by the Developer reflects that the Developer is reserving the right to place in the area described in the Condominium Map a sewage treatment plant; the purpose of which is to take care of the sewage from the Poipu Palms condominium project as well as sewage lines which may be brought in from adjacent properties which the Developer may develop from time to time, the right of the selection of the easement to be in the sole discretion of the Developer and may pass through any portion of the property, provided, however, the cost of constructing such sewer lines and the restoration of the property shall be at the cost of the Developer.

PURCHASE MONEY HANDLING: A copy of the executed escrow agreement dated April 18, 1972 identifies Security Title Corporation as "Escrow". On examination, the specimen Condominium Sales Contract and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes.

The provisions of the executed Escrow Agreement as filed with the Commission provide that disbursements from the escrow fund will be made by Escrow Agent upon the written request of the Developer for the following purposes:

- a. To pay for the construction of the building and other improvements and for appliances and fixtures in such amounts and at such times and in proportion to the valuation of the work completed by the contractor as certified by a registered architect or licensed professional engineer in accordance with the construction contract or other contract and bills and upon bills approved or certified for payment by the Developer's mortgagee.
- b. To other persons required for architectural, engineering, finance, advertising, printing, accounting, escrow fees, selling expenses and brokerage expenses, taxes, assessments, legal fees, and for other incidental expenses for the project to the extent approved by the Developer's mortgagee.
- c. For the total or partial release of any master mortgage or mortgages or other liens covering the project or portions of the project and for the removal of any other encumbrances required to be removed in order to place title of the project in the required state for conveyance.
- d. For such title report and cost of recordation as may be necessary or proper in connection with recordation of deeds, mortgages and other documents required to effect transfer of title under the Condominium Sales Contract.
- e. To Developer or order forty-six (46) days after the filing of the Affidavit of Publication of Notice of Completion as provided for under Chapter 507, Part II, Hawaii Revised Statutes, provided, however, if a notice of mechanics' and/or materialmen's lien has been filed against any of the property including the within project or suit thereon is filed Escrow Agent shall withhold one hundred fifty per cent (150%) of the amount claimed thereunder until any lien existing or possible thereunder has been removed.

The executed Escrow Agreement illustrates compliance with the requirements of Section 514-36 through 514-39, Hawaii Revised Statutes. Purchaser shall be entitled to a refund of his funds and Escrow Agent shall pay said funds to said Purchaser without interest, less Escrow Agent's cancellation fee, if Purchaser

shall in writing request refund of his funds and if any one of the following shall have occurred: (a) Escrow Agent receives a written request from the Developer to return to Purchaser the funds of such person then held hereunder by Escrow Agent; (b) A purchaser's fund was 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 Deposit, Receipt and Sales Contract requiring the approval of the County of Kauai officer having jurisdiction over the issuance of permits for construction of buildings unless the purchaser has given written approval on acceptance of the specific change; (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; (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 on 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 the Developer such purchaser's Sales Contract and any apartment deed theretofore delivered to Escrow Agent and thereafter purchaser shall no longer be obligated thereunder.

It is incumbent upon the purchaser and prospective purchaser that they read with care the Condominium Sales Contract and the Escrow Agreement. The Escrow Agreement establishes how the proceeds from the apartment units and all sums received from any source are placed in trust as well as retention and disbursement of said trust funds.

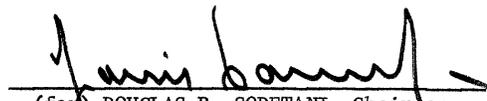
MANAGEMENT AND OPERATION: The specimen Declaration states that the initial management agent is Prosser-Childs, Inc., whose business and post office address is Lihue Shopping Center, 4444 Rice Street, Lihue, Kauai, Hawaii.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that the construction of the building has not yet commenced. The Notice of Intention reflects that the building contract will be executed with Brian W. Blackwell at the time of commencement of construction.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted April 10, 1972, and information subsequently filed as of July 7, 1972.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 445 filed with the Commission on April 10, 1972.

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


(for) DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:
DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING COMMISSION, COUNTY OF KAUAI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

August 9, 1972
REGISTRATION NO. 445