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

POIPU SHORES, Pee Road
Poipu, Koloa, Kauai, Hawaii
REGISTRATION NO. 801

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: September 5, 1975
Expires: October 5, 1976

SPECIAL ATTENTION

A comprehensive reading by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED August 1, 1975 AND ADDITIONAL MATERIAL SUBSEQUENT FILED AS OF September 2, 1975. THE DEVELOPER, IN 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 is a proposed leasehold condominium project consisting of thirty-nine (39) apartment units arranged throughout three (3) buildings. There will be fifty-four (54) parking stalls available, including three (3) guest parking stalls. Each purchaser will receive a leasehold interest by way of an apartment lease issued by the fee owners of the property.

2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of the project and the issuance of the Preliminary Public Report.

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

4. The Developer has advised the Commission that advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.

6. This Preliminary Public Report is made a part of the registration of the Poipu Shores condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers.

7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, September 5, 1975 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: POIPU SHORES

LOCATION: The site, consisting of approximately 98,342 square feet, is located on Pee Road in Poipu, Koloa, Kauai.

TAX MAP KEY: Fourth Division, 2-8-19-1 and 4.

ZONING: R-20.

DEVELOPER: Poipu Shores Limited Partnership, a Hawaii limited partnership, whose principal place of business is Poipu, Koloa, Kauai, Hawaii. The partners of said limited partnership are as follows:

General Partner: Poipu Shores, Inc.
Poipu, Koloa, Kauai,
Hawaii

Limited Partner: A & Z Corp.
Poipu, Koloa, Kauai,
Hawaii

The officers of Poipu Shores, Inc. are: President, Leonard Zalopany; Secretary and Treasurer, Alma K. Zalopany.

The officers of A & Z Corporation are: President and Director, Leonard Zalopany; Vice President and Director, William Lee Brandt; and Secretary and Treasurer and Director, Alma K. Zalopany.

ATTORNEY REPRESENTING OWNER: Wooddell, Mukai & Ichiki (Mr. Richard MacMillan) 500 Alexander Young Building, Honolulu, Hawaii 96813, Telephone: 531-6277.

DESCRIPTION:

1. Buildings. The proposed Declaration reflects that the buildings of the project will consist of three (3) buildings containing thirty-nine (39) residential units (hereinafter called "Apartments"), which buildings are designated on the Condominium File Plan as Buildings "A", "B" and "C" and more particularly described as follows:

(1) Building "A" will be a four-story structure located on the westerly end of the project which will be serviced by one (1) elevator and two (2) exterior stairways. The first floor of said building will contain seven (7) apartments, an elevator machine room, an electrical switching room and a trash enclosure. The second and third floors shall each contain seven (7) apartments, an electrical meter room, a trash chute and an exterior access corridor. The fourth floor will contain six (6) apartments, an electrical meter room, a trash chute and an exterior access corridor.

(2) Building "B" will be a three-story structure containing two (2) apartments and storage lockers on the ground floor; three (3) apartments and an exterior access corridor on the second floor; and two (2) apartments and an exterior access corridor on the third floor. Said Building "B" will be located between Building "A" and Building "C" and will be served by two (2) exterior stairways.

(3) Building "C" will be a two-story structure containing five (5) split-level, two-bedroom apartments. Said building will be situate at the easterly end of the project.

(4) Buildings "A" and "B" shall be constructed principally of reinforced concrete and hollow tile with wooden roofs and said building shall also incorporate glass, aluminium, gypsum board and allied building materials. Building "C" shall be principally of wood construction. In addition to the buildings, the project will also contain a swimming pool and parking areas providing fifty-four (54) parking stalls.

2. Apartments. The project is divided into thirty-nine (39) separately designated and described apartment units. Each apartment has been given a number consisting of three (3) digits preceded by the letter designation (i.e., "A", "B" or "C") assigned to the building of the project wherein the apartment is situate. The last two digits indicate the location of an apartment on a floor, with apartments ending in "01" being located on the west end of each building and the highest-numbered apartment in each building being situate on the east end thereof. The digit preceding the last two digits indicates the floor on which the apartment is located. For example, Apartment A-401 is located on the fourth floor at the west end of Building "A", and Apartment C-105 is situate on the easterly end of Building "C" on the first floor.

The numbering, type, approximate size and appurtenant common interest of the apartments are as follows:

Apartment No.	Type of Unit	Sq. ft. Living Area	Sq. ft. Lanai Area	No. of Rooms	Common Interest
A-101	1	912.5	85.5	6	2.346%
A-102	1	912.5	85.5	6	2.346%
A-103	1	912.5	85.5	6	2.346%
A-104	2	1035.5	134.5	6	2.751%
A-105	2	1035.5	134.5	6	2.751%
A-106	1	912.5	85.5	6	2.346%
A-107	1	912.5	85.5	6	2.346%
A-201	1	912.5	85.5	6	2.346%
A-202	1	912.5	85.5	6	2.346%
A-203	1	912.5	85.5	6	2.346%
A-204	2	1035.5	134.5	6	2.751%
A-205	2	1035.5	134.5	6	2.751%
A-206	1	912.5	85.5	6	2.346%
A-207	1	912.5	85.5	6	2.346%
A-301	1	912.5	85.5	6	2.346%
A-302	1	912.5	85.5	6	2.346%
A-303	1	912.5	85.5	6	2.346%
A-304	2	1035.5	134.5	6	2.751%
A-305	2	1035.5	134.4	6	2.751%
A-306	1	912.5	85.5	6	2.346%
A-307	1	912.5	85.5	6	2.346%
A-401	1	912.5	85.5	6	2.346%
A-402	1	912.5	85.5	6	2.346%
A-403	1	912.5	85.5	6	2.346%
A-404	2	1035.5	134.5	6	2.751%
A-405	2	1035.5	134.5	6	2.751%
A-406	3	1898	207	7	4.956%

B-101	4	692.2	30	4-1/2	1.698%
B-102	5	703.2	30	4-1/2	1.721%
B-201	6	698	102	5-1/2	1.881%
B-202	7	670	246	5	2.153%
B-203	6	698	102	5-1/2	1.881%
B-301	8	1027	266	7	3.047%
B-302	9	1041	184	7	2.887%
C-101	10	1204	118	6-1/2	3.108%
C-102	10	1204	118	6-1/2	3.108%
C-103	10	1204	118	6-1/2	3.108%
C-104	10	1204	118	6-1/2	3.108%
C-105	10	1204	118	6-1/2	3.108%

All areas set forth hereinabove are approximate and are computed by measuring from the outside of exterior walls and from the centerline of interior party walls.

3. Types of Apartments.

(a) Each of the eighteen (18) apartments designated as Type "1" hereinabove will contain two bedrooms, two bathrooms with dressing areas, living/dining room and kitchen. The floor plan of each Type "1" apartment ending in an odd number shall be the reverse of the floor plan of even-numbered Type "1" units.

(b) Each of the eight (8) apartments designated as Type "2" hereinabove will contain the same type and number of rooms as the Type "1" apartments; however, the enclosed area and lanai of the Type "2" apartments are larger than in the Type "1" apartments as indicated hereinabove. The floor plan of each Type "2" apartment ending in an odd number shall be the reverse of the floor plan of even-numbered Type "2" units.

(c) The one (1) Type "3" apartment will contain two bedrooms, two bathrooms (with a dressing area adjoining the master bathroom), living room, dining room, kitchen and storage room.

(d) The one (1) Type "4" apartment and the one (1) Type "5" apartment shall each contain one bedroom, one bathroom with dressing area, powder room, living/dining room and kitchen; however, the enclosed area of the Type "5" apartment is larger than in the Type "4" unit as indicated hereinabove.

(e) Each of the two (2) Type "6" apartments shall contain two bedrooms, one bathroom, powder room, living/dining room and kitchen, except that the floor plan of Apartment B-201 shall be the reverse of the floor plan of Apartment B-203.

(f) The one (1) Type "7" apartment shall contain two bedrooms, one bathroom, living/dining room and kitchen.

(g) The one (1) Type "8" apartment and the one (1) Type "9" apartment shall each contain three bedrooms, two bathrooms, living/dining room, kitchen and utility room; however, the enclosed area of the Type "9" apartment is larger than in the Type "8" unit, as indicated hereinabove.

(h) Each of the five (5) Type "10" apartments of the project shall contain a foyer, living/dining room, kitchen and powder room on the first level and two bedrooms and two bathrooms (with a dressing area adjoining the master bathroom) on the second level. The floor plan of the Type "10" apartments ending in an odd number shall be the reverse of the floor plan of even-numbered Type "10" units.

Each apartment on the ground floor of its building has immediate access to its entries and to the walkways and corridors appurtenant to such apartment and leading to the parking and recreational areas of the project. Each apartment above the ground floor has immediate access to its entries and to the corridors and stairways (or elevator in the case of Building "A") leading to the ground floor.

4. Limits of Apartments. The 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 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 all of the walls and partitions which are not load-bearing within its perimeter walls, any glass windows or panels within its perimeter, the inner decorated or finished surfaces of all walls, floors and ceilings, all adjacent lanais and decks, and any fixtures and appliances originally installed therein.

COMMON ELEMENTS: The proposed Declaration states that the common elements shall include but shall not be limited to the following:

1. All land in fee simple;

2. All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surface within each unit), roofs, stairways, elevators, elevator housings and shafts, walkways, entrances and exits of said buildings;

3. All yards, grounds, walkways, landscaping, refuse facilities, the swimming pool and its filtration equipment, and all other recreational facilities and appurtenances;

4. All driveways and parking areas;

5. Three (3) guest parking stalls, so designated on said Condominium File Plan;

6. All ducts, sewer lines, sewage pumping stations, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution; and

7. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, and normally in common use.

LIMITED COMMON ELEMENTS: The Declaration provides that certain parts of the common elements, designated as "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

1. The elevator and appurtenant housing and equipment located in Building "A" shall be for the exclusive use of the apartments in Building "A";

2. The stairways serving each building of the project shall be for the exclusive use of the apartments in such building served thereby; and

3. One (1) automobile parking space shall be appurtenant to and for the exclusive use of each apartment, and twelve (12) additional parking spaces will be offered for sale to apartment purchasers upon such terms and conditions as Developer shall establish.

INTEREST TO BE CONVEYED TO PURCHASERS: Each apartment shall have appurtenant thereto a percentage interest in all common elements of the project and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting, as set forth under the topical heading "Description" hereinabove. The common interest appurtenant to each apartment shall be subject to reduction under the circumstances described under the heading "Special Note" hereinbelow.

RESTRICTIONS AS TO USE: The apartments shall be occupied and used only for residental purposes. The owners of the respective apartments shall have the absolute right to rent or lease such apartments subject to all of the provisions of the Declaration and By-Laws.

OWNERSHIP OF TITLE: The Preliminary Title Report, dated July 26, 1975, issued by Title Guaranty of Hawaii, Inc. indicates that title to the land is vested in Leonard H. Zalopany and Alma K. Zalopany.

The fee owners have entered into an unrecorded option to lease with Developer. The term of the option is for nine (9) months from August 21, 1975, with the buyers reserving the right to extend the option for an additional 6-month period.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report, dated July 26, 1975, issued by Title Guaranty of Hawaii, Inc. identifies the following encumbrances on the land:

1. Taxes which may be due and owing;

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines;

3. Location of the seaward boundary in accordance with the laws of the State of Hawaii (Parcels First, Third and Fifth);

4. Mortgage in favor of First Hawaiian Bank, dated December 7, 1972, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8805 (Parcel First);

5. Right-of-way for motor vehicles conveyed by Hannah Brandt and Herman K. Brandt to Mary Kiser, by deed, dated June 24, 1948, recorded in said Bureau in Liber 2143 at page 398 (Parcels Second and Third); and

6. Mortgage in favor of Honolulu Mortgage Company, Ltd. dated June 5, 1967, and recorded in said Bureau in Liber 5682 at page 456.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated August 21, 1975, identifies First Hawaiian Bank as the escrow agent. Upon examination of the Escrow Agreement, it is found to be in consonance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-35 through Section 514-40.

Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a refund on his funds, without interest, if purchaser requests in writing refund of his funds and any one of the following has occurred:

(a) Developer has requested Escrow in writing to return to purchaser the funds of purchaser then being held by Escrow; or

(b) Developer has notified Escrow of Developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

(c) There is any change in the project subsequent to the execution of the Sales Contract requiring approval of a county officer having jurisdiction over the issuance of building permits, unless the purchaser has given written approval of the specific change; or

(d) The Preliminary Public Report differs in any material respect from any Final Public Report unless the purchaser has given written approval or acceptance of the changes in the said Final Public Report.

Purchasers or prospective purchasers should be cognizant that the Deposit Receipt and Sales Contract provides, among other things, that the Developer may cancel such contract, at its option, and refund to buyers all monies paid without interest, in the event that less than twenty-five (25) apartments are sold prior to July 1, 1976.

Among other provisions the Deposit Receipt and Sales Contract provides, that the purchaser should be aware that the Seller's mortgage loan (interim, renewals and extensions) used for the construction of the project shall be and remain at all times a superior lien on the project, and the purchaser intentionally waive and subordinate the priority of any lien under the Deposit Receipt and Sales Contract in favor of the mortgage loan.

It is incumbent upon purchasers and prospective purchasers that they read with care the Deposit Receipt and Sales Contract and the Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of apartments and all sums from any source are to be placed in trust, as well as the retention and disbursement of said trust funds.

MANAGEMENT OF PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association under the direction of its Board of Directors by a responsible corporate managing agent. The initial Managing Agent has not yet been selected, however, the Developer reserves the right to designate a managing agent at any time prior to the first conveyance of an apartment by lease.

STATUS OF PROJECT: The improvements presently on the property were completed in 1964 and have been used for hotel purposes for the last several years. The hotel operation will be discontinued, the existing main structure will be converted into residential condominium units, and two additional buildings will be constructed on the property. A construction contract has not yet been executed and construction has not commenced on the project. However, the Developer has advised the Commission that it proposes to commence construction on or about December 1, 1975. Construction is expected to be completed within fourteen (14) months after the commencement thereof.

SPECIAL NOTE: The Declaration provides that the Developer will have the right at any time, up to but not later than January 1, 1980, to require alteration of the project by creating an additional commercial condominium unit (hereinafter called the "Commercial Unit") with appurtenant common elements, within the area designated on the Condominium File Plan as "Future Commercial Development", in accordance with complete plans and specifications therefor prepared by a licensed

architect upon terms and conditions more particularly set forth in the Declaration, provided that no plans and specifications shall require the alteration or demolition of any existing apartments or any buildings constituting part of the common elements. The creation of a Commercial Unit shall necessitate the reduction of the common interest appurtenant to each existing apartment as provided in the Declaration and Developer reserves the further right, if applicable, to add, delete, relocate, realign, reserve and grant easements and rights-of-way over and upon the common elements necessary to service such Commercial Unit including but not limited to easements and rights-of-way for utilities, provided that such easements and rights-of-way do not materially impair the use of any apartment of its appurtenant interest in the common elements.

Every apartment owner and all holders of liens affecting any of the apartments in the project shall, if required by law or by Developer, join in, consent to, or execute all instruments and documents necessary or desirable to effect the construction of the Commercial Unit.

If the Commercial Unit is constructed, Developer shall secure a performance and payment bond naming as obligees the fee owners, and collectively the owners of all existing apartments as their interest may appear through the Association of Apartment Owners, in a penal sum of not less than one hundred percent (100%) of the cost of the construction of the Commercial Unit guaranteeing completion of construction free and clear of all mechanic's and materialmen's liens. Developer, its employees, agents, contractors and subcontractors shall have the right to enter upon the project and the common elements thereof and to do all things reasonably necessary, desirable or useful for constructing and completing the Commercial Unit and appurtenant common elements, connecting the Commercial Unit and common elements to utilities of the project and selling or subletting the Commercial Unit.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Owner in the required Notice of Intention submitted August 7, 1975, and additional information subsequently filed as of September 2, 1975.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 801, dated August 7, 1975. This report, when reproduced, shall be a true copy of the Commission Public Report. The paper stock used in making facsimiles must be yellow.

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

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

Registration No. 801
September 5, 1975