

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 VILLAGE RESORT
Junction of Puuholo and Maulili Roads
Koloa, Kauai, Hawaii

REGISTRATION NO. 988

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: April 28, 1978
Expires: May 28, 1979

SPECIAL ATTENTION

A comprehensive reading of this report 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 FILED APRIL 5, 1978, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF APRIL 27, 1978. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. POIPU VILLAGE RESORT is a proposed fee simple condominium project consisting of one (1) four-story building, without basement, nine (9) two-story cottage buildings, without basements, and eighty-six (86) apartments and forty (40) unassigned parking stalls.

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

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been recorded in the Bureau of Conveyances of the State of Hawaii.

4. No advertising and promotional matter has been filed 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 the Horizontal Property Act, Chapter 514A of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regime.

6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, April 28, 1978, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

7. This Preliminary Public Report is made a part of registration on POIPU VILLAGE RESORT 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. Securing a signed copy of the Receipt for the Preliminary Horizontal Property Regime Public Report from each such person is also the responsibility of the Developer.

NAME OF PROJECT: POIPU VILLAGE RESORT

LOCATION: The approximately 91,718 square feet of land to be committed to the regime is situated at the junction of Puuholo and Maulili Roads, Koloa, Kauai, Hawaii.

TAX MAP KEY: Fourth Division: 2-6-07-13 & 17.

ZONING: Parcel 13: RR-20 and Open; Parcel 17: RR-20.

DEVELOPER: POIPU BEACH PARTNERS, a Hawaii limited partnership, Suite 1414, 745 Fort Street, Honolulu, Hawaii 96813, Phone 524-5490, whose general partners are: (1) Freeman, Penrose & Kajimura, Ltd., a Hawaii corporation, and (2) The Berkeley Corporation, a Hawaii corporation; and whose limited partner is R. Carter Freeman.

ATTORNEY REPRESENTING DEVELOPER: Hamilton, Gibson, Nickelsen, Rush & Moore (Attention: Walter Beh, II and Dwight M. Rush), 20th Floor Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813, Phone 521-2611.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of eighty-six (86) existing apartments in one (1) four-story building without a basement and constructed principally of concrete, concrete block and wood, and nine (9) two-story cottage buildings without basements and constructed principally of wood.

The location and description of the various apartments of the project are as set forth in the Exhibit attached to this Preliminary Public Report.

The apartments have immediate access to the grounds of the project, or to a corridor leading to a stairway which leads to the grounds of the project, or to a stairway which leads to the grounds of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party 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 all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the appurtenant air space and/or lanai air space (if any), the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

COMMON ELEMENTS: One (1) freehold estate is designated in all remaining portions of the project, herein called the "common elements", including specifically but not limited to:

1. The land in fee simple;
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, walkways, entrances and exits of said buildings;
3. All yards, grounds and landscaping;
4. All parking areas, including without limitation the forty (40) unassigned parking stalls depicted on the Condominium File Plan;
5. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any;

6. Men's room, women's room, linen storage room, laundry room and electrical and storage room located on the first floor of the main building;

7. Lounge and storage room located on the third floor of the main building;

8. Swimming pool and other pools; and

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

NOTE: There is a private sewage treatment plant on the site of the project that serves the apartments, and must be maintained by the Association.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called the "limited common elements", are designated and set aside for the exclusive use of certain apartments, and such apartments having appurtenant thereto easements for the use of such limited common elements as follows:

1. The men's restroom and women's restroom, located on the second floor of the project, shall be appurtenant to and for the exclusive use of Apartment Nos. 1, 2, 3, 4, 5 and 6, but said apartments shall only have access thereto during the actual business hours of Apartment No. 4.

2. The lanai adjacent to Apartment Nos. 4 and 5, as indicated as a limited common element on Sheet CM-3 of said Condominium File Plan, located on the second floor of the project, shall be appurtenant to and for the exclusive use of Apartment No. 4, except that Apartment No. 5 shall have a reasonable right of ingress and egress to and from the grounds of the project over and across the portion of said lanai adjoining said Apartment No. 5.

3. All adjacent non-loadbearing perimeter and party walls of Apartment Nos. 1, 2, 3, 4, 5 and 6 shall be appurtenant to and for the exclusive use of the apartments utilizing the same.

INTEREST TO BE CONVEYED TO PURCHASERS: Documents filed with the Real Estate Commission indicate that the purchaser will secure an Apartment Deed, conveying an apartment and an undivided interest, as set forth in said Exhibit, in all common elements of the project and the same proportionate share of all common profits and expenses of the project and shall be used for all other purposes including voting.

NOTE: The proposed Declaration provides that the common expenses for charges for gas which are not separately metered which supply or serve both Apartment Nos. 1 through

6, inclusive, and the other apartments of the project, shall be apportioned between (1) Apartment Nos. 1 through 6, inclusive, and (2) the other apartments of the project by the Board of Directors of the Association (herein called the "Board") in a fair and equitable manner, with the assistance of a mechanical or electrical engineer.

After said common expenses for charges for gas are so apportioned between the two groups of apartments, the apartments of each group shall bear their portion thereof in proportion to their respective common interests. Said apportionments shall be accomplished annually and shall control for the next year; provided, that upon completion of the next annual apportionments, the new annual apportionments shall be used to reallocate said common expenses for charges for gas for the previous year and the said common expenses for charges for gas shall thereupon be adjusted accordingly.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the apartments may be occupied and used for any purposes that are permitted from time to time under applicable statutes, ordinances, rules and regulations, governmental determinations and restrictions of the appropriate agencies of the County of Kauai, and State of Hawaii; provided, however, that all apartments (except Apartment Nos. 1, 2, 3, 4, 5 and 6) shall be occupied by no more than three (3) persons. The owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and the By-Laws attached thereto.

The By-Laws of the Association of Apartment Owners states, in part, that no dogs, cats or other household pets, livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project.

NOTE: Section 3.023 of the County of Kauai Zoning Ordinance provides that the following are generally permitted uses under the RR-20 zoning of the property:

"3.023 Generally Permitted Resort Uses and Structures

The following types of uses and structures are permitted in RR-10 and RR-20 Districts, so long as the dwelling unit limitations established in Section 3.022 are not exceeded and provided that each such use or structure is incidental to or accessory to resort development: A. Accessory structures and uses B. Apartment hotels C. Automobile service and storage D. Barber shop and beauty shop E. Commercial recreation F. Gift shops G. Golf courses H. Home businesses I. Hotels J. Laundromats K. Libraries L. Motels M. Multiple family dwellings N. Museums O. Police

and fire stations P. Public parks and monuments Q. Restaurants and food service R. Retail cleaning outlets S. Retail clothing shops T. Retail food and drug stores U. Shoe repair shops V. Single family attached dwellings W. Single family detached dwellings."

OWNERSHIP OF TITLE: A preliminary title report dated March 28, 1978, issued by Title Guaranty of Hawaii Incorporated indicates that the fee owners of the land to be submitted to the regime are Greater Idaho Corporation and Ponderosa Inns, Inc., both Idaho corporations. The Developer advises that the project is currently the subject of a mortgage foreclosure action in the Circuit Court of the First Circuit of the State of Hawaii designated as Civil No. 50699, and is also subject to the jurisdiction of the United States District Court for the District of Idaho under Bankruptcy No. 76-20. Developer, through its two general partners, is purchasing said property pursuant to an unrecorded agreements dated December 20, 1977, December 20, 1977 and January 6, 1978, copies of which have been supplied to the Commission.

ENCUMBRANCES AGAINST TITLE: Said preliminary title report dated March 28, 1978, issued by Title Guaranty of Hawaii Incorporated, provides that the following are encumbrances against title to the property:

1. For any taxes that may be due and owing and a lien on the land, reference is hereby made to the Office of the Tax Assessor of the Fourth Division, County of Kauai, Hawaii.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. As to Parcel 13: Location of the seaward boundary in accordance with the law of the State of Hawaii, and shoreline setback line in accordance with county regulation and/or ordinance.

NOTE: The Developer advises that property will be conveyed to it under the above mentioned unrecorded agreement dated December 20, 1977, pursuant to order of the State of Hawaii Circuit Court in Civil No. 50699 and/or of the United States District for the District of Idaho under Bankruptcy No. 76-20, FREE AND CLEAR OF ALL ENCUMBRANCES EXCEPT ENCUMBRANCES NUMBERED 1, 2 and 3, ABOVE, AND 4(a), 4(b) AND 5(b) BELOW.

4. As to Parcel 17:

(a) Mortgage dated June 24, 1969, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 6570, Page 412, which Mortgage, by mesne assignments, was assigned to Sandia Life Insurance Company, a New Mexico

corporation by instrument dated December 31, 1975, recorded as aforesaid in Liber 11315, Page 101.

(b) Additional Security Mortgage dated July 21, 1969 and recorded as aforesaid in Liber 6608, Page 291.

(c) Notice of State of Hawaii tax lien, Department of Taxation, dated September 24, 1976, recorded as aforesaid in Liber 11702, Page 31.

(d) Notice of lis pendens dated August 1, 1977, and filed in the Circuit Court, First Circuit, State of Hawaii, Civil No. 50699 on August 1, 1977, and recorded as aforesaid in Liber 12358, Page 307.

5. As to Parcel 13:

(a) Any possible lien or encumbrance which may exist by virtue of or which may arise out of or in connection with the Horizontal Property Regime to which the property was allegedly submitted by Declaration recorded in Liber 4386, Page 435, as amended, or such claims or rights asserted in Civil No. 636 or any appeal therefrom.

(b) Mortgage dated June 1, 1967, and recorded as aforesaid in Liber 5685, Page 383. By instrument dated July 21, 1969, recorded as aforesaid in Liber 6608, Page 291, Hale Nani Resorts, Inc., assigns to State Savings and Loan Association, all of its right, title and interest in and to land not under search as additional security to that certain Mortgage recorded as aforesaid in Liber 5685, Page 383.

(c) That certain unrecorded Lease dated July 24, 1975, entered into by and between Ponderosa Inns, Inc., an Idaho corporation, as lessor, and Kaloa Landing Corp., a Hawaii corporation, as lessee, of which a short form lease is dated July 24, 1975, and recorded as aforesaid in Liber 10860, Page 320; leasing and demising store space for restaurant purposes for a term of fifteen (15) years commencing on the day following the issuance of a liquor license from the County of Kauai with an option to extend for an additional five (5) years, unless sooner terminated.

(d) Bankruptcy No. 76-20 filed in the United States District Court for the District of Idaho, entitled "Original Petition Under Chapter XI", filed on January 8, 1976, and recorded as aforesaid in Liber 11299, Page 335.

(e) Judgment, dated March 23, 1976, and recorded as aforesaid in Liber 11390, Page 529.

(f) Notice of State of Hawaii tax lien, Department of Taxation, dated November 19, 1976, recorded as aforesaid in Liber 11818, Page 31.

(g) Notice of State of Hawaii tax lien, Department

of Taxation, dated November 19, 1976, recorded as aforesaid in Liber 11818, Page 32.

(h) Notice of State of Hawaii tax lien, Department of Labor & Industrial Relations, Unemployment Insurance Division, dated January 25, 1966 filed as Document No. 3219.

(i) Notice of State of Hawaii tax lien, Department of Labor & Industrial Relations, Unemployment Insurance Division, dated April 14, 1977, recorded as aforesaid in Liber 12145, Page 466.

(j) Final judgment dated April 14, 1977, recorded as aforesaid in Liber 12150, Page 581.

(k) Notice of State of Hawaii tax lien, Department of Labor & Industrial Relations, Unemployment Insurance Division, dated July 13, 1977, recorded as aforesaid in Liber 12328, Page 704.

(l) Notice of State of Hawaii tax lien, Department of Taxation, dated July 27, 1977, recorded as aforesaid in Liber 12354, Page 334.

(m) Judgment, dated August 2, 1977, recorded as aforesaid in Liber 12363, Page 41.

(n) Order Granting Summary Judgment, dated December 9, 1977, recorded as aforesaid in Liber 12605, Page 533.

(o) Pending in the Circuit Court, First Circuit, State of Hawaii, is Civil No. 52204, filed on August 1, 1977; Security Title Corporation, Plaintiff vs. Ponderosa Inns, Inc., Eugenio Trombetta, Margaret Mitchell, now known as Margaret Mitchell Trombetta, et al., Defendants; Re: Default on Deposit, Receipt, Offer and Acceptance dated May 26, 1976 and September 29, 1976.

(p) Pending in the Circuit Court, Fifth Circuit, State of Hawaii, is Civil No. 1765, filed on July 13, 1976; Koloa Landing Corporation, Plaintiff, vs. Eugenio Trombetta, Margaret Mitchell, Mary Halama and Frank Halama, Defendants; Re: Breach of Lease dated July 24, 1975 in favor of Koloa Landing Corporation.

(q) Pending in the Circuit Court, Fifth Circuit, State of Hawaii, is Civil No. 1844, filed on March 7, 1977; Ponderosa Inns, Inc., Plaintiff, vs. Eugenio Trombetta, Defendant; Re: Breach of Deposit, Receipt, Offer and Acceptance signed May 26, 1976.

6. Notice of Pendency of Action, Plaintiff, State Savings and Loan Association, Defendants, Ponderosa Inns, Inc., et al., dated February 10, 1977, filed in the Circuit Court, First Circuit, State of Hawaii, Civil No. 50699 on

February 10, 1977, and recorded as aforesaid in Liber 12010, Page 566, Re: Foreclosure of Mortgage Recorded in Liber 5685, Page 383, and Additional Security Mortgage Recorded in Liber 6608, Page 291.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated April 4, 1978, between Title Guaranty Escrow Services, Inc., 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 514A, Hawaii Revised Statutes, and particularly Sections 514A-39, 514A-63 through 514A-66, thereof.

The specimen Sales Contract filed with the Commission contains, among others, the following provisions:

1. Buyer acknowledges that neither Seller nor any of its representatives has made any representation or reference as to rental of the Apartment, income from the Apartment or any other economic benefit to be derived from the rental of the Apartment, including, but not limited to, any reference or representation to the effect that Seller or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental of the Apartment. It is understood and agreed that rental or other disposition of the Apartment and the provisions of management services in connection therewith is and shall be the sole responsibility of the Buyer, and that the present management of the property, which is for Seller's sole benefit, shall cease upon the Main Closing hereinafter described.

2. Seller proposes to undertake certain minor remodeling of the buildings of the project sometime subsequent to the Main Closing (which is defined as the date upon which at least 25% of the apartments in the project have been preclosed, or upon written notice by Seller to Escrow of a date for said Main Closing).

3. In connection with the minor remodeling work, Buyer agrees and understands that the Apartment will have to be vacated for a period of up to three (3) months after the commencement of said minor remodeling to allow for such work to be accomplished. Said minor remodeling work shall be completed within three (3) months after the commencement thereof, or by July 31, 1979, whichever date shall first occur; provided, however, such period shall be extended for any period of time during which Seller is actually and necessarily delayed in completing such minor remodeling work if said delay is caused by fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, Government legislation or controls, or economic controls making it impossible to obtain the necessary labor or materials, or any other matters or conditions which do not permit the completion of such minor remodeling work in accordance with the anticipated schedule therefor and with

respect to which Seller is not responsible by virtue of Seller's own gross negligence.

4. During the period of said minor remodeling work in which the Apartment covered hereby must remain vacant, Seller shall reimburse Buyer for (i) any regular monthly payments of principal and interest falling due and paid during said period under Buyer's first mortgage, which is in a principal amount not exceeding eighty percent (80%) of the above-mentioned price of said Apartment and is obtained from a recognized institutional lender, and (ii) real property taxes on said Apartment for said period. In the event at the Date of Closing, as herein defined, said Apartment is determined not habitable by Seller's inspecting architect or engineer, Seller shall also reimburse Buyer for said items for the period from the Date of Closing until the said Apartment is determined to be available for occupancy by Seller's inspecting architect or engineer.

Until such time as said minor remodeling work is substantially completed, as certified by an inspecting architect or engineer, the various apartment owners shall not be obligated to pay their respective share of common expenses for the normal maintenance of the project, and until such time the Seller shall pay the same; notwithstanding the foregoing, the Seller shall not be obligated to pay any extraordinary expenses of the project, including without limitation, those resulting from damage to or condemnation of all or a portion of the project, special assessments referred to in Section 514A-6 of the Hawaii Revised Statutes, or any other special assessments whatsoever.

5. Buyer waives any and all claims Buyer might otherwise have against Seller because of or arising out of construction design work of the project, including but not limited to, those on account of faulty or improper construction of improvements, patent or latent defects, and code violations in building construction, whether the same should have been discovered or known to Seller.

6. Buyer understands that the Apartment covered hereby and the project are not newly built, but were originally completed approximately in 1964, and that Seller is only undertaking minor remodeling. Buyer agrees that Buyer will bear the risk of any defects in said property. It is expressly understood and agreed by and between Seller and Buyer that Buyer's Apartment will be conveyed to Buyer "AS IS" and that THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE, involved in this sale.

7. Buyer hereby agrees for the sole benefit of Seller that until Seller has closed out the sale of all the apartments in the condominium project or until December 31, 1980,

whichever shall first occur, that Buyer will not enter into any "rental pool" or similar agreement, which may result in the apartment covered hereby being deemed a "security" under the Securities Act of 1933, with any purchaser, lessee or owner of another apartment in the condominium project and/or any third party under which Buyer agrees to share expenses and/or rentals of apartments in the condominium project.

NOTE: PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THE SELLER'S MORTGAGE LOANS (ACQUISITION, RENEWALS AND EXTENSIONS) FOR THE PROJECT SHALL BE AND REMAIN AT ALL TIMES A SUPERIOR LIEN ON THE PROJECT, AND PURCHASERS INTENTIONALLY WAIVE AND SUBORDINATE THE PRIORITY OF LIEN UNDER THE SALES CONTRACT IN FAVOR OF THE MORTGAGE LOANS.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of residential apartments are placed in trusts, as well as the retention and disbursement of said trust funds. The specimen Sales Contract specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided.

MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The Developer advises that it proposes to appoint as initial managing agent for the project: Condominium Resorts Hawaii, Ltd.

STATUS OF PROJECT: The Developer advises that project was completed in 1964.

NOTE: As the buildings of the project were completed a number of years prior to the enactment of the existing County of Kauai Zoning Ordinance, the buildings are currently nonconforming structures thereunder by reason of the density and setbacks of the buildings. Section 11.01 of the said Zoning Ordinance provides in part:

"11.011 Buildings and structures that do not conform to the regulations established by this Ordinance and which lawfully existed on the effective date of this Ordinance, or upon which construction had begun under valid permits on the effective date of this Ordinance, may be maintained, transferred and sold; provided, however, that the Planning Commission may, after hearing, order the termination of a non-conforming use that creates substantial danger to public health or safety."

"11.012 Ordinary maintenance and repairs may be made to any non-conforming building or structure, provided, however, that no structural alterations are made, the building or structure is not enlarged, and the cost of work

does not exceed twenty percent (20%) of the replacement cost of the building or structure in any one year."

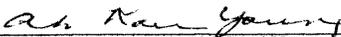
"11.013 A non-conforming building or structure that is damaged or destroyed may not be reconstructed other than in accordance with the provisions of this Ordinance unless the cost of reconstruction does not exceed fifty percent (50%) of the replacement cost of such building or structure prior to the damage having occurred, exclusive of foundations. Where reconstruction is permissible, reconstruction shall be completed within one (1) year from the date of damage or destruction and the building as reconstructed shall have no greater floor area than it had prior to being damaged. Where reconstruction is prohibited, the remaining portion of the non-conforming building or structure shall be removed or brought into conformity with the requirements of this Ordinance. The Department of Public Works shall determine the extent of damage to determine whether the building may be restored."

Also, in the future if an approval for a subdivision, or a building permit, is sought for any part of the project, compliance will or may be required with all State of Hawaii and County of Kauai statutes and ordinances applicable thereto, including without limitation coastal zone management, park dedication, public access dedication, shoreline setback and protection requirements.

The units in the project are currently operated as hotel/apartment.

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 April 5, 1978, and information subsequently filed on April 27, 1978.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 988 filed with the Commission on April 5, 1978. This report when reproduced shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.



AH KAU YOUNG, 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. 988

April 28, 1978

EXHIBIT

1. Apartment Nos. 4 (two rooms, being two kitchen storage rooms), 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123 and 124 are located on the first floor of the main building.

2. Apartment Nos. 1, 2, 3, 4 (three rooms, being the kitchen, dining room and bar), 5, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210 and 211 are located on the second floor of the main building.

3. Apartment Nos. 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315 and 316 are located on the third floor of the main building.

4. Apartment Nos. PH-1 and PH-2 are located on the fourth floor of the main building.

5. Apartment Nos. A-1 and A-2 are located on the first floor of Building A.

6. Apartment No. A-3 is located on the second floor of Building A.

7. Apartment Nos. B-1 and B-2 are located on the first floor of Building B.

8. Apartment No. B-3 is located on the second floor of Building B.

9. Apartment Nos. C-1 and C-2 are located on the first floor of Building C.

10. Apartment No. C-3 is located on the second floor of Building C.

11. Apartment Nos. D-1 and D-2 are located on the first floor of Building D.

12. Apartment No. D-3 is located on the second floor of Building D.

13. Apartment Nos. E-1 and E-2 are located on the first floor of Building E.

14. Apartment No. E-3 is located on the second floor of Building E.

15. Apartment Nos. F-1 and F-2 are located on the first floor of Building F.

16. Apartment No. F-3 is located on the second floor of Building F.

17. Apartment Nos. G-1 and G-2 are located on the first floor of Building G.

18. Apartment No. G-3 is located on the second floor of Building G.

19. Apartment Nos. H-1 and H-2 are located on the first floor of Building H.

20. Apartment No. H-3 is located on the second floor of Building H.

21. Apartment Nos. I-1 and I-2 are located on the first floor of Building I.

22. Apartment No. I-3 is located on the second floor of Building I.

23. Apartment No. 6 is located immediately adjacent to Building D as outlined on the condominium file plan for the project.

24. Apartment No. 1 consists of the one-room space as outlined on the condominium file plan for the project, and contains a floor area of approximately 144 square feet. This apartment shall have an appurtenant common interest of .3414%.

25. Apartment No. 2 consists of the one-room space as outlined on the condominium file plan for the project, and contains a floor area of approximately 432 square feet. This apartment shall have an appurtenant common interest of 1.0243%.

26. Apartment No. 3 consists of the one-room space as outlined on the condominium file plan for the project, and contains a floor area of approximately 432 square feet. This apartment shall have an appurtenant common interest of 1.0243%.

27. Apartment No. 4 consists of five rooms, including two kitchen storage rooms on the first floor, a service ramp running between the first and second floors, and a kitchen, dining room and bar located on the second floor. This apartment contains a floor area of approximately 6,624 square feet. This apartment shall have an appurtenant common interest of 7.8521%.

28. Apartment No. 5 consists of one room and contains a floor area of approximately 864 square feet. This apartment shall have an appurtenant common interest of 2.0486%.

29. Apartment No. 6 consists of the unenclosed space, and appurtenant air space, on a concrete slab, as delineated on the condominium file plan for the project, and contains a floor area of approximately 180 square feet. This apartment shall have an appurtenant common interest of .4268%.

30. Apartment No. 101 consists of two rooms and contains a floor area of approximately 456 square feet. This apartment shall have an appurtenant common interest of 1.0812%.

31. Apartment No. 102 consists of two rooms and contains a floor area of approximately 348 square feet. This apartment shall have an appurtenant common interest of .8251%.

32. Apartment No. 103 consists of two rooms and contains a floor area of approximately 372 square feet. This apartment shall have an appurtenant common interest of .8820%.

33. Apartment No. 104 consists of two rooms and contains a floor area of approximately 336 square feet. This apartment shall have an appurtenant common interest of .7967%.

34. Twenty (20) apartments, being Apartment Nos. 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123 and 124, are built according to a floor plan consisting of two rooms and a lanai; each of these apartments contains a floor area of approximately 392 square feet, including the lanai of approximately 80 square feet. Each of these apartments shall have an appurtenant common interest of .9295%.

35. Ten (10) apartments, being Apartment Nos. 201, 202, 203, 204, 205, 206, 207, 208, 209 and 210, are built according to a floor plan consisting of two rooms and a lanai; each of these apartments contains a floor area of approximately 440 square feet, including the lanai of approximately 128 square feet. Each of these apartments shall have an appurtenant common interest of 1.0433%.

36. Apartment No. 211 consists of two rooms and a lanai and contains a floor area of approximately 539 square feet, including the lanai of approximately 123 square feet. This apartment shall have an appurtenant common interest of 1.2780%.

37. Apartment No. 301 consists of two rooms and a lanai and contains a floor area of approximately 1,200 square feet, including the lanai of approximately 408 square feet. This apartment shall have an appurtenant common interest of 2.8453%.

38. Apartment No. 302 consists of two rooms and a lanai and contains a floor area of approximately 440 square feet, including the lanai of approximately 80 square feet. This apartment shall have an appurtenant common interest of 1.0433%.

39. Apartment No. 303 consists of two rooms and a lanai and contains a floor area of approximately 477 square feet, including the lanai of approximately 87 square feet. This apartment shall have an appurtenant common interest of 1.1310%.

40. Apartment No. 304 consists of two rooms and a lanai and contains a floor area of approximately 555 square feet, including the lanai of approximately 113 square feet. This apartment shall have an appurtenant common interest of 1.3159%.

41. Eleven (11) apartments, being Apartment Nos. 305, 306, 307, 308, 309, 310, 311, 312, 313, 314 and 315, are built according to a floor plan consisting of two rooms and a lanai; each of these apartments contains a floor area of approximately 392 square feet, including the lanai of approximately 80 square feet. Each of these apartments shall have an appurtenant common interest of .9295%.

42. Apartment No. 316 consists of two rooms and a lanai and contains a floor area of approximately 784 square feet, including the lanai of approximately 160 square feet. This apartment shall have an appurtenant common interest of 1.8589%.

43. Apartment No. PH-1 consists of two rooms and a lanai and contains a floor area of approximately 434 square feet, including the lanai of approximately 70 square feet. This apartment shall have an appurtenant common interest of 1.0290%.

44. Apartment No. PH-2 consists of two rooms and a lanai and contains a floor area of approximately 458 square feet, including the lanai of approximately 80 square feet. This apartment shall have an appurtenant common interest of 1.0860%.

45. "Type 1": Nine (9) apartments, being Apartment Nos. A-1, B-1, C-1, D-1, E-1, F-1, G-1, H-1 and I-1, each consist of two rooms, a lanai and a porch and contain a floor area of approximately 476 square feet, including the lanai of approximately 112 square feet and the porch of approximately 45 square feet. Each of these apartments shall have an appurtenant common interest of 1.1286%.

46. "Type 2": Nine (9) apartments, being Apartment Nos. A-2, B-2, C-2, D-2, E-2, F-2, G-2, H-2 and I-2, each

consist of two rooms, a lanai and a porch and contain a floor area of approximately 476 square feet, including the lanai of approximately 112 square feet and the porch of approximately 45 square feet. Each of these apartments shall have an appurtenant common interest of 1.1286%.

47. "Type 3": Nine (9) apartments, being Apartment Nos. A-3, B-3, C-3, D-3, E-3, F-3, G-3, H-3 and I-3, each consist of two rooms, a lanai and a porch and contain a floor area of approximately 588 square feet, including the lanai of approximately 146 square feet and the porch of approximately 25 square feet. Each of these apartments shall have an appurtenant common interest of 1.3942%.

NOTE: IN ACCORDANCE WITH LOCAL PRACTICE, THE APPROXIMATE GROSS FLOOR AREA OF EACH APARTMENT AS SET FORTH ABOVE INCLUDES, OR MAY INCLUDE, ALL OF THE WALLS AND PARTITIONS WITHIN ITS PERIMETER WALLS, THE ENTIRETY OF ITS PERIMETER NON-PARTY WALLS AND THE INTERIOR HALF OF ITS PERIMETER PARTY WALLS, WHETHER LOAD BEARING OR NON-LOAD BEARING.