

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

PUKANA LA
Princeville at Hanalei
Kauai, Hawaii

REGISTRATION NO. 1122

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: June 18, 1979
Expires: July 18, 1980

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 11, 1979, AND ADDITIONAL INFORMATION FILED AS OF JUNE 7, 1979. 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. PUKANA LA is a proposed fee simple condominium project consisting of sixteen (16) two-story apartment buildings without basement, and seventy-six (76) apartments and 143 parking stalls of which seventy-six (76) parking stalls will be assigned to individual apartment owners. There will be a separate building housing recreational

facilities, an office space located in one of the apartment buildings, 35 additional undesignated parking stalls on grassed areas, all designated Common Elements of the Project.

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, June 18, 1979, 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 PUKANA LA 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: PUKANA LA

LOCATION: The approximate 7.611 acres of land to be committed to the regime is situate at Princeville, Hanalei, Kauai, Hawaii.

TAX MAP KEY: FOURTH DIVISION: 5-4-6-01

ZONING: R-10

DEVELOPER: GROVE INVESTMENT GROUP, INC., a California corporation, P.O. Box 3, Garden Grove, California, 92642, and P.O. Box 989, Hanalei, Kauai, Hawaii. Hawaii telephone: (808) 826-6167. Officers: Robert C. Rappaport, President; Owen T. Witthauer, Vice President; Margaret Estep, Secretary; and Merle T. Cody, Treasurer.

ATTORNEY REPRESENTING DEVELOPER. Harold T. Yamada, P.O. Box 295, Hanalei, Kauai, Hawaii. Phone: 826-6238.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of seventy-six (76) apartments contained in sixteen (16) two-story buildings, without basements, constructed principally of wood, stucco and gypsum board.

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

The apartments have immediate access 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 loadbearing walls, the roofs 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 loadbearing within its perimeter or party walls, floors and ceilings surrounding each apartment, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, the inner stairway, decking, and all fixtures originally installed therein. In addition to the apartment units, there will be an office located in Building 11, designated 11P, containing 1300 square feet, and a separate recreational building containing 3100 square feet, all as shown in Condominium File Plan submitted by the Developer.

COMMON ELEMENTS: One 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. The swimming pool, handball court, recreational building and the office space in Building 11.
3. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter party and loadbearing walls, roofs, porches, outer stairways, walkways, entrances and exits of said buildings;
4. All yards, grounds, landscaping, driveways and streets;
5. All parking areas, including without limitation the one hundred seventy eight (178) parking stalls depicted on the Condominium File Plan;

6. 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; 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 and safety, or normally in common use.

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 shall have appurtenant thereto easements for the use of such limited common elements as follows:

1. Not less than one automobile parking space shall be appurtenant to each apartment upon the original conveyance thereof and shall be for the exclusive use of such apartment as shown on the Condominium File Plan by the number corresponding to the apartment number.

2. The porch for each apartment shall be appurtenant to and for the exclusive use of such apartment;

3. The stairways leading to the grounds of the project shall be appurtenant to and for the exclusive use of the apartment or apartments served by them; and

4. All other common elements of the project which are rationally related to less than all of said apartments or building shall be limited to the use of such apartments or buildings.

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 1/76 fractional interest (1.3157+ percentage interest) in the 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.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that, except when a mortgagee has entered into possession of an apartment following (i) a default under a first mortgage, (ii) a foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose; except that the apartments may also be rented for transient or hotel purposes. 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.

Among other provisions, the House Rules state: No dogs, cats, livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project.

OWNERSHIP OF TITLE: A Certificate of Title report dated April 3, 1979, issued by Long & Melone, Ltd., as submitted to the Commission, indicates that the Developer is the fee simple owner of the property to be committed to the regime.

ENCUMBRANCES AGAINST TITLE: Said Certificate of Title dated April 3, 1979, issued by Long & Melone, Ltd. provides that the following are encumbrances against title to the property:

1. Easement D-7 (10 feet wide) as shown on File Plan 1179 for surface drainage and located along the Northwest-erly (front) boundary.

2. Delcaration of Restrictions, Covenants and Conditions dated March 1, 1971, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7444, Page 93, as amended.

NOTE: All apartment owners are subject to, bound by, and shall comply with the provisions of the Declaration of Restrictions, Covenants and Conditions and to become a member of the Princeville at Hanalei Community Association and subject to a monthly assessment of association dues.

3. Reservation in favor of Consolidated Oil & Gas, Inc. as contained in Deed dated March 30, 1979, and recorded as aforesaid in Liber 13590, Page 408.

4. Mortgage in favor of Consolidated Oil & Gas, Inc., a Colorado corporation by Grove Investment Group, Inc., a California corporation, dated March 30, 1979, and recorded as aforesaid in Liber 13590, Page 413.

5. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, Fourth Division.

NOTE: The Developer advises it plans to grant utility easements over portions of the land of the project.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated March 5, 1979, between Bank of Hawaii, 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 and 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.

2. The proposed Construction Contract for the project will contain an agreement by the Contractor that it will promptly correct any of its work found to be defective or not in conformance with its Construction Contract, for a period of one (1) year after the "Date of Substantial Completion" as defined in the standard form ATA Construction Contract. Seller agrees that if the Buyer informs Seller of any construction within Buyer's Apartment which does not conform to those standards within 330 days after the "Date of Substantial Completion" Seller will direct and will employ all reasonable efforts to have the Contractor correct any such fault(s) or defect(s) pursuant to its agreement with Seller; provided, however, that written notice thereof shall be given to Seller by Buyer within said 330 day period.

Except for the agreement set forth above, 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.

3. It is expressly understood and agreed that unless and until Seller: (i) obtains the issuance by the Real Estate Commission of the State of Hawaii of the Final Public Report on the project; and (ii) has received from Buyer a fully executed receipt for the Final Public Report, that the Sales Contract shall represent only a reservation by the Buyer and shall not be binding upon either party hereto, and until such time the Sales Contract may be terminated at the option of either party by written notice of such termination to the other party. In the event of such termination, Seller shall cause Escrow to refund all payments previously made by Buyer, without interest, and neither party shall have any other or further liability hereunder. If the Sales Contract is entered into after the issuance of the Final Public Report, this paragraph shall be of no force or effect and the Sales Contract

shall be fully binding upon Buyer and Seller upon acceptance of the Contract by Seller.

4. Final closing shall occur on the Date of Closing. However, Buyer is advised that Seller intends to preclose, regardless of the status of the construction of the apartments, by having all documents necessary for closing executed prior thereto and deposited with Escrow, and Buyer agrees to execute all necessary documents for such closing, including irrevocable escrow instructions, upon request by Seller.

5. In the event any payment to be made by Buyer is not made when due, such late payment shall bear interest at the rate of one percent (1%) per month until paid.

6. Buyer 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 30, 1981, whichever shall first occur, that Buyer will not enter into any "rental pool" or similar agreement 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.

7. At the time of the preclosing, Buyer agrees to pay into Escrow all sums due from Buyer at closing, including all sums to be paid by Buyer under paragraphs "C" and "D" and paragraph "F-12" of the Sales Contract, excluding only the mortgage proceeds if applicable, which mortgage proceeds Buyer authorizes Escrow to collect as of the Date of Closing.

NOTE: PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THE SELLER'S MORTGAGE LOANS (CONSTRUCTION, 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 apartments are placed in trust, as well as the retention and disbursement of said trust funds. The specimen Sales Contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

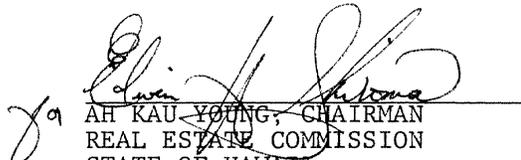
MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The specimen

Sales Contract provides that the Developer may appoint the initial managing agent for the project. The Developer advises that it has appointed as initial managing agent for the project Aaron M. Chaney, Inc.

STATUS OF PROJECT: The Developer advises that it estimates construction of the project will begin in August of 1979.

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 11, 1979, and additional information filed as of June 7, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1122 filed with the Commission on April 11, 1979. 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 Department, County of Kauai
Federal Housing Administration
Escrow Agent

REGISTRATION NO. 1122
Dated: June 18, 1979

EXHIBIT "A"

NUMBERING AND LOCATION OF UNITS:

1. Apartment No. 1-A is located on the first floor of Building No. 1.
2. Apartments 1-B, 1-C, 1-D, 1-E and 1-F are located on the first and second floors of Building No. 1., the two floors of each of these apartments being connected by an internal stairway.
3. Apartments 2-A, 2-B, 2-C and 2-D are located on the first and second floors of Building No. 2, the two floors of each of these apartments being connected by an internal stairway.
4. Apartments 3-A, 3-B, 3-C and 3-D are located on the first and second floors of Building No. 3, the two floors of each of these apartments being connected by an internal stairway.
5. Apartments 4-A, 4-B, 4-C and 4-D are located on the first and second floors of Building No. 4, the two floors of each of these apartments being connected by an internal stairway.
6. Apartment 4-E is located on the first floor of Building No. 4.
7. Apartments 5-A, 5-B, 5-C and 5-D are located on the first and second floors of Building No. 5, the two floors of each of these apartments being connected by an internal stairway.
8. Apartment 5-E is located on the first floor of Building No. 5.
9. Apartment 6-A is located on the first floor of Building No. 6.
10. Apartments 6-B, 6-C, 6-D and 6-E are located on the first and second floors of Building No. 6, the two floors of each of these apartments being connected by an internal stairway.
11. Apartments 7-A, 7-B, 7-C, 7-D, 7-E and 7-F are located on the first and second floors of Building No. 7, the two floors of each of these apartments being connected by an internal stairway.
12. Apartments 8-A and 8-D are located on the first floor of Building No. 8.
13. Apartments 8-B and 8-C are located on the first and second floors of Building No. 8, the two floors of each of these apartments being connected by an internal stairway.

14. Apartments 9-A and 9-D are located on the first floor of Building No. 9.

15. Apartments 9-B and 9-C are located on the first and second floors of Building No. 9, the two floors of each of these apartments being connected by an internal stairway.

16. Apartments 10-A and 10-F are located on the first floor of Building No. 10.

17. Apartments 10-B, 10-C, 10-D and 10-E are located on the first and second floors of Building No. 10, the two floors of each of these apartments being connected by an internal stairway.

18. Apartments 11-A, 11-B, 11-C and 11-D are located on the first and second floors of Building No. 11, the two floors of each of these apartments being connected by an internal stairway.

19. Apartment 11-E is located on the second floor of Building No. 11.

20. Apartments 12-A, 12-B, 12-C and 12-D are located on the first and second floors of Building No. 12, the two floors of each of these apartments being connected by an internal stairway.

21. Apartments 13-A, 13-B, 13-C and 13-D are located on the first and second floors of Building No. 13, the two floors of each of these apartments being connected by an internal stairway.

22. Apartment 13-E is located on the first floor of Building No. 13.

23. Apartments 14-A, 14-B and 14-C are located on the first and second floors of Building No. 14, the two floors of each of these apartments being connected by an internal stairway.

24. Apartment 14-D is located on the first floor of Building No. 14.

25. Apartments 15-A, 15-B, 15-C and 15-D are located on the first and second floors of Building No. 15, the two floors of each of these apartments being connected by an internal stairway.

26. Apartment 15-E is located on the first floor of Building No. 15.

27. Apartments 16-A, 16-B and 16-C are located on the first and second floors of Building No. 16, the two floors of each of these apartments being connected by an internal stairway.

28. Apartment 16-D is located on the first floor of Building No. 16.

TYPE AND DESCRIPTION OF UNITS:

1. Unit Type "A": Eight (8) apartments, being numbers 1-A, 5-E, 9-D, 10-A, 10-F, 14-D, 15-E and 16-D, are built according to this floor plan consisting of six (6) rooms, including a living room, kitchen, two bedrooms and two bathrooms. Each of these apartments contains a floor area of approximately 1,040 square feet excluding covered decking which contains approximately 254 square feet.

Apartment Nos. 5-E, 9-D, 10-F, 14-D, 15-E and 16-D are reverse type.

2. Unit Type "A-1": Seven apartments, being numbers 4-E, 6-A, 8-A, 8-D, 9-A, 11-E and 13-E are built according to this floor plan consisting of six (6) rooms, including a living room, kitchen, two (2) bedrooms and two (2) bathrooms. Each of these apartments contains a floor area of approximately 1,120 square feet excluding covered decking which contains approximately 194 square feet.

Apartment Nos. 6-A, 8-A and 9-A are reverse type.

3. Unit Type "B": Thirty Five (35) apartments, being numbers 1-B, 1-C, 1-F, 2-A, 2-B, 3-A, 3-B, 4-C, 4-D, 5-C, 5-D, 6-B, 6-C, 7-A, 7-B, 7-E, 7-F, 8-B, 8-C, 9-B, 9-C, 10-B, 10-C, 11-C, 11-D, 12-A, 12-B, 13-A, 13-B, 14-B, 14-C, 15-C, 15-D, 16-B and 16-C, are built according to this floor plan consisting of four (4) rooms on the first floor, including two (2) bedrooms and two (2) bathrooms, and three (3) rooms on the second floor, including a living room, kitchen and half ($\frac{1}{2}$) bath. Each of these apartments contains a total floor area of approximately 1,300 square feet excluding the covered decking which contains approximately 315 square feet.

Apartment Nos. 1-C, 1-F, 2-B, 3-B, 4-D, 5-D, 6-C, 7-B, 7-F, 8-C, 9-C, 10-C, 11-D, 12-B, 13-B, 14-C, 15-D and 16-C are reverse type.

4. Unit Type "B-1": Twenty six (26) apartments, being numbers 1-D, 1-E, 2-C, 2-D, 3-C, 3-D, 4-A, 4-B, 5-A, 5-B, 6-D, 6-E, 7-C, 7-D, 10-D, 10-E, 11-A, 11-B, 12-C, 12-D, 13-C, 13-D, 14-A, 15-A, 15-B and 16-A are built according to this floor plan consisting of four (4) rooms on the first floor, including two (2) bedrooms and two (2) bathrooms, and three (3) rooms on the second floor, including a living room, kitchen and half ($\frac{1}{2}$) bath. Each of these apartments contains a total floor area of approximately 1,300 square feet excluding the covered decking which contains approximately 315 square feet.

Apartments 1-D, 2-C, 3-C, 4-A, 5-A, 6-D, 7-C,
10-D, 11-A, 12-C, 13-C, 14-A, 15-A and 16-A are reverse type.

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