

# 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  
SANDPIPER VILLAGE I  
Princeville, Hanalei, Kauai, Hawaii

REGISTRATION NO. 1166

### 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 28, 1979  
Expires: October 28, 1980

#### SPECIAL ATTENTION

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

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 30, 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, AS AMENDED.

1. SANDPIPER VILLAGE I is a proposed leasehold condominium project consisting of twelve (12) apartment buildings containing seventy-four (74) apartments and one recreation building. One hundred eleven (111) parking spaces are available as shown on the plans for said project, seventy-four (74) of which are assigned and thirty-seven (37) unassigned. Each apartment unit shall have at least one (1) parking space appurtenant to it.
2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of the Association of Apartment Owners attached, and a copy of the approved floor plans) have not yet been recorded in the office of the recording officer.
4. Advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public dissemination.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relates to Horizontal Property Regime.
6. This Preliminary Public Report is made a part of the registration of SANDPIPER VILLAGE I condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and a Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.
7. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, September 23, 1979, unless a final or supplementary report is issued, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: SANDPIPER VILLAGE I

LOCATION: The project is located on land at Princeville, Hanalei, Kauai, Hawaii, containing 215,560 square feet or thereabouts. The description of the land and the reserved

easements, rights, power and privileges are more fully set forth in the proposed Declaration.

TAX KEY: 5-4-15-21 Code 2

ZONING: R-15

DEVELOPER: The Notice of Intention reveals the Developer to be DIAMOND WEST DEVELOPMENT OF HAWAII, INC., a Hawaii corporation, having its principal place of business at 700 Bishop Street, Suite 1415, Honolulu, Hawaii 96813 (Phone: 536-2114).

The officers and directors of Diamond West Development of Hawaii, Inc. are as follows:

John Armstrong	Chairman of the Board
Hugh P. Conser	President & Director
Eugene M. Sword	Executive Vice President & Director
Lawrence Fagan	Vice President
Brent Clark	Vice President & Secretary

ATTORNEY REPRESENTING DEVELOPER: Ikazaki, Devens, Lo, Youth & Nakano (Richard C. Lo), 700 Bishop Street, Suite 1412, Honolulu, Hawaii 96813 (Phone: 521-1456).

DESCRIPTION OF PROJECT: The proposed Declaration states that thirteen (13) buildings are to be constructed on said land, as shown on the proposed Condominium Map and being designated thereon by the letters A through L and the "Recreation Building". Six (6) buildings, designated C, D, F, G, H and I contain eight (8) apartments each. Five (5) buildings, designated A, B, J, K and L contain four (4) apartments each. One (1) building, designated E, contains six (6) apartments. The twelve (12) apartment buildings will be wooden frame, two-story structures, on concrete slabs and will contain seventy-four (74) apartments. The Recreation Building will be a wooden frame single-story structure. The apartments are more particularly described as follows:

(a) There will be seventy-four (74) freehold estates in the spaces within the perimeter walls, floors and ceilings of the seventy-four (74) apartments in said buildings. The seventy-four (74) apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided in said Declaration. Each apartment shall be deemed to include the walls and partitions which

are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; and all fixtures originally installed therein. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment as enumerated hereinafter is measured from the exterior face of exterior walls and the center line of party walls, and no reduction is made to account for interior load-bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

(b) All apartments will be numbered and located as shown on said Condominium Map.

(c) Each of the seventy-four (74) apartments will have immediate access to a walkway on the grounds of the Project.

(d) Thirty-seven (37) of the apartments, designated as Type a or aa (Type aa being the opposite hand of Type a), will consist of two (2) bedrooms and two (2) baths; and thirty-seven of the apartments, designated as Type b or bb (Type bb being the opposite hand of Type b), will consist of two (2) bedrooms, plus loft, and two and one-half (2-1/2) baths. All are enumerated in Exhibit "A" attached hereto.

(e) The approximate area and total number of each Floor Plan in the Project are enumerated in said Exhibit "A".

COMMON ELEMENTS: One freehold estate is hereby designated in all of the remaining portions and appurtenances of the project, called the "common elements", including specifically but not limited to:

(a) Said land in fee simple.

(b) All foundations, columns, girders, beams, supports, main walls, roofs, entrances and exits of said buildings.

(c) All driveways, parking spaces, yards, gardens, and recreational facilities, including the recreational center and swimming pool.

(d) All ducts, sewer lines, 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, refuse, telephone, radio and television signal distribution.

(e) All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.

(f) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called "limited common elements", will be 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:

(a) One (1) automobile parking space shall be assigned to each of the apartments as designated in said Exhibit "A" upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of such apartment. Each apartment shall always have at least one parking space appurtenant to it but otherwise any automobile parking space easement may be transferred from apartment to apartment in the Project.

(b) Entry patios, porches, decks and steps, if any, which would be used only for the purposes of ingress and egress for a specific unit.

(c) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited common elements appurtenant to the apartments to which they are so related.

INTEREST TO BE CONVEYED TO PURCHASER: Each of the apartments shall have appurtenant thereto an undivided percentage interest in all the common elements of the project as shown below, such interest being defined and referred to as the "common interest" and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting.

Type a or aa Apartments (Except Apt. No. 137)	1.26017%
Type b or bb Apartments	1.44254%
Apt. No. 137	1.2599%

PURPOSES AND RESTRICTIONS: The proposed Declaration states that the apartments shall be occupied and used only for residential purposes and no apartment shall be used as a tenement or rooming house or for or in connection with the carrying on or any business, trade or profession whatsoever. The foregoing notwithstanding, the owners of the respective

apartments shall have the absolute right to lease such apartments for residential or resort rental purposes on a daily or longer term, subject to all provisions of the Declaration.

The proposed House Rules provides in part that (i) Two bedroom apartments shall be occupied by no more than six (6) persons and two bedroom plus loft apartments shall be occupied by no more than eight (8) persons; (ii) cooking and fires of any kind are prohibited on lanais.

OWNERSHIP OF TITLE: The Developer reports that title to the land is vested in Hanalei Estates, a Hawaii general partnership. The Certificate of Title dated July 5, 1979, issued by Long & Melone, Ltd., confirms such ownership. Hanalei Estates, on August 1, 1979, leased the land to the Developer as disclosed below.

ENCUMBRANCES AGAINST TITLE: The Certificate of Title dated July 5, 1979 by Long & Melone, Ltd. reports that title to the land is subject to the following:

1. Easement D-8 (10 feet wide) as shown on File Plan 1360 for drainage purposes along the Northerly and Westerly boundary.

2. Easement E-18 (10 feet wide) as shown on File Plan 1360 for electrical purposes along the Easterly boundary.

3. Grant of Easement in favor of Kauai Electric Division of Citizens Utilities Company and Hawaiian Telephone Company, dated December 26, 1974, recorded in the Bureau of Conveyances in Liber 10462 at Page 312, granting the foregoing Easement E-18 for utility purposes.

4. Declaration of Restrictions, Covenants and Conditions by Eagle County Development Corporation, dated March 1, 1971, recorded in the Bureau of Conveyances in Liber 7444 at Page 93, as amended.

5. Reservations in favor of Consolidated Oil & Gas, Inc., a Colorado corporation, as contained in Deed dated September 28, 1978, recorded in the Bureau of Conveyances in Liber 13167 at Page 40.

6. Mortgage in favor of Consolidated Oil & Gas, Inc., a Colorado corporation, dated September 28, 1978, recorded in the Bureau of Conveyances in Liber 13167 at Page 45.

7. Delinquent real property taxes in the amount of \$321.50. (On August 29, 1979, the Developer reported that said taxes were in the process of being paid. For further

information on taxes, check with the Tax Assessor, Fourth Division.)

In addition the the foregoing encumbrances, title to the land is subject to the following:

Terms and conditions contained in Master Lease dated August 1, 1979, made by and between Hanalei Estates, as lessor, and Diamond West Development of Hawaii, Inc., as lessee, recorded in the Bureau of Conveyances in Liber 13904 at Page 657.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the executed Escrow Agreement dated August 24, 1979 have been submitted as part of the registration. The Escrow Agreement identifies Long & Melone Escrow, Ltd. as the Escrow. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he read with care the specimen Sales Contract and the executed Escrow Agreement. The latter agreement establishes how the proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

The specimen Sales Contract also provides in part:

1. The Condominium Conveyance Document requires that purchaser pay or cause to be paid his proportionate share of the assessments of Princeville at Hanalei Community Association and that this Association is separate from the Association of Apartment Owners;

2. All rights of the purchasers are and shall be subject and subordinate to the liens of any mortgage(s), advances or sums heretofore or hereafter made to finance the construction and other costs of the project.

The Sales Contract also provides, among other things, that each buyer acknowledges that Seller has not authorized any salespersons or agents to make any representation as to rental or other income from any apartments nor any other economic benefit, including possible tax advantages to be derived from the purchase or ownership of an apartment; that buyer acknowledges that no such representation or warranty has been made; that Seller expressly disclaims and repudiates any such representation from any source as to any possible benefits arising from the purchase or ownership of an apartment; that Seller makes no warranties, express

or implied, with respect to the apartment or project, including warranties of merchantability, habitability, workmanlike construction or fitness for a particular purpose; that Seller assigns to Buyer, to the extent assignable, the general contractor's warranties and any manufacturer's or dealer's warranties covering the personal property in the apartment.

Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest and less Escrow's cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

(a) Escrow receives a written request from Seller to return to buyer the funds of such buyer then held hereunder by Escrow; or

(b) If buyer's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the building plans, subsequent to the execution of buyer's contract, requiring the approval of the county officer having jurisdiction over the issuance of permits for construction, unless the buyer has given written approval or acceptance of the change; or

(c) If the buyer's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless the buyer has given written approval or acceptance of the difference; or

(d) If the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report.

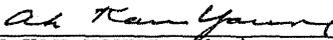
MANAGEMENT AND OPERATIONS: The proposed Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws except that the initial Managing Agent shall be appointed by the Developer. It is anticipated that Aaron M. Chaney, Inc., whose principal place of business and post office address is 4491 Rice Street, Lihue, Kauai, will be the initial Managing Agent. The Management Agreement shall be for a term of one (1) year from the date of execution and may be terminated by the Board of Directors on behalf of the Association upon thirty (30) days' written notice and by the Managing Agent upon ninety (90) days' written notice.

STATUS OF PROJECT: The Developer advises that August 31, 1979 is the estimated date for commencement of construction and the estimated date of completion of all the units in the project is August 30, 1980.

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The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted August 30, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1166.

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 in color.

  
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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. 1166

September 28, 1979

EXHIBIT "A"

<u>Building Letter</u>	<u>Apt. No.</u>	<u>Type</u>	<u>Parking Stall No.</u>
A	134	a	78
A	135	aa	76
A	234	b	79
A	235	bb	77
B	136	a	75
B	137	aa	73
B	236	b	74
B	237	bb	72
C	130	aa	62
C	131	a	64
C	132	aa	71
C	133	a	69
C	230	bb	63
C	231	b	65
C	232	bb	70
C	233	b	68
D	126	aa	6
D	127	a	4
D	128	aa	2
D	129	a	66
D	226	bb	5
D	227	b	3
D	228	bb	1
D	229	b	67
E	123	aa	10
E	124	a	8
E	125	aa	60
E	223	bb	9
E	224	b	7
E	225	bb	61
F	119	a	21
F	120	aa	19
F	121	a	14
F	122	aa	12
F	219	b	20
F	220	bb	18
F	221	b	13
F	222	bb	11

<u>Building Letter</u>	<u>Apt. No.</u>	<u>Type</u>	<u>Parking Stall No.</u>
G	115	a	27
G	116	aa	25
G	117	a	23
G	118	aa	36
G	215	b	26
G	216	bb	24
G	217	b	22
G	218	hh	37
H	101	a	28
H	102	aa	34
H	103	a	33
H	104	aa	30
H	201	b	29
H	202	bb	35
H	203	b	32
H	204	bb	31
I	105	a	50
I	106	aa	52
I	107	a	49
I	108	aa	45
I	205	b	51
I	206	bb	53
I	207	b	48
I	208	bb	44
J	113	aa	56
J	114	a	54
J	213	bb	57
J	214	b	55
K	109	a	47
K	110	aa	43
K	209	b	46
K	210	bb	42
L	111	aa	41
L	112	a	39
L	211	bb	40
L	212	b	38

Type a or aa:

37 units

First floor units

1,312 square feet, including two (2) lanais of  
99 square feet and 171 square feet, more or less

Two (2) bedrooms, two (2) baths, living and dining  
areas, a kitchen, an entry porch, a storage and  
laundry-utility room, and two (2) concrete lanais.

Type b or bb:

37 units

Second floor units

1,506 square feet, including loft of 194 square feet,  
and two (2) lanais of 99 square feet and 171 square  
feet, more or less

Two (2) bedrooms plus loft, two and one-half (2-1/2)  
baths, living and dining areas, a kitchen, an entry  
porch, a storage and laundry-utility room, and two (2)  
wood lanais.