

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

POIPU CRATER
2330 Hoohu Road
Koloa, Kauai, Hawaii

REGISTRATION NO. 1179

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 : October 30, 1979
Expires: November 30, 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 SUBMITTED SEPTEMBER 20, 1979, AND INFORMATION SUBSEQUENTLY SUBMITTED AS OF OCTOBER 1, 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. The Poipu Crater is a proposed fee simple condominium project consisting of 30 residential apartment units in 15 separate buildings. There will be one exclusive, uncovered parking stall as a limited common element for each apartment and 15 unassigned, uncovered parking stalls as common elements. Buyers will receive an apartment deed granting a fee simple interest directly from the Developer.
2. The Developer of the project has filed all documents and material deemed necessary by the Commission for the registration of this proposed condominium project and issuance of the Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of the Association of 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 514A, 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 Poipu Crater condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and obtaining a receipt therefor from each such party is also the responsibility of the Developer.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, October 30, 1979, 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 CRATER.

LOCATION: The site, comprising approximately 7.433 acres is located at the Pihakekua Crater, Weliweli, Koloa, Kauai, Hawaii.

TAX MAP KEY: 2-8-020:35 (Fourth Division).

ZONING: County of Kauai R-4.

DEVELOPER: Poipu Crater, a Hawaii limited partnership, James C. Blackwell, Jr., general partner, 3122 Kuhio Highway, Lihui, Kauai, Hawaii 96766, Telephone No. (808)245-3982.

ATTORNEY REPRESENTING OWNER: Case, Kay & Lynch (Gary L. Wixom, Esq.), P.O. Box 494, Honolulu, Hawaii 96809, Telephone: (808) 536-7261.

DESCRIPTION: The project contains 30 apartments in 15 two-story buildings with open, uncovered parking and a separate recreational building. Recreational facilities include two paddle tennis courts, one tennis court, a swimming pool and a recreational building containing an exercise room, men's and women's locker rooms each with separate saunas and toilet facilities, lounge, game room, kitchen patio/barbeque area and trellised lanai. The project and the apartments are more specifically described in Exhibit "A" attached hereto.

Each apartment shall be deemed to include: (i) the covered deck adjacent to each apartment to which it has direct access; (ii) all the walls and partitions which are not load bearing within its perimeter walls; (iii) the inner decorated or finished surfaces of all walls, floors and ceilings; (iv) any doors, windows or panels which are part of the perimeter walls; and (iv) all fixtures originally installed therein. The apartments shall not be deemed to include:

- a. The undecorated or unfinished surfaces of the perimeter walls, interior load bearing walls and party walls;
- b. The undecorated or unfinished floors and ceilings surrounding each apartment;
- c. Any pipes, wires, conduits or other utility or service lines running through an apartment which are utilized for or serve more than one apartment;
- d. The foundations and supports for the structures;

the same being deemed common elements as hereinafter provided.

COMMON ELEMENTS: The common elements will include all portions of the Project other than the apartments, including specifically but not limited to, the common elements mentioned in the Horizontal Property Act which are actually constructed on the land and all other portions of the Project necessary or convenient to its existence, maintenance and safety or normally in common use and which are not included as part of an apartment. In addition the common elements include: (i) all on-site parking areas; (ii) the tennis courts, landscaped recreation areas, including the patios and lanais, swimming pool and recreation building and facilities; (iii) all gardens, planters and landscaped areas; (iv) all walkways, driveways, trash containers, machinery and equipment rooms and associated electrical facilities.

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

- a. Each apartment shall have the exclusive right to use one parking stall. Initially each stall shall have the same number as the apartment to which it is appertinent. The numbers are shown on the Condominium File Plan.

b. Each apartment shall have appurtenant to it the exclusive right to use a mail box in the mail facilities located as shown on the Condominium File Plan.

c. The entry deck, bench and stairs providing access to each apartment.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment will have appurtenant thereto an undivided percentage interest including voting in all of the common elements of the project (herein called the "common interest") and the same proportionate share in the common expenses of the project as follows:

Each apartment shall have appurtenant to it an undivided 1/30th fractional interest, being also a 3.333+ percentage interest in the common elements of the project.

Interests in each apartment will be transferred by the Developer to each Buyer by an Apartment Deed.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments shall be occupied and used for temporary or permanent residential purposes in accordance with applicable laws the Declaration By-Laws and Project Rules.

The Project Rules state, in part: (1) Occupancy is limited to not more than two (2) persons per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner, tenant or lessee, provided that in no event shall the number of occupants be more than three (3) per bedroom; (2) Swimming and tennis shall not be permitted after dark; and (3) No waterbeds shall be permitted in the apartments.

OWNERSHIP OF TITLE: A Preliminary Title Report dated September 13, 1979, issued by Security Title Corporation states that the fee simple title to the land is held by Pan Pacific Lands, Inc., a Hawaii corporation. The Developer has the right to acquire fee simple title under a sub-subagreement of Sale dated August 29, 1979, and recorded in the Bureau of Conveyances in Liber 1387, Page 317.

ENCUMBRANCES AGAINST TITLE: Said title report identifies the following encumbrances on the land committed to the project:

1. Real Property Taxes.

For any taxes that may be due and owing and a lien on the parcel of land herein described, reference is hereby made to the Office of the Tax Assessor of the Fourth Division.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent (Grant) No. 1416.

3. Grant of Easement dated April 27, 1936, recorded on June 19, 1936, in the Bureau of Conveyances of the State of Hawaii in Book 1331, Page 87 in favor of the

COUNTY OF KAUAI, a municipal corporation, organized and existing under the laws of the Territory of Hawaii (now known as the State of Hawaii), granting an easement for a pipeline right-of-way and a tank reservation (also affects other property).

4. Agreement of Sale dated February 28, 1979, made by Pan Pacific Lands, Inc., a Hawaii corporation, formerly known as Pacific Land Development Corporation, as Seller, and James C. Blackwell, Jr., and Virginia R. Blackwell, husband and wife, as Purchaser, recorded in the Bureau of Conveyances in Liber 13538, Page 109.
5. Sub-Agreement of Sale dated August 3, 1979, between James C. Blackwell, Jr., and Virginia R. Blackwell, as Seller and Blackwell Construction, Inc., a Hawaii corporation, as Purchaser, recorded in the Bureau of Conveyances of the State of Hawaii in Book 13987, Page 305.
6. Sub-Agreement of Sale dated August 29, 1979, between Blackwell Construction, Inc., as Seller and Poipu Crater, a Hawaii limited partnership, as Purchaser, recorded in the Bureau of Conveyances of Hawaii in Liber 13987, Page 317.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated July 24, 1979, identifies Security Title Corporation, a Hawaii corporation, as Escrow Agent. On examination the specimen Deposit Receipt and Sales Contract and the Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Section 514A-37, Section 514A-39 and Sections 514A-63 through Section 514A-66. A prospective purchaser should carefully read the Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing and other costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement. Among other provisions the Escrow Agreement states that no money received by Escrow Agent shall be disbursed until the Seller has a valid and binding contract for the sale of the unit for which money was received and the requirements of Sections 514A-39, 514A-63, 514A-64 and 514A-66 have been met, all as provided in Section 514A-65, Hawaii Revised Statutes.

The specimen Sales Contract also states: (1) All of Buyer's right, title and interest under the Sales Agreement are and shall be subject and subordinate to the lien of any mortgages or other security instruments made by Developer to any institutional lender for the purpose of securing the repayment of a construction loan; and (2) The Developer will pass through to the Buyer a warranty agreement from the general contractor covering the repair of any defects in the Apartment and the common elements due to faulty materials and/or workmanship which are discovered and reported within one (1) year from the date of substantial completion of the Project,

any manufacturer's or dealer's warranties covering any furnishing, fixtures or appliances installed in the apartment. Except for the foregoing, Developer makes no warranties, expressed or implied, with respect to the project or any apartment or any common elements or anything installed therein, including but not limited to warranties of merchantability, habitability, workman like construction or fitness for a particular purpose.

Additionally, Sales Contract contains acknowledgments by each buyer that: (1) the Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of apartments in the Project other than apartments owned by the Developer upon completion of the Project, if any; (ii) the Buyer must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (iii) the Developer has not authorized agents, salesmen or brokers to make any representations about rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; (iv) the buyer acknowledges that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project; and (v) until the Developer closes the sales of all the apartments in the Project, the buyer shall not enter into any agreement with any purchaser, lessee or owner of another apartment in the Project or any third party under which the buyer agrees to share rental income from apartments in the Project.

It is incumbent upon the purchaser and prospective purchaser to read with care and to understand the Escrow Agreement and Sales Agreement as both agreements provide for the benefits and obligations therein outlined.

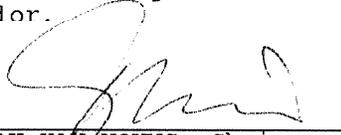
MANAGEMENT OF THE PROJECT: The project will be operated and managed by Aaron M. Chaney, Inc., P. O. Box 3164, Lihue, Kauai, 96766, telephone - 245-8541.

STATUS OF PROJECT: The Developer has selected a contractor to construct the project and is currently in the process of arranging construction financing. Construction commenced on July 23, 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 September 20, 1979, and information subsequently submitted as of October 1, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1179 filed with the Commission on September 20, 1979.

The report, when reproduced, shall be a true copy of the Commission's Public Report. In making facsimiles the paper stock shall be yellow in color.



(for)
AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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PLANNING DEPARTMENT, COUNTY OF HAWAII
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 1179
October 30, 1979

EXHIBIT "A"

PHYSICAL DESCRIPTION

- A. PROJECT. The project consists of 30 apartments in 15 separate buildings situated on the side of Pihakekua Crater at Weliweli, Koloa, Kauai, Hawaii. Each apartment building is constructed primarily of wood, gypsum board and glass. The entry to each apartment is located on the uphill side of the apartment and the living area faces towards the center of the crater where the recreational facilities are located. There will be one uncovered parking stall assigned to each apartment and there will be 15 unassigned parking stalls. The recreational facilities are located near to a recreational building, part of which is newly constructed and part of which is a remodeled building existing on the property prior to the development of the project. The recreational building contains an exercise room; men's and women's locker rooms, each with separate saunas, toilet facilities, and showers; a kitchen; a lounge; a game room; a patio and trellised lanai. A swimming pool is located adjacent to the recreational center. There are also two paddle tennis courts and a regular tennis court a short walk from the recreational center.
- B. APARTMENTS. Each building will contain two apartments, one of which is the mirror image of the other. Each apartment has three levels. The lower level consists of a living room and covered deck. The second level is adjacent to, and opens onto the first level and is approximately one foot higher in elevation. The second level consists of a dining room, kitchen, bathroom, bedroom, hallways, stairway and the entrance to the apartment. The third level is located above the second level and consists of a bedroom, a bathroom, stairway and connecting hallway and closets. The approximate area of each apartment is 1,094 square feet and the area of the covered deck is approximately 146 square feet. Each apartment has direct access to an entry porch which has a decorative seating bench, and stairs, which are limited common elements, leading to a walkway, which is part of the common elements. Each apartment will be furnished with a self-cleaning electric range with oven below, hood and fan, dishwasher, refrigerator, disposal, water heater, stacked washer/dryer, and carpeting. The apartments are numbered consecutively 1 through 30 generally in a clockwise direction around the Crater from the entrance driveway except that the first four units are numbered in a counter clockwise direction beginning on the right hand side as the project is entered. In accordance with Hawaii custom, the approximate living area of each apartment as set forth above includes all of the nonparty walls and partitions, vents, shafts, ducts, and the like within its perimeter walls and one-half of the perimeter nonparty walls whether load bearing or non-load bearing, even though such area measurements include portions of the common elements. The living area does not include the entry area.

C. NUMBERING AND LOCATION. The apartment will be numbered and the locations designated in the manner shown on the Condominium File Plan. The larger numeral represents the apartment number and the smaller numeral represents parking stall designation. The number in the box () indicates the finished floor elevation of the entry way to the apartment.

NOTE: The electrical circuit for each apartment also provides power to an outdoor light illuminating a portion of the walkway near the apartment and a water sprinkler control box. The water system for each apartment also provides water to sprinklers near the apartment. The expenses for these items will be borne by the apartment owner even though such service benefits common elements of the project. Electrical power and water for landscaping surrounding the recreational facilities is separately metered and will be a common expense.