

# 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

KAHALA AT POIPU KAI II  
Poipu, Kauai, Hawaii

REGISTRATION NO. 1201

### 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: November 29, 1979  
Expires: December 29, 1980

#### SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that the 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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 13, 1979. DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. KAHALA AT POIPU KAI II is a proposed fee simple condominium project consisting of 72 residential apartments in nine (9) two- and three-story buildings with 108 parking stalls.

2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners and the Condominium Map will be recorded in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.
4. No advertising or promotional materials have been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report expires thirteen (13) months after issuance, November 29, 1979, unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is part of the registration of KAHALA AT POIPU KAI II. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and securing a signed copy of the receipt for the Preliminary Public Report from each purchaser.

NAME OF PROJECT: KAHALA AT POIPU KAI II

LOCATION: The Project is located in Poipu, Kauai, Hawaii and has a land area of approximately 4.266 acres.

TAX KEY: 2-8-27:20 (4th Tax Division-County of Kauai).

ZONING: Residential District (R-10) under the Ordinances of the County of Kauai.

DEVELOPER: ADM. INTERNATIONAL, LTD., a Hawaii corporation, whose principal place of business is in Koloa, Kauai, Hawaii and whose post office address of P. O. Box 537, Koloa, Kauai, Hawaii (telephone: (808) 742-6703). The officers of the corporation are: John S. Kay, Jr., President; Robert Fritts, Vice President; Marvin Gebler, Second Vice President; Gregory

Kamm, Secretary; Michael A. Warren, Assistant Secretary; Diana Gervais, Treasurer.

ATTORNEYS REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Douglas E. Prior or Stanley M. Kuriyama), Suite 1200, 1000 Bishop Street, P. O. Box 939, Honolulu, Hawaii 96808, Telephone: (808) 521-9200.

DESCRIPTION OF PROJECT:

The proposed Project contains 72 residential apartments in nine (9) two- and three-story buildings with 108 parking stalls. The Project and the apartments are more specifically described in Exhibit "A" attached hereto and made a part hereof.

Each apartment shall be deemed to include: (i) any adjacent lanai, deck or entry court area to which such apartment has direct, exclusive 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 along the perimeters, and (v) all fixtures originally installed therein. The respective apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the undecorated or unfinished surfaces of the floors and ceilings surrounding each apartment, or (c) any pipes, shafts, 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.

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, including, but not limited to:

- (a) All of the land in fee simple;
- (b) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, walkways, boardwalks, ducts, pumps, pipes, wires, conduits, and generally all equipment, apparatus, installations and personal property existing for common use in the building or located on the Project lands; and
- (c) All driveways, roads and other common ways, landscaping, yards, fences, retaining walls, refuse collection

areas, mail box areas, accessory equipment and thirty-six (36) guest parking stalls situate on the Project lands.

LIMITED COMMON ELEMENTS:

Each apartment shall have appurtenant thereto exclusive easements for the use of one (1) parking space designated with the same number of the apartment and as shown on the Condominium Map.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED:

The apartments have the percentage common interests in the common elements of the Project as set forth in Exhibit "B" attached hereto. Interests in each apartment will be transferred by the Developer to each buyer under an Apartment Deed, consisting of a deed of the improvements comprising the particular apartment, and an undivided percentage interest in the common elements, inclusive of the land.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE:

Each apartment shall at all times be used solely for permanent or temporary residential purposes.

The House Rules state in part: (1) A dog or cat may be kept and maintained within the apartment unit and/or enclosed areas related to that specific unit. Each owner of a dog or cat must deposit \$100.00 with the Board of Directors to defray the cost of repairing any damage to or maintaining the sanitation or cleanliness of the common elements caused by or attributable to such pet. Should the owner cease to occupy his apartment or keep a dog or cat the \$100.00 deposit of any unexpended portion thereof will be refunded; (2) Walking of the dog and/or cat outside of the confines of the apartment unit shall be on a leash and shall be in an area prescribed by the Board of Directors. Owners shall be responsible for cleaning up after their animals on the premises.

OWNERSHIP OF TITLE:

A Preliminary Title Report dated October 23, 1979, issued by Title Guaranty of Hawaii, Inc. states that fee simple title to the land is held by the Developer.

ENCUMBRANCES:

Said Preliminary Title Report states that the title to the property is subject to the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, fourth division.

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

3. Pedestrian Easement "A" (15' and 10' wide) along Lot D-24.

4. Mortgage and Financing Statement made by Leadership Homes of Hawaii, Inc., a Delaware corporation, in favor of First Hawaiian Bank, dated June 7, 1974, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9953, Page 333, which Mortgage and Financing Statement was assigned to Crocker National Bank by instrument dated February 10, 1977, recorded in said Bureau in Liber 12037, Page 332.

5. Those certain instruments executed by and between Leadership Homes of Hawaii, Inc., Leadership Housing Inc., a Delaware corporation, and Crocker National Bank, dated February 9, 1977, recorded in said Bureau in Liber 12037, Page 334 and Liber 12996, Page 433.

6. Declaration of Covenants and Restrictions, dated January 8, 1979, recorded in said Bureau in Liber 13428, Page 440, as amended.

7. Grant of Perpetual Nonexclusive Easement, dated August 1, 1979, recorded in said Bureau in Liber 13910, Page 298.

8. Declaration as to Merger of Increments in a Condominium Project, dated August 24, 1979, recorded in said Bureau in Liber 13993, Page 329.

NUISANCES FROM ADJACENT PROPERTY:

The Project is adjacent to certain lands presently being used for agricultural purposes and development and construction activities, including, but not limited to, the growing and harvesting of sugar cane, and such use may at times create dust, smoke, noise and other nuisances. The Developer shall under no circumstances be liable to any apartment owner in the Project for such uses of the adjacent lands or for any nuisance or nuisances resulting from such use.

MERGER:

The Project is subject to a Declaration as to Merger of Increments in a Condominium Project (a copy of which has been filed with and which is available for public inspection at the Office of the Real Estate Commission), which will affect the Project and approximately 5.033 acres of adjacent property. This Declaration as to Merger permits the Developer to develop a condominium project ("Increment I") on such adjacent property, and to thereafter merge this Project with Increment I for purposes of administration and use.

PURCHASE MONEY HANDLING:

A copy of a specimen Deposit Receipt and Sales Contract (the "Sales Contract") and an executed Escrow Agreement

have been submitted as part of the registration. The Escrow Agreement, dated November 8, 1979, identifies Title Guaranty Escrow Services, Inc. as the "Escrowee." Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with Section 514A-37, 39, 40, 63 through 66. A prospective purchaser should carefully examine the form of 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 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 provides that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, with interest at the rate and upon the terms and conditions provided for in the Sales Contract, if any one of the following has occurred:

(a) The Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held under the Escrow Agreement by Escrow; or

(b) The Developer shall have notified Escrow of the Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to the Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans, subsequent to the execution of the purchaser's Sales Contract, requiring approval of a county officer having jurisdiction over the issuance of building permits, unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the Sales Contract or unless a purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the purchaser has accepted in writing the apartment or the purchaser has first occupied the apartment; or

(d) The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived or has not been deemed to have waived his right to a refund.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or

upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c), (d) or (e) above, unless the purchaser has waiver or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee to Escrow of not less than \$25.00 per apartment or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said Sales Contract and any conveyance document theretofore delivered to Escrow shall be returned to the Developer and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by the Developer of written notice from Escrow of its intent to make such refund.

The Sales Contract, among other things, contains acknowledgments by each purchaser: (i) that 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) that the purchaser must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (iii) that the Developer has authorized no agents, salesmen or brokers to make any representations as to 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) that the purchaser 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) that the purchaser's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Developer in favor of any lending institutions to secure one or more loans for the purpose of constructing the Project.

MANAGEMENT AND OPERATION:

Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the Project, subject at all times to direction by the Board of Directors.

POIPU KAI ASSOCIATION AND TENNIS CLUB MEMBERSHIP:

Each apartment owner in the Project shall also be a member of the Poipu Kai Association in addition to each owner's membership in the Association of Apartment Owners. All apartment owners are subject to and shall observe and comply with all of the limitations, restrictions, covenants and conditions set forth in the Declaration of Covenants and Restrictions and the Declaration as to Merger, as the same may from time to time be amended.

The Developer further advises that it intends to construct a private tennis club known as the "Poipu Kai Tennis Club" and that it has entered or will enter into a License Agreement with the Association of Apartment Owners of Kahala at Poipu Kai II. Under the terms of the License Agreement, the owner of an apartment in the Project and his respective family, tenants or guests shall have a non-exclusive license to use the recreational facilities of the Poipu Kai Tennis Club upon the payment by the Association of a monthly fee of \$1,296.00 for the first year of the term of the License Agreement. This license fee will constitute a portion of the Association's common expenses which are reflected in the monthly assessment for common expenses against the respective apartments. The License Agreement has an initial term of one year and will be automatically renewed from year to year thereafter unless the Association, by two-thirds vote of its members, votes to have the License Agreement terminated.

STATUS OF PROJECT:

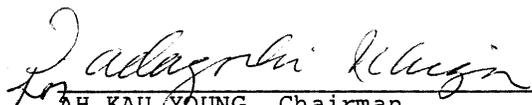
The Developer currently estimates that construction of the Project will commence in March, 1980, and will be completed within two (2) years from the date thereof.

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The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted November 13, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1201 filed with the Commission on November 13, 1979.

The report, when reproduced, shall be a true copy of the Commission's Public Report. Paper stock used in making facsimiles must be yellow.

  
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AH KAU YOUNG, Chairman  
Real Estate Commission  
State of Hawaii

Distribution:

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

Registration No. 1201

November 29, 1979.

## PHYSICAL DESCRIPTION

A. Project. The project consists of six (6) three-story buildings (Buildings L, N, P, Q, T and U), three (3) two-story buildings (Buildings M, R and S), and 72 on-site parking stalls consisting of 72 assigned parking stalls and 36 guest parking stalls. Each of the buildings will be constructed principally of wood and reinforced concrete foundations, without a basement. The nine buildings contain 72 residential apartments of ten models (A-1, A-2, B-1, B-2, C-1, C-2, C-3, D-1, D-2 and D-3).

B. Apartments. The Project contains 72 apartments (18 two-bedroom, two-bath apartments and 54 one-bedroom, one-bath apartments) based on ten different models. All Apartments are furnished with a bathtub, dishwasher, disposal, refrigerator, electric range/oven, rangehood, washer/dryer, carpeting and drapes. Each apartment on the first floor has immediate access to the walkways connecting the building to the Project grounds and parking areas, and each apartment on the second and third floors has immediate access to stairwells providing access to the walkways connecting the building to the Project grounds and parking areas. Each apartment has been assigned a parking stall which will be a limited common element appurtenant to that apartment.

There are ten (10) Model "A-1" apartments, each consisting of two bedrooms, two baths, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 1,170 square feet, consisting of an interior area of approximately 980 square feet, a lanai or deck area of

approximately 134 square feet, and an entry court area of approximately 56 square feet.

There are ten (10) Model "A-2" apartments, each consisting of one bedroom, one bath, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 1,073 square feet, consisting of an interior area of approximately 832 square feet, a lanai or deck area of approximately 185 square feet, and an entry court area of approximately 56 square feet.

There are eight (8) Model "B-1" apartments, each consisting of two bedrooms, two baths, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 1,250 square feet, consisting of an interior area of approximately 1,058 square feet, a lanai or deck area of approximately 136 square feet, and an entry court area of approximately 56 square feet.

There are eight (8) Model "B-2" apartments, each consisting of one bedroom, one bath, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 1,226 square feet, consisting of an interior area of approximately 955 square feet, a lanai or deck area of approximately 215 square feet, and an entry court area of approximately 56 square feet.

There are six (6) Model "C-1" apartments, each consisting of one bedroom, one bath, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 1,110 square feet, consisting of an interior area of approximately 932 square feet, a lanai or deck area of

approximately 148 square feet, and an entry court area of approximately 30 square feet.

There are six (6) Model "C-2" apartments, each consisting of one bedroom, one bath, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 1,073 square feet, consisting of an interior area of approximately 923 square feet, a lanai or deck area of approximately 120 square feet, and an entry court area of approximately 30 square feet.

There are six (6) Model "C-3" apartments, each consisting of one bedroom, one bath, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 975 square feet, consisting of an interior area of approximately 855 square feet, and a lanai or deck area of approximately 120 square feet.

There are six (6) Model "D-1" apartments, each consisting of one bedroom, one bath, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 1,066 square feet, consisting of an interior area of approximately 858 square feet, a lanai or deck area of approximately 160 square feet, and an entry court area of approximately 48 square feet.

There are six (6) Model "D-2" apartments, each consisting of one bedroom, one bath, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 1,019 square feet, consisting of an interior area of approximately 894 square feet, and a lanai or deck area of approximately 125 square feet.

EXHIBIT " "

There are six (6) Model "D-3" apartments, each consisting of one bedroom, one bath, one living/dining room and one kitchen. Each such apartment contains a total area of approximately 1,079 square feet, consisting of an interior area of approximately 962 square feet, and a lanai or deck area of approximately 117 square feet.

A list of apartments, models, numbers, apartment numbers, areas and percentage of common interest appurtenant to each apartment is set forth in Exhibit "B" attached hereto and made a part hereof. Assigned parking stalls are denoted on the Condominium Map and bear the same number as the number of the apartment to which they are assigned. The percentages of common interests have been based upon the approximate interior square footages, and shall be valid and effective whether or not the Developer's calculations of such interests are accurate or mathematically correct.

EXHIBIT "A"

<u>Model</u>	<u>Number</u>	<u>Apartment Numbers</u>	<u>Bdrm/Bath</u>	<u>Area in Square Feet (Approximate)</u>				<u>Percentage of Common Interest</u>
				<u>Gross</u>	<u>Interior</u>	<u>Lanai</u>	<u>Entry</u>	
A-1	10	L101, L104 S101, S102 P101, P104 M101, M102 U101, U104	2/2	1,170	980	134	56	1.51969
A-2	10	L201, L204 S201, S202 P201, P204 M201, M202 U201, U204	1/1	1,073	832	185	56	1.34529
B-1	8	N101, N104 Q101, Q104 T101, T104 R101, R102	2/2	1,250	1,058	136	56	1.51968
B-2	8	N201, N204 Q201, Q204 T201, T204 R201, R202	1/1	1,226	955	215	56	1.34529
C-1	6	N102, N103 Q102, Q103 T102, T103	1/1	1,110	932	148	30	1.34529
C-2	6	N202, N203 Q202, Q203 T202, T203	1/1	1,073	923	120	30	1.34529
C-3	6	N302, N303 Q302, Q303 T302, T303	1/1	975	855	120	0	1.34529
D-1	6	L102, L103 P102, P103 U102, U103	1/1	1,066	858	160	48	1.34529
D-2	6	L202, L203 P202, P203 U202, U203	1/1	1,019	894	125	0	1.34529
D-3	6	L302, L303 P302, P303 U302, U303	1/1	1,079	962	117	0	1.34529

Note: The letter preceding each apartment number above indicates the letter of the building in which the apartment is located; and the first digit of each apartment number indicates the floor on which the apartment is located. The parking stall assigned to each apartment bears the same number as the number of the apartment to which it is assigned and is also designated on the Condominium Map.

EXHIBIT " B "