

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer The Housing Group - Hawaii, Inc.
Address P. O. Box 537, Koloa, Kauai, Hawaii 96756

Project Name(*): Poipu Kai Racquet Club
Address: 1941 Poipu Road, Koloa, Hawaii 96756

Registration No. 3803 Effective date: December 1, 1997
Expiration date: December 21, 1998

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with

X SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[xx] Final Public Report dated: November 21, 1997
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports
[xx] Must be read together with Final Public Report dated November 21, 1997
[] This report reactivates the public report(s) which expired on

(* Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

The Declaration has been amended by Tenth Amendment to Declaration of Horizontal Property Regime of Poipu Kai Racquet Club to correct the area of Apartment 6 to 928 square feet and its percentage of common interest to 9% and the area of Apartment 7 to 1126 square feet and its percentage of common interest to 10%.

Reference to the future Tenth Amendment on page 20 has therefore been changed to the Eleventh Amendment.

NOTE: THIS IS AN ABBREVIATED SUPPLEMENTARY PUBLIC REPORT. IT CONTAINS ONLY PAGES 1, 2, 6, 19, 20 AND 21 AND EXHIBITS A, B AND G. THIS SUPPLEMENTARY PUBLIC REPORT MUST BE READ TOGETHER WITH THE FINAL PUBLIC REPORT, DATED NOVEMBER 21, 1997.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book 15339 Page 164
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: See Exhibit A

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 786
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: See Exhibit A

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book 15339 Page 181
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: See Exhibit A

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other Declaration of Covenants and Restrictions, as amended
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Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is part of Registration No. 3803 filed with the Real Estate Commission on September 9, 1997.

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above:

The Developer intends to adopt an Eleventh Amendment to Declaration of Horizontal Property Regime of Poipu Kai Racquet Club (the "Eleventh Amendment") by vote or written consent of owners holding at least seventy-five per cent of the common interest. The Eleventh Amendment will be adopted prior to or concurrently with the first conveyance of any of the Apartments hereby registered and will include the following:

- (i) Of the three members of the Board of Directors of the Project, one will be elected by the owners of Apartments in Office Building A (currently Apartments 1, 6, 7 and 8), one by the owners of Apartments in the Beach and Racquet Club Building (currently Apartments 2, 3 and 4) and one by the owners of all Apartments in the Project.
- (ii) Deleting from the Bylaws the requirement that insurance proceeds in excess of \$10,000.00 be paid to a trustee for the Association and clarifying that rebuilding according to the "original plans" means the most recent plans adopted or approved in accordance with the Declaration or Bylaws prior to the casualty.
- (iii) Adding to Paragraph 8.e. of the Declaration, (which grants to the owner of Apartment 1 a non-exclusive easement over Apartment 2 for access to the telephone room and storage room adjacent to Apartment 2, which are limited common elements appurtenant to Apartment 1) the requirement that the owner of Apartment 2 give keys to the owner of Apartment 1 if required to provide such access on a twenty four hour basis; and in the event any locks are re-keyed by the owner of Apartment 2, then the owner of Apartment 2 shall give a set of the new keys to the owner of Apartment 1 on the same day.
- (iv) Allocating the one vote in the Poipu Kai Association which is currently allocated to Apartment 1, to the Association of Apartment Owners of the Project and adding to the common expenses of the Project the maintenance fees and any special assessments assessed by Poipu Kai Association with respect to such one vote. Note: this amendment will require the vote or written consent of owners of at least ninety (90%) percent of the common interest of the Project.

***Note:** Poipu Kai Racquet Club is a part of a larger development and the area is governed by Covenants and Restrictions, including requirements that all owners become members of the Association of Poipu Kai. Membership in Poipu Kai is in addition to membership in Poipu Kai Racquet Club, including payment of dues and assessments. (See Exhibit "H" regarding Poipu Kai Covenants.) The current maintenance and assessment fees paid to the Association of Poipu Kai is \$108.00 per month.

- (v) Expanding the rights of the owners of Apartments 1, 3, 6, 7 and 8 to alter their Apartments by clarifying that their rights include adding additional stories and expanding beyond the footprint of the Apartments.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

THE HOUSING GROUP-HAWAII, INC.

Printed Name of Developer

By: 
Duly Authorized Signatory

November 26, 1997
Date

Gregory A. Kamm Vice President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai
Planning Department, County of Kauai

CONDOMINIUM PUBLIC REPORT ON POIPU KAI RACQUET CLUB

EXHIBIT A

LIST OF AMENDMENTS

<u>No.</u>	<u>Date</u>	<u>Recorded</u>	<u>Declara- tion</u>	<u>Bylaws</u>	<u>Map</u>
First	03/14/83	16970/769	x	--	--
Second	12/16/83	17579/206	x	x	x
Third	12/05/86	20170/581	x	x	x
Fourth	04/15/87	20576/468	x	--	--
Fifth	05/01/87	20640/478	x	--	--
Sixth	10/27/88	22524/589	x	--	x
Seventh	12/03/90	90-192922	x	x	x
Eighth	09/05/97	97-120289	x	—	x
Ninth	10/01/97	97-136723	x	—	—
Tenth	11/26/97	97-165963	x	—	—

The Amendment to Condominium Map dated November 15, 1988, recorded in Book 22573, Page 599, amended the Condominium Map and should be read together with the Sixth Amendment.

CONDOMINIUM PUBLIC REPORT ON POIPU KAI RACQUET CLUB

EXHIBIT B

DESCRIPTION OF PROJECT AND APARTMENTS

A. Project. The Project consists of (i) one one-story building (identified as "Office Building A" on Sheet A1 dated October 27, 1989 of the Condominium Map ("Sheet A1")), containing four apartments (Apartment Nos. 1, 6, 7 and 8), (ii) one two-story building (identified as "Beach and Racquet Club Building" on Sheet A1), containing three apartments (Apartment Nos. 2, 3 and 4), (iii) one one-story building (identified as "Recreational (Apartment 5)" on Drawing No. 3A of the Condominium Map), comprising one apartment (Apartment No. 5) and (iv) 85 on-site parking stalls. Each of the buildings is constructed principally of wood and reinforced concrete foundations, without a basement.

B. Apartments. The Project contains eight (8) commercial apartments described as follows:

Apartment 1 (Lobby): Apartment 1 contains a total interior floor area of approximately 1,317 square feet, and is depicted on Sheet A2 of the Condominium Map, filed with the Seventh Amendment to Declaration of Horizontal Property Regime, dated December 3, 1990 recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-192922 (the "Seventh Amendment").

Apartment 2 (Lanai Room): Apartment 2 is located on the first floor of the Beach and Racquet Club Building and contains a total interior floor area of approximately 1,924 square feet, and is depicted and designated as "Lanai Room" on Drawing No. 2A of the Condominium Map, filed with the Sixth Amendment to Declaration of Horizontal Property Regime, dated October 27, 1988, recorded in said Bureau in Liber 22524 at Page 589 (the "Sixth Amendment").

Apartment 3 (Restaurant): Apartment 3 is located on the second floor of the Beach and Racquet Club Building and contains a total interior floor area of approximately 4,554 square feet, and is depicted on Sheet A-3A of the Condominium Map, filed with the Sixth Amendment, and is designated as "Restaurant" on Drawing No. 3A of the Condominium Map, filed with the Sixth Amendment.

Apartment 4 (Activities and Pro Shop): Apartment 4 is located on the first floor of the Beach and Racquet Club Building and contains a total interior floor area of approximately 511 square feet, and is depicted and designated as "Pro Shop" on Drawing No. 2A of the Condominium Map, filed with the Sixth Amendment.

Apartment 5 (Recreational Apartment): Apartment 5 contains a total interior floor area of approximately 72 square feet, and is depicted on Sheet A-7A of the Condominium Map, filed with the Sixth Amendment, and is designated as "Recreational" on Drawing No. 3A of the Condominium Map, filed with the Sixth Amendment.

Apartment 6 (Real Estate Office A): Apartment 6 contains a total interior floor area of approximately 928 square feet and is shown on Sheet A5 filed with the Seventh Amendment, except that the boundary between Apartment 6 and Apartment 7 is the center of the double dotted line shown on Sheet A5, so that the rectangular shaped area, which extends from the center of the double dotted line to the former boundary of Apartments 6 and 7 (the "rectangle") is not part of Apartment 6.

Apartment 7 (Real Estate Office B): Apartment 7 contains a total interior floor area of approximately 1126 square feet, and is depicted on Sheet A5 of the Condominium Map, filed with the Seventh Amendment except that Apartment 7 includes the area shaded in brown plus the rectangle.

Apartment 8 (Real Estate Office C): Apartment 8 contains a total interior floor area of approximately 388 square feet, and is depicted (shaded in green) on Sheet A5 of the Condominium Map, filed with the Seventh Amendment.

All references above to the size of the total interior floor area of the Apartments have been measured from the interior surface of the perimeter walls of the Apartments. As set forth in the Declaration, however, the perimeter walls themselves constitute portions of either Apartments or limited common elements appurtenant to Apartments.

No designations on the Condominium Map, and no description of uses set forth above or in Exhibit G next to the Apartment numbers, shall in any manner be construed to define or limit the uses to which any Apartment may be put. Each of the Apartments has immediately access to walkways leading to various portions of the Project grounds which are common elements of the Project.

CONDOMINIUM PUBLIC REPORT ON POIPU KAI RACQUET CLUB

EXHIBIT G

COMMON INTERESTS

<u>Apartment</u>	<u>Percentage of Common Interest</u>
1 (Lobby)	12
2 (Lanai Room)	17
3 (Restaurant)	42
4 (Activities and Pro Shop)	5
5 (Recreational Apartment)	1
6 (Office A)	9
7 (Office B)	10
8 (Office C)	4