

REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

FINAL
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
HALE HUI KAI
Kihei, Maui, Hawaii

REGISTRATION NO. 229

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 until

- (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: February 9, 1971

Expires: March 9, 1972

SPECIAL ATTENTION

A comprehensive reading of the 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 OCTOBER 14, 1968, AND SUPPLEMENTS TO NOTICE OF INTENTION WERE SUBMITTED SEPTEMBER 9, 1970, AND DECEMBER 8, 1970, AND INFORMATION SUBSEQUENTLY FILED AS LATE AS FEBRUARY 5, 1971. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514 OF THE HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on HALE HUI KAI, Registration No. 229, dated December 24, 1968, the Developer has prepared and forwarded additional information to that filed in the October 14, 1968 submittal. The effective period of said Preliminary Public Report was extended to June 10, 1970, and for a second time to August 10, 1970, and for a third time to September 4, 1970.

2. The Developer has submitted to the Commission all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report prior to the completion of construction. This Final Public Report supersedes the Preliminary Public Report of December 24, 1968, in its entirety. This Final Public Report is made a part of the registration on the HALE HUI KAI condominium project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers including those receiving the Preliminary Public Report. Securing a signed copy of the Receipt for the Final Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.
3. HALE HUI KAI is a fee simple condominium project consisting of forty (40) apartments arranged throughout a single building of three (3) wings connected by exterior covered walks. Each apartment shall have a parking stall located in the parking area as an appurtenant limited common element. The common elements include a manager's apartment, office, swimming pool and its filtration system, sewage disposal units, outdoor lighting and ground floor laundry next to the office and manager's apartment.
4. Promotional material has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have been filed in the office of the recording officer.

The Declaration of Horizontal Property Regime executed on August 24, 1970, with the By-Laws attached, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7171, Page 250. The Registrar has designated Condominium Map No. 172 to the project.

An Amendment to the Declaration of Horizontal Property Regime and Condominium Map No. 172 executed on January 21, 1971, has been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7377, Page 186.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, February 9, 1971, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.
8. Since there were material changes made in the project after the issuance of Preliminary Public Report, and because the Final Public Report was not issued within one year after the issuance of the Preliminary Public Report, all purchasers with reservation agreements entered into prior to the issuance of this Final Public Report are not under legal obligation to execute a Contract of Sale to purchase an apartment. Said purchasers are entitled to obtain refund of all money deposited as part payment of purchase price, less a reasonable cancellation fee.

The information in the topical headings of the Preliminary Public Report with the exception of DESCRIPTION, INTEREST TO BE CONVEYED PURCHASER, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, FINANCING OF PROJECT and STATUS OF PROJECT has not been disturbed.

NAME OF PROJECT: HALE HUI KAI

LOCATION: The approximate 47,008 square feet of land to be committed to the regime is situated at Kamaole, Kula, Island and County of Maui, State of Hawaii.

TAX KEY: SECOND DIVISION 3-9-04-25

ZONING: Hotel (H-2)

DEVELOPER: KEAWAKAPU HUI, a joint venture, consisting of: Ronald M. Brown, Lucille E. Brown, Ian McMillan, Vera L. McMillan, Glenn E. McLean, Eva R. McLean, Walter C. Witte, Margaret G. Witte, Helen J. Bailey, Sharon M. Bailey, George L. Schafer, William D. Zeratsky and Geraldine F. Zeratsky, represented by Walter C. Witte, their attorney-in-fact.

Business and post office address of developer is:

2994 South Kihei Road
Kihei, Maui, Hawaii

Telephone 897-2069

ATTORNEY REPRESENTING DEVELOPER: Crockett & Crockett
(Attention: Mr. William F. Crockett), 38 S. Market Street, Wailuku, Maui, Hawaii. Telephone 244-3796.

DESCRIPTION. The specimen Declaration of Horizontal Property Regime and Developer's floor plans reflect that the proposed condominium submitted to the regime, situated on 47,008 square feet of land, will when complete consist of forty (40) fee simple apartments arranged throughout three (3) wings of the building, connected by exterior walks.

The three (3) wings of the building are described by the specimen Declaration of Horizontal Property Regime as the "North Wing", "South Wing" and "West Wing." The North Wing and South Wing shall each contain three (3) stories, including the ground floor. The North Wing shall contain fourteen (14) apartments. The South Wing shall contain fifteen (15) apartments. The West Wing shall contain four (4) stories, including the ground floor. The North Wing shall contain eleven (11) apartments. The North Wing shall also contain the premises for the lodging or use of persons employed for the operation of the said horizontal property regime, a portion of the common elements of the said horizontal property regime, situated on the northeast corner of the ground floor, called the "Manager's Apartment."

The principal materials of which the said buildings shall be constructed are as follows: the ground floor (including the walks of the ground floor) will be poured, reinforced concrete; the second, third and fourth story floors shall be of light weight concrete over wood joist and plywood subflooring; the exposed interior floor surfaces of the apartments of the said buildings shall be covered with vinyl asbestos floor tile or floor carpeting; the structural frame walls of the said buildings (except the first story of the North and South Wings) shall be of rough sawn cedar or exterior grade plywood over structural wood studs; the structural frame walls of the first stories of the North and South Wings shall be of structural wood studs covered by asphalted felt under a rock veneer; the perimeter walls between apartments, and the interior apartment walls between rooms of each apartment, shall be of structural wood studs covered by gypsum board and/or wood panels; the structural frame walls, and the perimeter walls between apartments, shall contain two inches of fiberglass insulation; the roof shall be of structural wood frame (wooden roof cords and trusses) covered by thick butt cedar shakes; the walks adjacent to and connecting the apartments on each story above the ground floor of each wing of the said buildings shall be of wood.

The apartments are of two general types: "A" and "B". There are eleven (11) "A" apartments, and twenty-nine (29) "B" apartments.

Apartments 10, 11, 22, 23, 24, 35, 36, 37, 38, 39 and 40 are "A" apartments.

Apartments 1 through 9, 12 through 21, and 25 through 34, are "B" apartments.

Each "A" apartments shall consist of a living room, kitchen, dining area, foyer, two bedrooms, two baths, and a lanai. Apartments 10, 11, 22, 23, 24, 35, 36, and 37 shall have an approximate enclosed floor space of 1010 square feet. Apartments 38 and 40 shall have an approximate enclosed floor space of 1028 square feet. Apartment 39 shall have an approximate enclosed floor space of 1026 square feet. Apartments 38 and 40 shall have a lanai of approximately 309 square feet. Apartment 39 shall have a lanai of approximately 372 square feet. Apartments 23 and 36 shall have a lanai of approximately 388 square feet. Apartments 10, 11, 22, 24, 35, and 37 shall have a lanai of approximately 327 square feet.

Each "B" apartment shall consist of a living room, kitchen, dining area, foyer, two bedrooms, two baths and a lanai, and each such apartment shall have an approximate enclosed floor space of 898 square feet, and a lanai of approximately 77 square feet.

Apartments 1 through 11 shall each have immediate access to the land heretofore described. The other apartments shall each have immediate access to the walks adjacent to and connecting the apartments on each story above the ground floor of each wing of the said buildings, and the stairways between each story.

Each apartment shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and the space measured by the area of the lanai of each apartment; and measured vertically by the distance between the topside concrete surface of the floor and the underside surface of the ceiling.

In addition, the Developer has filed with the Commission a letter to Phillips Construction Company, Inc. from Charles Chamberland, Architect, notifying the Contractor of thirty (30) changes to the Construction Document and Condominium Map. Among the 30 changes some of the changes are as follows:

Item 5. The Contractor shall make provisions in his agreement with the Hui to offer the choice to the Hui of the following alternates in the baths:

- A. Ceramic tile bath and/or enclosure indicated.
- B. Fiberglass reinforced polyester integral bath and enclosure of manufacture to be approved by the Hui. The closet adjacent to the bath enclosure will expand into the additional space thus provided.

Item 7. Deletion of all plaster (stucco) work; fill and paint block walls.

Item 8. The Contractor shall make provisions in his agreement with the Hui to offer the choice to the Hui of the following alternates:

- A. Portland cement plaster balcony and walk covering soffits as indicated.
- B. 5/8" thick firecode moisture resistant gypsum board balcony and walk covering soffits.

Item 12. Deletion of gutters and downspouts.

Item 13. Deletion of stair at north side of court extending from the ground to the third floor level.

- Item 21. Deletion of wall and gate at open unit "A", ground floor.
- Item 24. Change party walls to have staggered studs in frame construction.
- Item 25. Addition of second elevator between units "B"-9 and "A"-10 to run to 4th floor, which shall be a Keyed stop.
- Item 26. Addition of a lockable stair enclosure from third to fourth floor.
- Item 27. Change living/dining room sliding glass doors at "A" units from 8' to 10' wide assemblies and also on bedrooms of fourth floor units.
- Item 29. Relocation of master bedroom walls at top floor "A" units to within 10" of railing and provide glass door to deck.

NOTE: Purchasers interested in all of the changes in letter mentioned in above paragraph should check with the Developer.

COMMON ELEMENTS: According to the specimen Declaration, the common elements shall include: (a) the land heretofore described and the superadjacent airspace above the roof, and next to the exterior walls, of the said buildings; (b) all foundations, columns, beams and supports, girders, roofs, walks, stairways, exterior walls, partition walls between each apartment, floors and ceilings, elevator and elevator shaft, trash chute, and community trash area on the ground floor; (c) the manager's apartment, office, swimming pool and its filtration system, sewage disposal units, outdoor lighting, ground floor laundry next to the office and manager's apartment; (d) all central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, refrigeration, air-conditioning, television, sewage disposal, and other utilities (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors, fans, compressors, ducts and other apparatus and installations existing for common use; (e) all tangible personal property, accounts, general intangibles, instruments and money, and any apartment of the regime, acquired and held by the Association of Apartment Owners or the Board of Directors of the horizontal property regime, or their agents, for the administration, maintenance, safety and operation of the common elements of the regime, or for the common use and benefit of the apartment owners.

LIMITED COMMON ELEMENTS: Each apartment shall have a parking stall located in the parking area as shown upon the said condominium map. Each such parking stall shall be marked by a number corresponding to the apartment to which it appertains, and each such parking stall shall be a limited common element appertaining to and reserved for the exclusive use of each such apartment.

INTEREST TO BE CONVEYED PURCHASER: The Declaration discloses that the percentage of undivided interest in the common elements appertaining to each apartment is as follows:

Apartments 1 - 9 inclusive:	2.204%
Apartments 10 and 11:	3.168%
Apartments 12 - 21 inclusive:	2.204%
Apartments 22 - 24 inclusive:	3.250%
Apartments 25 - 34 inclusive:	2.204%
Apartments 35 - 37 inclusive:	3.305%
Apartments 38 - 40 inclusive:	3.361%

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration reflects that the apartments shall be used as residential apartments.

OWNERSHIP TO TITLE: Developer has submitted a copy of a Preliminary Report executed December 22, 1970, by Title Guaranty of Hawaii Incorporated which certifies that legal title to the land committed to the project is vested in Ronald M. Brown and Lucille E. Brown, Ian McMillan and Vera L. McMillan, Glenn E. McLean and Eva R. McLean, Walter C. Witte and Margaret G. Witte, Helen J. Bailey, Sharon M. Bailey, George L. Schafer, and William D. Zeratsky and Geraldine F. Zeratsky, doing business as a joint venture under the name "KEAWAKAPU HUI".

ENCUMBRANCES AGAINST TITLE: The Preliminary Report of December 22, 1970, certifies that there are no liens or encumbrances of whatever kind or nature of record against said title, save and except the following: Taxes for the Fiscal Year 1970-1971 are a lien. The records at the Tax Office do not reflect that any portion of the first Installment has been paid as of December 22, 1970, the posting of tax payments made to the Tax Office for the first Installment for the Fiscal Year 1970-1971 has not been completed; Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 1959; "Reservation to the Territory of Hawaii in perpetuity all rights to ground but not surface waters which are or may be appertaining to the above described land or the ownership thereof," as reserved in Land Patent No. 13,225, dated November 15, 1956: "Reservation also to the Territory of Hawaii in perpetuity all rights to clay, minerals, mineral substances, oils and natural gases of every sort and description that may be upon the surface or in or under the land above described, together with the right to enter upon said land for purposes of mining, drilling or otherwise capturing, collecting or extracting the same and of transporting such raw or processed materials off said land,; as reserved in said Land Patent No. 13,225, dated November 15, 1956; Mortgage from Keawakapu Hui to First Hawaiian Bank, dated September 22, 1970, recorded in Liber 7304, Page 436 at the Bureau of Conveyances on December 9, 1970; Supreme Court of Hawaii Decision entitled Application of Ashford, 440 p. 2nd 76 (Hawaii 1968) which pertains to the land bordering on the ocean; Undated Financing Statement, recorded on December 9, 1970, in the Bureau of Conveyances in Book 7304 Page 447. Declaration of Horizontal Property Regime dated August 24, 1970, recorded on September 8, 1970, in the Bureau of Conveyances in Book 7171 Page 250. Condominium Map No. 172, filed in the Bureau of Conveyances on September 8, 1970.

NOTE: The Developer has filed with the Commission an Amendment to the Declaration of Horizontal Property Regime and Condominium Map No. 172, executed on January 21, 1971, recorded at the Bureau of Conveyances in Liber 7377 Page 186.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement, dated October 11, 1968, and a letter agreement, dated August 27, 1970, that amends paragraph 5 of the Escrow Agreement, between Security Title Corporation, a Hawaii corporation, and Keawakapu Hui, a joint venture, has been filed. On examination the specimen Contract of Sale and the executed Escrow Agreement and letter agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-15(6).

Among other provisions, the Escrow Agreement provides that upon the approval of the lending institution for the project, disbursements from the escrow funds shall be made by escrow from time to time to pay for (i) construction cost in proportion to the valuation of the work completed by the contractor on the apartment buildings to be constructed on said premises, as certified by a registered architect or professional engineer, and (ii) architectural and engineering fees, upon submission of bills for disbursements approved

or certified by a registered architect or professional engineer or registered accountant who is not an employee of seller nor is to receive these fees. The balance of the monies remaining in the escrow funds shall be disbursed in accordance with the direction of the seller only upon completion of the building.

The Escrow Agreement further provides that after the completion of the said project, and after escrow receives satisfactory evidence that all mechanic's and materialmen's liens arising as a result of the project have been satisfied, and forty-five (45) days after developer shall file with the Circuit Court of the Second Circuit of the State of Hawaii a copy of an affidavit showing publication, as required by H. R. S., Section 507-43, of a notice of completion of the said project, and shall furnish a file-marked copy thereof to escrow, escrow shall disburse the remaining money held in escrow to developer, or to whomsoever developer shall appoint.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Contract of Sale and the executed Escrow Agreement. The latter document, Escrow Agreement, establishes how the proceeds from the sale of apartments and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds.

FINANCING OF PROJECT: In the Second Supplement to the Notice of Intention submitted December 8, 1970, the Developer gives an estimated total cost of \$1,430,311.16 to complete the project.

Developer has advanced from its funds (equity) the amount of \$185,202.50 for the project (including the purchase of the land).

The First Hawaiian Bank has agreed to make an interim construction loan to developer for the project in the principal amount of \$750,000. The interim construction loan will be secured by a mortgage of the property submitted to the horizontal property regime, as more particularly set forth in the loan commitment letter issued by the First Hawaiian Bank to Keawakapu Hui, dated July 20, 1970.

Thirty (30) apartments have been sold under reservation agreements. The escrow held \$29,409.74, on November 30, 1970, in deposits for apartments that have been purchased under reservation agreements. The purchase price to be paid for the thirty (30) apartments that have been sold totals \$1,278,500. Upon the issuance of a final public report, and the execution of contracts of sale for the apartments that have been sold, the amount of \$355,000 (less the amount of the deposits paid under the reservation agreements) shall be due from these apartment purchasers. When the third floor of the building has been completed, an additional amount of \$284,250 shall be due from these purchasers. When the building is enclosed an additional amount of \$319,625 shall be due from these purchasers. When the building is completed, an additional amount of \$319,625 shall be due from these purchasers.

Eight (8) apartments have been sold to partners of the Keawakapu Hui joint venture for a total purchase price of \$435,500.

MANAGEMENT AND OPERATIONS: The Declarant discloses that the administration of the project shall be vested in the Association of Apartment Owners. The Developer has not entered into any management contract as of the date of this Final Public Report.

STATUS OF PROJECT: In the Second Supplement to the Notice of Intention submitted December 8, 1970, developer discloses that it has revoked the contract with John J. Fagan, dated June 22, 1970, for the construction of the project.

Developer has entered upon a contract, dated November 24, 1970, with Phillips Construction Co. Inc., dated November 24, 1970, for the construction of the full project for the "cost of the work", but not to exceed the amount of \$1,100,000.

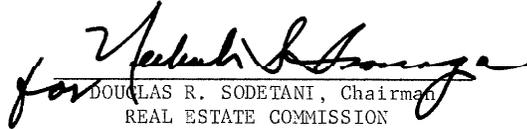
Phillips Construction Co. Inc. has obtained a performance bond for the project in the amount of \$1,100,000, and a labor and material payment bond in the amount of \$550,000, from St. Paul Fire and Marine Insurance Company, as surety.

Phillips Construction Co. Inc. commenced construction of the project November 30, 1970. Construction of the project must be completed on or before January 1, 1972. To date, only a nominal percentage of the work has been completed. The contractor will not warrant the building after the completion of construction.

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 October 14, 1968, and Supplements to the Notice of Intention submitted September 9, 1970, and December 8, 1970, and information subsequently filed as late as February 5, 1971.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 229, filed with the Commission October 14, 1968.

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


DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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DISTRIBUTION:
Department of Taxation
Bureau of Conveyances
Planning Dept., County of Maui
Federal Housing Administration
Escrow Agent

Registration No. 229
February 9, 1971