

**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  
THE MAHINA SURF  
Honoapiilani Highway at Mahinahina  
Lahaina  
Island and County of Maui  
Hawaii

REGISTRATION NO. 230

**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: February 6, 1969  
Expires: March 6, 1970

SPECIAL ATTENTION

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

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED OCTOBER 17, 1968, AND INFORMATION SUBSEQUENTLY FILED AS LATE AS JANUARY 24, 1969. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT AND AMENDMENTS THERETO BY ACT 244 (L. 1967) EFFECTIVE JUNE 6, 1967.

1. THE MAHINA SURF is a proposed leasehold condominium project consisting of fifty-six (56) apartments arranged in three two-story residential buildings. Fifty-six (56) parking stalls are to be available. The proposed Sales Contract and other documents show an intention on the part of the Developers to sell, in fee, the condominium apartment unit and to cause to be leased to the Buyer directly by the fee owner an undivided interest in the land on which the apartment is situated in accordance with the terms of a Ground Lease which expires on June 30, 2024.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached, and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.
4. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 170A, Revised Laws of Hawaii 1955, as amended, particularly ACT 244, L. 1967, effective June 6, 1967.
5. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, to wit, March 6, 1970, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: THE MAHINA SURF

LOCATION: The land, consisting of two (2) adjoining parcels containing 1.964 acres (85,552 square feet, approximately) in the aggregate, to be committed to the regime is situated on the makai (beach) side of the Lahaina-Honolulu Government Road, also called the Honoapiilani Highway, at Mahinahina, Kaanapali, Island of Maui, Hawaii. The project's location from other reference points is approximately as follows: 17 miles from Wailuku, the county seat of Maui County; 5 miles from Lahaina to the South; 3 miles from Kaanapali to the South; 2 miles to Napili to the North.

TAX KEY: SECOND DIVISION 4-3-09:4 and 4-3-09:5

ZONING: State Land Use. Urban, county zoning R-3 residential, Variance granted on July 25, 1967 for apartment use with 2-story buildings.

DEVELOPER: A Joint Venture consisting of MAHINA DEVELOPMENT CORP., a Hawaii corporation, whose principal place of business and post office address is 195 South King Street, Honolulu, Hawaii 96813; KULAKANE DEVELOPMENT CORP., a Hawaii corporation, whose principal place of business is in Lahaina, Maui, Hawaii, and whose post office address is Post Office Box 1166, Lahaina, Maui, Hawaii 96761; and HAROLD S. SINGLETON, whose post office address is Post Office Box No. 1166 Lahaina, Maui, Hawaii 96761.

ATTORNEY REPRESENTING DEVELOPER: Edward Y. C. Chun of Fong, Miho, Choy & Robinson, whose place of business and post office address is 195 South King Street, Honolulu, Hawaii 96813, and whose telephone number is 5376977, is the attorney representing Developer.

DESCRIPTION: The project will consist of three two-story buildings containing fifty-six (56) one bedroom apartments. The construction will be of concrete slab on the ground floor, wood frame, and 1-5/8" concrete topping on the second floor. The ceiling will be gypsum board exposed decking. The exterior walls will be rough sawn redwood plyboard within inverted battens and partitions and party walls will be gypsum board facing and 1/2" sound board on double studs. The roof will be of split cedar shake. The apartments and the common elements are more particularly described in the proposed Declaration of Horizontal Property Regime and the plans of construction which are intended to constitute the Condominium File Plan when filed in the Bureau of Conveyances of the State of Hawaii. Each of the apartments contains 547 square feet of interior space and 91 square feet of unenclosed lanai space. Each unit will be numbered as shown on the floor plans to be filed with the Declaration and will be in accordance with said plans, and all apartments shall have immediate access to the hallways or corridors located on their respective floors.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime, a copy of which is filed with the Commission, states that the common elements shall include (a) The land above described in fee simple (Note: Although the fee owners do propose to submit their fee to a horizontal property regime, it is intended, as is noted above, that an undivided interest thereto shall be leased to apartment purchasers); (b) All foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, corridors, fire escapes, entry halls, stairs, walkways,

entrances and exits of building; (c) All yards, grounds, landscaping, mail boxes, refuse facilities, walkways and swimming pool and appurtenant facilities; (d) All driveways and parking areas; (e) All ducts, cesspools, electrical equipment, wiring and other central and appurtenant installations for services including power, light, cold and hot water, refuse and telephone; (f) The manager's office laundry room and storage closet on the ground floor; and (g) The limited common elements below described.

LIMITED COMMON ELEMENTS: The Declaration provides that certain part of the common elements, called and designed as limited common elements will be set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto an exclusive easement for the use of such limited common elements. The limited common elements to be set aside and reserved are as follows: (a) One parking space designated on said Condominium Map by the number corresponding to the number of each apartment shall be appurtenant to and for the exclusive use of such apartment; (b) Each entry hallway adjoining an apartment or apartments shall be appurtenant to and for the exclusive use of such apartment or apartments which it adjoins.

INTEREST TO BE CONVEYED TO PURCHASER: The undivided interest in the common elements appertaining to each apartment and its owner for all purposes, including voting is 1.78571%, except that Apartments 101, 128, 201 and 228 each shall have a 1.78577% undivided interest.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the building shall at all times be used as a residential apartment building.

OWNERSHIP TO TITLE: The Notice of Intention shows that the fee simple title to the two (2) parcels is vested in FINANCE INVESTMENT COMPANY, LIMITED, a Hawaii corporation, whose principal place of business and post office address is 195 South King Street, Honolulu, Hawaii 96813 and HAWAII PROJECTS, INC. (formerly, KAA NAPALI HOTEL CORPORATION), an Arizona corporation, whose principal place of business is in Lahaina, Maui, Hawaii and whose post office address is Post Office Box 1166, Lahaina, Maui, Hawaii 96761, each as a tenant in common of an undivided one-half (1/2) interest. On October 29, 1965, TITLE GUARANTY OF HAWAII, INCORPORATED, a licensed abstractor, issued its certificates of title showing that the title to the land was vested in the aforesaid and HAROLD S. SINGLETON. The latter's interest is the subject of an assignment of an undivided one-fourth (1/4th) interest in favor of HAWAII PROJECTS, INC., which assignment is dated November 16, 1966 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 6171 at Page 375.

ENCUMBRANCES AGAINST TITLE: The certificates of title aforesaid issued in respect to the parcel containing 0.973 acre (Tax Map Key No. 4-3-09:05) shows it to be encumbered by (a) a mortgage dated October 14, 1965 and recorded in the aforesaid Bureau of Conveyances in Liber 5177 at Page 241, in favor of Valentine U. Marciel, Executor of the Estate of Lydia Cecilia Keaopolohiwa Marciel, also known as Lily C. Marciel; and (b) a reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant Number 1166.

The certificates of title aforesaid issued in respect to the parcel containing 0.991 acre (Tax Map Key No. 4-3-09:04) shows it to be encumbered by (a) a mortgage dated October 14, 1965 and recorded in the aforesaid Bureau of Conveyances in Liber 5177 at Page 261 in favor of Charlotte M. Kimi; and (b) a reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No. 1166.

Although not reflected either by the aforesaid certificates nor by documents currently recorded in said Bureau of Conveyances, the Developers by their Notice of Intention, have advised of their intention to record the following documents prior to the first sale of an apartment and lease of an undivided interest.

(a) Lease by and between FINANCE INVESTMENT COMPANY, LIMITED and HAWAII PROJECTS, INC., as Lessors, and the Developers, to-wit, MAHINA DEVELOPMENT CORP., KULAKANE DEVELOPMENT CORP., and HAROLD S. SINGLETON, as Lessees. (Note: said lease, by its terms, contemplates and provides for the pro tanto release of the lessees' obligations thereunder upon the issuance of individual ground leases of undivided interests in the land);

(b) Agreements Amending the Mortgages in favor of Valentine U. Marciel and Charlotte M. Kimi aforesaid, the terms of which amendments, inter alia, provide for (i) the waiver of "the priority of said mortgage of over said lease (between FINANCE INVESTMENT COMPANY, LIMITED and HAWAII PROJECTS, INC. to the Developers)"; (ii) "Consents to the submission by the (Developers) of its leasehold to a Horizontal Property Regime and consents to the joinder by the (fee owners) of their fee simple interest to such submission, and . . . consents to the assignment or sublease of an undivided interest in said lease to an apartment owner as an appurtenant common element thereto, and . . . (recognition of) the priority of the same and the rights of apartment owners therein . . . "; (iii) the confirmation by the mortgagees of the subordination of their lien to or the lien of "any construction mortgage in favor of FIRST NATIONAL BANK OF HAWAII." (Note: The recognition of the priority of the leases of undivided interest in the land is specifically conditioned on the attornment under the terms of their lease or leases, by such lessee or lessees to said mortgage or the purchase of the fee simple estate in the event of the foreclosure of the interest of the fee owner.

(c) A construction mortgage in favor of FIRST NATIONAL BANK OF HAWAII, which the Developers advise shall be paid or satisfied of record prior to the first lease of an apartment, or the apartment being conveyed or leased and its common interest shall be released therefrom by partial release duly recorded;

(d) Declaration of Horizontal Property Regime, which although not recorded in the Office of the recording officer as of the date of this Preliminary Public Report, is intended by the Developers, according to their advice, to be recorded prior to the date of the execution of the initial contract of sale.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated December 11, 1968 identifies FIRST NATIONAL BANK OF HAWAII, a national banking association, as Escrow Agent. On examination, the specimen Sales Contract and executed Escrow Agreement are found to be in compliance with Chapter 170A, Revised Laws of Hawaii 1955, as amended, and particularly Sec. 170A-33 and Sec. 170A-33.1 through 170A-33.5, as incorporated in the Horizontal Property Act through Act 244 (L. 1967) effective June 6, 1967.

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

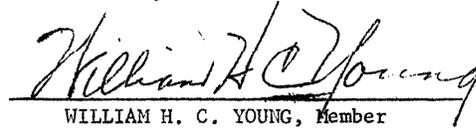
MANAGEMENT AND OPERATION: The proposed By-Laws of the Association of Apartment Owners place the authority on the Board of Directors to secure the services of a managing agent to manage the condominium project. No manager has yet been named.

STATUS OF THE PROJECT: The Developers advise that they intend to commence preliminary site work on approximately November 1, 1968. The Developer advises that such preliminary work is to be borne entirely by the Developer's own funds. The Developers also advise that they, prior to their request to this Commission for issuance of a Final Public Report, shall demonstrate to the Commission, in accordance with the requirements of Sec. 170A-13.6 of the Revised Laws of Hawaii aforesaid, the adequacy of funds for the completion of construction. A condition of the disbursement of escrow funds, as reflected by said escrow agreement is the issuance of said Final Public Report. Developer has also advised that the anticipated building completion date is November 1, 1969.

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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 October 17, 1968, and additional information filed as late as January 24, 1969.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 230 filed with the Commission on October 17, 1968.

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



WILLIAM H. C. YOUNG, Member  
REAL ESTATE COMMISSION  
STATE OF HAWAII

REB:sw

Distribution:

DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING COMMISSION, COUNTY OF MAUI  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

February 6, 1969  
Registration No. 230

