

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

KIHEI KAI

Kihei, Maui, Hawaii

REGISTRATION NO. 252

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: April 1, 1969

Expires: May 1, 1970

SPECIAL ATTENTION

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

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 17, 1969 AND INFORMATION SUBSEQUENTLY FILED AS LATE AS MARCH 23, 1969. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS 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. KIHEI KAI is a proposed leasehold condominium project consisting of twenty-four (24) dwelling units contained in two wood-frame buildings of two (2) stories, designated as Building "A" and Building "B", together with an additional dwelling unit, attached to Building "A", which is a common element designated for use as an office and manager's residence. Each apartment shall have a stairway appurtenant to it as a common element. The common elements include the manager's office and apartment, the parking areas with twenty-four (24) parking stalls and driveway, and a recreation area which includes a swimming pool.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary and for the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.
4. Advertising or promotional matter has been submitted pursuant to rules and regulations promulgated by the Commission. The Developer has also submitted a description of a sign which has been posted on the premises.
5. 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) and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, April 1, 1969, 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: KIHEI KAI

LOCATION: The approximately 26,615 square feet, acquired by the Developer under a lease from Murray Youlin and Virginia S. Youlin, dated November 16, 1968, and recorded with the Bureau of Conveyances in Liber 6137, page 446, is situated on the makai (westerly) side of Kihei Road at Pulehunui, Kula (Kihei), Island and County of Maui, State of Hawaii.

TAX KEY: SECOND DIVISION 3-3-13-22

ZONING: Hotel

DEVELOPER: Kihei Kai Developers, Inc., a Hawaii corporation. Officers are: Oren E. Wilson, President; Frank A. Stiller, Secretary; Murray Youlin, Treasurer; Virginia S. Youlin, Vice President. Telephone: 367-115. Address: 207 Wailuku Townhouse, Wailuku, Maui, Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Sanford J. Langa, 207 Wailuku Townhouse Building, Wailuku, Maui, Hawaii. Telephone: 39-169.

DESCRIPTION: The specimen Declaration of Horizontal Property Regime reflects that the project is to consist of twenty-four (24) leasehold apartments, arranged throughout two buildings, situated upon the lease land hereinbefore described. Each apartment consists of the space or area contained in the perimeter wall of each apartment unit in the two multi-family structures, together with an undivided interest in the common and limited common elements appertaining thereto.

The two buildings are described by the specimen Declaration of Horizontal Property Regime as "Building A," containing 16 apartments, and "Building B," containing 8 apartments. Building "A" also includes an attached wing, containing the manager's office and apartment, which is a portion of the common elements of the Horizontal Property Regime.

Each building will be of wood-frame construction. Each apartment consists of one bedroom, one bathroom, one kitchen, one livingroom, a hallway and one lanai. Apartments numbered 1 through 8 are located on the first floor of Building "A", apartments numbered from 9 through 16 are located on the second floor of Building "A", apartments numbered 17 through 20 are located on the first floor of Building "B", apartments numbered 21 through 24 are located on the second floor of Building "B". Apartments 2, 3, 6 and 7 have approximately 656 square feet floor area each, including the lanai. Apartments 1, 4, 5 and 8 have approximately 632 square feet of floor area each, including the lanai. Apartments 10, 11, 14 and 15 have approximately 632 square feet of floor area, including the lanai. Apartments 9, 12, 13 and 16 have approximately 608 square feet of floor area each, including the lanai. Apartments 18 and 19 have approximately 615 square feet of floor area each, including the lanai. Apartments 17 and 20 have

approximately 612 square feet of floor area each, including the lanai. Apartments 22 and 23 have approximately 635 square feet of floor area each, including the lanai. Apartments 21 and 24 have approximately 595 square feet of floor area each, including the lanai.

Each apartment has access by way of a stairway, which is appurtenant to and for the exclusive use of that apartment, except that apartments 2 through 7, 10, 11, 14, 15, 22 and 23 each share a stairway with one other of said apartments.

COMMON ELEMENTS: The specimen Declaration reflects that the common elements include: (a) Said land in leasehold for 55 years; (b) All foundations, floors, columns, girders, beams, supports, bearing walls, roofs, chases, entries, stairways, walkways and elevator of said buildings; (c) All yards, grounds, landscaping, mailboxes and refuse facilities; (d) All parking areas and driveways; (e) All ducts, electrical equipment, wiring and other central and appurtenant installations including power, light, water, sewage treatment system, water sprinkling system and telephone; (f) Swimming pool, swimming pool recreation area and equipment and well site; and (g) A two-story 21 feet by 23 feet building attached to Building "A" designated as office and containing two baths, kitchen, laundry and area for maintaining a manager's office and living quarters.

LIMITED COMMON ELEMENTS: The specimen Declaration reflects that the limited common elements are the stairways being shared by two apartments, hereinbefore described.

PERCENTAGE OF UNDIVIDED INTEREST: The specimen Declaration states that each apartment will have appurtenant to it an undivided 1/24th interest in the common elements, and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting.

INTEREST TO BE CONVEYED TO PURCHASER: There will be conveyed to the purchaser a leasehold interest in the apartment purchased. The specimen Apartment Lease specifies that the lease will be for a term ending November 30, 2023. The rent for the first twenty years of the apartment lease will be \$27.00 per month, net over and above all taxes, assessments and other charges payable by lessee. The rent for the remaining period of the lease is to be determined by negotiation or arbitration upon the expiration of the initial twenty-year period.

The apartment lease will provide that the Lessee shall be deemed to be the owner of his apartment for all purposes of the Horizontal Property Regime; provided, however, that any vote or other action of the Lessee with respect to construction plan, partition of the project, amendment of the Declaration or the By-Laws, appointment of the Managing Agent, or any other matter as to which the Lease requires the approval or consent of the Lessors, shall be effective only with the Lessor's consent.

The apartment lease will permit the Lessee to sell, sublet or mortgage his interest in the apartment without the consent of the Lessor.

The specimen Apartment Lease reflects that the leasehold interest conveyed by each apartment lease, shall include a 1/24th undivided interest in the common elements of the project, together with non-exclusive easements in the common elements for use according to their respective purposes, subject to the exclusive or limited use of the limited common elements as provided in the Declaration.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The specimen Declaration specify that except for the manager's office and apartment, which may be used for any purpose consistent with the zoning of the land, the apartments shall be used and occupied only as private dwellings by the respective owners, their tenants, families, domestic servants and social guests, and the owners of the respective apartments shall have the right to lease or rent their apartments for transient purposes, subject to all the provisions of the Declaration.

ENCUMBRANCES AGAINST TITLE: The Certificate of Title dated October 21, 1957 and continuations of the Certificate of Title dated December 1, 1958, April 19, 1959,

and January 13, 1969 prepared by the licensed abstractor, Title Guaranty of Hawaii, Inc., certify that there are no liens or encumbrances of any kind or nature recorded against the title, save and except the following: Taxes that may be due and owing and a lien on the land: reference is hereby made to the Office of the Tax Assessor of the Second Division; Lease dated November 15, 1968 made by Murray Youlin and Virginia S. Youlin, husband and wife, the fee owners, to Kihei Kai Developers, Inc., the Developer of this project, for a term of 55 years commencing December 1, 1968 and ending on the last day of November 2023 recorded in Vol. 6306, page 171.

NOTE: Developer has submitted a tax statement prepared by the Office of Tax Assessor of the Second Division which indicates that taxes are current. The next tax installment of \$234.30 is due on June 10, 1969.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement, dated December 23, 1968, identifies Title Guarantee Escrow Services, Inc., a Hawaii corporation, as the escrow agent. On examination, the specimen Deposit Receipt and Contract and the executed Escrow Agreement are found to be in compliance with Chapter 170A, Revised Laws of Hawaii, 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.

Among other provisions the executed Escrow Agreement states that a purchaser under contract of sale, upon written request, shall be entitled to a refund of all monies deposited with Escrow, without interest, and less Escrow's \$10.00 cancellation fee, if any of the following events shall have occurred: (a) Escrow receives a written request from Seller to return to Purchaser the funds of such Purchaser; or (b) If a Purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the condominium building plans, subsequent to the execution of Purchaser's sales agreement, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the Purchaser has given written approval or acceptance of the specific change; or (c) If a Purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or (d) If the Final Public Report differs in any material respect from the Preliminary Public Report, unless the Purchaser has given written approval of acceptance of the difference; or (e) If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

Purchaser shall in any event have the right to a refund of any money deposited in Escrow, less said cancellation fee, without interest, upon written request therefor at any time within fifteen (15) days after the issuance of a Final Public Report on the project.

The specimen Deposit Receipt and Contract states that in the event that less than 75% of the apartments are sold prior to September 30, 1960, Seller may at its option cancel the agreement, refund to Buyer all monies paid, and be relieved and released of all further liability thereunder.

The specimen Deposit Receipt and Contract states that the terms of the Escrow Agreement are made a part of the Contract of Sale by reference. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Deposit Receipt and Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the dwelling units and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds.

MANAGEMENT AND OPERATIONS: The By-Laws vest the Board of Directors with the authority to acquire and pay for the services of a person or firm to manage the Horizontal Property Regime. The notice of the intention to sell identifies Aaron M. Chaney, Inc., as the Manager.

STATUS OF PROJECT: A Building Construction Contract has been executed on January 16, 1969 with Wilson-Stiller Construction Co., Inc. Construction has not yet begun. The Developer advises that he presently plans to begin construction by June 1, 1969, and completion date will be November 30, 1969.

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 January 17, 1969 and information subsequently filed as late as March 28, 1969.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 252, filed with the Commission on January 17, 1969.

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


HERBERT S. ISONAGA, Vice Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Distribution:

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

April 1, 1969
Registration No. 252

