

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

HALE MAKANI

Mahinahina, Kaanapali, Lahaina, Maui, Hawaii

REGISTRATION NO. 275

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: June 13, 1969

Expires: July 13, 1970

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 APRIL 18, 1969, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS LATE AS MAY 23, 1969. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. Hale Makani is a proposed fee simple condominium project having twelve (12) units arranged throughout three (3) residential apartment buildings. Fourteen (14) parking stalls will be available.
2. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
3. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

4. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.
5. The basic documents (the Declaration of Horizontal Property Regime and the covenants, restrictions and By-Laws and a copy of the approved Floor Plans) have not been filed in the office of the recording officer. The Developer reports that the basic documents will be filed in the Bureau of Conveyances of the State of Hawaii concurrently with the mortgage securing the construction loan.
6. This Preliminary Public Report is made a part of the registration on the Hale Makani condominium project. 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 prospective purchasers. Securing a signed copy of the Receipt for the Final Horizontal Property Regime Public Report from each purchaser and prospective purchaser when it is issued is also the responsibility of the Developer.
7. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, June 13, 1969, unless a supplementary report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: HALE MAKANI

LOCATION: The 41,894 square feet of fee simple property to be committed to the regime is situated on the makai (west) side of Honoapiilani Highway at Mahinahina, Kaanapali, Lahaina, Island of Maui, State of Hawaii.

TAX KEY: Second Division, 4-3-06: 12 and 50

ZONING: R-3, Maui County, Multi-Family

DEVELOPER: The notice of Intention reveals the Developer to be a corporation organized under the laws of the State of Hawaii, known as Hale Makani, Inc. The officers and directors of the corporation and their addresses are as follows:

A. Ford Lovelace	President	1193 Glen Road Lafayette, California
Edwin Sondgroth	Vice President-Treasurer	Hale Kai, Apt. 218 Lahaina, Hawaii
Richard C. Lo	Secretary	195 S. King Street Honolulu, Hawaii
Bay Yee	Assistant Secretary	P. O. Box 1232 Honolulu, Hawaii
Shubert Inch	Vice President-Assistant Secretary	300 Lakeside Drive Oakland, California
Richard Nair	Vice President-Assistant Treasurer	300 Montgomery Street San Francisco, California

ATTORNEY REPRESENTING DEVELOPER: Lo and Youth (Attention: Richard C. Lo), 302 Finance Factors Building, 195 South King Street, Honolulu, Hawaii. Telephone 537-1991.

DESCRIPTION OF PROJECT: The specimen Declaration of Horizontal Property Regime reflects that this is a fee simple residential condominium apartment complex consisting of three (3) buildings, designated respectively as Buildings A, B and C. Each building consists of two (2) floor levels with two (2) apartments on each floor level. The buildings shall be erected with concrete slab ground floors and

wooden second floors, lava rock veneer walls, rough sawn redwood plywood exterior and cedar shake roofs.

Building A is located nearest the ocean on the Lahaina side of the property. It has four (4) apartments designated respectively as Nos. A-1 and A-3 (odd numbers are on the ground floor) and A-2 and A-4 (even numbers are on the second floor).

Building B is located nearest to the highway. It has four (4) apartments designated respectively as Nos. B-1 and B-3 (ground floor) and B-2 and B-4 (second floor).

Building C is located nearest the ocean on the Honolulu side of the property. It has four (4) apartments designated respectively as Nos. C-1 and C-3 (ground floor) and C-2 and C-4 (second floor).

Each of the apartments contains a floor area of approximately 1,083 square feet, plus a lanai of approximately 234 square feet, all in one story, which are located at either end of each of the three (3) buildings. In addition, each apartment located on the second floor, namely Nos. A-2, A-4, B-2, B-4, C-2 and C-4, have a loft area above the living room containing an area of approximately 133 square feet.

Within each of the apartments there are two (2) bathrooms, two (2) bedrooms, a kitchen, living room, storage and washroom. A floor plan of the type of apartment units can be seen on page 3 of the Preliminary Plans prepared by Lemmon, Freeth, Haines & Jones, the architects of the project.

COMMON ELEMENTS: The Specimen Declaration states that within the condominium project, the owners of the apartments of the project will have the use of certain common elements. The common elements of the project shall include: (1) the aforesaid land in fee simple; (2) all foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, chases and entries of said buildings; (3) all yards, grounds, landscaping, mail boxes, refuse facilities, walkways, swimming pool and pool pavilion; (4) all parking areas and driveways; (5) all ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, water, sewer and telephone; (6) all other portions of the land and improvements not specifically heretofore designated as apartments or hereafter designated as limited common elements, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Horizontal Property Regime; (7) two (2) parking spaces as shown on said condominium file plan not designated by letter and number corresponding to any apartment number shall be held under common ownership.

LIMITED COMMON ELEMENTS: The specimen Declaration states that certain parts of the common elements designated and called "limited common elements" are set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such common elements. The limited common elements are as follows: One (1) parking space designated on said condominium file plan by the number corresponding to the number of each apartment shall be appurtenant to and for the exclusive use of such apartment. All other common elements of the project which are rationally related to less than all of said apartments or buildings shall be limited to the use of such apartments or buildings.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The specimen Declaration reflects that the percentage of undivided interest in all the common elements of whatever kind appertaining to each apartment and each owner for all purposes shall be 1/12th or 8.333%.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The specimen Declaration reflect that the apartments shall be primarily used for living purposes by their respective owners, their families, tenants and guests. Subject to all provisions of the Declaration and By-Laws, the owners of the respective apartments shall have the absolute right to lease such apartment either individually or through any duly constituted agent.

OWNERSHIP TO TITLE: The Developer reports that title to the property, Tax Key: 4-3-06-12, is vested in Gertrude M. F. Moir; and title to the property, Tax Key: 4-3-06-50, is vested in James Archibald Hay Wodehouse and Elizabeth Buchanan Wodehouse, husband and wife, as Joint Tenants. Developer has submitted Certificate of Title and Continuation of Certificate of Title prepared by Title Guaranty of Hawaii covering both parcels of land. The title reports confirms that the vestees are as designated above.

ENCUMBRANCES AGAINST TITLE: The title reports certify that as of May 20, 1969 (date of latest Continuations) there are no liens or encumbrances against said titles, save and except the following:

As to Tax Key: 4-3-06-12

Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 415. Agreement of Sale dated March 15, 1968 by and between Gertrude M. F. Moir, as Vendor, and Edwin J. Sondgroth and Miriam O. Sondgroth, A. Ford Lovelace and Hope B. Lovelace, Shubert S. Inch and Ethel G. Inch, Richard S. Nair and Susan S. Nair, as Vendees, recorded in Liber 6015 on Page 177. Assignment of Agreement of Sale dated May 7, 1969, by and between Edwin J. Sondgroth, et al, as Assignors, and Hale Makani, Inc., as assignee, assigning that certain Agreement of Sale dated March 15, 1968, recorded in Liber 6015 on Page 177.

As to Tax Key: 4-3-06-50

Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 415. Agreement of Sale dated July 17, 1968, by and between James Archibald Hay Wodehouse and Elizabeth Buchanan Wodehouse, as Vendors, and Edwin J. Sondgroth and Miriam O. Sondgroth, A. Ford Lovelace and Hope B. Lovelace, Shubert S. Inch and Ethel G. Inch, Richard S. Nair and Susan G. Nair, as Vendees, recorded in Liber 6221 on Page 202. Assignment of Agreement of Sale dated May 7, 1969, by and between Edwin J. Sondgroth, et al, as assignors, and Hale Makani, Inc., as assignee, assigning that certain Agreement of Sale dated July 17, 1968, recorded in Liber 6221 on Page 202.

NOTE: For any taxes that may be due and owing and a lien on the lands, reference is hereby made to the Office of the Tax Assessor of the District in which said lands are situated. Attention is directed to Case No. 4516 in the Supreme Court of Hawaii wherein on April 30, 1968 the Court rendered its opinion regarding the location of highwater mark.

The Developer reports that although at the time of purchase there were two (2) parcels of property, they have been consolidated into one (1) lot in anticipation of construction being placed on both of such lots. The Developer further reports that the consolidated parcel of land will be paid in full before the interim construction mortgage is placed of record.

PURCHASE MONEY HANDLING: A copy of the specimen Reservation Agreement and Sales Contract and the executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement dated May 14, 1969 identifies First Hawaiian Bank as the "Escrow." On examination the specimen sales contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Sec. 514-35 through Sec. 514-40.

Among other provisions the executed Escrow Agreement provides that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest, if the purchaser requests in writing refund of his funds and any one of the following has occurred: (a) Developer has requested Escrow in writing to return to purchaser the funds of purchaser then being held hereunder by Escrow; or (b) Purchaser's funds were obtained prior to the issuance of a final public report and there is a change in the condominium building plans subsequent to the execution of purchaser's sales contract requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings (unless purchaser has given written

approval or acceptance of the specific change); or (c) The final public report differs in any material respect from the preliminary public report; or (d) The final public report is not issued within one (1) year from the date of issuance of the preliminary public report.

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

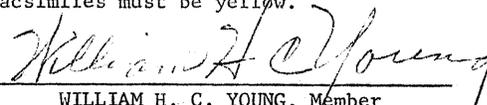
MANAGEMENT AND OPERATIONS: The specimen Declaration states that the Board of Directors, shall, in accordance with the By-Laws of the Association of Apartment Owners, appoint a managing agent. The Developer advises that the initial managing agent shall be First Hawaiian Bank whose principal place of business is King and Bishop Streets, Honolulu, Hawaii.

STATUS OF PROJECT: The contractor for the project has not been selected as yet. The contractor, when selected, shall be required to post a performance and payment bond equal to 100% of the cost of construction. Construction has not yet commenced and the Developer reports that it shall not commence until sufficient units are sold to qualified purchasers and there is adequate interim and take-out financing to assure the success of the project. The specimen Reservation Agreement and Sales Contract states that if by December 31, 1969, less than ten (10) apartments in this project shall be sold, Seller may at its option cancel the contract, refund to buyers all monies paid, together with interest at the rate of 6% per annum, and be relieved and released of any and all further obligations.

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 April 18, 1969 and additional information subsequently filed by the Developer as of May 23, 1969.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 275 filed with the Commission April 18, 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.


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

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ESCROW AGENT

June 13, 1969
Registration No. 275

