

# 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  
HONO KAI  
Maalaea Beach Road  
Maalaea, Maui, Hawaii

REGISTRATION NO. 339

### 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: July 27, 1970  
Expires: August 27, 1971

#### 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 JUNE 30, 1970, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS LATE AS JULY 23, 1970. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. HONO KAI is a proposed leasehold condominium project consisting of 46 apartment units contained in one 2-story building and three 3-story buildings. The buildings are of concrete block and wood frame construction. The common elements include the parking areas, grounds, swimming pool, recreation area, and a one-bedroom apartment for use as a manager's office and living quarters.
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, 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. No advertising or promotional matter has been submitted pursuant to rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Hawaii Revised Statutes, Chapter 514, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, July 27, 1970, 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: HONO KAI

LOCATION: The 1.011 acres of land (Lot 19 of the Maalaea Beach Lots Subdivision) to be committed to the Regime is located on Maalaea Beach Road, Maalaea, Island of Maui, State of Hawaii.

TAX KEY: SECOND DIVISION 3-8-14-2

ZONING: Apartment (A-1 and A-2)

DEVELOPER: HONO KAI DEVELOPERS, INC., a Hawaii corporation, whose officers are:

President	Oren E. Wilson
Vice President and Treasurer	Sharon M. Wilson
Secretary	Sanford J. Langa

Telephone - 877-0232; Address - 313 Ano Street, Kahului, Maui, Hawaii.

ATTORNEYS REPRESENTING DEVELOPER: Law Offices of Sanford J. Langa, Wailuku Townhouse Building, Wailuku, Maui, Hawaii, telephone 244-9168.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime states that the project is to consist of forty-six apartments in four buildings as follows:

Apartments: Forty-five (45) apartment units are designated, comprised of the spaces within the perimeter walls, floors, and ceilings of each of the forty-six (46) apartment units of the Project contained in four (4) concrete block and wood frame buildings, designated on the plans as Building "1", Building "2", Building "3", and Building "4". Each building contains numbered units as follows:

Building "1" is a two-story building containing 4 one-bedroom apartments, designated as Apartments A-1 through A-4, on the first floor; and 4 two-bedroom apartments, designated as Apartments B-1 through B-4, on the second floor.

Building "2" is a three-story building containing 4 one-bedroom apartments, designated as Apartments A-5 through A-8, on the first floor; 3 one-bedroom and one 2-bedroom apartments, designated as Apartments B-5 through B-7 and B-8, on the second floor; and 3 two-bedroom apartments, designated as Apartments C-1 through C-3, on the third floor.

Building "3" is a three-story building containing 5 one-bedroom apartments, designated as Apartments A-9 through A-13, on the first floor; 5 one-bedroom apartments, designated as Apartments B-9 through B-13, on the second floor; and 5 two-bedroom apartments, designated as Apartments C-4 through C-8, on the third floor.

Building "4" is a three-story building containing 4 one-bedroom apartments, designated as Apartments A-14 through A-17, on the first floor; 4 one-bedroom apartments, designated as Apartments B-14 through B-17, on the second floor; and 4 one-bedroom apartments, designated as Apartments C-9 through C-12, on the third floor.

Each apartment contains the number of rooms and the approximate floor area according to its respective plan as follows:

Thirty-three (33) apartments each consisting of one bedroom, one bathroom, one kitchen, one living room, a hallway, and one lanai, and containing approximately 620 square feet of floor area, including the lanai, and being designated as Apartments A-1 through A-17, B-5 through B-7, B-9 through B-17, and C-9 through C-12.

Thirteen (13) apartments each consisting of two bedrooms, two bathrooms, one kitchen, one living room, a hallway, and one lanai, and containing approximately 805 square feet of floor area, including the lanai, and being designated as Apartments B-1 through B-4, B-8, and C-1 through C-8.

Apartments on the first floor of all buildings are designated by the letter "A" as a prefix to the apartment number; apartments on the second floor of all buildings are designated by the letter "B" as a prefix to the apartment number; and apartments on the third floor of all buildings are designated by the letter "C" as a prefix to the apartment number.

Each apartment has one entry, and each apartment has access by way of a common walkway at each floor level.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding the apartments, or any pipes, wires, conduits, or other utility lines running through such apartments which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the built-in fixtures.

COMMON ELEMENTS: One freehold estate is hereby designated of all remaining portions of the project, herein called "common elements," including specifically but not limited to: (a) Said land in fee simple; (b) All foundations, floors, columns, girders, beams, supports, bearing walls, roofs, chases, entries, stairways, walkways and elevators of said buildings; (c) All yards, grounds, landscaping, mailboxes and refuse facilities; (d) All parking areas and drive-ways; (e) All ducts, electrical equipments, wiring and other central and appurtenant installations including power, light, water, sewage treatment system, water sprinkling system, and telephone; (f) Swimming pool, recreation area and equipment and well site; (g) A one-bedroom apartment on the ground floor for maintaining a manager's office and living quarters.

LIMITED COMMON ELEMENTS: None

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 the last day of February 2030. The rent for the first twenty years of the apartment lease will be \$29.91 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 Lessor, 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 1/45th undivided interest in the common elements of the project, together with nonexclusive easements in the common elements for use according to their respective purposes.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The specimen Declaration specifies 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.

OWNERSHIP OF TITLE: A Certificate of Title dated June 19, 1970 prepared by Security Title Corporation certifies that Bernice W. Flood has title to the land committed to the project.

ENCUMBRANCES AGAINST TITLE: The Certificate of Title dated June 19, 1970 by Security Title Corporation certifies that there are no liens or encumbrances of whatever kind or nature of record 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 February 9, 1970, recorded in Book 6907, page 345, made by Bernice W. Flood to Hono Kai Developers, Inc., the developer of this project, for a term of sixty years commencing March 1, 1970 and ending the last day of February 2030; Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No. 3152; As to that portion of the land bordering on the ocean front: The effect of the decision by the Supreme Court of the State of Hawaii in the case of Application of Ashford (1968) 50 H. 314, 440 p. 2d 76.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated July 16, 1970, identified Title Guaranty Escrow Services, Inc., as the escrow agent. On examination, the specimen Deposit Receipt and Contract and the executed Escrow Agreement are found to be in compliance with Sections 514-36 through 514-40, Hawaii Revised Statutes.

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 specify that, in the event that less than thirty-six (36) apartments are sold prior to December 21, 1970, seller may at its option cancel this agreement, refund to Buyer all monies paid, and be relieved and released of all further liabilities. Further states that in the event that the project is delayed for a period of more than thirty (30) days by war or other national emergency, general strike, industry-wide strike or lockout in the County of Maui, island-wide shortage of material, government regulation,

inability of Seller to obtain mortgage financing in the Honolulu area for the purchasers of condominium leasehold apartments or other similar causes beyond the control of the Seller, the Seller at its option may cancel this agreement.

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 empower 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. No property manager has been identified in the notice of intention to sell.

STATUS OF PROJECT: No building contract has been executed. In the Notice of Intention, the Developer indicates that construction will begin after issuance of a Final Public Report.

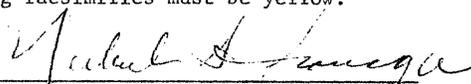
The Developer had advised the Commission that plans for Hono Kai have been approved by the Maui Planning Department, however, there is a building moratorium in existence that prohibits the construction of any dwelling in the Maalaea area due to the lack of adequate water for domestic use and fire protection purposes. Under date of June 1, 1970, the Planning Director of the Maui Planning Department confirms the above information. In addition, the Planning Director mentions that the Council will also be considering an ordinance which will preclude the issuance of a building permit by the County where adequate utilities are not available. This may have considerable impact on the proposed development.

According to the Developer, the Chief Engineer of the Board of Water Supply has specified that \$36,000 supplied by a developer or developers as participation will guarantee that an 8-inch line will be installed to solve the problem for the entire area. The Developer is prepared to furnish these funds when 80% of the units offered are sold. The funds for the pipeline will be legally committed to the Board of Water Supply prior to the issuance of the Final Public Report.

-----  
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 June 30, 1970, and additional information subsequently filed as late as July 23, 1970.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 339 filed with the Commission June 30, 1970.

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

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

YH:va

Distribution:

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

July 27, 1970  
Registration No. 339

