

**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  
HANA KAI-MAUI  
Makea Road  
Hana, Maui

REGISTRATION NO. 360

**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: January 15, 1971  
Expires: February 15, 1972

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 DECEMBER 11, 1970. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, Hawaii Revised Statutes, Chapter 514.

1. The Hana Kai-Maui is a proposed leasehold condominium project consisting of twenty (20) residential apartments situated in two 2-story buildings. There will be a total of twenty (20) parking stalls.
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 Developer reports that the Declaration of Horizontal Property Regime and the By-Laws will be filed in the Bureau of Conveyances, State of Hawaii, after the mortgage securing the construction loan is recorded and the Condominium Map shall be recorded at the same time.

4. No advertising or promotional matter has yet 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 the 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 the date of issuance, January 15, 1971, unless a supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this Report.
7. This Preliminary Public Report is made a part of the registration of the Hana Kai-Maui 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 of the Final Horizontal Property Regime Public Report from each purchaser when it is issued is also the responsibility of the developer.

NAME OF PROJECT: The Hana Kai-Maui

LOCATION: The project is located in Hana on the Island of Maui and consists of approximately 43,299 square feet.

TAX KEY: 1-4-05-40

ZONING: A-1 Apartment

DEVELOPER: Hana Kai Associates, a joint venture qualified to do business in the State of Hawaii, consisting of Robert Addison Love, William Schaafsma and Francis E. Denis. The principal place of business and post office address of the joint venture is 1600 Kapiolani Boulevard, Honolulu, Hawaii 96814.

ATTORNEY REPRESENTING DEVELOPER: Cades, Schutte, Fleming & Wright (attention: Mr. Douglas E. Prior), 17th Floor, First Hawaiian Bank Building, P.O. Box 939, Honolulu, Hawaii 96808, Telephone: 531-7232.

DESCRIPTION OF PROJECT: The Project consists of two 2-story buildings, Building A containing six (6) apartments and Building B containing fourteen (14) apartments. Building A is an existing building which is being converted to horizontal property regime and is constructed of redwood and Wolmanized fir as will be Building B. Building A has a cedar shake roof and Building B will have a corrugated iron roof. Building A also contains an office and a laundry area containing two washing machines and one large dryer.

Building A contains (i) two studio apartments, each having a living room, kitchen and bath, comprising 347 square feet, and a lanai of 90 square feet, and (ii) four one-bedroom apartments, each having a living room, kitchen, bedroom and bath, comprising 544 square feet, a storage area of 50 square feet and a lanai of 200 square feet. Building B will contain (i) six studio apartments, each having an entry way, a living room, kitchen and bath, comprising 413 square feet and a lanai of 90 square feet, with the studios on the second floor also having a loft space of 115 square feet and (ii) eight one-bedroom apartments, each having an entry way, a living room, kitchen, bedroom and bath, comprising 593 square feet, and two lanais - one of 156 square feet facing the ocean and the other, 64 square feet facing mauka, with the one-bedrooms on the second floor also having a loft space of 158 square feet.

The apartments in Building A are numbered 1-6 and the apartments in Building B will be numbered 101-107 and 201-207, as more particularly designated on the Condominium Map which is hereby incorporated herein by reference.

Each apartment will contain a refrigerator, oven, range and disposal.

COMMON ELEMENTS: The common elements will include the limited common elements described below and all other portions of the land and improvements, including the apartment buildings exclusive of the apartments, the land on which they are located, and all elements mentioned in the Horizontal Property Act which are actually constructed on the land described herein, and specifically shall include but shall not be limited to: (a) said land in fee simple; (b) all foundations, columns, girders, beams, supports, bearing walls, corridors, entry halls, stairs, walkways, entrances and exits of said building; (c) the roof; (d) all yards, and refuse areas; (e) all driveway areas; (f) all ducts, electrical equipment, wiring, and other central and appurtenant installations for services, including power, light, cold and hot water, refuse and telephone; (g) the office, recreation area and storage rooms; and (h) all other devices or installations upon the land existing for or rationally of common use to all the owners of the apartments within the project.

LIMITED COMMON ELEMENTS: (a) The hallways on each floor of each building shall be limited common elements reserved for the exclusive use of the apartments on such floor; and (b) one parking stall for each apartment shall be a limited common element reserved for the exclusive use of such apartment.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The percentage of undivided interest in all of the common elements of whatever kind appertaining to each apartment and its owner for all purposes shall be as follows:

<u>Apartment Nos.</u>	<u>% Interest</u>
1, 3, 4 and 6	5.5
2 and 5	3
101, 103, 104, 107, 201, 203, 204 and 207	6
102, 105, 106, 202, 205 and 206	4

The undivided interest established and to be conveyed with the respective apartments cannot be changed and the developer covenants and agrees that the undivided interest in the common areas and facilities and the titles to the respective apartments to be conveyed shall not be separated or separately conveyed and each said undivided interest shall be deemed to be conveyed or encumbered with its respective apartment even though the description in the instrument of conveyance may refer only to the fee simple title to the apartment. The voting rights of apartment owners, as well as his share of the common expenses shall also be in proportion to this common interest.

PURPOSE OF BUILDINGS AND RESTRICTION AS TO USE: The apartments hereinabove described shall at all times be used as permanent or temporary residences or as hotel rooms and for no other purpose.

OWNERSHIP OF TITLE: The property is owned in fee simple by Hana Kai, Ltd., a Hawaii corporation, and is presently improved with a 6-unit apartment building. Hana Kai, Ltd. has entered into a Development Agreement with Hana Kai Associates for the development of a 14-unit apartment building and the sale of apartments in each building. Hana Kai, Ltd. has agreed to issue individual apartment leases directly to the purchasers of each apartment.

ENCUMBRANCES: The property is presently subject to a mortgage in favor of First Hawaiian Bank in an amount of approximately \$47,000, which mortgage will be extinguished immediately prior to the commencement of construction of the 14-unit apartment building. The property is also subject only to a reservation in favor of the State of Hawaii of all mineral and metallic mines.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the Escrow Agreement has been submitted as part of the registration. The Escrow Agreement dated December 9, 1970 identifies First Hawaiian Bank as the "Escrow" and discloses that under the terms of the Agreement, down payment funds may be

released by Escrow for payment of certain development costs of the project. Such funds, however, may not be released prior to issuance of the Final Public Report by the Real Estate Commission. 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 with Section 514-35 and Section 514-36 through Section 514-40, Hawaii Revised Statutes.

A prospective purchaser should carefully examine the form of the Sales Contract, Apartment Lease and Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the ground lease, the estimated common monthly expenses and the sharing of the closing costs.

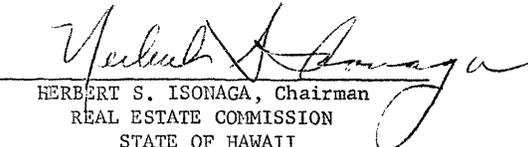
MANAGEMENT AND OPERATION: The Declaration states that the Board of Directors shall, in accordance with the By-Laws of the Association of Apartment Owners, appoint a managing agent.

STATUS OF PROJECT: The property is presently improved with a two story 6-unit apartment building. The developer will not commence construction of the new 14-unit building until four of the units in the existing building have been sold to qualified buyers who have arranged their own financing, and until the developer has arranged the construction financing for the project. The developer reserves the right to abandon the project and refund all down payments without interest if at least six apartments are not sold prior to June 1, 1971, or if the developer is unable to obtain financing reasonably satisfactory to it by this date.

-----  
The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the developer in the required Notice of Intention submitted December 11, 1970.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION No. 360 filed with the Commission on December 11, 1970.

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.

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

DHO:sw

Distribution:

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

January 15, 1971  
Registration No. 360