

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
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HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
PUUNOA
44 Puunoa Place
Lahaina, Hawaii 96761

REGISTRATION NO. 370

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 7, 1971

Expires: May 7, 1972

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 or prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 4, 1971, AND ADDITIONAL INFORMATION SUBSEQUENTLY SUBMITTED AS LATE AS APRIL 6, 1971. 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. PUUNOA is a proposed fee simple condominium project consisting of twenty-three (23) residential apartments arranged throughout two, two-story buildings. Twenty-three (23) uncovered parking spaces will be available in the parking area of the project.
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 (Master Deed, Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the approved floor plan) have not been recorded 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 Developer has advised the Commission that pursuant to the terms of the Puunoa Sales Agreement and Puunoa Escrow Agreement, purchasers' escrowed down payments may, under certain circumstances, be used to defray construction and other costs of the project. The prospective purchaser is advised to acquaint himself specifically with the provisions of the Puunoa Sales Agreement and Puunoa Escrow Agreement.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations promulgated pursuant thereto.
7. This Preliminary Public Report automatically expires on May 7, 1972, thirteen (13) months after its date of issue, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of the report.
8. If the Final Public Report covering this project is not issued within one (1) year from the date of this Preliminary Public Report, purchasers shall be entitled to a refund of all moneys paid by them, without interest and less their loan fees and escrow charges, if any, and shall be relieved of any further obligation.

NAME OF PROJECT: PUUNOA

LOCATION: The 1.129 acres of land, in fee simple, to be submitted to the proposed horizontal property regime is located at 44 Puunoa Place, Lahaina, Island and County of Maui, State of Hawaii. The property includes a sand beach with approximately 304 lineal feet of shoreline along the Pacific Ocean. The project is located approximately three-quarters of a mile on the Kaaanapali side of the center of Lahaina town.

TAX KEY: SECOND DIVISION 4-5-4-2

ZONING: A-1 (Apartment District)

DEVELOPER: The Developer is McLain-Hawaiian, Inc., a Hawaii corporation, whose principal place of business and post office address is c/o Pratt, Moore, Bortz & Case, 1100 First Hawaiian Bank Building, 165 South King Street, Honolulu, Hawaii. The Developer also maintains an office at 129 Lahainaluna Road, Lahaina, Maui, Hawaii, and is affiliated with McLain Development Company, 2208 West Beverly Boulevard, Los Angeles, California.

Its officers are:

Robert B. McLain	President
Ralph O. Arnesen	Vice President and Secretary
Peter H. Searl	Vice President and Treasurer

ATTORNEYS REPRESENTING DEVELOPER: Pratt, Moore, Bortz & Case (Peter H. Searl), 1100 First Hawaiian Bank Building, Honolulu, Hawaii. Telephone 536-7261.

DESCRIPTION: The developer proposes to construct two, two-story buildings which will overlook the sand beach existing along the shoreline. Immediately adjacent to the beach will be a swimming pool and sun deck separating the two buildings.

The buildings will be of wood frame construction with plaster or stucco exterior walls, plaster (or reasonable facsimile thereof) interior walls and reinforced concrete foundations. The party walls between apartments shall be reinforced, grouted concrete block construction. The slanted or sloped portions of the roof shall be covered with cedar shakes and the flat portions shall be covered

with asphalt felt and gravel. The floors shall be wood with a layer of accoustical concrete covering the second-story floors only.

The building on the easterly portion of said land is hereby designated "Hale Hikina" and shall contain 13 apartments, numbered consecutively from 101 to 106, inclusive, located on the first floor, and numbered consecutively from 200 to 206, inclusive, located on the second floor.

The building on the westerly portion of the property is hereby designated "Hale Komohana" and shall contain ten apartments, numbered consecutively from 107 to 111, inclusive, located on the first floor, and numbered consecutively from 207 to 211, inclusive, located on the second floor.

The buildings contain a total of 23 apartments, 22 of which will be sold as condominium units. The remaining apartment (Apartment No. 200) will be a part of the common elements to serve primarily as an office and manager's quarters, or such other use as the Board of Directors of the Association of Apartment Owners may designate in the future.

Each apartment contains the number of rooms and approximate gross area according to its respective type, which types are designated A to E inclusive, as follows:

- Type A. Ten apartments (102, 104, 105, 108, 109, 202, 204, 205, 208, and 209) contain a living room, one bedroom, one bathroom, a kitchen and a lanai, and an approximate area of 917 sq. ft.
- Type B. Six apartments (103, 106, 107, 203, 206, and 207) contain a living room, one bedroom, one bathroom, a kitchen and a lanai, and floor area of 942 sq. ft.
- Type C. Two apartments (111 and 211) contain a living room, two bedrooms, two bathrooms, a kitchen and a lanai, and an approximate area of 1,243 sq. ft.
- Type D. Two apartments (110 and 210) contain a living room, one bedroom, one bathroom, a kitchen and a lanai, and an approximate area of 994 sq. ft.
- Type E. Two apartments (101 and 201) contain a living room, two bedrooms, two bathrooms, a kitchen and a lanai, and an approximate area of 1,247 sq. ft.

NOTE: The area of all lanais will be 127 sq. ft. which is included in the approximate gross area recited above.

The immediate common element to which each apartment will have access is either an access deck or balcony which, in turn, has access to a stairway leading to ground level. The apartment number, type, approximate gross area (including lanai) and percentage of common interest for each of the apartments offered for sale are as follows:

<u>Apartment</u>	<u>Type</u>	<u>Approximate Gross Area (Sq. Ft.)</u>	<u>Percent Common Interest</u>
101	E	1,247	5.724
102	A	917	4.208
103	B	942	4.323
104	A	917	4.208
105	A	917	4.208
106	B	942	4.323
107	B	942	4.323
108	A	917	4.208
109	A	917	4.208
110	D	994	4.563
111	C	1,243	5.704
201	E	1,247	5.724
202	A	917	4.208
203	B	942	4.323

<u>Apartment</u>	<u>Type</u>	<u>Approximate Gross Area (Sq. Ft.)</u>	<u>Percent Common Interest</u>
204	A	917	4.208
205	A	917	4.208
206	B	942	4.323
207	B	942	4.323
208	A	917	4.208
209	A	917	4.208
210	D	994	4.563
211	C	1,243	5.704

The respective apartments shall be deemed not to include the undecorated or unfinished surfaces of the perimeter walls and interior load-bearing walls, the floors and ceilings surrounding each apartment, any pipes, wires, conduits, or other utility or service lines running through such apartment which are utilized for or serve more than one apartment; all of which are common elements as hereinafter provided. Each apartment shall be deemed to include the lanai immediately adjacent thereto, 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 all appliances originally installed therein.

COMMON ELEMENTS. The proposed Declaration states that the common elements for the project include all remaining portions of the project, including specifically but not limited to: said land in fee simple; all foundations, rough flooring, floor slabs, columns, girders, beams, supports, bearing walls, roofs, entries, stairs, stairways, balconies and walkways of the buildings; all yards, landscaping, rock walls, access decks, swimming pool, swimming pool equipment and decking, beach area, mail boxes and refuse and recreational facilities; all parking areas, ramps, driveways and access roads; all ducts, electrical equipment, wiring and other central and appurtenant installations for common services including air conditioning, power, light, water, sewer and telephone; all electrical and laundry rooms, storage and locker room, refuse room, and garden tool lockers; Apartment No. 200, the use of which shall be determined and governed by the Board of Directors for the benefit of the Association of Apartment Owners. Notwithstanding the fact that said Apartment No. 200 may have the physical characteristics of an apartment, it shall be deemed a part of the common elements for the lodging or use of janitors and other persons employed for the operation of the property.

LIMITED COMMON ELEMENTS: The proposed Declaration states that certain common elements shall be limited common elements and set aside for exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements. Each apartment shall have the exclusive right to use one parking space in the parking area adjacent to the building and one storage space in the storage and locker room; such parking spaces and storage spaces being designated on the condominium plan with the number of such apartment to which they are appurtenant. The second floor balconies and walkways of the building shall be appurtenant to and for the exclusive use of those second floor apartments having immediate access to each such balcony and/or walkway.

COMMON INTEREST TO BE CONVEYED TO PURCHASER: The proposed Declaration discloses that each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project (referred to as the "common interest") and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting. The various percentages have been set forth previously under the topical heading of "DESCRIPTION." No common interest shall be appurtenant to Apartment No. 200, which is a common element.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The proposed Declaration provides that all apartments shall at all times be used only as permanent or temporary private residences by the respective owners thereof, their tenants, families, domestic servants and guests, and for no other purpose; provided, however, that Apartment No. 200 may be used as a manager's office or for such

other use as the Board of Directors shall determine to be in the best interest of the Association of Apartment Owners. The owners of the respective apartments shall have the absolute right to lease or rent their apartment subject to all provisions of the Declaration and By-laws.

Among other provisions, the By-laws states that no Type C or E apartment shall be inhabited by more than 8 persons, nor any Type A, B, or D apartment by more than 6 persons without the prior written permission of the Board of Directors.

OWNERSHIP OF LAND AND ENCUMBRANCES AGAINST TITLE: Information contained in the Notice of Intention, a Policy of Title Insurance issued by Title Insurance & Trust Company dated July 15, 1970, a Certificate of Title issued by Long & Melone, Ltd., Abstractors, dated June 30, 1970, and a Continuation thereof dated March 29, 1971, shows that the fee simple title to the land of the project is vested in Amfac, Inc., a Hawaii corporation, subject to the following encumbrances against said land:

1. The reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. The following reservation in those certain Deeds dated October 11, 1967 and June 12, 1970, recorded in said Bureau in Liber 5830 at page 36 and Liber 7053 at page 27, respectively:

RESERVING AND EXCEPTING to Pioneer Mill Co., Ltd., its successors and assigns forever, as appurtenant to the lands of Pioneer Mill Co., Ltd., located in the District of Lahaina now owned and used or hereafter acquired and used by Pioneer Mill Co., Ltd., its successors and assigns, in its sugar plantation operations, the perpetual right and easement over and upon the granted premises to discharge, emit, diffuse and inflict noise, smoke, soot, dust, lights, noxious vapors, odors and other minor nuisances of every description created by and resulting from the operations of Pioneer Mill Co., Ltd., its successors and assigns, in burning sugar cane and bagasse, milling, incidental to the operation of a sugar plantation.

3. The location of the seaward boundary of the land as affected by the law of the State of Hawaii.
4. Agreement of Sales dated June 26, 1970, recorded in said Bureau in Liber 7074 at page 191, by and between Amfac, Inc., as Vendor, and McLain-Hawaiian, Inc., as Vendee.
5. Real Property Taxes that may be due or owing and a lien on the land.

The developer has advised the Commission that a master deed to the land from AMFAC, Inc., to McLain-Hawaiian, Inc., will be executed and recorded after the Agreement of Sale, dated June 26, 1970, recorded in Bureau of Conveyances in Liber 7074 at page 191, has been paid in full.

PURCHASE MONEY HANDLING: A copy of the executed Puunoa Escrow Agreement between Bank of Hawaii, as Escrow, and McLain-Hawaiian, Inc., as Seller, executed March 4, 1971, has been submitted as part of this registration. The Developer has also submitted a specimen "Puunoa Sales Agreement" to be used in connection with sales of apartments in this project. The specimen sales contract and the executed escrow agreement have been examined and have been found to conform with the requirements of Chapter 514, Hawaii Revised Statutes, including the requirements of Sections 514-36 through 514-40, Hawaii Revised Statutes.

Since the sales contract gives both the prospective purchaser and the Developer the option of cancellation upon the occurrence of certain events; since the Escrow Agreement establishes the procedure for receiving and disbursing purchasers' funds deposited in escrow; and since the sales contract specifically provides that the purchaser approves the escrow agreement, it is incumbent upon the prospective purchaser to read and understand both the escrow agreement and the sales contract before executing the latter.

The specimen Sales Agreement states that, "In the event that (1) Seller does not obtain said fee simple title or (2) less than 18 apartments are sold by August 1, 1971, or (3) the project cannot be completed by August 1, 1972, or (4) Seller is prevented by law from proceeding with construction of the project, Seller at its option may cancel this agreement upon written notice to Purchaser, in which event all sums paid by the Purchaser hereunder shall be refunded to the Purchaser, without interest, the agreement shall be cancelled and both parties shall be relieved of and released from all further liability hereunder."

ADMINISTRATION, MANAGEMENT AND OPERATION OF THE PROJECT: The proposed Declaration and By-Laws of the Association of Apartment Owners provide that the Developer is authorized to and shall be responsible for the administration, management and operation of the project until such time as the first Board of Directors is duly elected. Thereafter the administration, management and operation of the project shall be conducted for the Association of Apartment Owners by the Board of Directors in accordance with the proposed Declaration and By-Laws. The Board of Directors is specifically authorized to hire a manager or managing agent to manage and operate the project. The specimen sales contract also authorizes the Developer to employ any corporation or individual as the first managing agent of the project and that, although employed prior to the election of the Association's Board of Directors under the By-laws, said managing agent shall have complete authority to assume full control and responsibility for the management, operation and maintenance of the completed project at the expense of the Association of Owners and upon being billed for same, purchaser shall pay to said managing agent an amount of money necessary to pay, or to accumulate for payment of, his proportionate share of the initial fire and liability insurance expense and such other common expenses required to be paid by the By-laws or Declaration. The Developer advises that it presently does not intend to employ a first managing agent, however the Developer does reserve the right to do so at any time in the future.

STATUS OF PROJECT: The Developer has submitted copies of the site plan and floor plans for the project. The Developer advises that construction drawings have not been submitted for approval to the Maui County Officer having jurisdiction over issuance of permits for construction of buildings.

The Developer further advises that preliminary plans for the project, dated October 6, 1970, has been submitted to the Planning Department, County of Maui, for preliminary review. In general, the project seems to meet all of the zoning and parking requirements with the exception of a couple of items which may require the Developer to revise the plans prior to construction.

The Developer also advises that construction has not commenced and will not commence until after Developer acquires title to the land in fee simple from Amfac, Inc., and when construction financing becomes available. A copy of the proposed master deed from Amfac, Inc., to the Developer has been submitted. The Developer advises that construction of the project will be financed primarily by means of a construction loan secured by a first mortgage on the real property comprising the project.

Purchasers or prospective purchasers should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted March 4, 1971, and additional information subsequently filed as late as April 6, 1971.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 370 filed with the Commission on March 4, 1971. This 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.

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Distribution:

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PLANNING COMMISSION, COUNTY OF MAUI
FEDERAL HOUSING ADMINISTRATION
ESCRGW AGENT

April 7, 1971
Registration No. 370


for DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII