

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
LOKELANI
Rural Route 1
Honokowai, Maui, Hawaii

REGISTRATION NO. 403

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: October 28, 1971
Expires: November 28, 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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 16, 1971, AND INFORMATION SUBSEQUENTLY FILED AS LATE AS OCTOBER 28, 1971. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. LOKELANI is a proposed leasehold condominium project consisting of three (3) residential structures, each containing twelve (12) dwelling units (total of 36 dwelling units), 38 parking stalls, a swimming pool, an office and equipment building (also designed for use by resident manager) and a sewage treatment plant.
2. The Developer proposes to convey apartments by way of an Apartment Deed, which purports to convey an apartment in fee simple and a specified undivided interest in and to the common elements of the

buildings and all other improvements on the land. Together with such Apartment Deed, the Developer proposes to lease to the purchaser, by way of a Ground Lease, a specified interest in and to the land. The Ground Lease specifically provides that no assignment, mortgage or sublease may be made of the Ground Lease separate and apart from a transfer of the apartment with which the Ground Lease was issued. Purchasers are advised to study with care the SURRENDER clause contained in the GROUND LEASE.

3. 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.
4. The basic documents (Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners, and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.
5. The Developer has submitted for approval a printed brochure describing the project and showing typical floor plan for the one-bedroom and two-bedroom apartments and also a plot plan of the project.
6. 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 Regime.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, October 28, 1971, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of the report.

NAME OF PROJECT: LOKELANI

LOCATION: The 58,769 square feet, more or less, of land submitted to the regime, having the street number address of Rural Route 1, Honokowai, Maui, Hawaii 96761 is located on the makai or westerly side of Honoapiilani Highway. The lot is a flag-shaped lot with a frontage on said Honoapiilani Highway of 20.25 feet and a rear boundary of approximately 399 feet abutting the ocean and along the highwater mark.

TAX KEY: Second Division 4-3-06:16

ZONING: Apartment A-2 District

DEVELOPER: Lokelani Construction Co., Ltd., is a California corporation, whose principal place of business and post office address in the State of Hawaii is 826 Front Street, Lahaina, Maui, Hawaii 96761; Telephone Nos. 661-0071 and 669-6354. Said corporation was first registered with the Department of Regulatory Agencies of the State of Hawaii as a foreign corporation on April 26, 1971, and a State of Hawaii license (License No. 3036) to do business in the State of Hawaii was issued on April 29, 1971. The officers and directors are:

<u>Name</u>	<u>Office</u>	<u>Address</u>
William T. Sigurdson	President, Vice President and Director	5540 E. Second Street Long Beach, California
Clement H. Jacomini	Treasurer and Director	417 S. Hill St., Suite 733 Los Angeles, California
Cummins K. Mahoe, Jr.	Secretary and Director	826 Front Street Lahaina, Maui, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Hong and Iwai (Attention: Mr. Donald K. Iwai), 1000 Bishop Street, Room 901, Honolulu, Hawaii. Telephone 537-5505.

DESCRIPTION: The improvements to be constructed on the land consist of three (3) floors together with parking facilities, swimming pool, office and equipment building and a sewage treatment plant. The three residential buildings will contain a total of eighteen (18) 1-bedroom and eighteen (18) 2-bedroom apartment units. Said buildings will be constructed on concrete slabs on the ground floor, including the ground floor lanai and remaining parts of the building will be primarily wood, with the roof consisting of pitch and gravel on top and shake shingles on the sides. The description, including the location, apartment number and approximate area and other pertinent data relative to the respective apartments are as follows:

- (a) Each of the ground floor apartments in each of the three buildings will consist of a living room, one bedroom, one bath, a kitchen and a lanai. The second and third floors are designed so that the divided spaces on each of said floors situated in a vertical alignment will constitute one apartment unit. By this design each of the apartments above the ground floor will be two-level apartments and will contain a living-dining room, a kitchen, one-half bath, and a lanai on the second floor, together with a stairway leading to the third floor space directly above wherein will contain two bedrooms, one bath, and a lanai;
- (b) The apartments will be numbered in accordance with the building and the floor on which the apartment is located. The three buildings will be situated on the property in a slightly staggered line from the southerly boundary to the northerly boundary of the land. The buildings will be designated Apartment Buildings A, B and C, respectively, starting from the building nearest the southerly boundary of the land, or from right to left as viewed from the seaward boundary of the property. The apartments on the ground floor of each building will be numbered 101 to 106, inclusive, starting from the southerly end of the building, or from right to left as viewed from the seaward boundary of the property. The apartments on the second floor of each building will be numbered consecutively from 201 to 206, inclusive, starting from the southerly end of the building as in the case of the ground floor. Each apartment number will be preceded by the designation of the building in which the apartment is located. For example, the apartment in Building "A" on the ground floor will be numbered A-101 to A-106, inclusive, and the apartments on the second floor will be numbered A-201 to A-206, inclusive. The approximate areas of the respective apartments are as follows:
 - (i) Apartments A-101 and A-106, B-101 and B-106, and C-101 and C-106, are located on the ground floor of Buildings A, B and C, respectively, and each of said apartments will contain a living area of 610.4 (\pm) square feet with a lanai of 139.5 (\pm) square feet, or a total area, inclusive of lanai, of 749.9 (\pm) square feet;
 - (ii) Apartments A-102 and A-105, B-102 and B-105, and C-102 and C-105, will be located on the ground floor of Buildings A, B and C, respectively, and each of said apartments will contain a living area of 574.1 (\pm) square feet, together with a lanai of 138.0 (\pm) square feet, or a total area, inclusive of lanai, of 712.1 (\pm) square feet;
 - (iii) Apartments A-103 and A-104, B-103 and B-104, and C-103 and C-104 will be located on the ground floor of Buildings A, B and C, respectively, and each of said apartments will contain a living area of 566.7 (\pm) square feet, together with a lanai of 138.0 (\pm) square feet, or a total area, inclusive of lanai, of 704.7 (\pm) square feet;

- (iv) Apartments A-201 and A-206, B-201 and B-206, and C-201 and C-206 will be located on the second and third floors of Buildings A, B and C, respectively, and each of said apartments will contain a living area of 605.6 (\pm) square feet on the second floor together with a second floor lanai of 135.1 (\pm) square feet, and a living area of 523.0 (\pm) square feet on the third floor with a third floor lanai of 100.2 (\pm) square feet, or a total area, inclusive of the lanais, of 1,363.9 (\pm) square feet;
- (v) Apartments A-202 to A-205, inclusive, B-202 to B-205, inclusive, and C-202 to C-205, inclusive, will be located on the second and third floors of Buildings A, B and C, respectively, and each of said apartments will contain a living area of 598.7 (\pm) square feet on the second floor with a second floor lanai of 133.6 (\pm) square feet, and a living area of 517.5 (\pm) square feet on the third floor with a third floor lanai of 99.2 (\pm) square feet, or a total area, inclusive of the lanais, of 1,349.0 (\pm) square feet;

Each of the apartments on the ground floor will have access to a concrete walkway which is a common element, and each of the two-level apartments on the second floor will have access to a balcony on the second floor, which balcony leads to a stairway for access to the ground floor. The balcony and stairway are portions of the common elements.

COMMON ELEMENTS: The proposed Declaration states that the common elements shall include, but are not limited to, the following: (a) the land; (b) all foundations, columns, girders, beams, supports, bearing walls, main walls, roofs, floors, ceilings, balconies, walkways, stairways, hallways, corridors, ducts, electrical equipment, wiring, pipes, and other central and appurtenant transmission facilities and installations over, under and across the project which serves more than one apartment for services such as power, light, water, gas, sewer, telephone, and a radio and television signal distribution; (c) all driveways, roads, and other common ways, landscaping, yards, gardens, swimming pool, fences, retaining walls, refuse collection areas, mail box area, and parking areas; (d) the office building, the sewage treatment plant, and all other common facilities; (e) parking spaces No. 1 and 2 as shown on said Condominium Map, which shall be for the use of guests; and (f) any and all other apparatus and installation of common use and all other parts of the property necessary or convenient to its existence, maintenance, and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration provides that portions of the common elements are set aside and designated as limited common elements. The limited common elements are:

- (a) **Parking Spaces.** Each apartment will have as an appurtenance thereto one (1) parking space for the exclusive use of such apartment. The respective apartments and the parking spaces which are appurtenant thereto are as follows:

<u>Apartment No.</u>	<u>Parking Space No.</u>	<u>Apartment No.</u>	<u>Parking Space No.</u>
A-101	37	B-201	28
102	38	202	27
103	30	203	26
104	29	204	25
105	3	205	24
106	4	206	23
A-201	34	C-101	11
202	35	102	12
203	36	103	13
204	33	104	14
205	32	105	15
206	31	106	16

<u>Apartment No.</u>	<u>Parking Space No.</u>	<u>Apartment No.</u>	<u>Parking Space No.</u>
B-101	5	C-201	22
102	6	202	17
103	7	203	18
104	8	204	19
105	9	205	20
106	10	206	21

Each of the foregoing parking spaces is shown on the plot plan of the project to be filed in the Bureau of Conveyances.

- (b) Walkways. The walkways connecting the ground floor Apartments A-102 to A-105, inclusive, B-102 to B-105, inclusive, and C-102 to C-105, inclusive, to the main walkway are designated as limited common elements for the exclusive use of the apartments adjoining thereto. Said walkways are shown on the floor plan to be filed in the Bureau of Conveyances.
- (c) Hallways. The hallways leading from the entrances of Apartments A-201 to A-206, inclusive, B-201 to B-206, inclusive, and C-201 to C-206, inclusive, to the balcony on the second floor are designated as limited common elements for the exclusive use of the apartments adjoining thereto. Said hallways are shown on the floor plan of the project to be recorded in the Bureau of Conveyances.
- (d) Mail Boxes. The mail boxes belonging to each apartment are set aside as limited common elements for the exclusive use of the apartments to which they belong.

Except for said parking spaces, walkways, hallways, and mail boxes, there are no other restricted or limited common elements.

INTEREST TO BE CONVEYED PURCHASER: According to the specimen copies of the conveyance documents submitted to the Commission, the developer proposes to convey apartments by way of an Apartment Deed which purports to convey an apartment in fee simple and a specified undivided interest in and to the common elements of the buildings and all other improvements on the land. Together with such Apartment Deed, the developer proposes to lease to the purchaser, by way of a Ground Lease, a specified undivided interest in and to the land submitted to the Horizontal Property Regime. The Ground Lease specifically provides that no assignment, mortgage or sublease may be made of the Ground Lease separate and apart from a transfer of the apartment with which the Ground Lease was issued.

Under the provisions of the Declaration the undivided interest in the common elements ("common interest") appertaining to each of the respective apartments and the undivided interests to be demised under the Ground Lease to each of the respective apartment purchasers are as follows:

<u>Apartment No.</u>	<u>Common Interest</u> <u>Undivided Interest in Ground Lease</u>
A-101 through A-106) B-101 through B-106) C-101 through C-106)	1.15/54
A-201 through A-206) B-201 through B-206) C-201 through C-206)	1.85/54

The foregoing common interests also represent the proportionate share of the respective apartment owners in all common profits and common expenses and for all other purposes, including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The purpose for which the apartments are intended and restricted as to use is residential; provided, that this shall not be construed to prohibit the renting or leasing of said apartments for profit, individually or otherwise, so long as the ultimate tenant thereof uses the apartment as a place in which to reside as distinguished from a place in which to carry on a trade or business; provided, further, that no apartment shall be rented by the owner or owners thereof for transient or hotel purposes as defined in the proposed Declaration.

OWNERSHIP OF TITLE: The Notice of Intention states that the ownership to the fee title of the land submitted to the Horizontal Property Regime is vested in Lokelani Construction Co., Inc., the developer herein.

A preliminary title report prepared by First American Title Company of Hawaii, Inc., dated October 26, 1971, certifies that the fee simple title to the land is vested in said Lokelani Construction Co., Inc.

ENCUMBRANCES AGAINST TITLE: Said preliminary title report as of October 26, 1971, certifies that the records reveal no liens or encumbrances against said title, save and except the following: (a) Construction Loan Mortgage in favor of the Trustees of Fidelity Mortgage Investors, a Massachusetts trust, dated April 27, 1971, recorded in the Bureau of Conveyances in Liber 7511, Page 360; (b) The reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No. 1166; (c) The decision of the Supreme Court of the State of Hawaii in In Re Application of Ashford, 50 Haw. 314 (1968), as the same affects the seaward boundary of the land submitted to the Horizontal Property Regime; (d) Taxes for the fiscal year 1970 - 1971 have been paid in full.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement duly executed and dated July 8, 1971, between Lokelani Construction Co., Inc., as Seller, and First American Title Company of Hawaii, Inc., as Escrow, has been submitted to the Commission as part of this registration. The specimen "Sales Agreement" and the executed "Escrow Agreement" have been examined. Among other conditions, the Escrow Agreement provides for the payment of all monies under the Sales Agreement to the Escrow and that Escrow shall not disburse any funds to the Seller unless and until an Apartment Deed to the Purchaser has been duly recorded and the Construction Loan Mortgage has been released and discharged as to the apartment described in the Apartment Deed. The Escrow Agreement also provides that the Escrow shall refund all monies of the Purchaser held by Escrow upon the happening of, among other things, the following: (i) Receipt of written notice from Seller and Purchaser that changes in the condominium building plans have been made which require the approval of the County Officer having jurisdiction thereof, and that such changes have not been approved and accepted in writing by the Purchaser; (ii) Receipt of written notice from Seller and Purchaser that the Final Public Report has not been issued within one year from the date of issuance of the Preliminary Report; (iii) Receipt of written notice from the Seller and Purchaser that the Final Public Report issued by the Real Estate Commission differs in any material respect from the Preliminary Report.

The requirements of Section 514-35 through 514-40, Hawaii Revised Statutes have been met in the Sales Agreement.

Among other provisions, the specimen Sales Agreement provides that the Agreement shall be and serve only as a reservation or declaration of intent to purchase on the part of the Purchaser without binding effect on either of the parties, except that the Agreement shall be binding and enforceable upon the happening of the following events: (i) the issuance of a Final Report by the Real Estate Commission within one year from the date of issuance of the Preliminary Public Report; (ii) the delivery of said Final Public Report to Purchaser and the Purchaser has had a full opportunity to read the same; and (iii) the Final Public Report shall not differ in any material respect from the Preliminary Report. Further, in the event that there shall be any change in the condominium building plans

subsequent to the execution of the Sales Agreement, which change shall require the approval of the County Officer having jurisdiction thereof, the Seller is required to refund to Purchaser all payments made by Purchaser unless Purchaser shall approve or accept in writing such change or changes in the condominium building plans.

MANAGEMENT AND OPERATION: The proposed Declaration states that the administration of the Horizontal Property Regime shall be vested in the "Association of Apartment Owners of Lokelani," referred to as the "Association." Each owner of an apartment automatically, upon becoming an owner, becomes a member of said Association and remains a member until such time as his ownership ceases. Under the proposed Bylaws the Association will have the responsibility of the general administration of the project, including the approving of the annual budget, establishing and collecting monthly assessments, and arranging for the management of the project by a managing agent. The Board of Directors are given the power and duty to manage, operate, care, and maintain the property of the regime, the common elements and the limited common elements, and to employ and dismiss personnel necessary for the maintenance, operation, repair, and replacement of the common elements.

FINANCING OF THE PROJECT: The Notice of Intention indicates that the developer has obtained a Construction Mortgage (a copy of which has been filed with the Real Estate Commission with this registration) and by virtue of said Mortgage the construction of the project was begun. The Developer, however, has not obtained any commitments for permanent mortgages of individual apartment units. It is the intent of the Developer to leave each prospective Purchaser to obtain a mortgage from such bank or savings and loan institution as the Purchaser may desire. The Developer proposes to do no more than to advise the Purchasers as to what lending institutions may have funds available for condominium loans and to which Purchasers may apply.

STATUS OF THE PROJECT: A construction contract has been executed by the Developer and Guenther Schmidt, doing business as Maui Builders, as contractor. The construction of the project was commenced on or about June 16, 1971, and as of the date of filing of the Notice of Intention on August 16, 1971, ten per cent (10%) of the project was completed. As of October 8, 1971, the percentage completed was in excess of fifty per cent (50%). Although the estimated date of completion is set forth as June 4, 1972, in the Notice of Intention, the Developer has represented that the estimated date of completion will be sometime in late December, 1971, or early January, 1972.

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 August 16, 1971, and additional information subsequently filed as late as October 28, 1971. This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 403 filed with the Commission August 16, 1971.

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.


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

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REGISTRATION NO. 403
November 5, 1971