REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

FINAL
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
MAKANI A KAI
Maalaea, Maui, Hawaii

REGISTRATION NO. 541

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 until

(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: August 8, 1973
Expires: September 8, 1974

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 MARCH 27, 1973 AND INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF AUGUST 8, 1973. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514 HAWAII REVISED STATUTES.

1. MAKANI A KAI is a proposed leasehold condominium project consisting of 24 apartment units contained in three two-story buildings. The buildings are of wood frame construction. The common elements include the parking areas, 24 parking spaces, recreation area, walkways at each floor, laundry room, office, and grounds. Limited common elements include: The stairway and landing of the Building A, which is appurtenant to Apartments B-12 and B-2; the stairway and landing at the West end of Building B, which is appurtenant to Apartments B-3 and B-4; the stairway and landing at the east end of Building B, which is appurtenant to Apartments

B-5 and B-6; the stairway and landing at the south end of Building C, which is appurtenant to Apartments B-7 and B-8; the stairway and landing at the center of Building C, which is appurtenant to Apartments B-9 and B-10; the stairway and landing at the north end of Building C, which is appurtenant to Apartments B-11 and B-12.

2. The Developer has complied with Section 514-14, H.R.S. and has fulfilled the requirements for issuance of a Final Public Report prior to construction.

3. The Final Public Report is made a part of the registration on MAKANI A KAI condominium project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt for Horizontal Property Regime Public Report from each purchaser is also the responsibility of the Developer.

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 Final Public Report.

5. The Developer reports that the basic documents (Declaration of Horizontal Property Regime, with By-Laws of the Association of Apartment Owners attached, and a copy of the approved Floor Plans) have been filed in the office of the recording officer.

   The Declaration executed with By-Laws attached, has been recorded in the Bureau of Conveyances, State of Hawaii, on July 18, 1973 in Liber 9321, Page 177. The Bureau of Conveyances has assigned Condominium Map No. 292 to the project.

6. Advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.

7. 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.

8. This Final Public Report expires thirteen months from the date of issuance, August 8, 1973, 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: MAKANI A KAI

LOCATION: The 41,295 square feet of land (.948 acres) to be committed to the Regime is located at Maalaea, Island of Maui, State of Hawaii.

TAX KEY: SECOND DIVISION 3-8-14-1

ZONING: Apartment - A-1

DEVELOPER: MAKANI A KAI MAALAEA DEVELOPERS, INC., a Hawaii corporation, whose officers are:

President and Treasurer - Sanford J. Langa

Vice President and Secretary - Bernice Flood

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

ATTORNEYS REPRESENTING DEVELOPER: LANGA, KOHNE, WETTER & MOEN (Attention: Sanford J. Langa), Wailuku Townhouse Building, Wailuku, Maui, Hawaii. Telephone - 244-9168.

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

A. Apartments: 24 freehold estates are designated, comprised of the spaces within the perimeter walls, floors, and ceilings of each of 24 apartment units of the Project contained in three wood frame buildings, designated on the plans as Building "A", Building "B" and Building "C", and described as follows:

(1) Building "A" is a two-story building containing 2 two-bedroom apartments, designated as Apartments A-1 and A-2, on the first floor; and 2 two-bedroom apartments, designated as Apartments B-1 and B-2, on the second floor.

(2) Building "B" is a two-story building containing 2 one-bedroom apartments, designated as Apartments A-4 and A-5, and 2 two-bedroom apartments, designated as Apartments A-3 and A-6, on the first floor; and 4 two-bedroom apartments, designated as Apartments B-3 through B-6, on the second floor.

(3) Building "C" is a two-story building containing 4 one-bedroom apartments, designated as Apartments A-8 through A-11 and 2 two-bedroom apartments, designated as A-7 and A-12, on the first floor; and 6 two-bedroom apartments, designated as Apartments B-7 through B-12, on the second floor.

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

(a) Twelve apartments each consisting of two bedrooms, two bathrooms, one kitchen, one living room, a hallway and one lanai and containing floor area, including lanai, as follows:

A-1	909 square feet	B-1	909 square feet
A-2	955 square feet	B-2	955 square feet
A-3	909 square feet	B-3	909 square feet
A-6	955 square feet	B-6	955 square feet
A-7	955 square feet	B-7	955 square feet
A-12	909 square feet	B-12	909 square feet

(b) Six apartments each consisting of two bedrooms, two bathrooms, one kitchen, one living room, a hallway, a stairway and one lanai and containing floor area, including lanai, as follows:

B-4	996 square feet	B-9	996 square feet
B-5	976 square feet	B-10	976 square feet
B-8	976 square feet	B-11	930 square feet

(c) Six apartments each consisting of one bedroom, one bathroom, one kitchen, one living room a hallway and one lanai and containing floor area, including lanai, as follows:

A-4	704 square feet	A-9	704 square feet
A-5	741 square feet	A-10	741 square feet
A-8	741 square feet	A-11	704 square feet

(5) 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.

(6) The Apartments are located in the manner shown on a set of floor plans filed with the Commission.

(7) Each apartment has one entry, and each apartment has access by way of a common walkway at the first floor level. Six stairways to the second floor, are shared as limited common elements by Apartments B-1 and B-2, B-3 and B-4, B-5 and B-6, B-7 and B-8, B-9 and B-10, and B-11 and B-12, respectively.

(8) 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 designated of all remaining portions of the project, herein called "common elements", including specifically but not limited to:

(1) Said land in fee simple;

(2) All foundations, floors, columns, girders, beams, supports, bearing walls, roofs, chases, entries, stairways, walkways and elevators of said buildings;

(3) All yards, grounds, landscaping, mailboxes and refuse facilities;

(4) All parking areas and driveways;

(5) Swimming pool, recreation area and equipment and well site;

(6) A separate building housing an office and laundry room.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and said apartments have appurtenant thereto an exclusive easement for the use of the limited common elements. The limited common elements so set aside and reserved are:

(1) The stairway and landing of Building A, which is appurtenant to Apartments B-1 and B-2.

(2) The stairway and landing at the west end of Building B, which is appurtenant to Apartments B-3 and B-4.

(3) The stairway and landing at the east end of Building B, which is appurtenant to Apartments B-5 and B-6.

(4) The stairway and landing at the south end of Building C, which is appurtenant to Apartments B-7 and B-8.

(5) The stairway and landing at the center of Building C, which is appurtenant to Apartments B-9 and B-10.

(6) The stairway and landing at the north end of Building C, which is appurtenant to Apartments B-11, and B-12.

INTEREST TO BE CONVEYED TO PURCHASER: There will be conveyed to the Purchaser a leasehold interest in the apartment purchased. The Developer has leased the property from the owner for a term of fifty-six (56) years, commencing May 1, 1973. Upon delivery and recording of the individual apartment leases, the development lease will be cancelled. The term of the apartment leases will be the then unexpired term of the development lease. The specimen Apartment Lease provides for payment of rent as follows:

(a) For the 15-year period beginning May 1, 1974, the rent will be as follows:

(1) For one-bedroom apartments, except A-11: $37.54 per month.

(2) For two-bedroom apartments: $41.02 per month.

(3) For Apartment A-11: $37.61 per month.

If the Apartment Lease is not issued on or before May 1, 1974, the developer will be responsible for the rent accruing prior to issuance of the apartment lease.

(b) For the next five-year period, the rent will be as follows:

(1) For one-bedroom apartments, except A-11: $54.90 per month.

(2) For two-bedroom apartments: $60.00 per month.

(3) For Apartment A-11: $54.92 per month.

(c) For the next five-year period, the rent will be as follows:

(1) For one-bedroom apartments, except A-11: $68.60 per month.

(2) For two-bedroom apartments: $75.00 per month.

(3) For Apartment A-11: $68.67 per month.

(d) Thereafter the rent for each apartment will be its proportionate share of the aggregate annual ground rent, which will be the fair market value of the land multiplied by seven percent (7%) or the prime interest rate for commercial loans, whichever is higher.

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 and the Declaration reflect that the leasehold interest conveyed by each Apartment lease shall include an undivided interest in the common elements of the project, together with non-exclusive easements in the common elements for use according to their respective purposes in the following proportions:

Apartment	Common Interest	Apartment	Common Interest
A-1	4.257%	B-1	4.257%
A-2	4.257%	B-2	4.257%
A-3	4.257%	B-3	4.257%
A-4	3.895%	B-4	4.257%
A-5	3.895%	B-5	4.257%
A-6	4.257%	B-6	4.257%
A-7	4.257%	B-7	4.257%
A-8	3.895%	B-8	4.257%
A-9	3.895%	B-9	4.257%
A-10	3.895%	B-10	4.257%
A-11	3.899%	B-11	4.257%
A-12	4.257%	B-12	4.257%

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The Declaration specifies that 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.

MANAGER'S APARTMENT: The developer intends to give the apartment lease for Apartment A-11 to the Owners Association. It is anticipated that the apartment will be used as the manager's apartment.

OWNERSHIP OF TITLE: A Preliminary Report dated February 5, 1973, prepared by Security Title Corporation certifies that J. Alfred Burden has title to the land committed to the project.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report dated July 18, 1973, by Security Title Corporation certifies that there are no liens or encumbrances of whatever kind or nature of record against title, save and except the following:

1. Taxes that may be due and owing and a lien on the land, as to which reference is made to the Office of the Tax Assessor of the Second Division.

2. Lease dated April 30, 1973, recorded in Book 9128, Page 275, made by J. Alfred Burden to Makani A Kai Maalaea Developers, Inc., the developer of this project, for a term of 56 years commencing May 1, 1973, subject to cancellation upon issuance of the apartment leases;

3. The covenants, agreements, obligations, conditions and other provisions set forth in that certain "Makani A Kai Declaration of Horizontal Property Regime" dated July 6, 1973, recorded on July 18, 1973 in the Bureau of Conveyances in Book 9321, Page 177, and the By-Laws attached thereto.

4. Condominium Map No. 292 filed in said Bureau of Conveyances on July 18, 1973.

5. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Grant 3152.

6. The location of the seaward boundary in accordance with the laws of the State of Hawaii.

PURCHASE MONEY HANDLING: The Developer has complied with the provisions of Section 514-15 of the Hawaii Revised Statutes by filing with the Commission the following:

1. Developer's verified statement of a total development cost.

2. Developer's verified estimated completion date of the entire project.

3. Copies or satisfactory evidence of executed construction contracts and bonds therefor are as follows:

   (a) Agreement dated May 3, 1973, by and between Makani A Kai Maalaea Developers, Inc., as Developer, and O. Wilson Construction Co., Inc., as contractor for construction of a 24 unit apartment complex.

   (b) Performance bond for said construction, dated June 19, 1973, issued by the Hawaiian Insurance and Guaranty Company, Ltd., as surety.

   The bond is in the amount of not less than 100% of the construction contract price.

4. A copy of the executed Escrow Agreement dated January 29, 1973, identifies Security Title Corporation 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 moneys deposited with Escrow, without interest, and less Escrow's $25 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 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 15 days after the issuance of a Final Public Report on the project.

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.

Among other provisions, the specimen Sales Contract provides that in the event that less than eighty (80) per cent of the apartments are sold prior to December 1974, Seller may at its option cancel this agreement, refund to Buyer all monies paid, and be relieved and released of all further liability.

MANAGEMENT AND OPERATIONS: The developer advises that no contract has been entered into for employment of the management agent. The developer plans to submit the decision as to the choice of the managing agent to a meeting of the apartment purchaser which will be held shortly prior to close of escrow. The Developer plans to recommend employment of Ronald A. Kawahara whose offices are at 204 Lahaina Shopping Center Office Building, Lahaina, Maui, Hawaii.

STATUS OF PROJECT: The Developer advises that commencement construction is not yet definitely scheduled. A building contract has been executed January 29, 1973, and the contractor is identified as O. Wilson Construction Company, Inc. It is estimated that the building will be completed for occupancy in approximately 9 months from the commencement of construction.

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 March 27, 1973, and information subsequently filed as of August 8, 1973.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 541 filed with the Commission on March 27, 1973.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be white.

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

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

REGISTRATION NO. 541

August 8, 1973