

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
HOLOLANI
Rural Route 1
Kahananui, Maui, Hawaii

REGISTRATION NO. 599

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: October 2, 1974
Expires: November 2, 1975

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 JULY 25, 1973, AND INFORMATION SUBSEQUENTLY FILED AS OF SEPTEMBER 25, 1974. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on Registration No. 599, dated September 26, 1973, the Developer has prepared, assembled and forwarded additional information to that filed in the July 25, 1973, submittal. This Final Public Report is made a part of the registration on the Hololani condominium project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective

purchasers receiving the Preliminary Public Report (yellow paper stock). Securing a signed copy of the Receipt for Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Final Public Report. Since the original submittals, amendments to the Declaration of Horizontal Property Regime, the Bylaws, the Apartment Deed, the Ground Lease and the site plan and floor plans have been made and submitted to the Commission, which amendments are more particularly described under the topical headings hereinbelow set forth.
3. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners and amendments thereto) and a copy of the approved floor plans have been filed in the office of the recording officer.

The Declaration of Horizontal Property Regime executed on July 3, 1973, together with the Bylaws of the Association of Apartment Owners were recorded on July 22, 1974, in the Bureau of Conveyances in Liber 10043, Page 117. The approved floor plans have been recorded and designated as Condominium Map No. 371. The Amendment to Declaration of Horizontal Property Regime was recorded as aforesaid on September 5, 1974, in Liber 10121, Page 351. The Second Amendment to Declaration of Horizontal Property Regime was recorded as aforesaid on September 18, 1974, in Liber 10142, Page 268.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, October 2, 1974, unless a Supplementary Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The Declaration of Horizontal Property Regime and Bylaws of the Association of Owners have been amended in certain particulars not covered under any topical headings of the Commission's Preliminary Public Report of September 26, 1973. Such amendments are set forth in the Second Amendment to Declaration of Horizontal Property Regime and consist of correcting typographical errors and clarification of language with no substantive effect. In addition, an

amendment has been made of the provision in the Bylaws to the effect that the right of the Board of Directors of the Association to claim a lien upon apartments for unpaid common expenses, apartment expenses and commercial apartment expenses shall be subordinate to liens for taxes and assessments imposed by governmental authority and to all sums unpaid on mortgages of record as provided in Chapter 514, Hawaii Revised Statutes, as amended. The Developer has stated in his submittals that all amendments to the Declaration, Bylaws, Apartment Deed and Ground Lease, except amendments reflecting the revisions to the site plan and floor plans were required by the interim construction lender or the permanent lender.

The information disclosed in the Commission's Preliminary Public Report of September 26, 1973, in the topical headings hereinafter set forth has been amended as follows. Information disclosed in the remaining topical headings has not been disturbed.

DESCRIPTION:

1. Residential Apartments. The location, apartment numbers, floor area and other pertinent information set forth in the Preliminary Public Report in respect of the apartments have not been changed.

The revised floor plans, however, indicate that the door leading to the balcony from bedroom No. 1 of the Plan A apartments (Apartment Nos. A101, A104, A201, A204, A301, A304, A401, A404, A501, A504, A601, A604, A701, A704, A801, A804, B104, B201, B204, B301, B304, B401, B404, B501, B504, B601, B604, B701, B704, B801, and B804) will be a hung wooden door instead of a sliding door.

The Declaration as originally submitted to the Commission and the Preliminary Report states that there will be 32 Plan B apartments; that each of the Plan B apartments bearing numbers A103, A203, A303, A403, A503, A603, A703, A803, B102, B202, B302, B402, B502, B602, B702, and B802, will contain a floor area of approximately 1,131.0 square feet; and that each of the Plan B apartments bearing numbers A102, A202, A302, A402, A502, A602, A702, A802, B103, B203, B303, B403, B503, B603, B703 and B803 will contain a floor area of approximately 1,107.76 square feet. The stated approximate floor areas have not changed, but for purposes of clarity and consistency with the statement of floor area in respect of Plan A apartments, the Declaration has been amended to indicate that the approximate floor areas of 1,131.0 square feet and 1,107.76 square feet, respectively, are inclusive of lanais.

COMMON ELEMENTS: The Declaration and site plans originally submitted and upon which a preliminary public report was issued indicated that the project will contain 69 parking spaces, 64 of which will be for the exclusive use of the residential apartments and five (5) of which for the exclusive use of the Commercial Apartment. The Declaration as recorded in the Bureau of Conveyances indicates that the total number of parking spaces was increased to 74 and that the five additional spaces were allocated as follows: three (3) spaces for the use of the Association as common elements, and two (2) spaces for the use of the Commercial Apartment. The Amendment to the Declaration and the "as built" plans filed in the Bureau of Conveyances indicate that the total

number of parking spaces was again revised -- this time by the deletion of one parking space previously designated for the use of the Commercial Apartment. The Amendment does not affect the number of parking spaces designated for the use of the Association. The parking spaces designated for the use of the Association are Parking Space Nos. 67, 68, and 69.

LIMITED COMMON ELEMENTS:

(b) Parking Spaces - Commercial Apartment. The parking spaces designated for the use of the Commercial Apartment has been revised as hereinabove mentioned under the heading of Common Elements. The parking spaces designated for use of the Commercial Apartment (as revised) are Parking Space Nos. 65, 66, 70, 71, 72 and 73.

INTEREST TO BE CONVEYED PURCHASER:

(a) The Apartment Deed, a specimen copy of which was heretofore submitted to the Commission has been revised to reflect the amendments to the Declaration hereinabove mentioned and the recordation thereof.

(b) The Ground Lease has been revised in the following particulars: (i) Reference to the amendments to the Declaration has been included; (ii) The provision for lease rentals during the last three successive 15-year periods which are to be negotiated or determined by appraisal was amended to the effect that in no event will such lease rentals be less than the lease rental payable for the year preceding each such rental period; (iii) The blank space, wherein is to be inserted the lessee's percentage of undivided interest in the demised land for the purpose of determining the lessee's share of the total rental value of the land during the last three rental periods, has been deleted and substituted therefor are words to the effect that lessee's share of the total rental value will be equal to the product of such total rental value multiplied by the undivided interest in the land demised to the lessee. No substantive change has been effected by the foregoing inasmuch as the specimen copy of the Ground Lease originally submitted indicates that the percentage to be inserted in the deleted blank space is intended to be the same as the undivided interest demised under the lease.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Preliminary Public Report issued for the project incorrectly states that no apartment shall be rented by the owner for transient or hotel purposes. The Declaration as originally filed with the Commission provides that the residential apartments are restricted to residential use; provided, that the apartments may be leased or rented for profit and for such periods as the owner thereof may determine so long as such leasing or renting is for the use of the apartment as a place to reside and not as a place to carry on business or trade. It is the intention of the Developer to permit renting of the apartments for profit and for any period of time, whether such periods may be for one or more days or weeks or months. To clarify the intention of the Developer, the Declaration has been amended to set forth more clearly the right of an apartment owner to rent his apartment for use as a dwelling or lodging unit, whether such use be by transient visitors or otherwise.

The commercial unit remains as being designated and intended for commercial purposes.

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 September 18, 1974, updating a Preliminary Report dated July 24, 1973, 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 September 18, 1974, certifies that the records reveal no liens or encumbrances against said title, save and except the following: (a) Construction Loan Mortgage for \$3,000,000 in favor of the Trustees of Fidelity Mortgage Investors, a Massachusetts Trust, dated December 7, 1972, recorded in the Bureau of Conveyances in Liber 8791, Page 145; (b) Assignment of Rents and Leases dated December 7, 1972, made by and between Lokelani Construction Co., Inc., a California corporation, "Assignor," and Trustees of Fidelity Mortgage Investors, "Assignee," recorded in said Bureau of Conveyances in Liber 8791, Page 168; (c) Financing Statement made by Lokelani Construction Co., Inc., 888 Front Street, Lahaina, Maui, Debtor, and Trustees of Fidelity Mortgage Investors, c/o Performance Mortgage Advisors, Inc., 661 Riverside Avenue, Jacksonville, Florida, Secured Party, filed on December 28, 1972, in said Bureau of Conveyances in Liber 8833, Page 270, covering all fixtures, appliances, etc.; (d) Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant 1116; (e) As to the portions of the land bordering on the ocean (i) the effect of the decision of Application of Ashford, 50 H. 314, 440 P. 2d 76 (1968), and (ii) the effect of Sections 205-31 to 205-37, inclusive, HRS, as amended; (f) Grant of Drainage Easement A to County of Maui dated February 20, 1969, recorded in the Bureau of Conveyances in Liber 6481, Page 453; (g) Additional Charge Mortgage for \$300,000 in favor of the Trustees of Fidelity Mortgage Investors, dated June 17, 1974, recorded in said Bureau in Liber 9998, Page 37; (h) Additional Assignment of Rents and Leases, dated June 17, 1974, recorded in said Bureau in Liber 9998, Page 43; (i) Financing Statement made by Lokelani Construction Co., Inc., P. O. Box 434, Lahaina, Maui 96761, Debtor, and Bank of Hawaii, Lahaina Branch, P. O. Box 877, Lahaina, Maui 96761, Secured Party, filed on July 3, 1974, in said Bureau in Liber 10011, Page 275, covering equipment, inventory, documents of title, etc.; (j) Declaration of Horizontal Property Regime of Hololani and Bylaws attached thereto, dated July 3, 1973, recorded in said Bureau in Liber 10043, Page 117, and the site plan and floor plans thereof recorded as Condominium Map No. 371; (k) Amendment to said Declaration recorded in Liber 10121, Page 351; and (l) Second Amendment to said Declaration recorded in Liber 10142, Page 268.

Real property taxes for the fiscal year 1973-1974 have been paid in full.

STATUS OF THE PROJECT: The construction of the project has been completed. A Notice of Completion has been published. A copy of

the Affidavit of Publication filed on July 26, 1974, in the Second Circuit Court in Wailuku, Maui, is on file with the Commission.

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 July 25, 1973, and information subsequent filed as of September 25, 1974. The information disclosed in the Commission's Preliminary Public Report of September 26, 1973, should be carefully reviewed by purchaser and prospective purchaser.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION No. 599 filed with the Commission on July 25, 1973.

This 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. SODEHANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Taxation
Bureau of Conveyances
Planning Department, County of Maui
Federal Housing Administration
Escrow Agent

Date: October 2, 1974

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