

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

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 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: September 26, 1973

Expires: October 26, 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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JULY 25, 1973. 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. HOLOLANI is a proposed leasehold condominium project consisting of a total of sixty-four (64) residential apartment units and one commercial apartment. One of the residential apartment units will be for the use of the resident manager and will not be sold. The project also includes sixty-nine (69) parking stalls, a swimming pool, a sewage treatment plant and landscaping.

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.
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 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.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, September 26, 1973, 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: HOLOLANI

LOCATION: The parcel submitted to the horizontal property regime contains an area of 62,328 square feet, more or less, and is located on the makai side of Honoapiilani Highway in Kahananui, Maui, Hawaii. The street number address of the project is Rural Route 1, Kahananui, Maui, Hawaii.

TAX KEY: Second Division 4-3-10: 9

ZONING: H-2 Hotel District

DEVELOPER: Lokelani Construction Co., Inc., is a California corporation, whose principal place of business and post office address in the State of Hawaii is 888 Front Street, Lahaina, Maui, Hawaii 96761; Telephone No. 6613288. 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 and Director	5540 E. Second Street Long Beach, California
Guenther Schmidt	Vice President	Beach Road Wailuku, Maui, Hawaii
Clement H. Jacomini	Secretary-Treasurer and Director	417 S. Hill St., Suite 733 Los Angeles, California
Sally Campbell Sigurdson	Assistant Secretary and Director	5540 E. Second Street Long Beach, California

ATTORNEY REPRESENTING DEVELOPER: Hong, Wong and Iwai (Attention: Mr. Donald K. Iwai), 2300 Pacific Trade Center, 190 South King Street, Honolulu, Hawaii. Telephone 524-4900.

DESCRIPTION: The improvements to be constructed on the land consist of two (2) residential buildings and a third building containing the commercial apartment. Each of the two (2) residential buildings will also contain an elevator, an elevator machinery room, trash room, electrical room, and pump room. Other improvements on the land consist of parking facilities, swimming pool, sewage treatment plant and landscaping. The two (2) residential buildings will each contain thirty-two (32) 2-bedroom apartment units. Said buildings will be 8-stories high and constructed primarily of reinforced concrete as to the structural system, including party walls, steel studs with gypsum board as to non-structural walls, and aluminum frames for glass doors and windows. The commercial building will be a single story building consisting of wood structural system, wood and stucco exterior walls, gypsum board and wood interior walls, and concrete floors. The apartment number, floor area and other pertinent data relative to the respective apartments are as follows:

1. Residential Apartments.

(a) The apartments will be located on Buildings A and B, as shown on the site plan on file with the Commission. The apartments on each floor in each of said Buildings A and B will be numbered consecutively from 01 to 04, the sequence running from south to north in Building A and east to west in Building B, preceded by a letter ("A" or "B") denoting the building and a number which corresponds to the floor in which the apartments are located. Thus, the apartments on the first floor of Buildings A and B will bear numbers A101 to A104, inclusive, and B101 to B104, inclusive, respectively. By the foregoing numbering system, all apartments bearing apartment numbers with the same last two digits will be in a vertical alignment from the first floor to the eighth floor. The living space on the first floor of Building B shall be for the use of the resident manager and will bear the Apartment No. of B101.

(b) There will be two (2) types of apartments, to-wit, Plan A apartments and Plan B apartments. The description of Plan A apartments and Plan B apartments and their respective floor areas are as follows:

(i) Plan A apartments will be those apartments located at both ends of each of said Buildings A and B (except the living space on the first floor at the east end of Building B, which living space shall be for the use of the resident manager) and will consist of a living room, two (2) bedrooms, two (2) baths, a kitchen, a dressing room and two lanais. Each of the Plan A apartments will contain an area of approximately 1,227.94 square feet (inclusive of the lanais) measured in accordance with the dimensions shown on the floor plans filed with the Commission. There will be a total of 31 Plan A apartments which will bear the following apartment numbers: 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.

(ii) Plan B Apartments. Plan B apartments will be the interior apartments in each of said Buildings A and B and will consist of a living room, two (2) bedrooms, two (2) baths, a kitchen, a dressing room and one (1) lanai. There will be a total of 32 Plan B apartments. 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; 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; in both cases the measurements being in accordance with the dimensions shown on the floor plans filed with the Commission.

(c) Each of the apartments on the first floor of Buildings A and B will have access to a walkway which is a common element, and each of the apartments from the second floor through the eighth floor in each of said Buildings will have access to a balcony leading to the elevator and the stairway, all of which are common elements.

2. Commercial Apartment. The commercial apartment will contain a floor area of approximately 1,580 square feet measured from the exterior surface of the perimeter walls of the building. The commercial apartment will have no apartment number and will be referred to as the "commercial apartment."

COMMON ELEMENTS: 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, elevators, stairways, hallways, corridors and ducts of the buildings, all electrical, mechanical and other equipment, wiring, pipes, and other central and appurtenant transmission facilities and installations over, under and across said buildings and the project which serve more than one unit for services such as power, light, water, gas, sewer, telephone, and radio and television signal distribution; (c) all driveways, roads, and other common ways, planters, landscaping, yards, gardens, swimming pool, fences, retaining walls, refuse collection areas, the sewage treatment plant, parking areas, and all other common facilities; (d) all areas within said Buildings or

project which serve more than one unit, such as trash room, machine room, and mechanical, electrical and laundry room, if any; (e) any and all 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; (f) the living space located on the first floor of Building B and bearing Apartment No. B101, together with Parking Space No. 1, which shall be for the use of the resident manager of the project; (g) all other parts of the project which are not included in the definition of an apartment or of the commercial apartment.

LIMITED COMMON ELEMENTS: Portions of the common elements are designated as limited common elements and are set aside for the exclusive use of certain apartments. The limited common elements are:

(a) Parking Space - Apartment. 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>
A101	6	B102	2
A102	4	B103	44
A103	3	B104	43
A104	5	B201	55
A201	10	B202	54
A202	8	B203	53
A203	7	B204	52
A204	9	B301	41
A301	14	B302	42
A302	12	B303	35
A303	11	B304	36
A304	13	B401	39
A401	22	B402	40
A402	23	B403	37
A403	24	B404	38
A404	25	B501	58
A501	32	B502	56
A502	15	B503	45
A503	34	B504	57
A504	33	B601	63
A601	20	B602	50
A602	21	B603	51
A603	26	B604	64
A604	27	B701	61
A701	28	B702	59
A702	30	B703	60
A703	31	B704	62
A704	29	B801	46
A801	16	B802	48
A802	18	B803	49
A803	19	B804	47
A804	17		

Each of the foregoing parking spaces is shown on said site plan filed with the Commission.

(b) Parking Spaces - Commercial Apartment. The commercial apartment will have as an appurtenance thereto, the exclusive use of Parking Space Nos. 65, 66, 67, 68 and 69, as shown on said site plan.

Except for said parking spaces, entryways, 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>
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, B804)	Plan A	1.62%
A102, A103, A202, A203,) A302, A303, A402, A403,) A502, A503, A602, A603,) A702, A703, A802, A803,) B102, B103, B202, B203,) B302, B303, B402, B403,) B502, B503, B602, B603,) B702, B703, B802, B803,)	Plan B	1.48%
Commercial Apartment		2.42%

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 residential 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.

The commercial apartment is designed and intended for use 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 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 July 24, 1973, 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 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; and (g) As for the taxes as may be due and owing on the land, reference is hereby made to the office of the Tax Assessor of the Second Taxation Division. Tax Key: Maui 4-3-10:9, 71,051 square feet.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement duly executed and dated July 3, 1973, 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 "Reservation and Contract" and the executed "Escrow Agreement" have been examined. Among other conditions, the Escrow Agreement provides for the

payment of all monies under the Reservation and Contract to the Escrow and that Escrow shall not disburse any funds to the Seller unless and until all of the requirements of Chapter 514, Hawaii Revised Statutes, have been complied with. 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, and that Purchaser has not accepted or approved such difference; (iv) Receipt of written notice from Seller and Purchaser if such request is made prior to the time the Final Public Report is issued.

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

Among other provisions, the specimen Reservation and Contract provides that if the contract is executed before the issuance of a Final Public Report, the Purchaser may cancel the Contract (a) by giving written notice to Seller within five (5) days from the receipt of a true copy of such Final Report if it differs in any material respect from the Preliminary Public Report, or (b) by giving written notice to the Seller if the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report, or (c) if there is any change in the condominium building plans subsequent to the execution of the Contract requiring the approval of a county officer having jurisdiction over issuance of building permits, unless the Purchaser approves or accepts such change in writing. In the event of any cancellation by the Purchaser as herein set forth, Seller is required to refund to Purchaser all monies paid by Purchaser without interest.

The specimen Reservation and Contract also provides that the Seller shall have the right and option to cancel this Contract by giving written notice to Purchaser if, after nine (9) months from the date of issuance of the Preliminary Public Report and prior to the issuance of a Final Public Report, less than fifty two (52) apartments are sold.

MANAGEMENT AND OPERATION: The proposed Declaration states that the administration of the Horizontal Property Regime shall be vested in the "Association of Owners of Hololani," 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. As of the date of the Notice of Intention, the developer has not obtained a firm commitment for permanent mortgages on individual apartment units. The developer, however, has represented that it does intend to continue seeking such a commitment from an established lending institution prior to the closing of the sales agreements. In the meantime, the developer proposes to inform each purchaser to seek mortgage financing from such bank or savings and loan institution the purchaser may desire. The developer further proposes to advise the purchasers as to which lending institutions have funds available for condominium loans and to which the purchasers may apply. Wherever a purchaser may apply for a mortgage loan, the developer intends to render such aid to the purchaser in expediting the processing of such loan application.

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 March 1, 1973, and as of the date of filing of the Notice of Intention on July 25, 1973, five percent (5%) of the project was completed. The estimated date of completion is set forth as March 30, 1974, in the Notice of Intention.

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.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 599 filed with the Commission.

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

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

Date: September 26, 1973
Registration No. 599

