

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
VALLEY ISLE RESORT CONDOMINIUM
Kahana, Lahaina, Maui, Hawaii
Registration No. 635

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: December 28, 1973
Expires: January 28, 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 November 16, 1973, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED December 14, 1973, THE DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514, HAWAII REVISED STATUTES.

1. The Valley Isle Resort Condominium is a leasehold condominium project consisting of one hundred twenty (120) residential apartments, arranged throughout a twelve-story structure. A parking stall is available to each apartment. All of the parking stalls are common elements.

2. The Developer, in seeking the issuance of the Final Public Report prior to completion of the project, has complied with the requirements of Chapter 514-15, Hawaii Revised Statutes.
3. Since the submission of the required Notice of Intention, the Developer has prepared and forwarded additional information.

This Final Public Report is made a part of the registration on the Valley Isle Resort 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 Commission has determined that the basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a Report of the Approved Floor Plans) have been filed in the office of the recording officer.

The Declaration of Horizontal Property Regimes, dated September 28, 1973, with the By-Laws of the Association of Apartment Owners, was filed with the Bureau of Conveyances of the State of Hawaii in Liber 9615 on Page 484, on November 28, 1973.

The Registrar of said Bureau of Conveyances had designated Condominium Number 322 to the project.

6. No advertising or promotional material has been submitted pursuant to the rules and regulations promulgated by the Commission.
7. Purchasers or prospective purchasers are advised to acquaint themselves with the provisions of Chapter 514, Hawaii Revised Statutes, and the condominium rules and regulations which relates to Horizontal Property Regimes.
8. This Final Public Report automatically expires thirteen (13) months after date of issuance, December 28, 1973, unless a Supplemental Public Report is issued or the Commission upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: VALLEY ISLE RESORT CONDOMINIUM

LOCATION: SECOND DIVISION 4-3-10-4, 5 & 6.

ZONING: H-2 Hotel District.

DEVELOPER: San Diego-Valley Isle Group, a partnership organized under the laws of the State of Hawaii.

Partners: Myron A. Resnick, 16 Alaeloa, Lahaina, Hawaii.

(2) Leitch Valley Isle Investors, a foreign limited partnership registered to do business in Hawaii, Art S. Leitch, General Partner, 2876 El Cajon Blvd., San Diego, California.

Address: 1021 Limahana Place, Lahaina, Hawaii.

Telephone: 661-0094.

ATTORNEY REPRESENTING DEVELOPER: Ueoka, Vail & Luna, (Attention: Mr. B. Martin Luna), 2103 Wells Street, Wailuku, Maui, Hawaii. Telephone: 244-7914 (Maui).

DESCRIPTION: The Declaration of Horizontal Property Regime reflects that the project is to consist of one hundred twenty (120) residential apartments arranged throughout a twelve-story structure, hereinafter called "Building B", situated upon the 3.054 acres of land hereinbefore described. Each apartment shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and the space measured by the area of the lanai of each apartment; and measured vertically by the distance between the topside surface of the concrete floor and the underside surface of the ceiling.

The principal materials of which the said building shall be constructed are as follows: (1) the foundation shall be of prestressed concrete piles, concrete pile caps and grade beams, concrete floor; (2) the floor slabs above the ground floor shall be of concrete; (3) the structural framewalls shall be of concrete block and lode bearing masonry; (4) the walls between apartments, and between apartments and the corridors, shall be of metal studs with gypsum board and concrete block; (5) the walls within each apartment shall be of metal studs with gypsum board; (6) the stairs shall be of reinforced concrete; (7) the roof shall be of concrete with a four-foot high parapet along the perimeter of the roof; and (8) the concrete floors shall be covered with carpet or trowelled concrete.

A two-story commercial facilities building, hereinafter called "Building A", covering a ground area of 10,745 square feet, will also be erected on said property. Shops, the lobby and manager's office for the operation of the apartment building shall be located on the first floor of Building A. The usable space on the first floor is approximately 8,650 square feet. A restaurant, cocktail lounge, bar and lanai shall occupy the second floor which is approximately 5,020 square feet. Apartment building shall be located in said Building A. The central lobby and office space, the walkways and corridors and front entry area, on the first floor, are common elements, while the remaining areas of Building A shall comprise one commercial apartment unit, ownership of which shall be retained by the Developer and its assigns.

Building A shall be a two-story wood frame type V structure with a one hour fire rating. The foundation shall be concrete and the second floor shall be wood with concrete over it. The exterior walls shall be wood siding and wood sawn shingles, while the interior walls shall be gypsum board.

Between the two buildings, there is an open recreation knoll area containing a swimming pool and sun deck. These are common elements.

One hundred twenty (120) individual "apartments" hereby established shall be within Building B. Each floor of said building shall contain 10 apartments -- 2 studio apartments, 6 one-bedroom apartments and 2 two-bedroom apartments. Each unit will have carpets, drapes, and a full complement of kitchen appliances.

The apartments in Building B are numbered as follows:

FIRST FLOOR: 101, 102, 103, 104, 105, 106, 107, 108,
109, 110

SECOND FLOOR: 201, 202, 203, 204, 205, 206, 207, 208,
209, 210

THIRD FLOOR: 301, 302, 303, 304, 305, 306, 307, 308,
309, 310

FOURTH FLOOR: 401, 402, 403, 404, 405, 406, 407, 408,
409, 410

FIFTH FLOOR - NINTH FLOOR - same system

TENTH FLOOR: 1001, 1002, 1003, 1004, 1005, 1006
1007, 1008, 1009, 1010

ELEVENTH FLOOR: 1101, 1102, 1103, 1104, 1105, 1106,
1107, 1108, 1109, 1110

TWELFTH FLOOR: 1201, 1202, 1203, 1204, 1205, 1206,
1207, 1208, 1209, 1210

Apartments with numbers whose last digit is a 6 or 7 shall be a studio unit and those whose numbers end with a 3 or 8 shall be two-bedroom apartments. The other apartments shall be one-bedroom apartments.

The respective apartment units shall contain the following:

Studio Units: Combination Living-Sleeping Room area,
kitchenette, bathroom, lanai.

One-Bedroom Units: One Bedroom, Combination Dining-
Living Room area, kitchen, bathroom, lanai.

Two-Bedroom Units: Two Bedrooms, Combination Dining-
Living Room area, kitchen, two bath-
rooms, lanai.

The studio apartments shall have 480 square feet of living area and 112 square feet of lanai for a total area of 592 square feet. The one-bedroom apartments shall have 768 square feet living area and 112 square feet of lanai for a total area of 880 square feet. The two-bedroom units shall have 1040 square feet living area and 112 square feet of lanai for a total area of 1,152 square feet.

All of the apartments shall have immediate access to the open hallway immediately adjacent to and connecting the apartments on each story, elevators, stairways and lobbies.

COMMON ELEMENTS: The Declaration reflects that the common elements include: the structure of the two buildings and the property upon which they are located, and specifically includes, but is not limited to foundations, columns, beams and supports, girders, balconies, roofs, bearing walls, lobbies, hallways, stairs, walkways, entrances and exits of said building, elevators, parking area, and yards, refuse area, swimming pool, and sewage disposal system; manager's office, clerk's counter, public toilets and service rooms; all ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, water, refuse and telephone, switchroom and transformer vaults, trashrooms, and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the building.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called and designated "limited common elements" in the Declaration are set aside and reserved for the exclusive use of certain apartments and such apartments will have appurtenant thereto an exclusive easement for the use of such limited common elements. Said limited common elements set aside and reserved are the entry hallways adjoining an apartment or apartments which shall be appurtenant to and for the exclusive use of such apartment or apartments which it adjoins.

INTEREST TO BE CONVEYED PURCHASER: The Declaration reflects that the percentage of undivided interest in the common elements appertaining to each apartment is as follows:

Studio Apartments:	0.524	each	(24 units)
One-Bedroom Apartments:	0.785	"	(72 units)
Two-Bedroom Apartments:	1.047	"	(24 units)
Commercial Suite:	5.776		(1 unit)

The undivided interest established and to be conveyed with the respective "apartment" cannot be changed, and the Developer/Owner covenant and agree that the undivided interests in the "common elements" and the fee simple titles to the respective "apartments" to be conveyed, shall not be separated or separately conveyed, and each said undivided interest shall be deemed to be conveyed or encumbered with its respective "apartment" even though the description in the instrument of conveyance or encumbrance may refer only to the fee simple title to the "apartment." The proportionate shares of the separate owners of the respective "apartments" in the profits and common expenses in the "common elements" as well as their proportionate representation for voting purposes in the Association of Apartment Owners shall be the undivided interest shown above.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration reflects that the apartments shall be occupied and used by the respective owners as and for living accommodations and for such other use as the Board of Directors of the Association of Unit Owners shall allow.

OWNERSHIP OF TITLE: Preliminary title report prepared December 5, 1973, by Title Guaranty of Hawaii Incorporated, a Hawaii corporation, certifies that the leasehold ownership of the subject parcels of land is in Valley Isle Hotel Corporation, a Hawaii corporation. By lease dated February 18, 1969, recorded in Liber 6456, Page 321, entered into by and between Edward Boniface Watson, Jr., husband of Barbara Helene Hiram Watson, Helen Anna Bechert Young, wife of Wing Mung Young, and Kuuleialoha Bechert Lay, wife of Owen Eugene Lay, as lessors, and Valley Isle Hotel Corporation, as lessee. Said lease was amended by instrument dated August 25, 1970, recorded in Liber 7270, Page 244, and further amended by instrument dated September 9, 1973, recorded in Liber 9615, Page 472.

ENCUMBRANCES AGAINST TITLE: The Preliminary title report, prepared December 5, 1973, by Title Guaranty of Hawaii Incorporated, certifies that there are no liens or encumbrances of whatever kind or nature or record against said title, save and except that following:

1. Real property taxes - information pending
Tax Keys: 4-3-10-6 (2) - covers Parcel First
4-3-10-5 (2) - covers Parcel Second
4-3-10-4 (2) - covers Parcel Third
2. The reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The location of the seaward boundary in accordance with the law of the State of Hawaii.
4. Covenants, conditions and restrictions and other provisions set forth in Declaration of Horizontal Property Regime dated September 28, 1973 recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9615 at Page 484 and By-Laws attached thereto as the same are or may hereafter be amended in accordance with law, said Declaration or By-Laws. Project covered by Condominium Map No. 322.
5. Terms, agreements, reservations, covenants, conditions and provisions contained in Lease recorded in said Bureau of Conveyances in Liber 6456 at Page 321, as amended.
6. Mortgage from Valley Isle Hotel Corporation, a Hawaii corporation, as Mortgagor, and First Chicago Realty Services Corporation, a Delaware corporation, as Mortgagee, dated August 22, 1973, and recorded in said Bureau of Conveyances in Liber 9451 on Page 211 in the amount of \$4,500,000.00.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated November 30, 1973, identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation, as the Escrow Agent. On examination the specimen Contract of Sale and the executed Escrow Agreement

are found to be in compliance with the Hawaii Revised Statutes, Chapter 514, and particularly Hawaii Revised Statutes, Section 514-35 and Section 514-36 through Section 514-40.

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 monies deposited with Escrow, without interest, and less a \$10.00 cancellation fee, if any of the following events shall have occurred: (1) if funds were obtained from an apartment purchaser prior to the issuance of a Final Public Report upon the project by the Real Estate Commission, and there is a change in the plans for the said building requiring the approval of the official of the County of Maui having jurisdiction over the issuance of permits for the construction of buildings, unless Developer obtains the written approval or acceptance of such specific change in building plans by such apartment purchaser; (2) such Final Public Report is not issued within one year from the date of issuance of such Preliminary Public Report; (3) upon the occurrence of any other event which, under the Hawaii Revised Statutes, Chapter 514, gives an apartment purchaser under a contract of sale the right to a refund of his purchase money deposited in escrow.

The specimen Contract of Sale 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 Contract of Sale 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.

MANAGEMENT AND OPERATIONS: The By-Laws empower the Board of Directors with the authority to acquire and pay for the services of a person or firm to manage the Horizontal Property Regime. No property manager has been identified in the notice of intention to sell.

STATUS OF PROJECT: A copy of the building contract with SWINERTON & WALBERG CO., a California corporation registered to do business in Hawaii, was executed August 9, 1973. A 100% Performance Bond with a warranty of one year has been executed and a copy of said bond is on file with the Commission. The Developer in its verified statement gives Notice that the project will be completed 15 months from the day notice to proceed is given the Contractor. Estimated completion date will be October 1974.

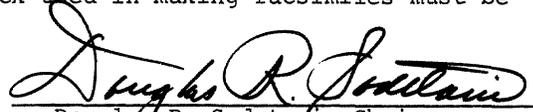
FINANCING OF PROJECT: At present the Developer has not obtained commitment from any lending institution for permanent mortgages of individual apartment units.

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

November 16, 1973, and additional information subsequently filed on December 14, 1973.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 635 filed with the Commission on November 16, 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.


Douglas R. Sodehani, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

REGISTRATION NO. 635

December 28, 1973