

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

**SECOND SUPPLEMENTARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

on

MAUI SUNSET
(formerly Maui Pacific Shores)

Kihei, Maui, Hawaii

REGISTRATION NO. 652

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated August 13, 1974, issued by the Real Estate Commission on the above 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: July 23, 1976
Expires: July 23, 1977

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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 18, 1974, AND INFORMATION SUBSEQUENTLY FILED AS OF JULY 19, 1976. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. Since the issuance of the Commission's Supplementary Public Report of May 20, 1974, and the Final Public Report of August 13, 1974, changes determined to be a material revision to the information first disclosed have been reported.

This Second Supplementary Public Report amends and supplements the previous reports and is made a part of the registration on MAUI PACIFIC SHORES condominium project.

The Developer is responsible for placing a true copy of this Second Supplementary Report (pink paper stock) in the hands of all purchasers and prospective purchasers along with a true copy of the Supplementary Public Report of May 20, 1974 (pink paper stock) and Final Public Report of August 13, 1974 (white paper stock). Securing a signed copy of the receipt for all three public reports from each such party is also the responsibility of the Developer.

2. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the updating of information disclosed therein.

The change in the name of the project, as well as in ownership of title and in the name of the Developer requires a change in all documents previously submitted to the Commission wherever the project name is stated.

3. An Amendment to Declaration of Horizontal Property Regime, amending the Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances in Liber 10084 at page 389, and the Declaration of Covenants, Conditions and Restrictions and By-Laws attached to said Declaration and incorporated therein by reference, has been executed and recorded in said Bureau in Liber 11521 at page 373. The approved floor plans, designated as Condominium Map NO. 375, are effective as originally recorded.
4. Promotional and advertising materials have been submitted pursuant to the rules and regulations promulgated by the Commission.
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 promulgated thereunder which relate to Horizontal Property Regimes.
6. This Supplementary Public Report automatically expires on July 23, 1977, unless the Commission, upon review of registration, issues an order extending the effective period of this Report.

The Developer has requested and the Commission has granted a second extension of the Final Public Report of August 13, 1974 to July 23, 1977 through this Second Supplementary Public Report.

Only certain information previously reported under the topical headings of NAME OF PROJECT, TAX KEY, DEVELOPER, ATTORNEY REPRESENTING DEVELOPER, PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE, OWNERSHIP OF TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, MANAGEMENT AND OPERATION and STATUS OF PROJECT have been amended since the issuance of the Final Public Report dated August 13, 1974. Otherwise, the information recited in said Final Public Report and in the Supplementary Public Report dated May 20, 1974,

remains applicable. The purchaser or prospective purchaser is advised to read carefully the aforesaid May 20, 1974 Supplementary Public Report and August 13, 1974 Final Public Report with respect to the information previously reported under topical headings not set forth hereinabove.

NAME OF PROJECT: The name of the project has been changed from MAUI PACIFIC SHORES to "MAUI SUNSET".

TAX KEY: SECOND DIVISION 3-9-01:2. Represents a consolidation of Second Division Tax Key Nos. 3-9-01:2, 71 and 135.

DEVELOPER: KRAUS-ANDERSON OF ST. PAUL DEVELOPMENT CORPORATION, a Minnesota corporation authorized to do business in the State of Hawaii, whose place of business and post office address is 525 South Eighth Street, Minneapolis, Minnesota 55404 (Telephone: (612)332-7281), and whose officers are:

President	William J. Jaeger, Jr.
Vice President	John W. Schletty
Vice President	Dennis J. Spalla
Secretary-Treasurer	Lloyd Engelsma
Assistant Vice President and Assistant Secretary	Loren R. Knott
Assistant Treasurer	Charles Buchholz
Assistant Secretary	Burton F. Dahlberg

The address of Kraus-Anderson of St. Paul Development Corporation in the State of Hawaii is Suite 2102, Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813 (Telephone: (808)524-2434).

ATTORNEY REPRESENTING DEVELOPER: Curtis W. Carlsmith, Attorney at Law, A Law Corporation (Attention: Curtis W. Carlsmith or Bruce G. Jackson), Suite 2102, Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813. Telephone: (808)524-2434.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Amendment to Declaration of Horizontal Property Regime reflects that the apartments are intended to be used as residential apartments, but such apartments may be leased or rented from time to time to transients. It also reflects that the Developer intends to designate not more than two (2) apartments on the ground floor of either Building A or Building B for use as a sundry store, subject to the approval of the appropriate State and/or County authorities as to such use.

OWNERSHIP OF TITLE: A Policy of Title Insurance, dated July 8, 1976, issued by Title Insurance and Trust Company, shows that Kraus-Anderson of St. Paul Development Corporation, a Minnesota corporation, is the owner in fee simple of the property submitted to this Horizontal Property Regime.

ENCUMBRANCES AGAINST TITLE: The July 8, 1976 Policy of Title Insurance issued by Title Insurance and Trust Company, certifies that there are no liens or encumbrances of whatever kind or nature of record against said title save and except as following:

1. Real property taxes that may be due and owing and a lien on the land (Purchaser and prospective purchasers are hereby referred to the Office of Tax Assessor of the Second Division of the State of Hawaii).

2. Reservation to the State of Hawaii of all the minerals and the right to prospect for, mine, and remove the minerals as set forth in Section 182-2, Chapter 182 of the Hawaii Revised Statutes (1968).
3. Grant dated January 18, 1974, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9754 at page 85, in favor of the County of Maui, granting an easement of open and clear space for the purpose of preserving clear and unobstructed view from Kihei Road Highway to the sea.
4. Grant dated May 6, 1975, recorded in said Bureau of Conveyances in Liber 10663 at page 227, in favor of MAUI ELECTRIC COMPANY, LIMITED, a Hawaii corporation, granting a perpetual right and easement to build, etc., pole and wire lines and/or underground lines, and to use such poles, etc., as may be necessary for the transmission and distribution of electricity, etc., and including also the right of entry upon the premises for the construction, etc., over, under, upon, across and through, a portion of the land.
5. Mortgage and Financing Statement dated June 23, 1976, recorded in the Bureau of Conveyances of Hawaii in Liber 11521 at page 347, made by Kraus-Anderson of St. Paul Development Corporation, as mortgagor, to Security Pacific Mortgage Corporation, as mortgagee.
6. Unrecorded Notice of Appeal dated March 31, 1976, made in the matter entitled "Security Pacific Mortgage Corporation, a Delaware corporation, duly qualified and authorized to do business in the State of Hawaii, Plaintiff, vs. Maui Maalaea Bay Land, a Minnesota limited partnership, George L. Mikan, Patricia L. Mikan, John D. Newell, Mary Lou Newell, Ludy Augustine Ferreira, Leisure Industries, Inc., a Minnesota corporation, and KMH Condo, Inc., a Minnesota corporation, Defendants", filed in the Circuit Court of the First Circuit, State of Hawaii, under Civil No. 46786, which appeal is docketed in the Supreme Court of Hawaii as No. 6203.

PURCHASE MONEY HANDLING: The Developer has entered into an Escrow Agreement dated July 9, 1976, with Title Guaranty Escrow Services, Inc., as Escrow, governing the collection and disbursement of purchasers' funds, a true copy of which Escrow Agreement has been submitted to and is on file with the Commission, and which has been examined and has been found to conform with the requirements of Chapter 514, Hawaii Revised Statutes, including but not limited to the requirements of Sections 514-36 through 514-40 inclusive, Hawaii Revised Statutes.

Since the Sales Contract gives both the prospective purchaser and the Developer the option of cancellation upon the occurrence of certain events; since the Escrow Agreement establishes the procedure for receiving and disbursing purchasers' funds deposited in escrow; and since the Sales Contract specifically incorporates the Escrow Agreement and provides that the purchaser approve its provisions, it is incumbent upon the prospective purchaser to read and understand both the Escrow Agreement and the Sales Contract before executing the latter.

Among other provisions, the Sales Contract provides that (1) the Buyer agrees that all the rights of the Buyer are and shall be subject and subordinate to the lien of any mortgage made to finance the acquisition of the land and the costs of construction thereon, to any and all advances made thereon and to any and all sums which may become a lien pursuant to the terms of such mortgage or any other agreement relating thereto; (2) the Buyer will accept said apartment in its present condition and that there are no express or implied warranties, including any implied warranty or merchantability or fitness of the apartment for a particular purpose.

MANAGEMENT AND OPERATION: Pursuant to the By-Laws, Kraus-Anderson of St. Paul Development Corporation, as Owner, has entered into a Condominium Management Agreement with Colony Condominium Management, Inc., a Hawaii corporation, for the operation and management of the Horizontal Property Regime for a term of five years, subject to earlier termination as provided therein. A copy of the Condominium Management Agreement has been submitted as part of this registration, and is on file with the Commission.

STATUS OF PROJECT: The project has been substantially completed, as evidenced by the Affidavit of Publication of Owner's Notice of Completion filed in the Circuit Court of the Second Circuit of the State of Hawaii on October 16, 1975, and by the Verified Statement of Registered Architect (the "as built" Certificate), filed with the Amendment to Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11521 at page 373.

The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the Developer in the required Notice of Intention submitted January 18, 1974, and information subsequently filed as of July 19, 1976.

THIS SECOND SUPPLEMENTARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 652, filed with the Commission on January 18, 1974.

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

Ah KAU YOUNG
AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

REGISTRATION NO. 652
July 23, 1976