

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
MALUNA KAI ESTATES
Rural Route 1
Alaeloa, Maui, Hawaii

REGISTRATION NO. 797

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, 1975
Expires: October 26, 1976

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 28, 1975, AND INFORMATION SUBSEQUENTLY FILED AS OF SEPTEMBER 19, 1975. 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. MALUNA KAI ESTATES is a proposed fee simple condominium consisting of nine separate single-family residences.
2. 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.
3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners and a copy of the approved floor plans) have not been filed in the office of the recording officer.
4. The purchaser or prospective purchaser is advised to

acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

5. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, September 26, 1975, unless a Supplementary Public Report is published or the Commission, upon review of the registration, issues an order extending the effective period of the report.
6. As of this date, no advertising or promotional matter has been submitted to the commission pursuant to its rules and regulations.
7. This Preliminary Public Report is made a part of the registration of MALUNA KAI ESTATES Condominium Project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt for the Preliminary Public Report from each purchaser.

NAME OF THE PROJECT: MALUNA KAI ESTATES.

LOCATION: The parcel submitted to the Horizontal Property Regime contains an area of 2.1264 acres (92,626 square feet, more or less) and is located on the makai side of Honoapiilani Highway in Alaaloa, Lahaina, Island of Maui, State of Hawaii.

TAX KEY: Second Division 4-3-03-20.

ZONING: RS-3.

DEVELOPER: Arnold Owen Jeffs and Violet Freda Jeffs, husband and wife, are individuals residing on the Island of Maui, State of Hawaii. Their business and post office address is P. O. Box 25, Lahaina, Maui, Hawaii 96761 (telephone number 669-6479).

ATTORNEY REPRESENTING DEVELOPER: NELSON CHRISTENSEN, 203 Lahaina Shopping Center Office Building, Lahaina, Maui, Hawaii 96761, (telephone number 661-4458).

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects that the project is to consist of nine single-family residence buildings located on a 92,626 square foot site. Each building has a semi-enclosed car port and contains approximately 1750 square feet of floor space, exclusive of car port and lanai. Six of the residences, numbered 1 through 6, are split-level, and three, numbered 7 through 9, are two stories. The six split-level residences each contain two bedrooms, a den, a living room, a kitchen and two bathrooms. The three two-story residences have the same room distribution as the split-level residences, plus a half-bathroom on the second floor. Electricity, gas and water will be separately metered at each residence.

The buildings are to be constructed principally of structural wood framing on a poured concrete slab foundation, with stained wood siding and cedar shake roofing.

COMMON ELEMENTS: The common elements will include:

- (a) The land as described in fee simple, and improvements thereon, except for the single-family residence buildings. Improvements include tennis court, swimming pool, and pool-side sun deck and pavilion including washroom and equipment storage area;
- (b) Guest parking areas and paved access road connecting the various residences to the county highway;
- (c) All underground television cables, water lines, electric and telephone lines, sewer facilities, and other utilities constructed or installed in the common areas of the project;
- (d) All other devices or installations upon the above-described land existing for or rationally of common use to all the owners of residences with the project.

Common area expenses shall be shared equally by owners of the nine residences, except that the Developer commits itself, in the proposed sales contract, to pay all common area expenses charged to each residence for the period up to and including August 31, 1976.

LIMITED COMMON ELEMENTS: The only limited common elements in the project are the land upon which each residence is situated and the driveway and pedestrian walkway appurtenant to each residence.

INTEREST TO BE CONVEYED TO PURCHASER: The proposed Declaration and the specimen copies of the conveyance document submitted to the Commission reflect that a deed in fee simple to each residence and to an undivided one-ninth interest in the common elements of the project, will be given to each residence purchaser.

PURPOSE OF BUILDINGS AND RESTRICTION AS TO USE: The proposed Declaration reflect that the residences in the project are intended and restricted to use as single-family residences, and shall be occupied only by the owner of record and his family, non-paying guests of the owner, or lessees of the owner. No residence may be leased for a term of less than six months.

OWNERSHIP OF TITLE: A Certificate of Title issued on July 14, 1975, by Security Title Corporation certifies that title to the property is held by Joseph J. Shulman, and Frank Rogers Sommerfeld, as tenants in common, subject to an Agreement of Sale under which Arnold Owen Jeffs and Violet Freda Jeffs, as tenants by the entirety, are purchaser. The Developer advises that the agreement of sale will be satisfied prior to construction, vesting fee simple title to the property in the Developer.

ENCUMBRANCES AGAINST TITLE: Said Certificate of Title as of July 14, 1975, certifies that the records reveal no liens or encumbrances against said title, except the following:

- (a) The aforesaid agreement of sale;
- (b) Reservations in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 1663;

- (c) For any taxes that may be due and owing.

The Developer advises that prior to the commencement of construction, a construction loan mortgage to First Hawaiian Bank will encumber the property, but said mortgage will either be released prior to the first conveyance of a condominium unit, or a partial release given upon each sale closing.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement duly executed and dated March 14, 1975, between Arnold Owen Jeffs and Violet Freda Jeffs, as Seller, and Security Title Corporation, as Escrow, has been submitted to the Commission as part of this registration. On examination the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514, and particularly Hawaii Revised Statutes, Section 514-35 and Section 514-36 through 514-40.

Among other provisions the executed Escrow Agreement states that a purchaser under a Sales Contract, upon written request, shall be entitled to a refund of all monies deposited with Escrow, without interest and less Escrow's \$25.00 cancellation fee, if any of the following events shall have occurred:

- (a) Developer has requested Escrow in writing to return to Purchaser the funds of such Purchaser then held hereunder by Escrow; 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 execution of Purchaser's Sales agreement, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the Purchaser has given written approval or acceptance of the specific changes; or
- (c) If the final public report differs in any material respect from the preliminary public report, unless the Purchaser has given written approval or acceptance of the difference; or
- (d) If the final public report is not issued within one year from the date of issuance of the preliminary public report.

The sales Contract further provides that buyer agrees that all the rights of buyer under the Sales Contract are and shall be subject and subordinate to the lien of any interim mortgage securing the repayment of any interim loan made to finance the cost of construction and other cost during construction and to any and all other costs during construction and to any and all advances made thereon and to any and all sums which may become a lien pursuant to the terms of such interim loan or any other agreement relating thereto. The buyer by the Sales Contract irrevocably appoints the Seller the attorney-in-fact of Buyer to execute and deliver on behalf of buyer any instrument of subordination which

the interim lender or its successors in interest may require should Buyer fail to do so within 5 days after request is made.

It is incumbent upon the purchaser and the prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of condominium units are placed in trust as well as the retention and disbursement of said funds.

The Sales Contract provides that if construction of the project is not completed by December 31, 1976, either Seller or Buyer may, upon 15 days notice to the other, terminate the Sales Contract, and all sums paid by the Buyer shall then be refunded without interest.

MANAGEMENT AND OPERATIONS: The proposed Declaration states that the administration of the Horizontal Property Regime shall be vested in the Association of Apartment Owners, in accordance with the Bylaws of the Association. The Bylaws provide that the Board of Directors, to be elected by the Association, shall at all times manage and operate the project and have such powers and duties as may be necessary and proper therefor. The powers of the Board of Directors may not be delegated, and no manager or managing agent may be employed for the project without the unanimous approval of the residence owners.

STATUS OF THE PROJECT: A construction contract has been executed by the Developer and State Development Corporation, a subsidiary of Global Construction Inc., as contractor, for construction of the first of nine residences. The Developer advises that construction on that residence has begun, and grading and site work for the entire project has been substantially completed.

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 28, 1975 and information subsequently filed as of September 19, 1975.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 797 filed with the Commission on July 28, 1975.

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

September 26, 1975
Registration No. 797