

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

KALAMA TOWERS
Kihei, Maui, Hawaii

REGISTRATION NO. 810

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: October 22, 1975
Expires: November 22, 1976

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 ON SEPTEMBER 26, 1975, AND INFORMATION SUBSEQUENTLY FILED ON OCTOBER 8, 1975. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. KALAMA TOWERS is a fee simple condominium project consisting of thirty-nine (39) apartments arranged throughout a single building of four (4) stories. The common elements include the swimming pool, filtration plant, and the surrounding deck area; outdoor lighting; shuffleboard court; the office, storage area, electric room, sauna, dressing room, toilet, and bar, all located on the ground floor of the building; the utility rooms, located next to the

elevator, on each floor of the building; the meter closets, located next to the elevator, on each floor of the building. The limited common elements include, but are not limited to, thirty-nine (39) assigned parking stalls, each being appurtenant to its corresponding apartment number, as shown on the proposed condominium map.

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 (Proposed Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the proposed Floor Plans) have not been filed in the office of the recording officer.
4. Advertising or promotional matter has been submitted pursuant to rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Hawaii Revised Statutes, Chapter 514, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, October 22, 1975, unless a Supplementary Public Report issues or the Commission, upon review of registration, issues an order extending the effective period of this report.
7. This Preliminary Public Report is made a part of the registration of KALAMA TOWERS 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 PROJECT: KALAMA TOWERS

LOCATION: The approximate 35,537 square feet of land to be committed to the regime is situated at Kihei, Maui, Hawaii.

TAX KEY: SECOND DIVISION 3-9-16-39, 40 and 41

ZONING: A-2 Apartment

DEVELOPER: F S & T ASSOCIATES, a limited partnership organized under the laws of the State of Hawaii, whose address is: 269 East Papa Place, Kahului, Maui, Hawaii. The general partners are:

| | |
|-------------------|--|
| HAROLD L. FREITAS | 504 Liholiho Street Wailuku, Hawaii |
| ROBERT Y. SHIMADA | 1817 Wells Street Wailuku, Hawaii |
| NAOKI TOKUHISA | P. O. Box 431 Kahului, Hawaii |

ATTORNEY REPRESENTING DEVELOPER: Crockett & Crockett (Attention: Mr. William F. Crockett), 38 South Market St., Wailuku, Maui, Hawaii. Telephone: 244-3796.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects that the project is to consist of thirty-nine (39) apartments arranged throughout a single building of four (4) stories situate upon the 35,537 square feet of land hereinbefore described.

The principal materials of which the building shall be constructed are as follows: The foundation shall be constructed of reinforced concrete; the ground floor shall be constructed of reinforced concrete; the floor slabs for the second, third and fourth floors shall be constructed of reinforced concrete or pre-cast concrete; the structural frame, and the perimeter walls between apartments, shall be constructed of reinforced eight (8) inch concrete blocks; the walls within each apartment shall be constructed of metal studs covered with gypsum board; the roof shall be constructed of reinforced concrete or pre-cast concrete, built up with gravel over membrane; the interior concrete floors of the apartments shall be covered with carpet or vinyl.

Apartments 101 through 110 (There is no apartment numbered 106. The office shall be located in its place.) are located on the ground floor of the building, and are numbered, in ascending order, from north to south. Apartments 201 through 210 are located on the second floor of the building, and are numbered, in ascending order, from north to south. Apartments 301 through 310 are located on the third floor of the building, and are numbered, in ascending order, from north to south. Apartments 401 through 410 are located on the fourth floor of the building, and are numbered, in ascending order, from north to south.

The apartments are of two types: A - One Bedroom Apartments;
B - One Bedroom Apartments.

The following twenty (20) apartments are A - One Bedroom Apartments: 101, 102, 103, 104, 105, 201, 202, 203, 204, 205, 301, 302, 303, 304, 305, 401, 402, 403, 404 and 405.

Each A - One Bedroom Apartment shall consist of a bedroom, bath, hall, kitchen, dining-living room, and a lanai, and each such apartment shall have an approximate enclosed floor space of 588 square feet, a lanai of approximately 56 square feet, and an approximate total area of 644 square feet.

The following nineteen (19) apartments are B - One Bedroom Apartments: 107, 108, 109, 110, 206, 207, 208, 209, 210, 306, 307, 308, 309, 310, 406, 407, 408, 409 and 410.

Each B - One Bedroom Apartment shall consist of a bedroom, bath, hall, kitchen, dining-living room, and a lanai, and each such apartment shall have an approximate enclosed floor space of 560 square feet, a lanai of approximately 80 square feet, and an approximate total floor area of 640 square feet.

Each apartment located on the ground floor of the building shall have immediate access to the land. Each other apartment shall have immediate access to the open covered walkway immediately adjacent to and connecting the apartments of each floor above the ground floor, and the stairs and elevator between the floors of the building.

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 lanai of each apartment, and measured vertically by the distance between the topside surface of the concrete floor and the underside surface of the concrete ceiling of each apartment.

In addition to the rights and easements created and established by Haw. Rev. Stat. Chapter 514 in and with respect to the common elements of the horizontal property regime hereby established, each apartment shall have appurtenant thereto, under and by virtue of the Declaration of Horizontal Property Regime, a non-exclusive easement in the common elements designed for such purpose of ingress and egress, utility services, support, maintenance and repair, as the case may be; and the Association shall have the irrevocable right, under and by virtue of the Declaration of Horizontal Property Regime, and in addition to the rights created and given to the apartment owners by Haw. Rev. Stat. Section 514-6(f), to be exercised by its Board of Directors, Manager or Managing Agent, as the case may be, to enter each apartment from time to time during reasonable hours as may be necessary for the repair, replacement, restoration or installation of any common element.

COMMON ELEMENTS: The proposed Declaration reflects that the common elements include: (a) The land heretofore described, and the superadjacent airspace above the roof, and next to the exterior walls, of the building; (b) All foundations, columns, girders, beams and supports, bearing walls, roof, structural frame (except that the windows, and window frames, doors and door frames, for each apartment, located within the structural frame of the building, shall be a part of that apartment, and not a common element), perimeter walls between apartments, floor slabs and ceilings, the open covered walkway on each floor of the building above the ground floor, the stairs, stair towers, elevators, elevator shaft and elevator lobby on each floor, of the building; (c) The swimming pool, filtration plant, and the surrounding deck area; outdoor lighting; shuffleboard court; the office, storage area, electric room, sauna, dressing room, toilet, and bar, all located on the ground floor of the building; the utility rooms, located next to the elevator, on each floor of the building; the meter closets, located next to the elevator, on each floor of the building; (d) All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, refrigeration, television, sewage disposal, and other utilities (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located within common elements or within apartments), and all tanks, pumps, motors, fans, compressors, ducts and other apparatus and installations existing for common use; (e) All tangible personal property, accounts, general intangibles, instruments and money, and any apartment acquired and held by the Association or the Board of Directors of the horizontal property regime, or their agents, for the administration, maintenance, safety and operation of the common elements of the regime, or for the common use and benefit of the apartment owners; (f) All other apparatus and installations existing for, or rationally of common use to, or necessary or convenient to the existence, maintenance or safety of all the apartments of the horizontal property regime.

LIMITED COMMON ELEMENTS: (a) There shall be appurtenant to each apartment, as a limited common element, appertaining to and reserved for the exclusive use of each apartment, a parking stall located in the parking area as shown and marked on the proposed Condominium Map by the number corresponding to the apartment to which it appertains. (b) Any pump, motor, fan, compressor or duct, or any installation for power, light, telephone, gas, hot and cold water, heating, refrigeration, television, sewage disposal, air conditioning, or other utilities, (including all pipes, ducts, wires, cables and conduits used in connection therewith), located in a common element, designed to serve only one apartment (that is, not designed or existing for common use), shall be appurtenant to such apartment, as a limited common element, and the same shall be reserved for the exclusive use and benefit of each apartment, and all costs and expenses of every description pertaining thereto including but not limited to the cost of the maintenance, repair and replacement thereof, and the making of any additions and improvements thereto, shall be charged to the owner of such apartment.

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

| | | |
|---------------|-----|------|
| Apartment No. | 101 | 2.58 |
| | 102 | 2.56 |
| | 103 | 2.56 |
| | 104 | 2.56 |
| | 105 | 2.56 |
| | 107 | 2.56 |
| | 108 | 2.56 |
| | 109 | 2.56 |
| | 110 | 2.58 |
| | 201 | 2.58 |
| | 202 | 2.56 |
| | 203 | 2.56 |
| | 204 | 2.56 |
| | 205 | 2.56 |
| | 206 | 2.56 |
| | 207 | 2.56 |
| | 208 | 2.56 |
| | 209 | 2.56 |
| | 210 | 2.58 |
| | 301 | 2.58 |
| | 302 | 2.56 |
| | 303 | 2.56 |
| | 304 | 2.56 |
| | 305 | 2.56 |
| | 306 | 2.56 |
| | 307 | 2.56 |
| | 308 | 2.56 |
| | 309 | 2.56 |
| | 310 | 2.58 |
| | 401 | 2.58 |
| | 402 | 2.56 |
| | 403 | 2.56 |
| | 404 | 2.56 |
| | 405 | 2.56 |
| | 406 | 2.56 |
| | 407 | 2.56 |
| | 408 | 2.56 |
| | 409 | 2.56 |
| | 410 | 2.58 |

The undivided interests established and to be conveyed with the respective "apartments" cannot be changed, and the Developer covenants and agrees that the undivided interests in the "common areas and facilities" 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 areas and facilities" 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 proposed Declaration reflects that the apartments shall be used as residential apartments, but such apartments may be leased or rented from time to time to transients.

OWNERSHIP OF TITLE: A Preliminary Report dated September 5, 1975, prepared by Long & Melone, Ltd., certifies that CLAYTON RIPPEY and MARCIA RIPPEY, husband and wife (as to Lot 35, Kalama Heights Apartment Subdivision), and WILLIAM BUNG CHOW HEE and VIVIAN MOW HEE, husband and wife (as to Lots 36 and 37, Kalama Heights Apartment Subdivision), have title to the land committed to the project.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report, prepared September 5, 1975, by Long & Melone, Ltd., certifies that there are no liens or encumbrances of whatever kind or nature of record against said title, save and except the following:

Taxes that may be due and owing and a lien on the land, reference is hereby made to the Office of the Tax Assessor of the Second Division.

AS TO LOT 35 ONLY

Restrictive Covenants contained in Deed dated September 4, 1968, recorded in Book 6233, Page 461.

Agreement of Sale dated December 17, 1973, recorded in Book 9653, Page 23.

AS TO LOT 36 ONLY

EASEMENT "B", five (5) feet wide, as shown on File Plan 986, for electric and telephone purposes, located within the southwesterly corner of Lot 36.

Grant of Easement in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, dated June 3, 1966, recorded in Book 5385, Page 142.

EASEMENT "K", for driveway purposes, in favor of Lot 37.

AS TO LOT 37 ONLY

EASEMENT "L" (for driveway and parking purposes) in favor of Lot 36.

AS TO LOTS 36 AND 37

EASEMENT "A", (10 feet wide), as shown on File Plan 986, for water line purposes, located along the westerly boundaries of Lots 36 and 37.

Restrictive Covenants as contained in Deed dated September 24, 1968, recorded in Book 6233, Page 461.

Grant dated April 3, 1969, recorded in Book 6539, Page 341.

Agreement of Sale dated September 15, 1970, recorded in Book 7212, Page 165.

Sub-Agreement of Sale dated October 31, 1973, recorded in Book 9597, Page 49.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated September 22, 1975, identifies Long & Melone Escrow, Ltd., 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 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 a contract of sale shall be entitled to a refund of all money deposited with Escrow, and Escrow shall return such funds to such purchaser, without interest, and less a cancellation fee of \$25 to be kept by Escrow, if an apartment purchaser shall file with Escrow a written request for the refund of such funds, and if any of the following events shall have occurred:

(i) If funds were obtained from an apartment purchaser prior to the issuance of a final public report upon the project by the Hawaii 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; (ii) The Final Public Report upon the project differs from the Preliminary Public Report, if any, upon the project issued by the Real Estate Commission of the State of Hawaii in any material respect; (iii) Such Final Public Report is not issued within one (1) year from the date of issuance of such Preliminary Public Report, if any; (iv) Upon the occurrence of any other event which, under Haw. Rev. Stat., Chapter 514, gives an apartment purchaser under a contract of sale the right to a refund of his purchase money deposited in escrow.

In addition, the Escrow Agreement provides that, in the event of the rescission of any contract of sale, including without limitation a rescission of a Contract of Sale by the Developer for the failure of an apartment purchaser to furnish evidence of its ability to provide funds for the purchase of such apartment, Escrow shall have the right to retain a reasonable cancellation fee for its services from the purchase price deposited by such apartment purchaser.

The revised specimen contract of sale states in part:

"Subordination. Purchaser understands that Vendor will borrow money from a construction lender for the construction of the project to be secured by a mortgage of property ('CONSTRUCTION LOAN').... Purchaser hereby undertakes and agrees that the mortgage and note secured thereby, and any renewals or extensions of said mortgage and note, shall be and remain at all times a lien or charge prior and superior to any and all liens or interests arising from this Contract of Sale. Purchaser hereby waives, relinquishes and subordinates the priority or superiority of his interest under this Contract of Sale in favor of the lien or charge of such construction lender. Purchaser hereby undertakes and agrees to execute any subordination agreement required by the construction lender to evidence such subordination, and Purchaser does hereby constitute and appoint the Vendor his Attorney-in-Fact to execute any subordination agreement required by the construction lender as the act and deed of Purchaser."

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 apartments 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.

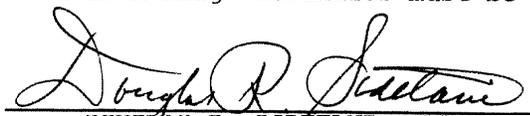
STATUS OF PROJECT: No building contract has been executed.

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 September 26, 1975, and information subsequently filed on October 8, 1975.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 810 filed with the Commission on September 26, 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.

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PLANNING DEPARTMENT, COUNTY
OF MAUI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT


DOUGLAS R. SODETANI, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

REGISTRATION NO. 810
October 22, 1975