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

KANA'I A NALU
Maalaea Beach Road
Maui, Hawaii

REGISTRATION NO. 825

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: December 12, 1975
Expires: January 12, 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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 21, 1975 AND INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF DECEMBER 9, 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. KANA'I A NALU is a proposed leasehold condominium project consisting of 80 apartment units contained in five four-story buildings. There are a total of 101 parking stalls as common elements.

2. 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 Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of the Association of Apartment Owners attached, and a copy of the approved Floor Plans) have not been recorded in the Bureau of Conveyances.

4. No advertising and promotional matter has 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 which relate to Horizontal Property Regimes.

6. This Preliminary Public Report is made a part of the registration of KANA'I A NALU condominium project. The Developer is responsible for placing this Preliminary Public Report (yellow 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 and prospective purchaser is also the responsibility of the Developer.

7. This Preliminary Public Report expires 13 months from the date of issuance, December 12, 1975, unless a supplementary or Final Report is published or the Commission upon review of the registration, issues an order extending the effective period of thie report.

NAME OF PROJECT: KANA'I A NALU

LOCATION: The 112,876 square feet of land committed to the Regime is located on Maalaea Beach Road at Maalaea, Island of Maui, State of Hawaii.

TAX MAP KEY: SECOND DIVISION 3-8-14-4 and 5

ZONING: Apartment (A-2)

DEVELOPER: DEVELCO CORPORATION, a Hawaii Corporation, whose officers are:

Board Chairman - W.C. Harr
President - R.R. Epley
Executive Vice President - A.F. Richards
Vice President - W.G. Coon
Secretary-Treasurer - R.T. Bladet
Asst. Secretary - T.T. Tsukiyama

Telephone: 524-4633 Address: Suite 999
Pacific Trade Center
Honolulu, Hawaii 96813

ATTORNEYS REPRESENTING DEVELOPER: LANGA & KOHNE (Attention: Sanford J. Langa), Wailuku Townhouse Building, Wailuku, Maui, Hawaii. Telephone: 244-9168.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime states that eighty (80) freehold estates are designated, comprised of the spaces within center planes of the perimeter walls, floors and ceilings of each of 80 apartment units of the Project contained in five buildings constructed of reinforced concrete floors and roof and concrete block walls, and described as follows:

1. Each apartment contains two bedrooms, two baths, one kitchen, one living room, a hallway and a lanai, and each contains approximately 1,030 square feet of living area, including the lanai.

2. All apartments whose final two digits are 01 through 04 are located in Building A; all apartments whose final two digits are 05 through 08 are located in Building B; all apartments whose final two digits are 09 through 12 are located in Building C; all apartments whose final two digits are 13 through 16 are located in Building D; all apartments whose final two digits are 17 through 20 are located in Building E.

3. Apartments numbered 101 through 120 are on the first floor of the buildings; apartments numbered 201 through 220 are on the second floor of the buildings; apartments numbered 301 through 320 are on the third floor of the buildings; and apartments numbered 401 through 420 are on the fourth floor of the buildings.

4. The apartments are located in the manner shown on the set of floor plans filed with the Commission.

5. Each apartment has one entry and access by way of a common exterior walkway at each floor level, except that each apartment on the first floor has an additional access at the front lanai thereof.

6. The respective apartments shall not be deemed to include any pipes, wires, conduits, or other utility lines running through such apartments which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions and fixtures within its perimeter.

COMMON ELEMENTS: One freehold estate is hereby designated of all remaining portions of the project, herein called "common elements", including specifically, but not limited to:

1. Said land in fee simple;

2. All foundations, basement areas, columns, girders, beams, supports, bearing walls, roofs, chases, entries, stairways, elevators and walkways of said buildings;

3. All yards, grounds and landscaping;

4. All parking areas and driveways;
Note: The condominium map reflects that there are 101 parking stalls.

5. All ducts, electrical equipment, wiring and other central and appurtenant installations including power, light, water, sewage treatment system, irrigation system and telephone;

6. Recreation area, swimming pool, manager's apartment, office, refuse facilities, seawalls and wells;

LIMITED COMMON ELEMENTS: There are no limited common elements.

INTEREST TO BE CONVEYED PURCHASERS: Each purchaser will secure an apartment lease demising an apartment together with an undivided 1.25 percentage interest in the Common Elements of the Project. The same proportionate share shall be used in determining each purchasers share in all common profits and expenses of the Project and for all other purposes including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration specifies that the apartments shall be used and occupied as dwellings by the respective owners, their tenants, families, domestic servants and social guests.

OWNERSHIP OF TITLE: A Preliminary Report dated November 26, 1975 prepared by Title Guaranty of Hawaii, Inc. certifies that Sanford J. Langa and Franklyn E. Langa, trustees under that certain trust deed dated July 29, 1966, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5402, Page 26, and Robert P. Bruce, Trustee under that certain trust deed dated May 16, 1974 and recorded at Liber 9916, Page 362, have title to the land committed to the Project.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report dated November 26, 1975 certifies that there are no liens or encumbrances of whatever kind or nature of record against the title, save and except the following:

1. Real Property Taxes for the second half of fiscal year July 1, 1975 to June 30, 1976. Reference is hereby made to the Tax Office on the Island of Maui (Office of the Tax Assessor of the Second Division) for subsequent taxes which may be due and owing and a lien on said land.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No. 3152.

3. As to that portion of the land herein described bordering on the ocean, the effect of the law of Hawaii.

4. Real Estate Mortgage dated February 23, 1966 recorded in the Bureau of Conveyances of the State of Hawaii in Book 5273, Page 528, made by SANFORD J. LANGA, unmarried, FRANKLYN E. LANGA, husband of Bernice C. Langa, and JOHN M. LANGA, husband of Sue C. Langa, as Mortgagors, to MAUI SAVINGS & LOAN ASSOCIATION, a Hawaii corporation, as Mortgagee, to secure the repayment of the sum of $19,000.

The above mortgage was assigned to American Savings & Loan Association effective September 30, 1973, recorded in Liber 9532, Page 1.

5. Terms, conditions and provisions contained in the certain unrecorded Trust Agreement, dated July 29, 1966, made by and between Franklyn E. Langa, husband of Bernice C. Langa.

6. Terms, conditions and provisions contained in that certain unrecorded Trust Agreement dated May 16, 1974, made by Robert P. Bruce and Phyllis C. Bruce, husband and wife.

7. Boundary Agreement dated July 26, 1973, as recorded in Liber 9363, Page 31.

8. Declaration of Horizontal Property Regime with By-Law's attached dated November 21, 1975 and recorded in the Bureau of Conveyances in Liber 11047, Page 274. (Project covered by condominium map No. 437.)

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated November 11, 1975 identifies Title Guaranty Escrow Services, Inc. as the escrow agent. On examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Sections 514-36 through 514-40, Hawaii Revised Statutes.

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 Escrow's $25 cancellation fee, if any of the following events shall have occurred:

1. Escrow receives a written request from Seller to return to Purchaser the funds of such Purchaser; or

2. 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 change; or

3. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or

4. If the Final Public Report differs in any material respect from the Preliminary Public Report, unless the Purchaser has given written approval of acceptance of the difference; or

5. If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

Among other provisions the specimen Sale Contract provides that in the event that less than 70 of the apartments are sold prior to October 25, 1976, Seller may at its option cancel this agreement, refund to Buyer all monies paid, without interest, and be relieved and released of all further liability hereunder.

The specimen Sales Contract states that the terms of the Escrow Agreement are made a part of the Contract of Sale by reference.

NOTE: The purchaser should be aware that the Seller's mortgage loan (interim, renewals and extensions) used for the construction of the project shall be and remain at all times a superior lien on the project and the purchaser intentionally waive and subordinate the priority of any lien under the sales contract or reservation on agreement in favor of the mortgage loan.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sale Contract 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 vest the Board of Directors of the apartment owners association 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: The Developer reports that the estimated start of construction will be January, 1976, and the estimated completion date is February, 1977.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted November 21, 1975 and information subsequently filed as of December 9, 1975.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 825 filed with the Commission on November 21, 1975. The report when reproduced shall be a true copy of the Commission's Preliminary Public Report. The paper stock used in making facsimilies 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

Registration No. 825
December 12, 1975