

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

WALEA GATEWAY
Kihei, Maui, Hawaii

REGISTRATION NO. 847

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: March 22, 1976
Expires: April 22, 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 FEBRUARY 27, 1976. 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. Wailea Gateway (the "Project") is a proposed leasehold condominium project consisting of an existing single building with three (3) floors and eighteen (18) apartments and numbered parking stalls. The Developer intends to sell the apartment units, together with an undivided interest in the common elements of the Project (exclusive of land), and to lease an undivided interest in the land. Purchasers are advised to study the surrender clause contained in the Condominium Conveyance Document (attached as Exhibit B to the Master Lease), which clause

sets forth purchaser's obligations to lessor respecting his apartment and appurtenant interest on termination of the lease.

2. The basic documents (Declaration of Horizontal Property Regime, with Bylaws of the Association of Apartment Owners attached, and a copy of the approved Floor Plans) have not been recorded as of this date in the Bureau of Conveyances of the State of Hawaii.
3. This Preliminary Public Report is made a part of the registration of WAILEA GATEWAY condominium project. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt for Horizontal Property Regime Public Report from each purchaser and prospective purchaser.
4. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of the Project and the issuance of this Preliminary Public Report.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, as amended (the "Act"), and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. No advertising or promotional matter has been submitted pursuant to the Rules and Regulations promulgated by the Commission.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, March 22, 1976, unless a Supplementary or Final Public Report issues or the Commission, upon review of registration, issues an order extending the effective period of this report.

NAME OF PROJECT: WAILEA GATEWAY

LOCATION: Approximately 45,567 square feet of land ("Land") committed to the regime is situate at 2777 South Kihei Road, Kihei, County of Maui, State of Hawaii 96753.

TAX KEY: SECOND DIVISION 3-9-04:81, Lot 5-A-2

ZONING: A-1

DEVELOPER: TAHITIAN APARTMENTS, a Hawaii limited partnership, with its principal place of business at P. O. Box 419, Kihei, Maui, Hawaii 96753. Telephone: 879-1555. The general partner of TAHITIAN APARTMENTS is SURFSIDE PROPERTIES, INC., a corporation duly authorized to do business in Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Mark A. Hazlett), 16th Floor, First Hawaiian Bank Building, P. O. Box 939, Honolulu, Hawaii 96808. Telephone: 531-7232.

DESCRIPTION OF PROJECT AND APARTMENTS: The Project consists of an existing three-story apartment building containing eighteen (18) apartments. The building is of prestressed concrete construction. The building has been used since January, 1973 as a rental apartment building and may not be in conformance with current zoning laws and building codes if these have been amended since said date. The first floor contains four (4) two-bedroom apartments, one (1) studio and one (1) bedroom apartment, a storage closet and staircase. The second floor consists of seven (7) two-bedroom apartments, one studio and one (1) bedroom apartment as well as a common passageway and staircases at each end of the building. Part of the second floor is supported by an upper level foundation rather than the first floor. The third floor consists of three (3) two-bedroom apartments served by a single staircase at the northeast corner of the building. The third floor only partially covers the second level. The apartments are of five basic unit types. The floor level of each apartment is indicated by the first digit of the apartment number. Each apartment has direct access to a passageway and staircase which are common elements. The layout, location, unit type and number of each apartment are shown on the Condominium Map. Each apartment contains a range, refrigerator and sink.

There are two unit type "A" studio apartments in the building, each with entries on the first (Apartment 101) and second (Apartment 201) floors. Each unit type "A" apartment consists of a living-sleeping area, kitchenette, closet, bathroom with tub, in 439 square feet which area includes a lanai of 24 square feet.

There are two unit type "B" one-bedroom apartments in the building, on each with entries on the first (Apartment 105) and second (Apartment 205) floors. Unit type "B" apartments consist of a living-dining area, kitchen, one bedroom and bathroom with tub in 606 square feet. The unit type "B" apartments do not have lanais.

There are fourteen (14) two-bedroom apartments of unit types "C", "D" and "E" each of which consists of a living-dining area, kitchen, two bedrooms and bathroom with tub. Apartment numbers by two bedroom unit type are as follows:

<u>Unit Type</u>	<u>Apartment Numbers</u>
C:	102, 104, 106, 202, 204, 206 208 and 302
D:	103, 203, 207 and 301
E:	209 and 303

Unit types "C" and "D" are the approximate reverse layout of each other as is shown on the proposed Condominium Map. Unit types "C" and "D" consist of 894 square feet including lanai areas of 88 square feet. Unit types "E" are end units on the second and third floors and consist of 894 square feet including lanai of 88 square feet.

With respect to the dimensions of each apartment, paragraph 4 of the proposed Declaration provides that:

"Limits of Apartments: The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floors and ceiling surrounding each apartment or any pipes, wires, conduits or other utility lines running through such which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall include the adjacent lanai shown on the proposed Condominium Map. Each apartment shall be deemed to include all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, pillars and ceilings, and any built-in fixtures."

COMMON ELEMENTS: The common elements will include the limited common elements described below and all other portions of the Land and improvements other than the apartments, including the apartment building, and all elements mentioned in the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes, as amended, which are actually constructed on the Land and specifically shall include, but shall not be limited to:

- (a) The Land;
- (b) All foundations, columns, girders, beams, supports, and load bearing walls, the roof;
- (c) All yards and refuse areas;
- (d) All storage and laundry areas;
- (e) All parking stalls and driveway areas;
- (f) All landscaped yards, plantings and retaining walls and similar items;
- (g) All roads, driveway areas and exterior walkways and passageways of the building;
- (h) The staircases in the building, all ducts, electrical equipment, wiring and other central and appurtenant installations for services including power, light, cold and hot water, refuse and telephone; and
- (i) All other devices or installations upon the Land existing for or rationally of common use to all the owners of apartments within WAILEA GATEWAY.

LIMITED COMMON ELEMENTS: Eighteen (18) parking stalls are limited common elements each reserved for the exclusive use of the apartment to which they are appurtenant. The parking stalls numbered as shown on the Condominium Map are each appurtenant to an apartment of the same number.

INTEREST TO BE CONVEYED TO PURCHASERS: The percentage of undivided interest in all of the common elements appertaining to each apartment by unit type is as follows:

<u>Unit Type</u>	<u>Common Interest Percentage</u>	<u>Number of Apartments</u>	<u>Total</u>
A	2.95	2	5.90
B	4.00	2	8.00
C, D and E	6.15	<u>14</u>	<u>86.10</u>
	(TOTAL)	18	100.00%

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The apartments shall at all times be used only for a private dwelling for the owner, his family, tenants and social guests and such other purposes as are permitted by the Declaration. The apartments may not be used for transient or hotel-type purposes.

OWNERSHIP TO TITLE: A Preliminary Report, dated February 24, 1976, issued by Title Guaranty of Hawaii, Incorporated, a copy of which has been filed with the Commission, reveals that the fee simple title to the Land submitted to the Project is vested in Robert Russell Hill and Hawaiian Trust Company, Limited as trustee under certain unrecorded trust agreements made by Russell Oliver Hill, Christine Amy Hill and Dorothy Florence Hill ("Fee Owners").

ENCUMBRANCES AGAINST TITLE: The Preliminary Report of February 24, 1976, by Title Guaranty of Hawaii, Incorporated, reflects the following encumbrances against the Land:

1. The exception and reservation of an easement for access and utility purposes over and across Easement "A", 56 feet wide affecting Lot 5-A-2 of the Sakihara Subdivision, containing an area of 10,552 square feet;
2. Mortgage dated March 27, 1973, made by Tahitian Apartments, a Hawaii limited partnership, by Glo-Pac Developers, Inc., a Hawaii corporation, its General Partner, as Mortgagor, to Shelter Credit Corporation, a Minnesota corporation, as Mortgagee, recorded in the Bureau of Conveyances at Honolulu in Book 9054, Page 8, as amended by Substitution of Security dated November 11, 1975, recorded in said Bureau in Book 11122, Page 430, which said Mortgage was assigned to The First National Bank of Saint Paul, a corporation organized under the laws of the United States, by instrument dated May 21, 1974, recorded in said Bureau in Book 9946, Page 389;

3. Master Lease dated November 11, 1975, made by and between Hawaiian Trust Company, Limited, Trustee under those certain Trust Agreements dated October 3, 1972, made by Russell Oliver Hill, Christine Amy Hill and Dorothy Florence Hill, and Robert Russell Hill, as lessors, and Tahitian Apartments, a Hawaii limited partnership by Surfside Properties, Inc., a Minnesota corporation, as lessee, recorded in said Bureau in Book 11122, Page 388;
4. A possible undivided one-half interest as a tenant in common in and to a Well Site containing an area of 0.01 acre, or thereabouts, the existence of which has not been shown by recent survey; and
5. Real property taxes as may be due and owing.

PURCHASE MONEY HANDLING: An Escrow Agreement dated February 13, 1976, has been executed and a copy of same has been filed with the Commission. The Escrow Agent is Title Guaranty Escrow Services, Inc., a Hawaii corporation. Upon examination, the Specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, as amended, and particularly Section 514-15(6) and 514-36 through 514-40.

It is incumbent upon the purchaser and prospective purchaser that they read with care the Sales Contract and the executed Escrow Agreement. The latter Agreement establishes how the proceeds from the sale of condominium units are placed in escrow, as well as how such funds are retained and disbursed. The former Contract sets forth the terms and conditions of sale, including an agreement by purchaser that his interest in the Sales Contract and any liens arising therefrom shall be subordinate to a possible interim loan of up to \$2,000,000.

MANAGEMENT AND OPERATIONS: The Specimen Bylaws of the Association of Apartment Owners vest the Board of Directors with the powers and duties necessary for the administration of the affairs of the Project. The Board of Directors may employ necessary personnel to carry out management and operation of the Project. Negotiations for an initial Managing Agent are underway by the Developer.

FINANCING OF THE PROJECT: Because the Project consists of a condominium "conversion" of an existing rental apartment building, no arrangements have been necessary for construction financing. As of the date of this report, the Developer has not obtained a commitment to provide purchase money mortgage financing for individual apartment purchasers.

STATUS OF THE PROJECT: The Project consists of existing improvements which have been used as a rental apartment building since January, 1973. Purchasers are advised that (i) negotiations for the sale of Developer's interest in the Project to Makaua Corporation, a Hawaii corporation, or its designee, have been underway for some months, (ii) such sale may be consummated prior to or contemporaneously with issuance of a

Final Public Report on the Project, and (iii) such sale, if so consummated, would not otherwise materially affect an apartment purchaser's interest in the Project.

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 February 27, 1976.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 847 filed with the Commission on February 27, 1976.

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.



Member, REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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March 22, 1976
REGISTRATION NO. 847