

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

PAKI MAUI III
Honokowai, Lahaina, Maui, Hawaii

REGISTRATION NO. 926

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: August 5, 1977
Expires: September 5, 1978

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 JULY 7, 1977, AND INFORMATION SUBSEQUENTLY FILED AS OF JULY 29, 1977. 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. Paki Maui III is a leasehold condominium project consisting of a four-story building containing twenty-eight (28) apartment units, a swimming pool and a pavilion containing equipment and storage facilities. There will be a total of 18 parking stalls located within the physical boundaries of Paki Maui III.

Upon completion of construction and the fulfillment of other conditions set forth in a merger agreement dated November 7, 1974 (see item 8 under Encumbrances), Paki Maui III will be merged with the Paki Maui (formerly Club Mondiale Paki) condominium project. There will be a total of 108 apartment units in the merged projects which will be treated as integral parts of a single condominium project (until the expiration of the merger agreement). Also, there will be a total of 124 parking stalls for the 108 apartment units in the merged projects. All of the parking stalls will be common elements.

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 the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws and the Condominium Map will be filed in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.
4. Advertising or promotional materials have been submitted to the Commission pursuant to its rules and regulations.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to the Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, August 5, 1977, unless a Final Public Report or a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is made a part of the registration of the PAKI MAUI III 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 receipt for the Preliminary Public Report from each purchaser.

NAME OF PROJECT: PAKI MAUI III

LOCATION: The project is located at Honokowai, Lahaina, Island and County of Maui, State of Hawaii, and consists of approximately 37,015 square feet of land.

TAX KEY: 4-4-01-50, Second Division

ZONING: A-2, Apartment

DEVELOPER: The Developer of the project is the Honokowai Maui Partnership, a registered Hawaii limited partnership, of which BHB Condominiums, Ltd. (formerly Broms-Lonie, Inc.) is the general partner. The business address of the Honokowai Maui Partnership in Hawaii is 272-4 Pualei Drive, Lahaina, Maui, Hawaii 96761.

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Douglas E. Prior or Larry T. Takumi), 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 a four-story apartment building, a swimming pool with deck, and a pool pavilion containing equipment and storage facilities, together with parking facilities, driveways and landscaping. The apartment building is primarily of masonry construction with concrete masonry bearing walls, concrete floor and roof slabs, concrete mat foundation, and interior partitioning of gypsum wallboard.

The apartment building contains twenty-eight (28) two bedroom apartments with seven (7) apartment units on each floor. There are three (3) basic types of apartments. There are twenty (20) Type 1 units, four (4) Type 2 units and four (4) Type 3 units in the project.

Each Type 1 two-bedroom apartment has an interior living area of approximately 1,082 square feet, including a hallway, living/dining room, kitchen, two bedrooms, a dressing area and two bathrooms (one bathroom containing a toilet and bathtub-shower combination and the other containing a toilet and shower). Each Type 1 apartment has two adjoining lanais (one off the master bedroom and the other off the living/dining room) containing a total area of approximately 172 square feet.

Each Type 2 apartment has an interior area of approximately 820 square feet including a hallway, living/dining room, kitchen, two bedrooms, a dressing area and two bathrooms (one bathroom containing a toilet and bathtub-shower combination and the other containing a toilet and shower). Each Type 2 apartment has two adjoining lanais (one off the master bedroom and the other off the living/dining room) containing a total area of approximately 172 square feet.

Each Type 3 apartment has an interior living area of approximately 783 square feet, including a hallway, living/dining room, kitchen, two bedrooms, a dressing area and two bathrooms (one containing a toilet and bathtub-shower combination and the other containing a toilet and shower). Each Type 3 apartment has a lanai off the living/dining room containing an area of approximately 86 square feet.

By way of summary, the square foot area of each apartment by model type is approximately as follows:

<u>Model Type</u>	<u>Interior Area</u>	<u>Lanai Area</u>
1	1,082	172
2	820	172
3	783	86

The apartments in the building are numbered consecutively on each floor commencing at the southwest end; the first digit of each apartment indicates its floor. The location of the apartment types is as follows:

<u>Apartment Number</u>	<u>Type</u>
121, 221, 321, 421	1
122, 222, 322, 422	1
123, 223, 323 423	1
124, 224, 324, 424	1
125, 225, 325, 425	1
126, 226, 326, 426	3
127, 227, 327, 427	2

Each apartment has direct access to a connecting corridor which is part of the common elements. There will be a staircase at the north end connecting all floors of the apartment building.

Each apartment unit will have a self-cleaning oven range with exhaust hood, disposal, refrigerator, dishwasher, water heater, stacked washer-dryer, carpeting and drapes.

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 apartment which are utilized for or serve more than one apartment, the same being deemed common elements as herein-after provided. Each apartment shall include any adjacent lanai as will be shown on the Condominium Map, all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, pillars, floors and ceilings, doors and door frames, windows and window frames, and any built-in fixtures.

COMMON ELEMENTS: The common elements will include the land and all improvements on the land other than the apartments, and all common elements mentioned in Chapter 514, Hawaii Revised Statutes, which are actually constructed on the land, and specifically shall include, but shall not be limited to:

1. the land in fee simple;
2. all foundations, columns, girder supports and load-bearing walls;
3. the roof;
4. all the landscaped perimeter, plantings, planting boxes, and retaining walls, planting areas, and similar items;
5. all ramps, roads, driveway areas, fences and exterior ground level walkways;

6. the stairways and building walkways, ducts, electrical equipment, wiring and other central and appurtenant installations for services including power, light, cold and hot water, refuse and telephone;
7. the swimming pool;
8. the pool pavilion containing equipment and storage facilities;
9. all parking stalls; and
10. all other devices or other installations upon the land existing for or rationally of common use to all the owners of apartments within the project.

There will be a total of 18 regular size parking stalls in Paki Maui III. Upon the merger of the Paki Maui III and the Paki Maui condominium projects, there will be a total of 124 parking stalls for 108 apartment units in the combined projects.

LIMITED COMMON ELEMENTS: There will be no limited common elements.

PERCENTAGE OF UNDIVIDED INTEREST: The percentage of undivided interest in all of the common elements appurtenant to each apartment by unit type is as follows:

<u>Unit Type</u>	<u>Common Interest Percentage</u>	<u>Number of Apts. of Each Unit Type</u>	<u>Total</u>
1	3.87	20	77.40
2	3.00	4	12.00
3	2.65	4	10.60
			<u>\$100.00%</u>

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The apartments hereinabove described shall at all times be used as permanent or temporary residences or as hotel rooms (if permitted by applicable county zoning ordinances) and for no other purposes.

BYLAWS: The merger agreement provides that after the merger the Bylaws of Paki Maui III and Paki Maui will be construed as one document applicable to the merged projects. The Bylaws of Paki Maui III are therefore identical to the Bylaws of Paki Maui which were adopted in 1974. The Developer has advised the Commission that it proposes to submit amendments to conform the Bylaws to new statutory provisions enacted by the legislature since 1974 at the first meeting of the Association of Apartment Owners for the merged projects.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Preliminary Report, dated June 22, 1977, prepared by Title Guaranty of Hawaii Incorporated, which certifies that title to the land committed to this regime is vested in Chris C. Reynolds as Trustee for the Hui Kai Partnership under a deed dated August 9, 1972, recorded in the Bureau of Conveyances of the State of Hawaii in Book 8531, page 14.

ENCUMBRANCES: Said Preliminary Title Report prepared by Title Guaranty of Hawaii, Incorporated states that as of the date of the search (June 22, 1977), title to the land is subject to:

1. Real property taxes - for further information, check with the Tax Assessor, Second Division, on Tax Key: 4-4-01-50.
2. A lease between the Trustee of the Hui Kai Partnership and Broms-Lonie, Inc. (now BHB Condominiums, Ltd.) as general partner of the Honokowai Maui Limited Partnership (registered in the State of Hawaii Department of Regulatory Agencies as Honokowai Maui Partnership) dated August 9, 1972, and recorded in the Bureau of Conveyances in Book 9199, page 402, which lease was subsequently amended by instrument dated March 4, 1977, and recorded in Book 12266, page 62.
3. The reservation in favor of the State of Hawaii of all mineral and metallic mines.
4. The location of the seaward boundary in accordance with the law of the State of Hawaii.
5. The definitions and prohibitions of "Shoreline Setbacks" as enacted by Act 136, Session Laws of Hawaii 1970.
6. Grant dated October 15, 1974, in favor of Maui Electric Company, Limited, recorded in the Bureau of Conveyances in Book 10356, page 539, granting an easement for utility purposes over, under, upon, across and through the land.
7. Grant dated August 18, 1975, in favor of Aaron M. Chaney, Inc., recorded in the Bureau of Conveyances in Book 10968, page 465, granting a nonexclusive easement for access and utility purposes across a portion of the land containing an area of 6,753 square feet.
8. Declaration as to Merger of Increments in a Condominium Project dated November 7, 1974, recorded in the Bureau of Conveyances in Book 10253, page 59.
9. Mortgage dated August 9, 1972, in favor of Joseph Keanu Paki, widower, recorded in the Bureau of Conveyances in Book 8531, page 20.
10. Trust Agreement dated July 25, 1972, recorded in the Bureau of Conveyances in Book 8518, page 364.

11. Notice of State of Hawaii Tax Lien (Department of Labor & Industrial Relations) against Broms-Lonie, Inc., dated February 10, 1976, recorded in the Bureau of Conveyances in Book 11239, page 137, in the amount of \$3,247.92.
12. Notice of State of Hawaii Tax Lien (Department of Taxation) against Broms-Lonie, Inc., dated June 14, 1976, recorded in the Bureau of Conveyances, in Book 11472, page 82, in the amount of \$12,104.21.
13. Notice of State of Hawaii Tax Lien (Department of Labor & Industrial Relations) against Broms-Lonie, Inc., dated August 27, 1976, recorded in the Bureau of Conveyances in Book 11651, page 242, in the amount of \$10.00.
14. Notice of State of Hawaii Tax Lien (Department of Taxation) against Chris C. Reynolds, Trustee for Hui Kai Partnership, dated December 8, 1976, recorded in the Bureau of Conveyances in Book 11879, page 29, in the amount of \$12,307.92.

Note: This lien and the lien described in item 12 pertain to the same unpaid amount of real property taxes. The difference between the two figures is attributable to the amount of accrued interest from June 14, 1976 to December 8, 1976.

The lease described in item 2 was subsequently amended by a second amendment of lease, dated July 1, 1977, recorded in the Bureau of Conveyances in Book 12310, page 358. The lease (as amended) will be partially surrendered to the extent of the common interest of each apartment lease issued directly to purchasers. The mortgage described in item 9 and the tax liens described in items 11 through 14 will also be released prior to the issuance of any apartment leases.

By the terms of the Declaration as to Merger described in item 8, the merger of the Paki Maui III and Paki Maui condominium projects will terminate on June 30, 2030. However, the merger may be continued by a vote of 75 percent of the owners of each project with the consent of the then fee owners of each project.

PURCHASE MONEY HANDLING: A specimen Sales Contract and the Escrow Agreement have been submitted as part of the registration. The Escrow Agreement dated May 25, 1977, identifies BANK OF HAWAII as the escrow agent. Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly with Chapter 514-35 and Section 514-36 through Section 514-40, Hawaii

Revised Statutes. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the estimated monthly common expenses and the sharing of closing costs.

Among other provisions, the specimen Sales Contract provides that the Developer'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 purchasers intentionally waive and subordinate the priority of lien under the Sales Contract in favor of the mortgage loan.

The specimen Sales Contract further provides that if the purchasers who have agreed to obtain mortgage loans have not secured commitments therefor satisfactory to the Developer and in a timely manner, the Developer may cancel the Sales Contracts and refund all monies paid by the purchasers without interest. The Developer may also cancel the Sales Contracts if less than 25 apartments are sold by April 15, 1978, or if it is unable to obtain a building permit by said date.

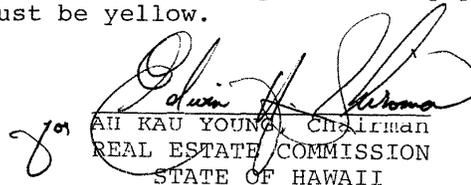
It is incumbent upon purchasers and prospective purchasers that they read with care the Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the condominium units are placed in trust, as well as the retention and the disbursement of funds.

MANAGEMENT AND OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property subject at all times to direction by the Board of Directors.

STATUS OF PROJECT: The Developer advises that construction of the project will commence November, 1977, and will be completed about August, 1978.

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 July 7, 1977, and information subsequently filed as of July 29, 1977.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 926, filed with the Commission on July 7, 1977. This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.


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. 926
August 5, 1977