

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

LAULOA MAALAEA
Hauoli Street
Maalaea, Maui, Hawaii

Registration No. 954

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: February 2, 1978
Expires: March 2, 1979

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 25, 1977 AND SUBSEQUENT INFORMATION FILED AS OF JANUARY 18, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. The LAULOA MAALAEA is a proposed leasehold condominium project consisting of forty-seven (47) residential apartment units and one resident manager's unit in one building, all to be built in accordance with the plans to be recorded in the State of Hawaii Bureau of Conveyances. There will be 64 parking stalls: 13 are compact and 51 standard (four of which will be for public parking).
2. The developer of the project has submitted to the Commission for examination of all documents deemed necessary for the issuance of this Preliminary Public Report.

3. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have not been recorded in the office of the recording officer.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the condominium rules and regulations which relate to horizontal property regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, February 2, 1978, unless a Supplementary or Final Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Preliminary Public Report is made a part of the submission for LAULO A MAALAEA filed on November 25, 1977. The developer is responsible for giving a copy of this report (yellow paper stock) to each purchaser and prospective purchaser and obtaining a receipt therefor from each such person.

NAME OF PROJECT: LAULO A MAALAEA

LOCATION: The land to be submitted to the Regime, approximately 78,233 sq. ft., is located along Hauoli Street, Maalaea, Maui, fronting on Maalaea Bay.

TAX MAP KEY: SECOND DIVISION 3-8-14-16, 17 and 18.

ZONING: Apartment (A-2).

DEVELOPER: MAKANI A KAI DEVELOPERS, INC., a Hawaii corporation, whose principal place of business is 313 Ano Street, Kahului, Maui, Hawaii. Its officers are OREN E. WILSON, Pres./Treas.; SHARON M. WILSON, Secretary; and BERNICE FLOOD, Vice-President.

ATTORNEY FOR DEVELOPER: Lawrence N. C. Ing, Suite 419, 2180 Main Street, Wailuku, Maui, Hawaii. Telephone 244-7975.

DESCRIPTION: The land will be improved, according to the developer's plans and intention to sell, by constructing a four story building containing a total of forty-seven (47) and one resident manager's unit, all located on the ground floor and above, with a total of 64 parking stalls.

1. Building Description. The project will consist of one four (4) story building consisting of forty-seven (47) residential apartment units and one manager's apartment with sixty-four (64) parking stalls situate upon the 78,233 sq. ft. land hereinbefore described. Each unit shall consist of the space measured horizontally by the distances between the centerline of the interior party walls and the outside of the perimeter walls

of each unit, and the space measured by the area of the lanai of each unit; and measured vertically by the distances between the topside surface of the concrete floor and the underside of the ceiling.

2. Materials. The principal materials of which the said buildings shall be constructed are as follows:

- a. the ground floor slab be of poured reinforced concrete;
- b. the floor slabs above the ground floor shall be of poured reinforced concrete;
- c. the structural system shall be of steel pipe columns sheated with gypsum board and plaster on metal studs, and some reinforced concrete columns;
- d. certain walls between units and at the corridors shall be of concrete block;
- e. the interior partitions within each apartment shall be of metal studs with gypsum board and plaster;
- f. the stairs shall be of reinforced concrete;
- g. the roof shall be of reinforced concrete; and exposed wood beams and sheathing.
- h. the concrete floors within each unit shall be covered with carpet or Vinyl Asbestos.

3. Limits of Apartment and Inclusions. Each apartment shall include all the walls and partitions within its perimeter walls; all glass windows or panels along the perimeters; the entirety of perimeter non-party walls except for the exterior decorated surfaces; the interior half of perimeter party walls; the inner decorated or finished surfaces of the floors and ceilings; the adjacent lanai to the exterior edge of the concrete floor slabs; the built-in fixtures including the range, refrigerator, garbage disposal, dishwasher, washer/dryer, water heater, sinks, bathroom fixtures, carpets and drapes; and all air space encompassed within the apartment; provided, however that the portion of each party walls and of each load bearing wall (whether or not a party wall) which is including in any apartment is a common element (except for the inner decorated surface of said walls within said apartment, which is not a common element) and that the exterior decorated surface of each perimeter non-party walls is a common element; and provided further that any ventilation duct shafts within an apartment as shown on said condominium map is a common element.

4. Numbering of units. Each apartment has been given a three digit numerical designation by which its location in the building can be determined. The first numeral of the designation corresponds with the floor number, with the ground floor being floor number 1.

5. Types of Apartments:

- a. Each of the eight 3 bedroom apartments contains 1,404 square feet including 3 bedrooms, 2 bathrooms, a hallway, one kitchen, one living room, and one lanai.
- b. Each of the thirty nine 2 bedroom apartments contains 1,104 square feet including 2 bedrooms, 2 bathrooms, a hallway, one kitchen, one living room, and one lanai.
- c. One Managers apartment containing 847 square feet including one bedroom, one lavatory, one bathroom, one living room, one stairway, and one kitchen.

Note: This apartment will have an apartment lease and the Lessor will collect rent monthly just as if it were a 2 bedroom apartment. This apartment will be given to the Association of Owners by the Developer. The association must pay the lease rent.

- d. The apartments are located in the manner shown on said condominium map and are numbered as follows:

First Floor - 101 to 112 with 101 and 112 being 3 bedroom apartments; while apartments 102 through 111 are 2 bedroom apartments, omitting 104.

Second Floor - 201 to 212 with 201 and 212 being 3 bedroom apartments; while apartments 202 through 211 are 2 bedroom apartments.

Third Floor - 301 and 312 with 301 and 312 being 3 bedroom apartments; while apartments 302 through 311 are 2 bedroom apartments.

Fourth Floor - 401 to 412 with 401 and 412 being 3 bedroom apartments; while apartments 402 through 411 are 2 bedroom apartments.

The Managers apartment is located in the elevator complex and is a townhouse type with the entry, living room, kitchen, and lavatory on the third floor, and the bedroom and bath on the fourth floor.

COMMON ELEMENTS: The common elements include:

- a. The land.
- b. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, corridors, stairways, fire escapes, entrances and exits of the buildings.
- c. The roof and lobby area, manager's apartment and office.
- d. The mailbox, electrical room, storage rooms, refuse and collection, switchroom, pump room and swimming pool.

e. All parking areas, including four parking spots reserved for public parking and a beach access on the west side yard which is for public use.

f. The central and appurtenant installations for services such as power, light, gas, hot and cold water and like utilities, including landscape, irrigation and sewage treatment plant.

g. The elevator, elevator shaft and well appurtenant installations and apparatus.

h. All of the parts of the project existing for the common use and are necessary to the existence, maintenance and safety of the project.

INTEREST TO BE CONVEYED TO PURCHASERS: The undivided percentage interest ownership in the common elements ("common interest") appertaining to each apartment for all purposes including voting is as follows:

- (a) Each of the 3-bedroom apartments: 2.555%
- (b) Each of the 2-bedroom apartments: 2.040%

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used as living accommodations for permanent or transitory use and may be leased or rented from time to time for transient occupancy by the respective owners, their tenants, families, domestic servants and guests subject to such limitation as may be contained in the Declaration, By-Laws and House Rules.

Among other provisions, the House Rules states that no more than six persons shall be allowed to occupy a two-bedroom apartment and no more than eight persons shall be allowed to occupy a three-bedroom apartment.

OWNERSHIP TO TITLE: The Preliminary Title Report by Security Title Corporation dated November 10, 1977, reflects that title is vested in Robert G. B. Bjornson and Ann-Marie Bjornson, husband and wife.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report by Security Title Corporation dated November 10, 1977 also reflects the following encumbrances: (1) Reservation by the State of Hawaii of mineral and metallic mines; (2) Location of the seaward boundary in accordance with the law of the State of Hawaii; (3) Water front setback restrictions in accordance with the law of the State of Hawaii; (4) Mortgage dated February 6, 1962, Liber 4216, Page 209 - Richard E. Mawson & Dorothy Mawson as Mortgagors to Bank of Hawaii; (5) Mortgage dated October 28, 1964, Liber 4877, Page 211 - Joe Meekhof & Ruth Meekhof as Mortgagors to Bank of Hawaii; (6) Mortgage dated April 1, 1966, Liber 5296, Page 127 - Robert G. B. Bjornson & Ann-Marie Bjornson as Mortgagors to First National Bank of Hawaii; (7) Mortgage dated February 28, 1967 - Robert G. B. Bjornson & Ann-Marie Bjornson as Mortgagors

to Joe & Ruth Meekhof; (8) Agreement of Sale dated September 23, 1969, Liber 6702, Page 235 between Dorothy Mawson as Seller and Robert & Ann-Marie Bjornson as Buyers; (9) State Tax Lien dated September 30, 1971, Liber 7841, Page 313 against Robert G. B. Bjornson; (10) Lease dated May 5, 1977, Liber 2190, Page 225, to Makani A Kai Maalaea Developers, Inc.; (11) Unrecorded perpetual easement dated February 15, 1952 in favor of Maui Electric Co., Ltd. encumbering Parcel First, as disclosed by that certain undated Financing Statement recorded March 1, 1968 in Book 5980, Page 314; (12) Rights of Native Tenants as reserved in said Royal Patent Grant No. 3152; (13) for any 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.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated September 30, 1977, between Security Title Corporation as Escrow Agent and developer, has been filed with the Commission. On examination the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-15(6), and Sections 514-35 through 514-40, Hawaii Revised Statutes.

The specimen Sales Contract provides in part, that 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 waives and subordinates the priority of any lien under the sales contract in favor of the mortgage loan.

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 established how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust fund. The Sales Contract establishes the grounds for the retention of the sale proceeds.

MANAGEMENT OF THE PROJECT: The By-Laws of the Association of Apartment Owners vest in the Board of Directors the power and duties necessary for the administration of the overall affairs of the project. The By-Laws of the Association of Apartment Owners specify that the presence at any meeting in person or by proxy of fifty percent (50%) of all apartment owners shall constitute a quorum; and at any meeting in which a quorum is present, action by a majority of the voting power represented at such meeting shall be valid and binding on the Association except as otherwise provided in the By-Laws. Voting shall be on a percentage basis, the percentage of the total vote to which each apartment is entitled shall be the same as the percentage of the common interests assigned to such apartment in the Declaration; and any percentage of apartment owners specified in the By-Laws means the owners of apartments to which are appurtenant such percentage of the common interest. The Board of Directors of the Association of Apartment Owners may employ necessary personnel to carry out management and operation functions of the project.

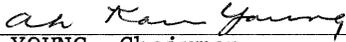
STATUS OF PROJECT: As of this date no construction contract has been entered into by the developer.

PROGRAM OF FINANCING: As of this date no financing program has been finalized by the developer.

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 November 25, 1977, and subsequent information filed as of January 18, 1978.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 954 filed with the Commission on November 25, 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. 954

February 2, 1978.