

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

HONOKOWAI SHORE
Lower Honoapiilani Road
Honokowai, Maui

REGISTRATION NO. 957

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 28, 1980
Expires: March 28, 1981

SPECIAL ATTENTION

A comprehensive reading of this report by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 30, 1977, AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 22, 1980. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. HONOKOWAI SHORE is a proposed leasehold condominium project consisting of one four-story building containing 72 residential apartment units. There will be 121 parking stalls and 2 loading stalls.
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, By-Laws of the Association of Owners and a copy of the Condominium Map) have been submitted to the Commission for examination but have not yet been filed in the office of the recording officer.

4. No advertising and promotional materials have been filed pursuant to the rules and regulations promulgated by the Commission.
5. This Preliminary Public Report is made a part of the HONOKOWAI SHORE condominium project. The Developer is responsible for placing a true copy of this Preliminary Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and securing a signed copy of the receipt therefor from each.
6. All purchasers or prospective purchaser are advised to acquaint themselves with the provisions of the Horizontal Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, February 28, 1980, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: HONOKOWAI SHORE

LOCATION: The 2.67 acre of property to be committed to the regime as a leasehold condominium project is situated off Lower Honoapiilani Road, Honokowai, Island and County of Maui, State of Hawaii.

TAX KEY: SECOND DIVISION 4-4-001-027.

ZONING: B-2 Community Business District.

DEVELOPER: CALIFORNIA-HAWAII DEVELOPMENT, INC., a California corporation, whose address is 1399 Ygnacio Valley Road, #20, Walnut Creek, California, Telephone: (415) 943-7841. The officers of the corporation are as follows:

<u>Name</u>	<u>Office Held</u>
Dewey O. Chapman, Jr.	President
Betty J. Chapman	Vice President and Secretary
Terri M. Davis	Treasurer-Controller

ATTORNEY REPRESENTING DEVELOPER: H. K. Bruss Keppeler, Attorney at Law, 33 South King Street, Suite 223, Honolulu, Hawaii 96813, Telephone: (808) 533-6294.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects the project is to consist of 2.67 acres of land located off Lower Honoapiilani Road, Honokowai, Island and County of Maui, State of Hawaii, and one (1) L-shaped four story apartment building having a total of 72 apartment units to be constructed in accordance with plans and specifications prepared by William S. Tsao & Company, Architects. There are 121 parking stalls (99 standard and 22 compact) and 2 loading stalls, none of which are to be assigned as limited common elements to the apartment units. The unassigned parking stalls will be subject to such control and use as are provided by the Association of Apartment Owners. There is a swimming pool with a pool-side recreation and general storage building, tennis court and recreation area. The main building has a basement level, wood framing with stucco exterior walls and flat asphalt built-up roofing with mansard roof of clay tile.

The main building has 72 apartments consisting of: 24 two-bedroom apartments of "A" type, 40 one-bedroom apartments of "B" type, and 8 two-bedroom apartments of "D" type, equally divided between the East and West Wings. The basement floor has 6 two-bedroom apartments of "A" type, 10 one-bedroom apartments of "B" type and 2 two-bedroom apartments of "D" type, with an entry, lobby area with electrical equipment room, 2 elevators located in the central part of each wing with a trash room and stairways. The first through the third floors repeat the same floor plan as the basement floor; except that the electrical equipment room is replaced by a room in which vending machines, coin-operated washers and dryers can be installed.

Each of the floors will be connected to the other floors by stairways and elevators running from the basement through the third floors. Access to the street is gained through the basement floor lobby, the steps at the ends of each building, the center of each wing which leads to the parking lot driveways and also through the walkways to Lower Honoapiilani Road.

The type of apartments located in the project is as follows:

a. Two-Bedroom Apartments (Type A): Each of these apartments has 720 square feet of area, living-dining room, two bedrooms with closets, a kitchen, two bathrooms and a partially enclosed lanai of 240 square feet.

b. One-Bedroom Apartments (Type B): These are one-bedroom apartments and contain 480 square of area, a living-dining room, one bedroom with closet, a kitchen, a bathroom and a partially enclosed lanai of 160 square feet.

c. Two-Bedroom Apartments (Type D): Type D apartments are two bedroom apartments containing 840 square feet which have a living-dining room, two bedrooms, one with a closet and one without, a kitchen, a kitchenette and two bathrooms, one with a closet as well as a partially enclosed lanai containing an area of 240 square feet.

The apartments in the building are as shown on the condominium file plan and are numbered as follows and on the floors designated:

<u>Apartment No.</u>	<u>Type</u>	<u>Floor</u>
101,102,108,111,117,118	A	Basement
103,104,105,106,107,112, 113,114,115,116	B	Basement
109,110	D	Basement
201,202,208,211,217,218	A	First
203,204,205,206,207,212, 213,214,215,216	B	First
209,210	D	First
301,302,308,311,317,318	A	Second
303,304,205,206,207,212 313,314,315,316	B	Second
309,310	D	Second

<u>Apartment No.</u>	<u>Type</u>	<u>Floor</u>
401,402,408,411,417,418	A	Third
403,404,405,406,407,412 413,414,415,416	B	Third
409,410	D	Third

Each apartment unit will have immediate access to the corridors, stairways, elevator and lobby area which leads to the basement floor. The basement floor then leads to the walkways, parking area and driveways and the grounds.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartments or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, window and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

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, lobby area and deck area.
- d. The mailboxes, electrical equipment room, storage rooms, refuse and collection, switchroom, pump room, laundry rooms, recreation building, swimming pool, tennis court and recreation area.
- e. The driveways, loading area and the parking areas.
- f. The central and appurtenant installations for services such as power, light, gas, hot and cold water and like utilities.
- g. The elevators, elevator shafts and wells, appurtenant installations and apparatus.
- h. All of the parts of the project existing for the common use and necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS: The limited common elements consist of the laundry rooms on all floors in the building and the corridors on any floor above the first floor. In each case, these facilities will be appurtenant to and set aside for the joint but exclusive use of the apartments on the floor upon which they are located.

INTEREST TO BE CONVEYED TO THE PURCHASER: The percentage of undivided interest in the common elements appertaining to each Type "A" apartment is 1.676 percentage interest, each Type "B" apartment is 1.117 percentage interest and each Type "D" apartment is 1.387 percentage interest in the common elements. For purposes of percentage interest in the common elements, voting, determination of pro-rata lease rent and the amount of maintenance required to be paid by each apartment, the percentages above shall govern.

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 thereof, their tenants, families, domestic servants and social guests, subject to such limitation as may be contained herein or in the By-Laws and House Rules which may be adopted from time to time governing the use of the apartments.

The By-Laws of the Association and the House Rules provide that "[n]o livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs, cats and other household pets in reasonable number may be kept by the bona fide apartment owner-occupants..."

OWNERSHIP OF TITLE: A copy of a Preliminary Title Report as of January 7, 1980, issued by Title Guaranty of Hawaii, Incorporated, certifies that fee simple title is vested in George Masami Takemoto and June Ishihara Takemoto, Husband and Wife.

ENCUMBRANCES AGAINST TITLE: The aforementioned Preliminary Title Report notes the following encumbrances against the property:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. The terms and provisions of that certain Master Lease, dated January 1, 1974, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10049 at Page 578 and made by and between George Masami Takemoto and June Ishihara Takemoto, husband and wife, "Lessor", and Keystone Investments, Inc., a Washington corporation, "Lessee", for the term of not more than sixty-seven and one-half (67 1/2) years commencing on the 1st day of January, 1974. Said lease was assigned to California-Hawaii Development, Inc., a California corporation, by an Assignment of Lease and Consent, dated February 3, 1978, and recorded in Liber 12728 at Page 408, and has been amended by an Amendment of Master Lease, dated November 26, 1979, and recorded in Liber 14329 at Page 677.
3. 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, State of Hawaii, Wailuku, Maui, Hawaii.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated October 29, 1979, identifies Title Guaranty Escrow Services, Inc., as the Escrow Agent. Upon examination of the Escrow Agreement, it is found to be in consonance with Chapter 514A, Hawaii Revised Statutes.

Among other provisions, the Escrow Agreement provides that Escrow Agent shall refund to Purchaser all of Purchaser's funds (less \$25.00 cancellation fee or a fee commensurate with the work done by Escrow whichever fee is greater), without interest, if Purchaser shall in writing request refund of his funds and any one of the following have occurred:

(1) Escrow receives a written request from Seller to return to purchaser the funds of such purchaser then held hereunder by Escrow; or

(2) If a purchaser's funds were obtained prior to the issuance of a Final Public Report and there is any change in the unit building plans, subsequent to the execution of purchaser's sales contract, 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 Final Public Report differs in any material respect from this Preliminary Public Report, unless the purchaser has given written approval or acceptance of the differences; or

(4) If the Final Public Report is not issued within one year from the date of issuance of this Preliminary Public Report.

Among other provisions, the Specimen Sales Contract provides that the Purchaser understands that Seller has secured the interim loan which will be secured by a mortgage upon the Project and used for the development of the Project and that such mortgage would be lien securing the note evidencing the indebtedness incurred for the development of the Project. The Purchaser undertakes and agrees that such mortgage and note shall be and remain at all times a lien or charge on the Project prior and superior to any and all liens or charges on the Project arising from the Sales Contract or any prior reservation agreement. Purchaser voluntarily and intentionally waives, relinquishes and subordinates the priority or superiority of any lien under the Sales Contract or any prior reservation agreement in favor of the lien or charge upon the Project of such mortgagee. Purchaser further undertakes and agrees to execute any subordination agreement required by such mortgagee to evidence the subordination, and appoints Seller as his attorney-in-fact to execute any such subordination agreement.

It is incumbent upon the Purchaser and prospective Purchaser to read and understand the Escrow Agreement before executing the Contract of Sale, since the Escrow Agreement prescribes the procedure for receiving and disbursing Purchaser's funds and the Contract of Sale specifically provides that the Purchaser approves said Escrow Agreement.

MANAGEMENT OF PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of its Board of Directors by a responsible corporate managing agent. The Developer has submitted to the Commission a copy of a Condominium Management Agreement, dated December 7, 1979, with Professional Resort Management, Inc., a Hawaii corporation, as initial Managing Agent.

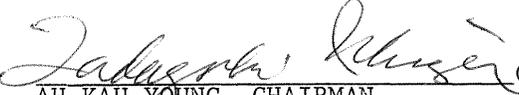
STATUS OF PROJECT: The Developer is presently negotiating a construction contract and anticipates submitting it to the Commission within the next thirty days. Construction has not started on the project. The Developer proposes to commence construction on or before March 31, 1980. Construction is expected to be completed on or before March 31, 1981.

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 sub-

mitted November 30, 1977, and information subsequently filed as of February 22, 1980.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES CONDOMINIUM PUBLIC REPORT which is made a part of REGISTRATION NO. 957, filed with the Commission on November 30, 1977.

This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimilies must be yellow in color.

 (for)
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. 957
February 28, 1980