

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

## FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

On  
LUANA KAI  
Kihei Road  
Kihei, Maui County  
State of Hawaii

REGISTRATION NO. 966

### **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 until

- (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 9, 1979

Expires: March 9, 1980

#### SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that the 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 DECEMBER 30, 1978, AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 2, 1979. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Report of March 6, 1978 on LUANA KAI, Registration No. 966, the Developer reports that certain material changes have been made in the Project.
2. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report.

3. The Developer advises that the Declaration of Horizontal Property Regime and attached By-Laws are recorded in the Bureau of Conveyances of the State of Hawaii in Book 13456, Page 65. The Condominium Map has been filed in said Bureau as Condominium File Plan No. 594.
4. No advertising and promotional materials have 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 514A, Hawaii Revised Statutes, as amended, and the condominium rules and regulations which related to Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after date of issuance, February 9, 1979, unless a Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Final Public Report (white paper stock) amends the Preliminary Public Report (yellow paper stock) becoming a part of LUANA KAI registration. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Report (yellow paper stock). The Developer is responsible for securing from each purchaser or prospective purchaser a signed receipt signifying that he has had an opportunity to read both reports.

Except for information under the topical headings which follow, the information in the Preliminary Report dated March 6, 1978 has not been disturbed.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated November 27, 1978 issued by Security Title Corporation reveals that the previously disclosed Real Property Mortgage and Financing Statement recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12671, Page 243, has been released, and that the property is now encumbered as follows:

1. For taxes that may be due and owing, reference is made to the Tax Assessor, Second Division.
2. A 20-foot wide storm drain easement, in favor of the COUNTY OF MAUI, as mentioned in that certain Deed dated February 11, 1970, recorded on March 5, 1970 in the Bureau of Conveyances of the State of Hawaii in Book 6915, Page 284, to which reference is hereby made.
3. Development conditions and restrictions as set forth in that certain Grant dated March 15, 1974 recorded on March 28, 1974, in said Bureau of Conveyances in Book 9799 Page 451, and rerecorded on May 6, 1974 in said Bureau of Conveyances in Book 9878 Page 509, in favor of the COUNTY OF MAUI, a political subdivision of the State of Hawaii, to which reference is hereby made.

4. The terms and provisions of that certain Agreement dated August 22, 1978, recorded on August 24, 1978 in said Bureau of Conveyances in Book 13099 Page 109, made by and between the COUNTY OF MAUI, DEPARTMENT OF WATER SUPPLY, "County", and LUANA KAI PARTNERS, "Applicant", to which reference is hereby made.
5. Mortgage dated August 15, 1978, recorded on September 19, 1978 in the Bureau of Conveyances of the State of Hawaii in Book 13146 Page 245, made by LUANA KAI PARTNERS, a Hawaii general partnership, as Mortgagor(s), to FIRST HAWAIIAN BANK, a Hawaii corporation, as Mortgagee(s), to secure the repayment of the sum of \$8,600,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to.
6. Financing Statement dated August 15, 1978 covering certain fixtures located on the real property, given as security by LUANA KAI PARTNERS in favor of FIRST HAWAIIAN BANK, recorded on September 19, 1978 in the Bureau of Conveyances of the State of Hawaii in Book 13146 Page 287.

NOTE: With respect to item 5, the terms of the interim loan satisfy the conditions stated in paragraph 12 of the specimen Sales Contract. Therefore, as was disclosed previously under the heading "Purchase Money Handling" in the Preliminary Public Report, all security interests (including without limitation said mortgage and Financing Statement) obtained by First Hawaiian Bank as the construction lender in connection with the construction loan (as well as any extension, renewals and modification thereof) shall be and remain at all times a lien or charge on the project prior to and superior to any and all liens and charges arising from the Sales Contract or any prior agreement with each Buyer. The Developer advises that each purchaser will be required to execute a letter confirming that his interest is and will be subordinate to all security interests obtained by First Hawaiian Bank.

Note: With respect to item 4, the Agreement states, among other things, that the Project is subject to the following conditions:

a. Until acceptance by the County of Maui and satisfactory operation of the Central Maui Water Transmission Source and Pipeline projects, no water meter of any size other than a temporary construction meter shall be issued for the Project; and

b. The Developer or its successors in interest may petition the Director of Public Works, County of Maui, for a certificate of occupancy for the Project only after acceptance by the County of Maui and satisfactory operation of the Central Maui Water Transmission Source and Pipeline Projects.

The Developer anticipates that the Central Maui Water Transmission Source and Pipeline project will be completed by the end of March, 1979, and in any event prior to the estimated date of substantial completion of the Project, which is now stated to be on or before January 15, 1980.

NOTE: With respect to the Declaration mentioned in Page 2 hereof, the Developer has the reserved right to subject the Project to rights-of-way and other easements for utilities and like services, which are for the sole benefit of the Project or which do not materially interfere with the use or materially impair the value of the Project. Also, in addition to the grant to the public of the right to use four (4) parking stalls in connection with the concurrent use of the adjacent State Beach Reserve Property fronting the Project, including the two (2) tennis courts and four (4) barbecue pits to be constructed thereon by the Developer, the Declaration also grants the public a pedestrian right-of-way to and from the Beach Reserve along the drainage ditch on the northerly boundary of the Project.

PURCHASE MONEY HANDLING: As was disclosed in the Preliminary Public Report, each Sales Contract provides that it shall operate as a reservation of an apartment in favor of the purchaser, subject to the purchaser's continued performance thereunder, but not as a binding obligation to purchase unless and until the purchaser voluntarily receipts for a copy of the Final Public Report on the project. Each prospective purchaser should be aware that he may decline to receipt for a copy of the Final Public Report and may obtain a refund of all moneys previously deposited in escrow.

The Developer also advises that the Developer's covenant set forth in the specimen Sales Contract to complete the Project within two years after the date of the issuance of the Final Public Report for this Project is subject to extension only by reason of the occurrence of any event outside of the Developer's control making performance by the Developer within said two-year period impossible. Extension for any other reason is hereby waived by the Developer.

The Developer also advises that it hereby waives the following options to cancel set forth in the specimen Sales Contract and disclosed in the Preliminary Public Report:

(a) The option to cancel in the event said two-year period within which the Developer has covenanted to complete the Project is extended for more than three (3) months for certain reasons;

(b) The option to cancel if the Developer is prevented by law from proceeding with the construction of the Project.

(c) The option to cancel in the event the Developer sells less than seventy per cent (70%) of the apartments by October, 1978.

(d) The option to cancel in the event construction had not commenced for any reason by August, 1978.

The Developer reserves the right to cancel only in the event the purchaser should be in default, (in addition to other rights and remedies stated in the specimen Sales Contract or otherwise available to the Developer) or in the event the prospective purchaser shall fail promptly to receipt for a Final Public Report on the Project, and any other option to cancel is also hereby waived.

MANAGEMENT AND OPERATIONS: Pursuant to the authority of the Developer set forth in the Specimen Sales Contract, the Developer has named Aaron M. Chaney, Inc. as the initial managing agent pursuant to a Management Agreement dated January 18, 1979, a copy of which is on file with the Commission.

STATUS OF PROJECT: The Developer has named Isami Ouye and James H. Ouye, doing business as Service Contracting Company, as the general contractor pursuant to construction contract dated July 7, 1978, a true copy of which (including the building plans and specifications) are on file with the Commission. The construction contract states that the Developer has the right to order changes in the construction of the Project. A building permit for the Project has been obtained, and construction has commenced. It is estimated that pursuant to the construction contract, construction is to be substantially completed on or about January 15, 1980, subject to extensions for certain unforeseen causes outside of the control of the contractor.

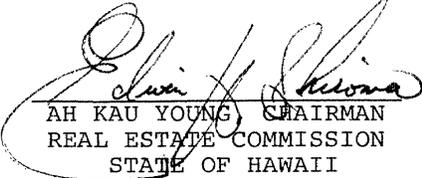
The Developer also advises that State Savings & Loan Association and First Hawaiian Bank have agreed to provide permanent loans to individual apartment purchasers, upon terms and conditions established by these lenders. The Developer disclaims any responsibility and liability for any dealings between purchasers and prospective purchasers and either of said permanent lenders, each of which is an independent lending institution.

NOTE: Purchasers and prospective purchasers are advised that the Developer has made other modifications and changes to the Declaration, By-Laws and Condominium Conveyance Document which are not specifically mentioned in this Final Report. Each purchaser and prospective purchaser is advised to read with care these documents and to note all changes made.

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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 December 30, 1977, and additional information subsequently filed as of February 2, 1979.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 966 filed with the Commission on December 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 white.

 (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. 966

February 9, 1979