

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

THE SPINNAKER
760 Wainee Street
Lahaina, Maui, Hawaii

REGISTRATION NO. 1194

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: November 23, 1979

Expires: December 23, 1980

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 NOVEMBER 1, 1979, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED ON NOVEMBER 14, 1979. THE DEVELOPER, NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAWS, HAWAII REVISED STATUTES, CHAPTER 514A.

1. THE SPINNAKER is a proposed fee simple condominium project containing 57 apartments located in four two-story buildings, consisting of 21 one-bedroom and 36 two-bedroom types. There will be a total of 64 parking stalls which will be unassigned stalls.

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. 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. This Preliminary Public Report is made a part of the registration of THE SPINNAKER condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor from each such person.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes 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, November 23, 1979, 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.

NAME OF PROJECT: THE SPINNAKER

LOCATION: The project is located at 760 Wainee Street, Lahaina, Maui, Hawaii, and consists of approximately 85,915 square feet of land.

TAX KEY: Second Division 4-6-10-2

ZONING: A-1, Apartment District (2 stories)

DEVELOPER: WAINEE HUI, a Hawaii limited partnership, is the developer of the project and has its principal place of business at Lahaina, Hawaii 96761, and postal address is P. O. Box 998, Lahaina, Maui, Hawaii 96761. The general partners are JAMES M. LOWSON and TRAV P. DURO. Telephone No. 661-8771.

ATTORNEY REPRESENTING DEVELOPER: LAWRENCE N. C. ING, 2180 Main Street, Suite 419, Wailuku, Maui, Hawaii 96793; telephone: 244-7975.

DESCRIPTION OF PROJECT:

1. Building Description. The project will consist of four (4) two-story buildings consisting of fifty-seven (57) residential apartment units, one (1) manager's unit, 64 paved parking stalls, situate upon the 85,915 sq. ft. of land hereinbefore described. Each unit shall consist of the space measured horizontally by the distances between the interior half 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 above the ground floor shall be of reinforced concrete;
 - c. the structural system shall be of standard 8 inch concrete masonry units and reinforced concrete columns and beams;
 - d. the interior partitions within each apartment shall be of metal studs with gypsum board and paint finish;
 - e. the stairs shall be of reinforced concrete;
 - f. the roof shall be of wood, with asphalt shingles;
 - g. the floors within each unit shall be covered with carpet and tile.
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, sinks, bathroom fixtures, carpets and drapes; and all air space encompassed within the apartment; provided, however that the portion of each party wall and of each load bearing wall (whether or not a party wall) which is included in any apartment is a common element (except for the inner decorated surface of said wall within said apartment, which is not a common element) and that the exterior decorated surface of each perimeter non-party wall 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 numerical designation by which its location in the building can be determined. The units are numbered A-101 thru A-109, B-110 thru B-115, C-116 thru C-121, D-122 thru D-129, A-201 thru A-209, B-210 thru B-125, C-216 thru C-121, and D-222 thru D-229.
5. Types of Apartments. There are two types of apartments, one-bedroom and two-bedroom apartments:
 - (a) Type A-1 one-bedroom units includes an entry, kitchen, living, bedroom and bathroom containing approximately 594 square feet including 50 square feet of lanai;
 - (b) Type A-2 are one-bedroom units containing an entry, kitchen, living/dining area, bedroom and bathroom of approximately 544 square feet. These are units A-205, A-206, A-207, A-208 and A-209.
 - (c) Type B are two-bedroom units containing an entry, kitchen, living/dining area, two bedrooms, bathroom and lanai containing approximately 700 square feet including 55 square feet of lanai;
6. Access to Units. Each apartment shall have immediate access to the land adjacent thereto and to the walkways, sidewalks and driveways connecting it to the street(s) entrance of the project.

COMMON ELEMENTS: The common elements include:

- a. The land in fee simple.
- b. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, corridors, stairways, entrances and exits of the buildings and all structural and bearing surfaces.
- c. The roof.
- d. The manager's unit, mailboxes, trash areas and storage rooms.
- e. The swimming hydrotherapy pool, driveways, loading areas and 64 unassigned parking stalls.
- f. The central and appurtenant installations for services such as power, light, hot and cold water and like utilities.
- g. 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 fractional interest ownership in the common elements ("common interest") appertaining to each apartment for all purposes including voting is as follows:

<u>Type of Unit</u>	<u>% of Common Elements</u>
A-1	1.5870
A-2	1.4576
B	1.8700

RESTRICTIONS AS TO USE: The Declaration provides that all 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 in the Declaration or in the By-Laws and House Rules which may be adopted from time to time governing the use of the apartments.

The proposed House Rules provides in part: (1) Occupancy limited to three persons for one-bedroom and four persons for two-bedroom apartments; (2) No dogs, cats or other domestic pets are allowed in the premises.

OWNERSHIP TO TITLE: The Policy of Title Insurance by Title Guaranty of Hawaii, Inc., dated September 27, 1979, reflects that title is vested in THE ESTATE OF JAMES CAMPBELL.

ENCUMBRANCES AGAINST TITLE: The above Policy of Title Insurance Report also reflects the following encumbrances:

- (1) Real property taxes, second installment, fiscal year July 1, 1979 - June 30, 1980, now a lien.
- (2) Reservation in favor of the State of Hawaii of all mineral and metallic rights.
- (3) Excepting and reserving therefrom any abutter's right of vehicle access into and from the Lahaina - Wailuku Road as excepted and reserved in that certain exchange deed dated September 13, 1961 and recorded in Liber 4150 at Page 80.
- (4) Reservation of 10-foot easement for sanitary sewer purposes as set forth in above exchange deed.
- (5) Terms, agreements, reservations, covenants, conditions and provisions contained in Lease dated January 6, 1972, made by Trustees under the Will and of the Estate of James Campbell, Deceased, to Pioneer Inn, Ltd., a Hawaii corporation, recorded in Liber 8119, Page 126.

Said lease assigned to PETER B. NOTTAGE, husband of LOIS C. NOTTAGE, GEORGE F. SCHNACK, husband of PATRICIA SCHNACK, ANABEL S. HUNGERFORD, unmarried, JOHN F. NASH, husband of MARY G. NASH, and GARFIED

KING, husband of MARY R. KING, general partners of Pioneer Inn Company, a registered Hawaii General Partnership, dated November 20, 1972, recorded in Liber 8781, Page 12. Consent to assignment recorded in Liber 8781 at Page 21.

NOTE: The name Pionner Inn Company was changed to 760 Wainee Apartments on May 16, 1973 and filed with the State Regulatory Agency.

- (6) That certain Agreement of Sale dated June 26, 1979, recorded in Liber 14024 at Page 61, made by 760 Wainee Apartments, a registered Hawaii partnership, as Vendor, and James M. Lowson, a married person and Trav P. Duro, a married person, as tenants in common, as Vendees.
- (7) Mortgage and Financing Statement by and between Peter B. Nottage, George Schnack, Anabel S. Hungerford, John F. Nash and Garfied King and Bank of Hawaii, dated September 13, 1973, recorded in Liber 9508, Page 91. Said Mortgage further assigned to Bankers Life Insurance Company of Nebraska, dated September 20, 1973, recorded in Liber 9508, Page 104.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated May 30, 1979, identifies National Escrow corporation, as Escrow Agent. On examination, the specimen Deposit, Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

The executed Escrow Agreement provides, in part, that purchaser shall be entitled to return of his funds without interest and less Escrow's cancellation fee of Twenty-Five Dollars (\$25.00) if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

- a. Escrow receives a written request from seller to return to purchaser the funds of such purchaser then held by Escrow; or
- b. If purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the building plans, subsequent to the execution of purchaser's contract, requiring the approval of the city and county officer having jurisdiction over the issuance of permits for construction, unless the purchaser has given written approval or acceptance of the change; or
- c. If the 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 the Preliminary Public Report unless the purchaser has given written approval or acceptance of the difference; or
- d. If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

Among other provisions, the specimen Deposit, Receipt and Sales Contract states: (1) Purchaser agrees that all of the rights of the purchaser are and shall be subject and subordinate to the lien of any mortgage, supplemental and/or second mortgage, assignments, security agreement and financing statement securing the repayment of the interim loan made to finance the cost of construction and other costs and to any and all advances made thereon, and to any and all sums which may become a lien pursuant to the terms of such loan; (2) In the event of increased building costs, seller may increase the purchase price in an amount not to exceed three percent (3%) of the purchase price and if such increase is insufficient to maintain financial feasibility of the project, then seller may at its option terminate the sales contract and cause Escrow to refund to purchaser all monies paid, without interest and seller shall be released from all liability; (3) Purchaser is advised that seller by having all documents necessary for closing executed and deposited with Escrow, purchaser agrees to pay all amounts due for Expense Reserves and Closing Costs and execute all necessary documents for such closing, including irrevocable escrow instructions, upon request by seller for any pre-closings as directed by seller which may be two (2) months prior to the completion of the project as reasonably determined by the seller in its discretion. Failure to comply will constitute a default under this contract; and (4) the sales contract is not assignable and any assignment or attempted assignment without seller's consent shall constitute a material breach and seller at its sole option may terminate the sales agreement and retain all sums paid as liquidated damages.

It is incumbent upon the prospective purchaser that he reads with care the Sales Contract and executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust funds.

STATUS OF PROJECT: The subject project is an existing, completed and operating apartment project which is being converted to a condominium project. The subject project as originally built in 1971 was in compliance with all ordinances, codes, rules, regulations and other requirements in force, at the time of its construction. A copy of letter from the County of Maui, Department of Public Works, dated July 20, 1979, ascertaining the above is on file with the Real Estate Commission for public review. No representations are being made by the Developer as to the useful life of the structural components and mechanical and electrical installments.

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

MANAGEMENT: The Developer has contracted with Ronald Kawahara, C.P.A. with office located in the Lahaina Shopping Center Office Building, Suite 204, Lahaina, Maui, phone (808) 661-4405, as the project's initial managing agent.

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 1, 1979, and subsequent information filed as of November 14, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of the REGISTRATION NO. 1194 filed with the Commission on November 1, 1979.

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

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. 1194

Date: November 23, 1979