

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

LANAKILA
992 S. Kihei Road
Kihei, Maui, Hawaii

REGISTRATION NO. 1335 (PARTIAL CONVERSION)
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: September 23, 1980
Expires: October 23, 1981

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 ON JULY 28, 1980, AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 29, 1980. 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. LANAKILA is a proposed fee simple condominium project containing eighteen (18) apartments (located in three (3) two-story buildings) and a total of twenty-three (23) parking stalls. One (1) building containing eleven (11) units was constructed in 1975. The other two buildings, containing six (6) and one (1) unit, respectively, are now under construction. Each of the eighteen (18) apartments will have one parking stall appurtenant to the apartment as a limited common element and five (5) 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. 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 514A 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, September 23, 1980, 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 registration on LANAKILA condominium project. The Developer has the responsibility of placing a true copy of the 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.

NAME OF PROJECT: LANAKILA

LOCATION: The project is located at 992 S. Kihei Road, Maui, Hawaii, and consists of approximately 31,017 square feet of land.

TAX KEY: Second Division 3-9-01-56

ZONING: Apartment (A-2)

DEVELOPER: FRANK CARVALHO and MARY CARVALHO, husband and wife, are the developers of the project. Their residence and post office address is 521 Maalo Street, Kahului, Maui, Hawaii 96732, and their telephone number is 877-5796.

ATTORNEY REPRESENTING DEVELOPER: LAWRENCE N. C. ING, 2145 Wells Street, Suite 204, Wailuku, Maui, Hawaii 96793; telephone: 242-4555.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regimes describes the project as follows:

1. Building Description. The project will consist of eighteen (18) units, which are all two-bedroom, two-story townhouse units with one and one-half baths and no basements. Said units will be situated in three (3) two-story buildings. The principal materials of which the said buildings shall be constructed are:
 - a. the ground floor slab shall be of poured reinforced concrete;
 - b. the floors above the ground floor shall be of 2" x 12" wood floor joist with 3/4" plywood subfloor;
 - c. the structural system shall be of reinforced concrete masonry blocks and wood frame construction with exteriors of rough sawn strained plywood of various textures;
 - d. the interior partitions within each apartment shall be of wood studs with 1/2" gypsum board finish;
 - e. the stairs shall be of wood frame construction;
 - f. the roof shall be of wood truss construction finished with western cedar shakes;
 - g. the floors within each unit shall be covered with carpet and vinyl floor covering in various rooms.
2. Limits of Apartment. 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 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.
3. Numbering of Units. Each apartment has been given a numerical designation by which its location in the building can be determined, as follows:

A-101 thru A-111, B-101 thru B-106 and C-101. The letter before the number designates the type and building the apartment is in.

4. Description of Apartments. The eighteen (18) units are described as follows:
- (a) Type A apartments consist of a living-dining room, a kitchen, two-bedrooms, 1 1/2 bathrooms and laundry room. The floor area is approximately 1,091.47 square feet including a balcony of approximately 51.67 square feet.
 - (b) Type B apartments consist of a living-dining room, a kitchen, two-bedrooms, 1 1/2 bathrooms and laundry room. The floor area is approximately 951.78 square feet including a lanai of approximately 76.02 square feet on the first floor and a balcony of approximately 50.68 square feet on the second floor.
 - (c) Type C apartment consist of a living-dining room, a kitchen, two-bedrooms, 1 1/2 bathrooms and laundry room. The floor area is approximately 1,038.92 square feet including a balcony of approximately 76.00 square feet.

COMMON ELEMENTS: The common elements include:

- a. The land in fee simple.
- b. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, corridors, stairways, entrances and exits of the building, and all structural and bearing surfaces and garden areas.
- c. The roof, elevator and elevator shafts.
- d. The mailboxes, storage rooms and security system.
- e. The barbecue area, driveway, ramps and the five (5) unassigned parking stalls designated for "Guest" on the proposed Condominium Map.
- 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.

LIMITED COMMON ELEMENTS: The limited common elements are the parking stalls which are stalls set aside with the same number and reserved for the exclusive use of the particular apartment as shown on the Condominium Map.

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>Unit</u>	<u>% of Common Elements</u>	<u>X Number of Units</u>
A	5.81909	x11 = 64.01%
B	5.075	x6 = 30.45
C	5.540	<u>x1 = 5.54</u>
		100.00%

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed 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 purchasers or prospective purchasers are advised to read with care the proposed House Rules which provides in part:
(1) Occupancy limited to 6 persons for a two-bedroom apartment;
(2) No dogs, cats or other domestic pets are allowed in the premises; and (3) There will be no barbecuing on the lanais.

OWNERSHIP OF TITLE: The Preliminary Title Report by Security Title Corporation, dated June 3, 1980, reflects that title is vested in Frank Carvalho and Mary Carvalho, husband and wife.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report by Security Title Corporation, also reflects the following encumbrances:

1. Real property taxes as may be due and owing. For further information, check with the tax assessor, Second Division.
2. Mortgage dated September 19, 1974 with American Savings And Loan Association, recorded in Liber 10163, Page 1.
3. Mortgage dated May 30, 1975 with American Savings And Loan Association, recorded in Liber 10683, Page 419.
4. Easement ten (10) feet in width for roadway and utility purposes for benefit of T.M.K. II 3-9-01-110. See Liber 10035, Page 483.
5. Easement for utility purposes in favor of Maui Electric Company, Limited and Hawaiian Telephone Company. See Liber 10292, Page 535.

6. Agreement dated April 30, 1979, with the Department of Water Supply, recorded in Liber 13670, Page 687.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated February 14, 1980 identifies Security Title Corporation, as Escrow. 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 and particularly Sections 514A-37, 39, 40 and 63 through 66.

The Escrow Agreement provides, among others, that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, without interest, less cancellation fee of \$25.00, promptly after purchaser has requested such return if Escrow shall have received from Developer a written notice that any one of the following has occurred:

1. Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held hereunder by Escrow; or
2. Developer shall have notified Escrow of Developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Developer; or
3. With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans requiring approval of a county officer having jurisdiction over the issuance of building permits except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or to which said purchaser has otherwise consented in writing; or
4. The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or
5. The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report.

The specimen Sales Contract provides among other provisions:

1. Purchaser agrees that all rights of Purchaser are and shall be subject and subordinate to the lien of any mortgage, security agreement and financing statement securing the repayment of the interim loan made to finance the cost of construction and other costs during construction;
2. The Sales Contract shall be binding upon execution of contract between Seller and Purchaser and within two (2) days after Seller receives and executed receipt for the Final Public Report from Purchaser.

3. If Seller encounters unexpected delays in the development and construction of the project which requires an increase in apartment sales prices over and above 5% to maintain financial feasibility of the project, 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.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds on the sale of the Apartments and all sums from any source are placed in Escrow, as well as the retention, disbursement, and refund of said escrow funds.

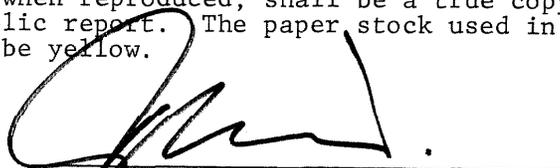
MANAGEMENT OF PROJECT: The By-Laws, which are incorporated in the proposed Declaration, provide that the operation of the Project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws, although said Declaration permits the Developer to appoint the initial managing agent. The initial managing agent has not yet been selected; however, the Developer is authorized by said Declaration to receive service of legal process in all cases provided in the Horizontal Property Act.

STATUS OF PROJECT; Construction of Building A of the Project was completed in 1975 and the units of that building have been used since then primarily as rental units. Construction of buildings B and C commenced in February, 1980. Estimated completion time is November, 1980. Purchaser should be cognizant that all of the units are being sold on an "as is" basis.

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 July 28, 1980 and information subsequently filed as of August 29, 1980.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of the REGISTRATION NO. 1335 filed with the Commission on July 28, 1980.

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.


G. A. "RED" MORRIS, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Taxation
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Planning Department, County of Maui
Federal Housing Administration
Escrow Agent

Registration No. 1335

Date: September 23, 1980