

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
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PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT ON

LIPOA
ULUNIU ROAD
KIHEI, MAUI, HAWAII

REGISTRATION NO. 1436

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: July 28, 1981
Expires: August 28, 1982

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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 18, 1981, AND INFORMATION FILED AS OF JULY 27, 1981. THE DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. LIPOA is a proposed leasehold condominium project consisting of 8 apartments in one two-story building with 10 uncovered parking stalls. Each apartment will have an assigned parking which is appurtenant to the apartment.

2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Proposed Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners and the Proposed Condominium Map will be recorded in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.
4. No advertising or promotional materials have been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 154A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report expires thirteen (13) months after issuance, July, 28, 1981, unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is part of the registration of the LIPOA condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and a copy of the Disclosure Abstract in the hands of all purchasers and securing a signed copy of the receipt therefor.

NAME OF PROJECT: LIPOA

LOCATION: The Project is located on Uluniu Road in Kihei, Maui, Hawaii, and has a land area of approximately 14,100 square feet.

TAX KEY: Second Division, 3-9-08-02.

ZONING: Apartment, A-1, under the Ordinances of the County of Maui.

DEVELOPER: TSUJI CORPORATION (Hawaii corporation), P. O. Box 578, Kahului, Maui, Hawaii 96732, Telephone: (808) 244-5395. The officers of the corporation are Fumio Tsuji, President, and Betty T. Tsuji, Vice President, Secretary and Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Ueoka & Luna (Attention: Meyer M. Ueoka), 2103 Wells Street, Wailuku, Maui, Hawaii 96793, Telephone: (808) 244-7914.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime states that the Project contains 8 apartments in one two-story "L" shaped building with 10 parking stalls. Amenities include a swimming pool and jacuzzi. The building is constructed of wood, glass, stucco and concrete roof tiles, and is without a basement. The building contains eight apartments (all being 2-bedroom apartments) based on four different models - A,B,C, and D. All apartments are furnished with carpet and draperies, two separate, portable air-conditioning units, bathtub and one shower, dishwasher, disposal, compactor, refrigerator, electric range and oven, microwave oven and range-hood, electric water heater, washer/dryer unit, individual mailboxes, and, additionally, serviced by a solar heating water system. Access to the second floor apartments is provided by a stairwell. The location of each apartment in the project may be determined by reference to its apartment number. Each apartment has a three-digit apartment number. The first digit of each apartment number indicates the floor level (e.g., apartment 101 is on the ground level and apartment 201 is on the second floor). Those apartments ending with numbers "01" are located on the north side of the project, running sequentially to the south and east. The apartment areas by model and number are as follows:

<u>MODEL</u>	<u>APARTMENT NUMBER</u>	<u>BEDROOM/BATH</u>	<u>NET</u>	<u>ENTRY</u>	<u>LANAI</u>	<u>TOTAL LIVING</u>
A	101, 201	2/2	770	0	83	853
B	102, 202	2/2	770	0	83	853
C	103, 203	2/2	769	0	92	861
D	104, 204	2/2	769	0	92	861

IN ACCORDANCE WITH HAWAII PRACTICE, THE APPROXIMATE NET FLOOR AREA AND LIVING AREA OF EACH APARTMENT AS SET FORTH ABOVE INCLUDES ALL OF THE WALLS AND PARTITIONS, VENTS, SHAFTS, DUCTS AND THE LIKE WITHIN ITS PERIMETER WALLS, THE ENTIRETY OF ITS PERIMETER NON-PARTY WALL AND THE INTERIOR HALF OF ITS PERIMETER PARTY WALLS, WHETHER LOAD-BEARING OR NON-LOAD BEARING. IN ADDITION, THE NET FLOOR AREAS ABOVE EXCLUDE LANAIS.

All apartments consist of two bedrooms, two bathrooms, one lanai, living/dining area and kitchen. All apartments are ocean or makai oriented.

Each apartment shall be deemed to include: (i) any adjacent lanai to which such apartment has direct, exclusive access, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iv) any doors, windows or panels along the perimeters, and (v) all fixture originally installed therein. The respective apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the undecorated or unfinished floors and ceilings surrounding each apartment, or (c) any pipes, shafts, 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 as hereinafter provided.

COMMON ELEMENTS: The common elements will include all portions of the Project, other than the apartments, including, specifically, but not limited to, the common elements mentioned in the Horizontal Property Act which are actually constructed on the land, and all other portions of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, and which are not included as part of an apartment. The common elements also include the swimming pool, jacuzzi, landscaped areas, the solar water heating system, driveway and parking stalls 9 and 10 for guest parking.

LIMITED COMMON ELEMENTS: Certain parts of the common elements hereinafter designated are set aside and reserved for the exclusive use of certain units and such units shall have appurtenant thereto exclusive use of such limited common elements. The limited common elements so set aside and reserved are as follows:

Each apartment shall have appurtenant thereto one (1) parking space as shown below:

<u>Unit Number</u>	<u>Assigned Parking Stall Number</u>
101	1 (compact)
102	2 (compact)
103	3 (compact)
104	4
201	5
202	6
203	7
204	8

The apartment owners, with the consent of the mortgagee, if any, shall have the right to change the assignment of parking stalls which are appurtenant to their respective apartments by amendment of the Declaration and respective Condominium Conveyance Documents involved. Such amendment shall be effective only upon recording or filing of the same with the Bureau of Conveyances of the State of Hawaii.

INTEREST TO BE CONVEYED TO PURCHASER: The undivided common interests in the common elements appurtenant to each apartment and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting are set forth below. Common interests have been based on approximate apartment square footages. The following common interests shall be valid and effective, whether or not the Developer's calculations of such interests are accurate or mathematically correct:

<u>Apartment Model</u>	<u>Percentage of Common Interest</u>	<u>Number of Apartments</u>	<u>Percentage Total</u>
A	12.44	2	24.88
B	12.44	2	24.88
C	12.56	2	25.12
D	12.56	2	25.12
		8	100.00%

Interests in each apartment will be transferred by the Developer to each buyer under a Condominium Conveyance Document, consisting of a lease of an undivided interest in the land included in the Project and a deed of the improvements, exclusive of the land, comprising the particular apartment.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: Each apartment shall at all times be used as a permanent or temporary residence and for any other purpose permitted by all applicable laws and the Declaration of Horizontal Property Regimes.

OWNERSHIP OF TITLE: A Preliminary Title Report dated June 4, 1981, issued by Title Guaranty of Hawaii, Inc. states that fee simple title to the land is held by the Developer.

ENCUMBRANCES: Said Preliminary Title Report states that the title to the property is subject to the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, Second Division.
2. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance.
3. Declaration of Covenants, Conditions and Restrictions (Tsunami or Storm Wave District) dated January 14, 1980, recorded in Liber 14471 at Page 126.
4. Declaration of Covenants, Conditions and Restrictions (Flood Zone) dated January 14, 1980, recorded in Liber 14471 at Page 132.

PURCHASE MONEY HANDLING: A copy of the specimen Deposit Receipt and Sales Contract (the "Sales Contract") and an executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated June 16, 1981, identifies Title Guaranty Escrow Services, Inc. as the "Escrowee." Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Section 514A-37, 39, 40, 63 through 66. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement.

The Sales Contract also provides that the buyer's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Developer in favor of any lending institutions to secure

one or more loans for the purpose of constructing the Project. The Sales Contract, among other things, contains acknowledgments by each buyer: (i) that the Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of apartments in the Project other than apartments owned by the Developer upon completion of the Project, if any; (ii) that the buyer must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (iii) that the Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; (iv) that the buyer acknowledges that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project; and (v) that until the Developer closes the sales of all the apartments in the Project, the buyer shall not enter into any agreement with any purchaser, lessee or owner of another apartment in the Project or any third party under which the buyer agrees to share rental income from apartments in the Project.

Among other provisions, the Escrow Agreement states in part that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) 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, subsequent to the execution of purchaser's sales contract, requiring approval of a county officer having jurisdiction over the issuance of building permits, unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or unless a purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the purchaser has accepted in writing the unit or the purchaser has first occupied the unit; or

(d) 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

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived or has not been deemed to have waived his right to a refund.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c), (d) or (e) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

(f) Notwithstanding any other provision in this Agreement to the contrary, Escrow further agrees to make refunds to purchasers, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes, out of the funds then on deposit with Escrow, if the Developer and purchaser shall so request in writing and any one of the following events has occurred:

(i) no sales contract has been offered to the purchaser who has been placed on the Developer's reservation list of owner-occupant applicants; or

(ii) Purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within thirty (30) calendar days following the end of the ten (10) calendar day period during which the Developer is limited to selling to owner-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

Except for cancellations under subparagraph (i) above, Escrow may deduct from any such refund made to a purchaser a cancellation fee as set forth above.

MANAGEMENT AND OPERATION: Article III, Section 3 of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the Project, subject at all times to direction by the Board of Directors. No managing agent has been selected as of the date of this report.

STATUS OF PROJECT: The Developer has advised the Commission that construction of the Project has commenced and the Developer currently estimates that it will be completed in August, 1981.

The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted June 18, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1436 filed with the Commission on June 18, 1981 and information subsequently filed on July 27, 1981.

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


for G. A. "Red" MORRIS, Chairman
Real Estate Commission
State of Hawaii

Distribution:

Department of Finance
Bureau of Conveyances
Planning Department
County of Maui
Escrow Agent
Federal Housing Administration

Registration No. 1436

July 28, 1981