

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

HALE ALI'I
Kihei Road
Kihei, Maui, Hawaii

REGISTRATION NO. 1452

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 16, 1981

Expires: October 16, 1982

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 12, 1981 AND INFORMATION SUBSEQUENTLY FILED AS OF SEPTEMBER 10, 1981. 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. The HALE ALI'I is a proposed fee simple condominium project consisting of forty (40) apartment units in eight (8) buildings (with no basement) and a manager's apartment and office (to be part of the common elements of the project). There will be fifty-two (52) unassigned parking stalls in this condominium project, 13 of which are for compact cars. Buyers will receive an apartment deed granting a fee simple interest directly from the Developer.

2. The Developer of the project has filed all documents and material deemed necessary by the Commission for the registration of this proposed condominium project and issuance of the Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners and Condominium Map will be filed in the office of the recording officer immediately prior to the application for a final public report.
4. No advertising and promotional matter has 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 Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the registration of the HALE ALI'I condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) with attached Disclosure Abstract in the hands of all purchasers and prospective purchasers and obtaining a receipt therefor.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, September 16, 1981, unless a Final or Supplementary Public Report issues, or the Commission upon review of registration, issues an order extending the effective period of this report.

NAME OF PROJECT: HALE ALI'I

LOCATION: The site, comprising approximately 96,576.13 sq. feet, is located at Kamaole, Kihei, Kula, Maui, Hawaii.

TAX MAP KEY: 3-9-04:132 (Second Division)

ZONING: A-1

DEVELOPER: Hale Ali'i Kanada, a Hawaii general partnership, Suite 201B, 1993 South Kihei Road, Kihei, Maui, Hawaii 96753; Partners: Caine Enterprises (Hawaii) Corp., a Hawaii corporation, 10374-58th Avenue, Edmonton, Alberta, Canada T6H 1B6; Alrob Enterprises (Cal) Inc., a Hawaii corporation, 803 Chancery Hall, Edmonton, Alberta, Canada T5L 2PZ; Guthrie Enterprises, Inc., a Hawaii corporation, 14630-119th Avenue, Edmonton, Alberta, Canada T5L 2PZ; McLaren Enterprises, Inc., a Hawaii corporation, 14630-119th Avenue, Edmonton, Alberta, Canada T5L 2PZ; and Hokanson Enterprises, Inc., a Hawaii corporation, 204-14810-51st Avenue, Edmonton, Alberta T6H 5G4.

ATTORNEY REPRESENTING DEVELOPER: Case, Kay & Lynch (Attention: Robert E. Rowland, Esq. and William W. L. Yuen, Esq.), Suite 1100, 165 South King Street, P. O. Box 494, Honolulu, Hawaii 96809, Telephone: (808) 547-5400.

DESCRIPTION: The proposed Declaration indicates that the project consists of forty (40) separate condominium apartments in eight (8) two-story apartment buildings without basements, to be constructed principally of concrete, wood, sheetrock, glass and related building materials. There will be fifty-two (52) uncovered, unassigned parking stalls for use by apartment owners and for guest parking. The project includes a swimming pool, landscaping and no basements. Building C, which is a part of the common elements, contains a resident manager's apartment, office and mailboxes.

Twenty-four (24) identical two bedroom, two bath apartments, are located in six-two story buildings, each of which buildings contains four apartments. Buildings A and B are connected by a common area deck. Buildings D and E are connected by a common area deck. Buildings F and G are connected by a common area deck. Sixteen (16) one bedroom, two bath apartments are located in two-two story buildings, Buildings H and I, each of which buildings contain four apartments. Each apartment is identically furnished with a built-in range with oven below, hood and fan, refrigerator, disposal, drapes, carpeting, dishwasher, water heater and washer/dryer. The apartments will be numbered and located as set forth on Exhibit "A" attached hereto. A description of each of the floor plans, designating the type of rooms and approximate area is set forth on Exhibit "B" attached hereto.

Each apartment shall be deemed to include all the walls and partitions which are not load bearing within its perimeter walls, the lanai or deck airspace (if any), the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures contained or originally installed therein, including a built-in range with oven below, hood and fan, refrigerator, disposal, drapes, carpeting, dishwasher, water heater and wash/dryer. The apartments shall not include the perimeter walls or interior load bearing walls or the floors and ceilings surrounding each apartment (except in each case for the interior decorated or finished surfaces of the perimeter walls, interior load bearing walls, floors or ceilings), or any pipes, wires, conduits or other utility 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 remaining portions of the project are designated as "common elements," including specifically but not limited to:

- a. The land in fee simple.
- b. All foundations, columns, girders, beams, floor slabs, supports, perimeter walls, load bearing walls, floors, ceilings (except the inner or decorated surfaces of the perimeter walls, load bearing walls, floors and ceilings), roofs, corridors, stairs and stairways.
- c. All grounds, gardens, planters, plants, refuse facilities, driveways, walkways, parking areas, mail boxes, equipment rooms, and the swimming pool.
- d. All tanks, pumps, motors, fans, compressors, and other equipment and installations for common use or benefit.
- e. All ducts, pipes, wiring, electrical and other central and appurtenant transmission facilities and installations which

serve more than one apartment for services such as electrical power, water, sewer and telephone and television signal distribution.

f. Building C, containing a one-story manager's apartment consisting of a living-dining area, kitchen, one bedroom, one bathroom, storage area, and lanai having a total floor area of approximately 736 square feet and a manager's office and porch totaling approximately 207 square feet.

g. Any and all other parts of the property, apparatus and installations for common use or necessary or convenient to the project's existence, maintenance or safety and normally in common use and all elements mentioned in the Act actually constructed on the land described herein.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called "limited common elements," are designated and set aside for the use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

a. The stairways leading from the second floors to the grounds of the project shall be appurtenant to and for the exclusive use of the respective apartments served by them.

b. Each apartment shall have appurtenant to it the exclusive right to use a mail box in the mail facilities located in Building C and as shown on the proposed Condominium Map.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided interest in all the common elements of the project (herein called the "common interest") and the same proportionate share in the common expenses of the project as set forth in Exhibit "C" attached hereto. Interests in each apartment will be conveyed to each buyer under an Apartment Deed.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments shall be occupied and used as permanent or temporary residences in accordance with applicable laws.

The Project Rules state, in part: (1) Occupancy is limited to not more than two (2) persons per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner, tenant or lessee, provided that in no event shall the number of occupants be more than three (3) per bedroom; (2) No fires or barbecuing will be permitted on any apartment lanai; (3) Only small house dogs, cats, fish and small birds may be kept in apartments without prior written consent from the Board. Pets are not permitted in the pool or pool area; and (4) No waterbeds shall be permitted in the apartments.

OWNERSHIP OF TITLE: A Preliminary Title Report dated September 3, 1981, issued by Title Guaranty of Hawaii, Inc. states that the fee simple title to the land is held by Caine Enterprises (Hawaii) Corp., a Hawaii corporation, Alrob Enterprises (Cal) Inc., a Hawaii corporation, Guthrie Enterprises, Inc., a Hawaii corporation, McLaren Enterprises, Inc., a Hawaii corporation, and Hokanson Enterprises, Inc., a Hawaii corporation, general partners of the Developer, as tenants in common, in the same proportion as the general partners hold interests in the partnership.

ENCUMBRANCES AGAINST TITLE: Said Title Report of September 3, 1981 identifies the following encumbrances on the land committed to the project:

1. 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.
2. Mortgage and Security Agreement dated May 23, 1979, made by Caine Enterprises (Hawaii) Corp., a Hawaii corporation, Alrob Enterprises (Cal) Inc., a Hawaii corporation, Guthrie Enterprises, Inc., a Hawaii corporation, McLaren Enterprises, Inc., a Hawaii corporation, and Hokanson Enterprises, Inc., a Hawaii corporation, general partners of the Developer, as Mortgagor, in favor of Rafael P. Acoba, husband of Marcela B. Acoba, and George N. Y. Kong, husband of Audrey D. Kong, as Mortgagee, recorded in the Bureau of Conveyances of Hawaii in Liber 13705, Page 736.
3. Terms, conditions and covenants contained in that certain Grant of Easement dated April 11, 1979, and recorded in the Bureau of Conveyances of Hawaii in Liber 13623, Page 572, by and between the State of Hawaii as Grantor and Caine Enterprises (Hawaii) Corporation, a Hawaii corporation, as Grantee.

By letter dated August 21, 1980, the developer, through its attorney, advised the Department of Land and Natural Resources that Caine Enterprises (Hawaii) Corporation, a general partner of the developer proposes to assign its interest in a State of Hawaii utility and access easement to the property to American Trust Co. of Hawaii, Inc. as Trustee under a land trust. The beneficiary of this trust will be the Association of Apartment Owners of Hale Ali'i.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated August 6, 1981, identifies First American Title Company of Hawaii, Inc., a Hawaii 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 Hawaii Revised Statutes, Section 514A-37, Section 514A-39, 514A-40 and Sections 514A-63-66. 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. Among other provisions, the executed Escrow Agreement states that no money received by Escrow Agent shall be disbursed until the Seller has a valid and binding contract for the sale of the unit for which money was received and the requirements of Sections 514A-39, 514A-63, 514A-64 and 514A-66 have been met, all as provided in Section 514A-65, Hawaii Revised Statutes. The Escrow Agreement and specimen sales contract provide that money received by Escrow Agent may be disbursed by Escrow Agent prior to the date of completion of the project, to pay the costs of developing and building the project under conditions stated in the Escrow Agreement.

According to the specimen Deposit Receipt and Sales Contract, in the event that less than twenty (20) apartments in the project are sold

prior to construction and to the time that Developer has valid and binding agreements, Developer may, at its option terminate all sales agreements, refund purchasers all monies paid without interest, and be relieved and released from any past and future liabilities.

The specimen Sales Contract also states: (1) All of purchaser's right, title and interest under the Sales Agreement are and shall be subject and subordinate to the lien of any mortgages or other security instruments made by Developer to any institutional lender for the purpose of securing the repayment of a construction loan; (2) In the event development and construction of the project are delayed due to governmental restrictions or regulations enacted after the date of any Sales Agreement, which delay results in excessive developmental cost or by occurrence of a contingency, the non-occurrence of which was the basic assumption of any agreement entered, then in such event, Developer may at its option, terminate the Sales Agreement, refund all monies (except escrow cancellation fee) and be released of all liabilities under the Sales Contract; (3) Developer makes no warranties, expressed or implied, with respect to the Property or the Apartment or any common elements or anything installed therein, including but not limited to warranties of merchantability or fitness for a particular purpose and; (4) Purchaser understands that no water meter of any size other than a temporary construction meter shall be issued for the project until the acceptance by the County of Maui and satisfactory operation of the Central Maui Water Transmission Source and Pipeline projects. Purchaser agrees that if such acceptance and operation does not occur prior to commencement of construction, Developer at its option may terminate the Sales Contract and cause purchaser's monies to be refunded without interest. If Developer proceeds with construction, purchaser agrees to accept the apartment at closing notwithstanding that a water meter for the project is not available at that time.

The Specimen 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 purchaser must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (iii) that the Developer has not authorized 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 purchaser 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 purchaser 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 purchaser agrees to share rental income from apartments in the Project.

It is incumbent upon the purchaser and prospective purchaser to read with care and to understand the Escrow Agreement and Sales Agreement as both agreements provide for the benefits and obligations therein outlined.

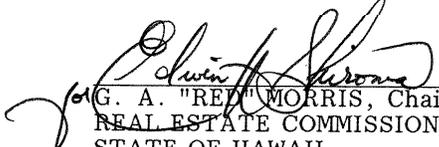
MANAGEMENT OF THE PROJECT: The proposed Declaration of Horizontal Property Regime provides that the operation of the property shall be conducted by a responsible entity as managing agent. The initial managing agent will be Robert L. Griffith, whose place of business is 1993 South Kihei Road, Suite 201B, Kihei, Maui 96753.

STATUS OF PROJECT: The Developer has not selected a contractor to construct the project and is currently in the process of arranging construction financing. Assuming satisfactory financing can be obtained the estimated date for commencement of construction is January 15, 1982, and the approximate completion date will be July 1, 1983.

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 August 12, 1981, and information subsequently submitted as of September 10, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1452 filed with the Commission on August 12, 1981.

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


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

Distribution:

DEPARTMENT OF FINANCE
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, COUNTY OF MAUI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 1452

September 16, 1981

EXHIBIT "A"

1. Apartment Nos. A-101 and A-102 are located on the first floor of building "A", and Apartment Nos. A-201 and A-202 are located on the second floor of building "A".

2. Apartment Nos. B-101 and B-102 are located on the first floor of building "B", and Apartment Nos. B-201 and B-202 are located on the second floor of building "B".

3. Apartment Nos. D-101 and D-102 are located on the first floor of building "D", and Apartment Nos. D-201 and D-202 are located on the second floor of building "D".

4. Apartment Nos. E-101 and E-102 are located on the first floor of building "E", and Apartment Nos. E-201 and E-202 are located on the second floor of building "E".

5. Apartment Nos. F-101 and F-102 are located on the first floor of building "F", and Apartment Nos. F-201 and F-202 are located on the second floor of building "F".

6. Apartment Nos. G-101 and G-102 are located on the first floor of building "G", and Apartment Nos. G-201 and G-202 are located on the second floor of building "G".

7. Apartment Nos. H-101, H-102, H-103 and H-104 are located on the first floor of building "H", and Apartment Nos. H-201, H-202, H-203 and H-204 are located on the second floor of building "H".

8. Apartment Nos. I-101, I-102, I-103 and I-104 are located on the first floor of building "I", and Apartment Nos. I-201, I-202, I-203 and I-204 are located on the second floor of building "I".

EXHIBIT "B"

1. Twenty-four (24) apartments being Apartment Nos. A-101, A-102, A-201, A-202, B-101, B-102, B-201, B-202, D-101, D-102, D-201, D-202, E-101, E-102, E-201, E-202, F-101, F-102, F-201, F-202, G-101, G-102, G-201 and G-202, each consist of a living-dining area, two bedrooms, two bathrooms, and a kitchen having a total net floor area of approximately 1,008 square feet together with a lanai of approximately 211 square feet.

2. Twelve (12) apartments being Apartment Nos. H-102, H-103, H-104, H-202, H-203, H-204, I-102, I-103, I-104, I-202, I-203 and I-204, each consist of a living-dining area, one bedroom, two bathrooms, kitchen and storage area having a total net floor area of approximately 627 square feet together with, in the case of apartment Nos. H-102, H-103, H-104, I-102, I-103 and I-104, a lanai of approximately 91 square feet and in the case of Apartment Nos. H-202, H-203, H-204, I-202, I-203 and I-204 a deck area of approximately 77 square feet.

3. Four (4) apartments being Apartment Nos. H-101, H-201, I-101 and I-201 each consist of a living-dining area, one bedroom, one bathroom, kitchen and storage area having a total net floor area of approximately 625 square feet together with, in the case of Apartment Nos. H-101 and I-101, a lanai of approximately 91 square feet, and in the case of Apartment Nos. H-202 and I-202 a deck area of approximately 77 square feet.

EXHIBIT "C"

<u>Apartment No.</u>	<u>Common Interest (expressed as a percentage)</u>
A-101	2.982%
B-101	2.982
D-101	2.982
E-101	2.982
F-101	2.982
G-101	2.982
A-102	2.982
B-102	2.982
D-102	2.982
E-102	2.982
F-102	2.982
G-102	2.982
A-201	2.982
B-201	2.982
D-201	2.982
E-201	2.982
F-201	2.982
G-201	2.982
A-202	2.982
B-202	2.982
D-202	2.982
E-202	2.982
F-202	2.982
G-202	2.982
H-101	1.793
I-101	1.793
H-201	1.758
I-201	1.758
H-102	1.795
H-103	1.795
H-104	1.795
I-102	1.795
I-103	1.795
I-104	1.795
H-202	1.760
H-203	1.760
H-204	1.760
I-202	1.760
I-203	1.760
I-204	1.760