

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

KAMAOLE SURF
3381 S. Kihei Road
Kihei, Maui, Hawaii

REGISTRATION NO. 1456

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 10, 1981

Expires: December 10, 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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED SEPTEMBER 1, 1981, AND INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 6, 1981. THE DEVELOPER, BY 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. KAMAOLE SURF is a fee simple condominium project with a total of thirty-seven apartments in three, two-story buildings, an office building, a pool and pool building with 47 unassigned parking stalls.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Preliminary Public Report.

3. The basic documents, Declaration of Horizontal Property Regime, By-Laws of the Association of Owners were executed on May 13, 1981 and recorded in the Bureau of Conveyances, State of Hawaii in Liber 15577, Page 354. A copy of the floor plans and elevations has been filed as Condominium Map No. 810 in said Bureau of Conveyances.
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 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, November 10, 1981, unless a Final Public Report is published or the Commission upon review of registration issues an order extending the effective period of this report.
7. This Preliminary Public Report is made part of the registration of the KAMAOLE SURF condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers or prospective purchasers, and of securing a signed copy of the receipt therefor.

NAME OF PROJECT: KAMAOLE SURF.

LOCATION: The 79,029 square feet of property to be committed to the regime is situated at 3381 S. Kihei Road, Kihei, Maui, in the County of Maui, State of Hawaii.

TAX MAP KEY: Second Division 3-9-20:17, 18 and 21.

ZONING: Hotel H-1.

DEVELOPER: KAMAOLE VACATIONS, INC., a Hawaii corporation, is the Developer. Its principal address is P. O. Box 2041, Kahului, Maui, Hawaii 96732, Telephone (808) 242-4400. The officers are:

Paul S. Ferreira,
President

P. O. Box 2041
Kahului, Hawaii 96732

Alvin M. Imamura,
Vice President

P. O. Box 1110
Wailuku, Hawaii 96793

Glenn M. Suzuki,
Secretary-Treasurer

P. O. Box 1110
Wailuku, Hawaii 96793

ATTORNEY REPRESENTING DEVELOPER: Hiroshi Sakai, Attorney at Law, A Law Corporation, 602 City Bank Building, 810 Richards Street, Honolulu, Hawaii 96813, Telephone No. (808) 531-4171.

DESCRIPTION OF PROJECT: The Declaration of Horizontal Property Regime reflects that the Project consists of three (3), two-story buildings of wood frame construction with shake roof with no basement having a total of 37 apartments to be constructed thereon in accordance with plans and specifications prepared by Hans H. Riecke, Registered Professional Architect. There are 47 unassigned parking stalls of which 10 are for compact cars.

The designation of each apartment and its approximate location in the project is as shown on the Condominium Map. The description of each of the five types of apartments are as follows:

a. Apartment Types A and AR has two floors and a net interior floor area of 912 square feet and two lanais totaling 82 square feet. The first floor consists of a living-dining room, kitchen, a bathroom and a lanai. The second floor has two bedrooms, a bathroom and a lanai.

b. Apartment Types AE and AER has two floors and a net interior floor area of 939 square feet and two lanais totaling 82 square feet. The first floor consist of a living-dining room, kitchen, a bathroom and a lanai. The second floor has two bedrooms, a bathroom, a wardrobe and a lanai.

c. Apartment Types B and BR has a net interior floor area of 693 square feet and two lanais totaling 69 square feet. The first floor consists of a living-dining room, kitchen, one bedroom, one and one-half bathrooms and a lanai.

d. Apartment Types C and CR has two floors and a net interior floor area of 902 square feet and a lanai of 75 square feet. The first floor consists of a living-dining room, kitchen, one bedroom, a bathroom and a lanai. The second floor has one bedroom and a bathroom.

e. Apartment D has two floors and a net interior floor area of 1,033 square feet and three lanais totaling 92 square feet. The first floor consists of a living room, dining room, kitchen, a bathroom and two lanais. The second floor has two bedrooms, a bathroom and a lanai.

The apartments are located in the following buildings and are designated by the following apartment numbers:

<u>Building</u>	<u>Apartment No.</u>	<u>Type</u>	<u>Floor</u>
A	A-101	AE	Ground
	A-102	BR	Ground
	A-103	BR	Ground
	A-104	A	Ground
	A-105	A	Ground
	A-106	A	Ground
	A-107	BR	Ground
	A-108	AER	Ground

	A-202	CR	Second
	A-203	CR	Second
	A-207	CR	Second
B	B-101	AER	Ground
	B-102	A	Ground
	B-103	B	Ground
	B-104	BR	Ground
	B-105	AR	Ground
	B-106	A	Ground
	B-107	B	Ground
	B-108	BR	Ground
	B-109	AR	Ground
	B-110	AE	Ground
	B-203	C	Second
	B-204	CR	Second
	B-207	C	Second
	B-208	CR	Second
C	C-101	AER	Ground
	C-102	AR	Ground
	C-103	B	Ground
	C-104	B	Ground
	C-105	A	Ground
	C-106	D	Ground
	C-107	A	Ground
	C-108	BR	Ground
	C-109	AE	Ground
	C-203	C	Ground
	C-204	C	Ground
	C-208	CR	Ground

Each apartment on the first floor shall have immediate access to the land adjacent thereto and each apartment on the second floor through a stairway shall have immediate access to the land and to the walkways, sidewalks and driveways connecting it with the street entrances of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floors and ceilings surrounding each apartment 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. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls including paint, wallpaper, carpeting, floor covering and built-in fixtures. Additionally, the boundary lines of each apartment shall include their respective lanai or balcony as the case may be.

COMMON ELEMENTS: The common elements include:

- a. The land in fee simple.
- b. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs and stairways in the buildings.

c. The yards, grounds, landscaping, refuse facilities, swimming pool, pool building, office building, walkways, parking area and drive.

d. The forty-seven (47) parking stalls and two (2) loading stalls.

e. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities.

f. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

LIMITED COMMON ELEMENTS: There are no limited common elements.

INTEREST TO BE CONVEYED TO PURCHASER: Each Apartment Types A, AR, AE, AER, C, and CR shall have appurtenant thereto an undivided 2.87 percentage interest, each Apartment Types B and BR shall have appurtenant thereto an undivided 2.23 percentage interest and each Apartment Type D shall have appurtenant thereto an undivided 3.08 percentage interest in the common elements of the Project. The interest in the common elements are also referred to as the "Common Interests" and each apartment shall have the percentage interest in the common elements and in voting on all matters requiring action by the owners the percentages as provided above shall govern.

USE: The apartments shall be occupied and used for time sharing, resort, and hotel uses on a permanent or transient basis and may be sold, leased, rented or used for any time period or periods.

The purchasers or prospective purchasers are advised to read with care the proposed House Rules which provides in part: (1) No more than two persons shall be allowed to occupy each bedroom. Up to two persons may occupy a living-dining room. (2) Guests or additional family members may be permitted which exceed what is provided up to a maximum of four days at any one time.

NOTE: In the event any person, including the Developer, desires to sell any time-share interest in any apartment in the project, such person(s) shall have to fully comply with the provisions of Chapter 514-E of the Hawaii Revised Statutes and any rules and regulations promulgated thereunder prior to selling of any such time-share interest.

OWNERSHIP OF TITLE: The Commitment for Title Insurance report of October 9, 1981 by First American Title Company shows ownership of title in the property to be in Kamaole Vacations, Inc., the developer.

ENCUMBRANCES AGAINST TITLE: Said Commitment for Title Insurance dated October 9, 1981 reveals the following encumbrances:

1. Real property taxes that are due and owing; reference is made to the Office of the Tax Assessor, Second Division.

2. As to Parcels First and Second only:

(a) A 40-foot wide road easement, as described in Deed recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8378, Page 418.

(b) Grant of Easement in favor of Meyer M. Ueoka, husband of Yukie H. Ueoka, Lawrence N. C. Ing, husband of Betty K. Ing and B. Martin Luna, husband of Kay Y. Luna, dated April 27, 1979, recorded on May 11, 1979 in said Bureau of Conveyances in Liber 13677, Page 613, granting an easement for roadway and utility purposes, re amends Agreement dated May 4, 1971, recorded in said Bureau of Conveyances in Liber 7614, Page 216, granting a 40 feet wide road easement. By instrument dated December 14, 1979, recorded on June 9, 1980 in said Bureau of Conveyances in Liber 14780, Page 690, re clarification to reflect a roadway and utility easement in favor of Parcels 15, 16, 19 and 20.

(c) Grant of Easement in favor of Maui Electric Company, Limited, a Hawaii corporation, and Hawaiian Telephone Company, a Hawaii corporation, dated May 28, 1979, recorded on July 31, 1979 in said Bureau of Conveyances in Liber 13884, Page 711, granting an easement for electrical and communication purposes over Easement D (besides other easements); subject, however, to the following assignments affecting said Grant, to-wit:

(1) Assignment to Bishop Trust Company, Limited, a Hawaii corporation, Trustee, as additional security to Mortgage and Deed of Trust dated March 1, 1948, recorded in said Bureau of Conveyances in Liber 2193, Page 227, as amended; being the interest of Maui Electric Company, Limited, a Hawaii corporation, in said Grant recorded in Liber 13884, Page 711;

(2) Assignment to Hawaiian Trust Company, Limited, a Hawaii corporation, Trustee, as additional security to Mortgage and Deed of Trust dated January 15, 1941, recorded in said Bureau of Conveyances in Liber 1613, Page 310, as amended; being the interest of Hawaiian Telephone Company, a Hawaii corporation, in said Grant recorded in Liber 13884, Page 711.

(d) Grant of Easement in favor of Maui Electric Company, Limited, a Hawaii corporation, and Hawaiian Telephone Company, a Hawaii corporation, dated September 20, 1979, recorded on October 9, 1979 in said Bureau of Conveyances in Liber 14051, Page 65, granting an easement for electrical and communication purposes over, across, through and under a portion of the premises designated on the tax map as Tax Map Key 3-9-29: 17 & 18; subject, however, to the following assignment affecting said grant, to-wit:

(1) Assignment to Bishop Trust Company, Limited, a Hawaii corporation, Trustee, as additional security to Mortgage and Deed of Trust dated March 1, 1948, recorded in said Bureau of Conveyances in Liber 2193, Page 227, as amended; being the interest of Maui Electric Company, Limited, a Hawaii corporation, in said Grant recorded in Liber 14051, Page 65;

(2) Assignment to Hawaiian Trust Company, Limited, a Hawaii corporation, Trustee, as additional security to Mortgage and Deed of Trust dated January 15, 1941, recorded in said Bureau of Conveyances in Liber 1613, Page 310, as amended; being the interest of Hawaiian Telephone Company, a Hawaii corporation, in said Grant recorded in Liber 14051, Page 65.

(e) Grant of Easement in favor of County of Maui, a political subdivision of the State of Hawaii, dated June 27, 1979, recorded on October 16, 1979 in said Bureau of Conveyances in Liber 14069, Page 346, granting a nonexclusive easement and right-of-way for water pipeline or pipelines over and across Easement "A".
(Besides other easements)

3. The restrictions, covenants and conditions as contained in that certain Declaration of Covenants, Conditions and Restrictions dated February 28, 1980, recorded on March 5, 1980 in said Bureau of Conveyances in Liber 14552, Page 273, as amended by instrument dated February 26, 1981, recorded on March 5, 1981 in said Bureau of Conveyances in Liber 15390, Page 136, to which reference is hereby made, but deleting restrictions, if any, based on race, color, religion or national origin.

4. Agreement made by and between County of Maui, Department of Water Supply, "County", and Paul Ferreira, "Applicant", dated May 23, 1979, recorded on June 5, 1979 in said Bureau of Conveyances in Liber 13745, Page 722, to which reference is hereby made.

5. The restrictions, covenants and conditions as contained in that certain Declaration of Covenants, Conditions and Restrictions (Tsunami or Storm Wave District) dated March 23, 1981, recorded on March 30, 1981 in said Bureau of Conveyances in Liber 15443, Page 361, to which reference is hereby made, but deleting restrictions, if any, based on race, color, religion or national origin.

6. Condominium Map No. 810, filed in said Bureau of Conveyances.

7. The restrictions, covenants, agreements, obligations, conditions, easements and other provisions set forth in Declaration of Horizontal Property Regime dated May 13, 1981, recorded on May 29, 1981 in said Bureau of Conveyances in Liber 15577, Page 354, and the By-Laws attached thereto.

8. Mortgage, Security Agreement and Financing Statement in favor of GECC Financial Corporation, a Hawaii corporation, dated March 11, 1981, recorded on March 13, 1981, in said Bureau in Liber 15407, Page 520, to secure \$475,000.00.

9. Financing Statement

Debtor: Kamaole Vacations, Inc.
P. O. Box 2041
Kahului, Maui, Hawaii 96732

Record
Owner: Kamaole Vacations, Inc.,

Secured
Party: GECC Financial Corporation
700 Bishop Street
Honolulu, Hawaii 96813

Filed On: March 13, 1981 in said Bureau of Conveyances in Liber 15407, Page 536.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated May 13, 1981, certifies that First American Title Co. of Hawaii, Inc., Kahului, Maui, as "Escrow". On examination, the specimen Sales Agreement and Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. The provisions of the executed Escrow Agreement provides that disbursement from the Escrow fund shall be made by Escrow from time to time to pay for construction costs of the buildings in accordance with bills submitted which have been approved or certified for payment by the mortgagee which has advanced funds to pay for any of the construction costs enumerated in Section 514A-67, and certified for payment by a registered architect or a professional engineer. The balance of the moneys remaining in the escrow fund shall be disbursed in accordance with the directions of the Seller after completion of the project, when Escrow has received evidence that forty-five (45) days have elapsed since the filing of the affidavit of publication of the Notice of Completion, or other satisfactory evidence that all mechanic's and materialmen's liens have been cleared, or that funds are set aside for any bona fide dispute.

A purchaser shall be entitled to a refund of his funds, and Escrow shall pay the funds to the purchaser, less cancellation fee of Twenty-Five Dollars (\$25.00), and without interest, if purchaser requests in writing refund of his funds, provided, one of the following has occurred:

(a) Seller has requested Escrow in writing to return to purchaser the funds of purchaser then being held hereunder by Escrow; or

(b) Purchaser's funds were obtained prior to the issuance of a Final Public Report and subsequent to the execution of purchaser's sales contract there is a change in the condominium building plans requiring the approval of a

county officer having jurisdiction over the issuance of permits for the construction of buildings (unless purchaser has given written approval or acceptance of the specific change); or

(c) The Final Public Report differs in any material respect from the Preliminary Public Report; or

(d) If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

The Sales Contract states, in part, that (1) the purchaser subordinates his interest under the contract to the lien of the interim mortgage obtained for the construction of the project and to any and all advances which may become a lien pursuant to the terms of said mortgage. (2) If the purchaser does not execute and return his receipt for the report(s) within thirty (30) days from the date of delivery of such report(s), he shall be deemed to have receipted for the report(s) and NOTICE IS HEREBY GIVEN THAT THE PURCHASER WILL BE DEEMED TO HAVE EXECUTED HIS RECEIPT FOR THE REPORT(S) UPON HIS FAILURE TO ACT WITHIN THE THIRTY (30) DAY PERIOD.

It is incumbent upon purchasers and prospective purchasers that they read with care the specimen Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the condominium apartments are placed in trust, as well as the retention and disbursement of funds.

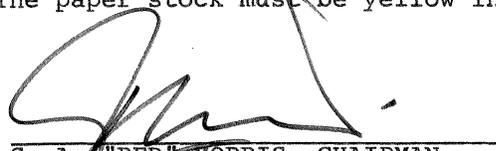
MANAGEMENT AND OPERATIONS: The Developer has selected itself as the initial managing agent. Its address is 111 Hana Highway, Kahului, Maui, Hawaii 96732.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that it is awaiting financing to proceed with the project.

The purchaser or prospective purchaser shall be cognizant of the fact that the published report represents information disclosed by the Developer in the required Notice of Intention submitted September 1, 1981 and information subsequently filed as of November 6, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1456 filed with the Commission on September 1, 1981.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock must be yellow in color.


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

Distribution:

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Bureau of Conveyances
Planning Department, County of Maui
Federal Housing Administration
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REGISTRATION NO. 1456

November 10, 1981