

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION

DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

1010 RICHARDS STREET

P. O. BOX 3469

HONOLULU, HAWAII 96801

## PRELIMINARY

## HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)

## PUBLIC REPORT

on

400 HOOKAHI STREET

Wailuku, Maui, Hawaii

REGISTRATION NO. 1521

### 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: December 21, 1982

Expires: January 21, 1984

#### 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 OCTOBER 18, 1982 AND INFORMATION SUBSEQUENTLY FILED ON DECEMBER 13, 1982. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, HAWAII REVISED STATUTES, CHAPTER 514A, as amended.

1. 400 HOOKAHI STREET is a proposed 18-unit fee simple commercial condominium project which consists of one (1) two-story building and seventeen (17) parking stalls for common use. The first floor consists of six (6) warehouse type apartments and the second floor consists of twelve (12) office type apartments. The apartments will be sold unfinished. The purchaser shall be responsible for adding ceiling covering of gypsum board and wall covering of gypsum board or other covering. The purchaser shall be responsible for wiring and plumbing fixtures on the interior of his apartment, the installation of an electrical meter and floor covering.

2. The Developer of the project has submitted to the Commission for examination all of the documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.

3. The Developer reports that the Declaration of Horizontal Property Regime, the By-Laws, and Condominium Map have not yet been recorded or filed in the Bureau of Conveyances of the State of Hawaii.

4. Advertising or promotional materials have not been submitted to the Commission pursuant to its rules and regulations.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514A, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to the Horizontal Property Regimes.

6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, December 21, 1982, unless a Final or Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.

7. This Preliminary Public Report is made a part of the registration of the 400 HOOKAHI STREET 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.

NAME OF PROJECT: 400 HOOKAHI STREET

LOCATION: The project is located at Wailuku, Island and County of Maui, State of Hawaii, and consists of approximately 15,681 square feet of land.

TAX KEY: 3-4-43-41, Second Taxation Division

ZONING: Light Industry, M-1

DEVELOPER: The developer of the project is F AND S/HLF HUI, a Hawaii general partnership, whose business address is 331 Hookahi Street, Suite 101, Wailuku, Maui, Hawaii 96793, and whose phone number is 242-4366. The partners are F & S Land Development Corporation and Harold L. Freitas, both with the address and phone number aforementioned.

ATTORNEY REPRESENTING DEVELOPER: Romanchak McNish & Brumbaugh, (Attention: Douglas S. McNish), 33 Lono Avenue, Suite 380, Kahului, Maui, Hawaii 96732, Telephone: 877-2441.

DESCRIPTION OF PROJECT: The Project consists of one (1) building which is comprised of two (2) floors. The building contains a total of eighteen (18) commercial condominium apartments (hereinafter called "Apartments"). The building is

constructed of 8" concrete masonry blocks with stucco on the exterior surface and a build-up roof. The first floor consists of six (6) apartments and the second floor consists of twelve (12) apartments. Access to the second floor is by two concrete stairways, one at the north end of the building and one at the south end. There is a five-foot wide corridor between the two stairways on the second floor. Along the corridor there are two 12' x 12' foyers.

In addition to the building, the project consists of thirteen (13) standard parking stalls, four (4) compact parking stalls and one (1) loading zone stall, a trash bin enclosure at the southeast end of the property, and a chain link fence around the perimeter of the property and landscaping.

The location of each apartment, the apartment number, approximate area in square feet and the percentage interest of each apartment in the common elements are as follows:

<u>Location</u>	<u>Apt. No.</u>	<u>Approximate Net Square Feet</u>	<u>Percentage Interest In Common Elements</u>
1st Floor	101	786.40	8.494
1st Floor	102	800.00	8.641
1st Floor	103	800.00	8.641
1st Floor	104	800.00	8.641
1st Floor	105	800.00	8.641
1st Floor	106	786.40	8.494
2nd Floor	201	383.27	4.140
2nd Floor	202	383.27	4.140
2nd Floor	203	369.00	3.986
2nd Floor	204	369.00	3.986
2nd Floor	205	369.00	3.986
2nd Floor	206	369.00	3.986
2nd Floor	207	369.00	3.986
2nd Floor	208	369.00	3.986
2nd Floor	209	369.00	3.986
2nd Floor	210	369.00	3.986
2nd Floor	211	383.37	4.140
2nd Floor	212	383.37	4.140

Apartment Nos. 101, 102, 103, 104, 105 and 106 are on the first floor and are numbered consecutively from the south to the north. Each has access on the east side through two (2) solid core 4' x 8' wood doors mounted on tracks to provide an 8-foot opening and by a 3'0" x 6'8" wood door.

Apartment Nos. 201 through 212 are on the second floor and are numbered consecutively from the south to the north with the odd numbered apartments on the east side of the building and the even numbered apartments on the west side. Access to Apartment Nos. 201, 202, 211 and 212 is directly from the corridor. Access to all other second floor apartments is from one of the two foyers along the corridor.

Each second floor apartment also includes a window mounted air conditioning unit.

All apartments will have plumbing stubbed in to permit addition of a toilet and sink by the purchaser. The purchaser shall be responsible for adding ceiling covering of gypsum board and wall covering of gypsum board or other covering. The purchaser shall be responsible for wiring and plumbing fixtures on the interior of his apartment, the installation of an electrical meter and floor covering.

Each apartment consists of the space enclosed by and measured horizontally and vertically from the surface of the floor to the upper surface of the gypsum board ceiling permitted to be added by the purchaser and from the inside of the outer surface of all building perimeter walls and corridor walls and from the center of all partition walls.

COMMON ELEMENTS: The common elements include the land and all improvements in the land other than the apartments, the limited common elements and all common elements mentioned in Chapter 514A, Hawaii Revised Statutes, as amended, which are actually constructed on the land and specifically shall include but not be limited to:

- (a) The land in fee simple;
- (b) All foundations, columns, beams, structural walls, floor slabs, supports, framing, exterior finish, roof, stairways, corridors and foyer of said building;
- (c) All grounds, fences, landscaping, loading zones, parking lot (including all seventeen (17) parking stalls), driveway and vehicular entry and exit ramps;
- (d) All existing and future shafts, ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one unit for telephone, radio and television signal reception and distribution;
- (e) The space between the ceiling of the first floor and the underside of the second floor and the space between the ceiling of the second floor and the underside of the roof; and
- (f) Any and all other apparatus and installations of common use and all other parts of the Project necessary and convenient to its existence, maintenance or safety and normally in common use.

LIMITED COMMON ELEMENTS: The air conditioning units provided for second floor apartments are limited common elements. The costs of security, maintenance, repair, replacement, addition and improvements to the limited common elements shall be borne entirely by the owner of the apartment or apartments which has the right to use the limited common elements.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment has appurtenant thereto an undivided percentage interest in all common elements of the project and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting, as set forth hereinabove under the heading "DESCRIPTION OF PROJECT".

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The building and each of the apartments are intended and restricted as to use, and shall be used only for offices, warehouses or commercial purposes which are consistent with and appropriate to the design of the building and for which adequate stairs, ventilation, plumbing and similar facilities exist, and in accordance with all applicable laws, ordinances and regulations. No apartment shall be used for residential purposes. In addition to and without limiting the generality of the foregoing:

(a) No owner of an apartment shall, without the written approval and consent of the Board of Directors, place or suffer to be placed or maintained (i) on any exterior wall or window of the unit, or upon any door, wall or window of the common elements, any sign, awning or canopy, or advertising matter or other thing of any kind, or (ii) any decoration, lettering or advertising matter on the glass of any window of the apartment, or (iii) any advertising matter within the apartment which shall be visible from the exterior thereof; provided, that the Board of Directors shall establish reasonable and uniform regulations permitting the placement and maintenance by each owner of identifying signs and insignia of such sizes and materials and in such locations as shall be architecturally suitable and appropriate to the design and function of the Project.

(b) Except as otherwise permitted in the Declaration or By-Laws, no owner will suffer anything to be done or kept in his apartment or elsewhere which will jeopardize the soundness of the building, or which will interfere with or unreasonably disturb the rights of other owners, or which will obstruct the foyer, corridors or stairways of the Project or which will increase the rate of fire insurance on the improvements of the Project, or the contents thereof, or which will reduce the value of any of such improvements.

(c) Except as otherwise provided in the Declaration or By-Laws, no apartment owner will, without the prior written consent of the Board of Directors, make any structural alterations within his apartment or make any alterations in or additions to the exterior of the building or to any other portion or portions of the common elements.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Preliminary Title Report, dated October 6, 1982, prepared by Title Guaranty of Hawaii, Inc., which certifies that the title to the land committed to this regime is vested in F AND S/HLF HUI, a Hawaii general partnership.

ENCUMBRANCES: Said Preliminary Title Report of October 6, 1982 prepared by Title Guaranty of Hawaii, Inc. states that title to the land is subject to the following:

1. Exception and reservation contained in Deed of Wailuku Sugar Company dated July 21, 1976, recorded in the said Bureau of Conveyances in Liber 11563 on Page 120, to-wit:

"Excepting and reserving therefrom, however, unto the Grantor, its successors and assigns, all water and water rights within or appurtenant to all of the lands hereinabove described."

2. Easement "E-1" for electrical and telephone utility purposes, as shown on File Plan No. 1525.

3. A grant in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, dated June 22, 1978, recorded in the said Bureau of Conveyances in Liber 13064 on Page 381, granting an easement over said Easement "E-1".

4. Easement "G" for protective landscaping and drainage purposes, as shown on File Plan No. 1525.

5. A grant in favor of Wailuku Industrial Park Owners Association, a Hawaii non-profit corporation, dated June 28, 1978, recorded in the said Bureau of Conveyances in Liber 13497 on Page 66, granting an easement over said Easement "G".

6. Declaration of Restrictive Covenants dated June 27, 1977, recorded in the said Bureau of Conveyances in Liber 12292 on Page 200, as amended by instrument recorded in Liber 12361 on Page 537.

7. Compliance with Chapter 425, HRS, relating to the registration of F and S/HLF Hui, a Hawaii general partnership, with the State Department of Commerce & Consumer Affairs.

8. Real property taxes as may be due and owing. For further information, check with the Tax Assessor.

PURCHASE MONEY HANDLING: A copy of the specimen Purchase Agreement and the Escrow Agreement have been submitted as part of the registration. The Escrow Agreement dated October 14, 1982, identifies Title Guaranty Escrow Services, Inc. as the escrow agent. Upon examination, the specimen Purchase Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections 514A-37 and 514A-39, and Sections 514A-63 through 514A-66. A prospective purchaser should carefully examine the form of the Purchase Agreement and Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the estimated common monthly expenses and the sharing of the closing costs.

Among other provisions, the specimen Purchase Agreement provides that interest on the purchasers' deposits will accrue to the benefit of the Developer. All of the purchasers funds shall be paid to Escrow. The Escrow Agreement states in part:

"(b) A Buyer's funds may be taken out of the Trust Fund and used by Seller to pay costs having to do with construction of the Project only after:

(i) the Real Estate Commission has put out a final public report (the "Final Report") on the Project; and

(ii) Buyer has been given a copy of the Final Report and has told Seller in writing that Buyer has the Final Report; and

(iii) 48 hours have gone by since Seller got the written notice of receipt of the Final Report from Buyer; and

(iv) Seller's attorney lets Escrow know in writing that all of the requirements of Sections 514A-39, 514A-63, 514A-64 and 514A-66 of the Condominium Law have been met; and

(v) Seller lets Escrow know in writing that, since these other things have happened, Buyer and Seller may not back out of the agreements they made in the Sales Contract; and in the same written notice, Seller lets Escrow know that, either the time in which Seller and Buyer could back out of the agreements in the Sales Contract has passed, or that Seller and Buyer have said that they will not back out of the agreements in the Sales Contract." PAGES 3, 4.

"(6) Giving Back of Money ("refunds") to Buyers.

(a) The Sales Contract shows when refunds of Escrow deposits may be made to Buyers. Escrow agrees to make any refunds as soon as possible after Buyer, Seller and Mortgagee tell Escrow in writing that a refund should be made as shown in the Sales Contract. No refund is to be made to any Buyer who asks for it unless Escrow gets written approval from Seller and Mortgagee, if any.

(b) The refunds will be made without any interest unless the Sales Contract shows different instructions.

(c) The words "cancellation fees" mean Escrow's cancellation fees which are described in the Sales Contract and will be described later on in this Agreement. Cancellation fees may also be charged by the lender who has agreed to lend Buyer money to buy the apartment. The Sales Contracts show that there are times when Escrow is to subtract cancellation fees from the amount to be refunded unless Seller tells Escrow not to charge the cancellation fees.

(d) Escrow shall give each Buyer who is to get a refund written notice of the refund. Escrow will send this notice by registered or certified mail to the Buyer at the address shown on the Buyer's Sales Contract or to the last address which Buyer may have given to Escrow.

"(7) Seller will tell Escrow in writing if a Buyer has defaulted; this means that Buyer has not done something that Buyer promised to do in the Sales Contract. Seller will tell Escrow in the same letter that, because Buyer has defaulted, Seller is

cancelling the Sales Contract and will give Escrow a copy of the letter that Seller sent by registered or certified mail to Buyer telling Buyer of the default and cancellation and Seller will give Escrow a copy of the registered or certified mail return receipt. Escrow will then tell Buyer in a letter sent by registered or certified mail that Seller has cancelled the Sales Contract because of the default. Escrow shall wait for fifteen (15) days after the date which shows on the return receipt as the date when the Buyer got Escrow's letter or the date which shows the last time that the post office tried to deliver the letter. If Escrow does not hear from the Buyer during that time, Escrow may deduct its cancellation fee from the Buyer's funds and treat the Buyer's funds which are left as belonging to Seller. If the Buyer tells Escrow that the Buyer has not defaulted or tells Escrow not to do anything with the Buyer's funds, then Escrow may go ahead under Paragraph (12) of this Agreement."

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

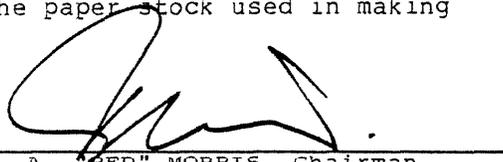
MANAGEMENT AND OPERATION: Article III, Section 10(I) of the By-Laws states that the Board of Directors shall have the authority to employ a managing agent to manage and control the property. The Developer proposes to use East Gate Realty, P. O. Box 248, Kahului, Maui, Hawaii 96732, to act as the first managing agent. A copy of the proposed agreement has been submitted to the Commission.

STATUS OF PROJECT: The Developer states in its Notice of Intention that construction of the project will commence in October, 1982, and is estimated to be completed in June, 1983.

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The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted October 18, 1982, and information subsequently filed on December 13, 1982.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1521 filed with the Commission on October 18, 1982.

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

REGISTRATION NO. 1521

December 21, 1982

400 HOOKAHI STREET DISCLOSURE ABSTRACT

The following disclosures are made to you by F AND S/HLF HUI, a Hawaii general partnership, pursuant to Hawaii's condominium law.

(1) The name and address of the project, and the name, address and telephone number of the developer and of the project manager or his agent;

The Project:                   400 Hookahi Street  
                                  Wailuku, Island and County of Maui,  
                                  State of Hawaii

Developer:                   F and S/HLF Hui  
                                  331 Hookahi Street  
                                  Wailuku, Maui, Hawaii 96793  
                                  Telephone: 242-4366

Project Manager:           East Gate Realty  
                                  P. O. Box 248  
                                  Kahului, Hawaii 96732  
                                  Telephone: 877-7906

(2) A breakdown of the annual maintenance fees and the monthly estimated cost for each apartment, revised and updated at least every twelve (12) months and certified to have been based on generally accepted accounting principles;

Annual maintenance fees (common expenses) for the entire Project are estimated to be \$11,694.00. See attached Exhibit "A" - Annual Budget Projection.

The monthly estimated maintenance fee for each of the apartments is listed on the attached Exhibit "A".

The maintenance assessments cover those common expenses as set forth in the Declaration of Horizontal Property Regime and By-Laws for 400 Hookahi Street. Because the Association of Apartment Owners will be newly organized and will have no history of operations, the Developer can make no assurances regarding the estimated maintenance assessments

above. In addition, such variables as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies, and their factors may also cause the maintenance assessments to be greater or lesser than those estimated above.

(3) Start-Up Fee;

A start-up fee of \$50.00 will be charged to each initial purchaser.

(4) A description for all warranties for the individual apartment and the common elements, including the date of initiation and expiration of any such warranties;

There will be a written warranty from the general contractor of the Project with respect to any defects in the buyer's apartment and the common elements due to faulty materials and/or workmanship which are discovered and repaired within one (1) year from the date of completion of the Project, as that term is defined in Section 507-43 of the Hawaii Revised Statutes, as amended.

(5) A statement of the proposed number of apartments to be used for residential or hotel use in a mixed-use project containing apartments for both residential and hotel use;

No apartments are for residential or hotel use.

(6) A statement of the extent of commercial or other non-residential development in the Project;

The entire project is for commercial use. The Declaration of Horizontal Property Regime restricts the use to offices, warehouses or commercial purposes which are consistent with and appropriate to the design of the building.

The undersigned hereby certifies the foregoing to be true and correct to the best of their knowledge.

F AND S/HLF HUI

By   
Its General Partner

Date: Oct 4, 1982

EXHIBIT "A"

ANNUAL BUDGET PROJECTION

<u>Disbursements</u>	<u>Annual Costs of Entire Project of 18 Units</u>
Water and Sewer.....	870.00
Electricity (night lights and supply).....	192.00
Insurance (fire and liability).....	600.00
Refuse Collection.....	432.00
Building and Parking Maintenance.....	600.00
Landscape Maintenance (cleaning parking area and common areas).....	3,000.00
Manager - Direct Compensation.....	1,200.00
Manager - Bookkeeping, indirect expense.....	600.00
Legal.....	600.00
Reserve.....	1,200.00
ANNUAL BUDGET.....	\$ 9,294.00
MONTHLY BUDGET.....	\$ 774.50

Based on the foregoing budget, the monthly and annual maintenance fees for each apartment is as follows:

<u>Apartment No.</u>	<u>Monthly Maintenance Fee</u>	<u>Annual Maintenance Fee</u>
101	\$65.79	\$ 789.42
102	66.93	803.10
103	66.93	803.10
104	66.93	803.10
105	66.93	803.10
106	65.79	789.42
201	32.06	384.77
202	32.06	384.77
203	30.87	370.46
204	30.87	370.46
205	30.87	370.46
206	30.87	370.46
207	30.87	370.46
208	30.87	370.46
209	30.87	370.46
210	30.87	370.46
211	32.06	384.77
212	32.06	384.77

Buyer's Initials