

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

PUUNOA BEACH
Kai Pali Place
Lahaina, Maui, Hawaii

REGISTRATION NO. 1583

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: January 27, 1984
Expires: February 27, 1985

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 FILED JANUARY 4, 1984, AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 26, 1984. 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. PUUNOA BEACH is a proposed leasehold residential condominium project consisting of two (2) two-story buildings, with basement and mezzanine, with ten (10) apartments, ten basement parking garages with storage areas, 5 uncovered guest parking stalls, a paddle tennis court, enclosed service yard, a one (1) story pool building, swimming pool and spa area.

2. The Developer of the proposed project has filed all documents and materials deemed necessary for the registration of

this proposed condominium project and the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been recorded in the Bureau of Conveyances of the State of Hawaii.

4. No advertising and promotional matter has been filed 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 the Horizontal Property Act, Chapter 514A of the Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.

6. This Preliminary Public Report is made a part of the registration on PUUNOA BEACH condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and Developer's Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the Receipt therefor.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, January 27, 1984, unless a Final or Supplementary Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: PUUNOA BEACH.

LOCATION: The approximately 1.129 acres of land to be committed to the regime is situated at Kai Pali Place, Lahaina, Maui, Hawaii.

TAX MAP KEY: SECOND DIVISION: 4-5-04:2, together with access easement through TMK 4-5-04:51 and TMK 4-5-04:1.

ZONING: Apartment (A-1).

DEVELOPER: Puunoa Partners, a Hawaii registered partnership, whose general partners are Hawaii Omori Corporation, a Hawaii corporation, whose principal place of business and post office address is Annex A, West Maui Center, 910 Honoapiilani Highway, Lahaina, Maui, Hawaii 96761, and Maui Mining and Manufacturing Corporation, a Hawaii corporation, whose principal place of business and post office address is 675 Front Street, Lahaina, Maui, Hawaii 96761. The partnership's address is the same as that of Maui Mining and Manufacturing Corporation, and its phone number is (808)661-4881.

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

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a leasehold condominium project consisting of ten (10) apartments contained in two (2) two-story buildings, with basement and mezzanine, constructed principally of concrete, masonry and wood.

Apartment Nos. 101 and 102 are located on the first floor of Building One and Apartment Nos. 201 and 202 are located on the second floor of Building One.

Apartment Nos. 103 - 105 are located on the first floor of Building Two and Apartment Nos. 203 - 205 are located on the second floor of Building Two.

The location, numbering, type, approximate floor areas in square feet, appurtenant common interest, assigned parking garages and storage spaces of said apartments are as follows:

<u>Apartment No.</u>	<u>Floor Plan Type</u>	<u>Approx. Net Floor Area in Sq. Ft.</u>	<u>Approx. Lanai Area in Sq. Ft.</u>	<u>Percentage Common Interest</u>	<u>Assigned Parking Garage and Storage Space</u>
<u>Building One</u>					
101	BR-1	1,740	397	8.875	101
102	AR-1	2,187	433	10.885	102
201	BR-2	1,738	373	8.765	201
202	AR-2	2,502	395	12.035	202
<u>Building Two</u>					
103	B-1	1,740	377	8.795	103
104	A-1	2,191	428	10.875	104
105	B-2	1,740	386	8.835	105
203	B-4	2,103	359	10.225	203
204	A-2	2,492	392	11.985	204
205	B-3	1,738	362	8.725	205

Notwithstanding the designation of the limits of the apartments, all areas set forth hereinabove are computed by measuring from the outside faces of exterior walls and from the centerline of interior party walls, and no reduction has been made to account for interior walls, ducts, vent shafts and the like located within the exterior walls.

(a) The Type "AR-1" apartment in Building One will contain a foyer, a hallway, three bedrooms, three bathrooms, a whirlpool bath, two dressing rooms, two closets, a wardrobe closet, a living room, a kitchen, a dining room, a breakfast nook, a utility room, a pantry, a wetbar, and a lanai, containing a living area of 2,187 square feet and lanai area of 433 square feet.

(b) The Type "AR-2" apartment in Building One is similar to the Type "AR-1" apartment, except for the mezzanine floor contained therein, and will contain a foyer, a hallway, four bedrooms, four bathrooms, a whirlpool bath, two dressing rooms, three closets, a wardrobe closet, a living room, a kitchen, a dining room, a breakfast nook, a utility room, a pantry, a wetbar and a lanai, containing a living area of 2,502 square feet and lanai area of 395 square feet.

(c) The Type "A-1" apartment in Building Two is similar to the Type "AR-1" apartment, except for a reverse floor plan, and will contain a foyer, a hallway, three bedrooms, three bathrooms, a whirlpool bath, two dressing rooms, two closets, a wardrobe closet, a living room, a kitchen, a dining room, a breakfast nook, a utility room, a pantry, a wetbar, and a lanai, containing a living area of 2,191 square feet and lanai area of 428 square feet.

(d) The Type "A-2" apartment in Building Two is similar to the Type "A-1" apartment, except for the mezzanine floor contained therein, and will contain a foyer, a hallway, four bedrooms, four bathrooms, a whirlpool bath, two dressing rooms, three closets, a wardrobe closet, a living room, a kitchen, a dining room, a breakfast nook, a utility room, a pantry, a wetbar, and a lanai, containing a living area of 2,492 square feet and lanai area of 392 square feet.

(e) The Type "RR-1" and Type "BR-2" apartments in Building One are basically the same except for the size of the living area and the lanai areas, and will contain a foyer, a hallway, two bedrooms, two bathrooms, a whirlpool bath, a dressing room, a closet, a wardrobe closet, a living room, a kitchen, a dining room, a breakfast nook, a utility room, a pantry, a wetbar, and three lanais. The Type BR-1 unit will contain a living area of 1,740 square feet and lanai areas totalling 397 square feet, and the Type BR-2 unit will contain a living area of 1,738 square feet and lanai areas totalling 373 square feet.

(f) The Type "B-1", Type "B-2", and Type "B-3" apartments in Building Two are basically the same except for the size of the interior area and lanai areas, and are similar to the Type "BR-1" apartment, except for a reverse floor plan, and will contain a foyer, a hallway, two bedrooms, two bathrooms, a whirlpool bath, a dressing room, a closet, a wardrobe closet, a living room, a kitchen, a dining room, a breakfast nook, a utility room, a pantry, a wetbar, and three lanais. The Type B-1 unit will contain a living area of 1,740 square feet and lanai areas totalling 377 square feet, the Type B-2 unit will contain a living area of 1,740 square feet and lanai areas totalling 386 square feet, and the Type B-3 unit will contain a living area of 1,738 square feet and lanai areas totalling 362 square feet.

(g) The Type "B-4" apartment in Building Two is similar to the Type "B-1" apartment except for the mezzanine floor contained therein, and will contain a foyer, a hallway, three bedrooms, three bathrooms, a whirlpool bath, a dressing room, two closets, a wardrobe closet, a living room, a kitchen, a dining room, a breakfast nook, a utility room, a pantry, a wetbar, and three lanais, containing a living area of 2,103 square feet and lanai areas totalling 359 square feet.

The apartments in the building have immediate access to the grounds of the project or to a stairway leading to the grounds of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, 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. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, the lanai air space (if any), and all fixtures originally installed therein.

NOTE: The Owner and/or Developer have reserved the right to merge this Project with improvements to be subsequently constructed upon the Project and/or the adjacent Lot 6, Lahaina Beach Lots Subdivision, by adding (a) another floor to the pool building of the Project, and/or (b) a one or two-story structure on said Lot 6 for uses allowed by the Declaration; and to accomplish said merger by consolidating Lot 6 with the Project, and/or by incorporating the improvements with the Project under one administration and management. The improvements may be constructed in one or two phases. The merger of the new development and the Project must occur no later than December 31, 1995, and it shall be effective upon the satisfaction of certain requirements, including the approval by appropriate governmental agencies, of the new development.

COMMON ELEMENTS: One (1) freehold estate called the "common elements" is designated in all remaining portions of the project, including specifically, but not limited to:

1. The leasehold interest in the land;
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeters and load-bearing walls (except for the inner decorated surface within each apartment), roofs, entries, stair wells and stairs, walkways, entrances and exits of said buildings;
3. All yards, grounds, landscaping and refuse areas;
4. All driveway, ramps and 5 guest parking stalls for cars;
5. All pipes, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution (including television cables), if any;
6. Swimming pool, hydrotherapy spa and pool building containing equipment, appliances and storage facilities;
7. Paddle tennis court;
8. Electrical and mechanical rooms, janitor and storage areas as designated on Condominium Map;
9. Solar collectors of the solar hot water system;
10. Any and all other apparatus and installations of common use and all other parts of the Project, necessary or convenient to its existence, maintenance and safety, or normally in common use.

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LIMITED COMMON ELEMENTS: The proposed Declaration provides that certain parts of the common elements, designated as "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

1. One (1) automobile parking garage and storage space shall be a limited common element appurtenant to each apartment and shall be for the exclusive use of said apartment. The provisions hereinabove set forth under the heading, "DESCRIPTION", the particular parking garage and storage space appurtenant to each apartment.

2. One (1) mailbox located in the pool building shall be a limited common element appurtenant to and for the exclusive use of each apartment. The Association of Apartment Owners or its authorized representative shall designate the particular mailbox for each apartment.

3. The hot water tank, circulation pump and control system serving an apartment or apartments shall be appurtenant to and for the exclusive use of such apartment or apartments which it serves.

4. Each entry hallway, all exterior doors and all windows adjoining and serving an apartment or apartments shall be appurtenant to and for the exclusive use of such apartment or apartments which it serves.

INTEREST TO BE CONVEYED TO PURCHASERS: Developer and Lessor shall, by means of a condominium conveyance document, convey the apartment and an undivided percentage interest equal to the above-stated percentage interest in the common elements (exclusive of land) appurtenant thereto, and demise a leasehold undivided percentage interest, equal to the above-stated percentage interest, in the land described in the proposed Declaration. The percentage interest appurtenant to each apartment is set forth hereinabove under the heading, "DESCRIPTION", and shall be the same proportionate share in all common profits and expenses of the Project, and for all other purposes including voting.

USE. The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and may be utilized for long-term or transient rentals. Subject to the foregoing limitations, the owners of the respective apartments, including the Developer and any affiliate thereof as to any number of apartments retained, shall have the absolute right to rent or lease the same subject to the limitations, restrictions, covenants and conditions of this Declaration. Notwithstanding the foregoing, there shall be no sales of time-sharing interests in the apartments or Project.

The House Rules provide, in part: (1) Pets will not be allowed on the premises except upon expressed approval of the Board of Directors of the Association; (2) No waterbeds shall be installed or kept in any apartment or lanai; (3) Barbecuing is only permitted on the grills in the pool area; and (4) Any guest of an

apartment occupant who will be residing in the building for a week or more should be registered with the Managing Agent.

It is incumbent upon each purchaser and prospective purchaser to read the House Rules before executing the Sales Contract.

NOTE: Purchasers and prospective purchasers of apartments should be specifically informed that all apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the project, shall be bound by and strictly comply with not only the provisions of the Declaration of Horizontal Property Regime, the By-Laws of the Association, and all agreements, decisions and determinations of the Association (including the House Rules for the Project).

OWNERSHIP OF TITLE: A preliminary Title Report dated December 14, 1983, issued by Title Guaranty of Hawaii, Inc., indicates that HAWAII OMORI CORPORATION is the fee simple owner of the property to be committed to the regime. The Developer has entered into a Master Lease dated January 24, 1984 with the fee owner.

ENCUMBRANCES AGAINST TITLE: Said preliminary Title Report reflects the following encumbrances against title to the property.

1. Real property taxes that are due and owing; reference is made to the Office of the Tax Assessor, Second Division.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. 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 and its effect, if any, upon the area of the land described in the proposed Declaration.
4. "RESERVING AND EXCEPTING to Pioneer Mill Co., Ltd., its successors and assigns, forever, as appurtenant to the lands of Pioneer Mill Co., Ltd., located in the District of Lahaina now owned and used or hereafter acquired and used by Pioneer Mill Co., Ltd., its successors and assigns, in its sugar plantation operations, the perpetual right and easement over and upon the granted premises to discharge, emit, diffuse and inflict noise, smoke, soot, dust, lights, noxious vapors, odors and other minor nuisances of every description created by and resulting from the operations of Pioneer Mill Co., Ltd., its successors and assigns, in burning sugar cane and bagasse, milling, generating power, trucking, hauling and all other activities incidental to the operation of a sugar plantation."; as reserved and excepted in Deeds dated October 11, 1967, recorded in Liber 5830 on Page 236, and June 12, 1970, recorded in Liber 7053 on Page 27.
5. Agreement of Joint Venture dated October 3, 1978, recorded in Liber 13282 on Page 99, made by and between Hawaii Omori Corporation and Maui Mining and Manufacturing Corporation, a Hawaii corporation. Said

Agreement was amended by instrument dated January 22, 1979, recorded in Liber 13567 on Page 508.

6. Section VII(c) Agreement for West Maui Areas dated June 17, 1982, recorded in Liber 16732 on Page 486, made by and between Puunoa Partners, as "Applicant", and the County of Maui, Department of Water Supply, as "County".

NOTE: The proposed Master Lease between Lessor and Developer is unrecorded and contains certain restrictions imposed by the County of Maui. Said Master Lease may be reviewed at the Lessor's or Developer's place of business.

PURCHASE MONEY HANDLING: A specimen Deposit Receipt and Sales Contract (hereinafter "Sales Contract") and the Escrow Agreement dated November 2, 1983, have been submitted as part of the registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc., as the escrow agent. 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 Sections 514A-39, 514A-40, and 514A-63 through 514A-66, Hawaii Revised Statutes. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the estimated monthly common expenses and the sharing of closing costs.

Among other conditions, the Escrow Agreement provides for the payment of all monies under the specimen Sales Contract to the Escrow and that Escrow shall not disburse any funds to the Developer prior to the completion of the building unless and until a Final Public Report has been issued to the Purchaser.

The Escrow Agreement also provides, 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, promptly after purchaser has requested such return if Escrow shall have received from Developer a written notice that a refund should be made pursuant to the Sales Contract. Accordingly, a purchaser may obtain a refund if any one of the following has occurred:

- (a) Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held hereunder by Escrow; or
- (b) 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
- (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 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

- (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.

In any of the foregoing events, Escrow shall, upon receipt of a written request for a refund from purchaser, pay said funds to said purchaser (less cancellation fees to Escrow of \$25.00 per apartment) 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.

The specimen Sales Contract states that certain of its terms are subject to the terms of the Escrow Agreement. The Sales Contract also provides, in part, that: (1) the conveyance of the apartments and other interests in the Project shall be free and clear of a blanket mortgage, if any; (2) purchaser permits the Developer to use purchaser's funds in escrow prior to the completion of the buildings to pay the cost of constructing the buildings and other expenses; (3) Developer has the option to cancel the Sales Contract by refunding to the purchaser all monies paid, except for the escrow cancellation fee, if: (a) purchaser fails to acknowledge receipt of or approve the Final Public Report; (b) purchaser or any one of the purchasers should die prior to closing; and (c) purchaser fails to obtain financing or qualify as a cash purchaser within a specified period; and (4) if purchaser has defaulted on the Sales Contract, Developer may terminate said contract, at which time, Escrow shall charge a \$25.00 cancellation fee and thereafter treat all funds of such purchaser as the escrowed funds of Developer.

It is incumbent upon the purchaser or prospective purchaser to read with care the Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds paid into escrow are placed in trust, as well as the retention, disbursement and refund of said trust funds.

NOTE: Developer advises that no representation or references will be made to either purchasers or prospective purchasers concerning rental of the apartment, income from the apartment or any other economic benefit to be derived from the rental of the apartment, including, but not limited to, any reference or representation to the effect that Developer or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental or sale of the apartment. Rental of the apartments and the provisions of management services in connection therewith is and shall be the sole responsibility of the purchaser.

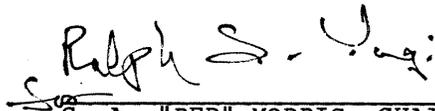
MANAGEMENT OF THE PROJECT: The proposed Declaration states that the administration of the Horizontal Property Regime shall be vested in the "Association of Apartment Owners" of the Project, referred to as the "Association". Each owner of an apartment automatically, upon becoming an owner, becomes a member of said

Association and remains a member until such time as his ownership ceases. Under the proposed By-Laws the Association will have the responsibility of the general administration of the project, establishing and collecting monthly assessments, and arranging for the management of the project by a managing agent. The Board of Directors are given the power and duty to manage, operate, care, and maintain the property of the regime, the common elements and the limited common elements, to approve the annual budget, and to employ and dismiss personnel necessary for the maintenance, operation, repair and replacement of the common elements. The Developer is considering appointing Oihana Property Management & Sales, Inc., as the initial managing agent and may do so prior to the issuance of the Final Public Report.

STATUS OF PROJECT: The building permits were issued by the County of Maui on April 29, 1983. The Developer advises that construction of the project commenced on May 2, 1983, and according to the Notice of Intention, it should be completed by March 1, 1984.

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 January 4, 1984, and information subsequently filed as of January 26, 1984.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1583 filed with the Commission on January 4, 1984. 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 FINANCE, COUNTY OF MAUI
BUREAU OF CONVEYANCES
PLANNING COMMISSION, COUNTY OF MAUI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 1583

January 27, 1984