



April 24, 2017

**To The Owners of the Association of Apartment Owners of Kihei Kai Nani, Phase One
Kihei, Maui, Hawaii**

Subject: Notice of Special Assessment to Acquire Lot 1A

Dear Fellow Owner:

The owners have voted to approve the purchase of Lot 1A.
As of April 20, 2017,

- 132 voted Yes 73.80%
- 5 voted No 2.79%
- 42 did not respond.

Because the ballot more than met the 67% requirement, we have closed voting and are now moving forward with the purchase.

As a reminder, purchasing Lot 1A will assure that the ambience and peaceful environment of our Kihei Kai Nani condominium will prevail and that our parking lot and driveway never become a throughway for a disruptive new hotel development. Additionally, our purchase of Lot 1A will give us the ability to control the future of Lot 1A for opportunities that benefit our members and add value to our condominium.

You will recall the ballot explained, "I understand that if the Proposed Action passes that I will, within approximately thirty (30) days thereafter, be required to select one of the following options: (1) make a one-time payment of \$8,500 per unit; or (2) pay the \$8,500 per unit over time, plus interest and costs, through a financing arrangement that will be provided by the Association."

This Special Assessment can be paid by the owner(s) of each unit in 1 of 2 ways:

1. a payment of the entire assessment amount of US\$8,500, due no later than May 31, 2017, or
2. a payment of US\$4,250 (half the assessment amount), due no later than May 31, 2017, with the balance of \$4,250 financed through Bank of Hawaii for a term of 7 years at an interest rate of approximately 4.4%. The term and interest rate are subject to change, depending on when the loan closes. Monthly payments thereafter are anticipated to be approximately \$58.

The bank loan will not be made to each individual unit owner. Rather, there will be one mortgage loan; the borrower will be your Association. A separate ledger will be maintained for those unit owners who decide to finance a portion of the Special Assessment. In other words, those owners who pay the full amount up front will not be subject to interest charges.

Attached is an Election Form to indicate your preference on how you intend to pay for the Special Assessment relating to the purchase of Lot 1A. For your convenience, we are also enclosing an addressed envelope. **It is important that you return it to us as soon as possible so we receive your payment by May 31, 2017.**

If you have any questions, please contact Ron Kawahara, President.

Destination Maui, Inc.

220 Imi Kala Street, Suite #104

Wailuku, HI 96793

Telephone (808) 244 9021

Sincerely,

Ethel Belway, President of the Association of Apartment Owners

Encl.: Election of Payment Choice Form and addressed envelope

ELECTION OF PAYMENT CHOICE FORM FOR THE SPECIAL ASSESSMENT

Association of Apartment Owners of Kihei Kai Nani, Phase One

Payment Due May 31, 2017

You may choose the way you wish to pay the Special Assessment for the purchase of Lot 1A, as explained in the accompanying letter.

Please . . .

- Check the boxes below indicating how you will pay for the assessment.
- **Make your check payable to Kihei Kai Nani Owners Association.**
- Return this form with your payment in the enclosed addressed envelope.

Your "Election of Payment Choice Form" and payment must be received by May 31, 2017. Delinquent payments will result in late-fee charges.

☐

I elect to pay the **entire amount** in a single transaction by May 31, 2017.

☐

I elect to pay **half the assessment amount of \$4,250** by May 31, 2017 and the remainder over time with the understanding that the Association will include an assessment on my unit for the \$4,250 balance that will be financed by the Association through a bank loan at approximately 4.4% interest over a 7-year term. The term and interest rate are subject to change.

If you chose this payment plan, you may elect to process the monthly rate via credit card or have it charged to your account through ACH/Surepay.

☐

My check for \$8,500 or \$4,250 *(please circle correct amount)* **is attached.**

☐

Please charge the amount of \$8,500 or \$4,250 *(please circle correct amount)* **to my account through ACH/Surepay.**

☐

Credit Card or e-check: I will pay the amount of \$8,500 or \$4,250 *(please circle correct amount)* **directly online via the banks website:**

<https://cabpayments.mutualofomahabank.com/>. You will need a copy of your coupon to complete the information on the website. If you do not have a coupon, please call Angel Ulit at (808) 244-9021 and she can email you a blank coupon.

Kihei Kai Nani Unit No. _____ Date Signed _____

Name _____ / _____
Signature Signature Print Name

Name _____ / _____
Signature Signature Print Name

Please complete the following information ONLY if your address or email has changed.

Address _____

email _____