

**REAL ESTATE COMMISSION**

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

**FINAL  
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)  
PUBLIC REPORT**

on  
KAHANA BEACH APARTMENT HOTEL  
Honoapiilani Highway  
Kahananui, Kaanapali, Maui, Hawaii

REGISTRATION NO. 440

**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 until

- (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: October 17, 1972  
Expires: November 16, 1973

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 MARCH 14, 1972, AND INFORMATION SUBSEQUENTLY FILED ON JUNE 21, 1972 AND SEPTEMBER 27, 1972. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on Registration No. 440, dated July 31, 1972, the Developer has prepared, assembled and forwarded additional information to that filed in the March 14, 1972 submittal. This Final Public Report is made a part of the registration on the KAHANA BEACH APARTMENT HOTEL condominium project.

The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers receiving the Preliminary Public Report (yellow paper stock). Securing a signed copy of the Receipt for Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Final Public Report.
3. The basic documents (Declaration of Horizontal Property Regimes, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have been filed in the office of the recording officer. The Declaration of Horizontal Property Regimes executed on May 1, 1972, with the By-Laws attached, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8288 on page 301. The Registrar has designated Condominium Map No. 228 to the project. The Developer has filed with the Commission a copy of an Amendment to the Declaration of Horizontal Property Regimes executed June 30, 1972, and recorded in the Bureau of Conveyances, State of Hawaii, in Liber 8450 on page 277. Among a few other changes, the Amendment to the Declaration of Horizontal Property Regimes was amended to state that "No apartment owner shall transfer his interest in the building without the consent of the Board on behalf of the Association".
4. Advertising or promotional matter has been submitted pursuant to rules and regulations promulgated by the Commission.
5. The building plans have been approved by the Planning Department of the County of Maui, and the Developer has applied for a building permit in order to begin construction within six months as required by the County of Maui. The Planning Director has approved the plans subject to the condition that the one-bedroom units shall not be used as convertible units for occupancy as separate rooms.
6. The Developer's general contractor, F & M Contractors, Inc., of Wailuku, Hawaii, has obtained a Performance and Labor and Material Bond from the Hawaiian Insurance & Guaranty Company, Limited, and the Home Insurance Company for the total construction cost of \$1,750,000.00, thereby meeting the requirements of Section 514-15, Hawaii Revised Statutes.
7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
8. This Final Public Report automatically expires thirteen (13) months after date of issuance, October 17, 1972, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information disclosed in the Commission's Preliminary Public Report of July 31, 1972, in the topical headings hereinafter set forth has been amended. Information disclosed in the remaining topical headings has not been disturbed. The amendments to the information disclosed and their respective topical headings are as follows:

ENCUMBRANCES AGAINST TITLE: The Developer has advised the Commission that the encumbrances reported in the Preliminary Public Report of July 31, 1972 has undergone a few changes. The Developer reports that the property is now encumbered by the following: (a) Mortgage dated December 30, 1969, recorded in Liber 6900 on page 332, made by MYRON A. RESNICK, husband of Suzann L. Resnick, to ARTHUR STANLEY LEITCH, to secure the repayment of the sum of \$100,000.00 together with interest thereon all according to the terms of the promissory note of even date. The terms of the mortgage provides that the mortgagee shall release the said mortgage upon commencement of the construction of the project; (b) Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No. 1166; (c) For any taxes that may be due and owing and a lien on the land under search, reference is hereby made to the Office of the Tax Assessor of the District in which said land is situated; (d) The definitions and prohibitions of "SHORELINE SETBACKS" as enacted by Act 136, Session Laws of Hawaii, 1970, to which the Developer has complied with and has obtained a variance from the County of Maui for limited construction within the shoreline setback; (e) The terms and conditions of that certain lease dated February 1, 1971, recorded in Liber 8187 on page 118, and the Amendment to Lease dated June 30, 1972, recorded in Liber 8450 on page 274, entered into by and between MYRON A. RESNICK, "Landlord", and MYRON A. RESNICK and ART S. LEITCH, general partners of the "San Diego-Maui Group," a general partnership, "Tenant"; demising and leasing the land described therein for a term commencing February 1, 1971 and ending December 31, 2038; (f) Mortgage dated January 18, 1972, recorded in Liber 8232 on page 441, made by MYRON A. RESNICK, husband of Suzann L. Resnick to YOSHITO HORIUCHI and AMELIA HORIUCHI, husband and wife, as tenants by entirety. (The mortgagor shall repay the loan and obtain a release of the said mortgage prior to the closing of escrow.); (g) the restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions and other provisions set forth in Declaration of Horizontal Property Regime dated May 1, 1972, and recorded in the Bureau of Conveyances in Liber 8288 on page 301 and the By-Laws attached thereto as the same are or may hereafter be amended in accordance with law, said Declaration or said By-Laws, filed with Condominium Map No. 228. Said Declaration was amended by an Amendment executed June 30, 1972, and recorded in Liber 8450 on page 277.

The above replaces all encumbrances reported in the Preliminary Public Report.

PURCHASE MONEY HANDLING: (a) The Preliminary Public Report represents that in the executed escrow agreement the escrowed funds shall not be disbursed until such time as the construction of the building is completed, and the property has been released from any existing liens and encumbrances, if any. This is too broadly stated because in the escrow agreement only construction liens are required to be released, and said requirements shall be observed by the Developer; (b) The specimen Contract of Sale

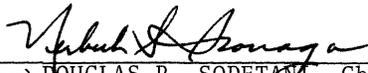
noted in the Preliminary Public Report provides that the purchaser shall have the right to cancel the Contract of Sale if construction of such building is not commenced by January 31, 1973. Under the revised Contract of Sale, the right to cancel the Contract has been changed so that the purchaser has the right to rescind the Contract of Sale if the seller has not constructed the building and the apartments and common elements thereof, in accordance with the building plans and specifications thereof filed with the Building Department of the County of Maui, within two years from the date of the Contract of Sale.

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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 March 14, 1972 and additional information subsequently filed on June 21, 1972 and September 27, 1972. The information disclosed in the Commission's Preliminary Public Report of July 31, 1972 should be carefully reviewed by purchasers and prospective purchasers.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 440 filed with the Commission on March 14, 1972.

This report, when reproduced, should be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be white.

  
(for) DOUGLAS R. SODEYAN, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

YH/f

Distribution:  
Department of Taxation  
Bureau of Conveyances  
Planning Department, County of Maui  
Federal Housing Administration  
Escrow Agent

October 17, 1972  
REGISTRATION NO. 440