

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

KAHANA REEF
Kahananui, Kaanapali, Maui, Hawaii

REGISTRATION NO. 543

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: June 27, 1973

Expires: July 27, 1974

SPECIAL ATTENTION

A comprehensive reading of the report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 30, 1973. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514, HAWAII REVISED STATUTES.

1. KAHANA REEF is a proposed leasehold condominium project consisting of two (2) buildings - Building I, a single-story building containing one (1) apartment designated as the "Laundry Apartment", and Building II, a four-story building containing eighty-eight (88) apartments. Ninety-three (93) parking spaces are available. Each apartment shall have one parking space, except the Laundry Apartment, which shall have no parking space. Five (5) parking spaces shall remain as common elements.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Preliminary Public Report, except for some particular requirement, or requirements, which can be expected to be completed as part of this registration.
3. No advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
4. 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 Regime.
5. The Preliminary Public Report is made a part of the registration on the Kahana Reef condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt for the Final Horizontal Property Regime Public Report from each purchaser and prospective purchaser when it is issued is also the responsibility of the Developer.
6. The Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, June 27, 1973, unless a supplementary report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: KAHANA REEF

LOCATION: The project is located on land situate at Kahananui, Kaanapali, Island and County of Maui, State of Hawaii, and containing an area of 85,377 square feet, or 1.960 acres, more or less. The description of the land and the reserved easements, rights, powers and privileges are more fully set forth in the Declaration.

TAX KEY: 4-3-05-09

ZONING: A-2

DEVELOPER: The Notice of Intention reveals the Developer to be KAHANA REEF ASSOCIATES, a Hawaii Limited Partnership, whose principal place of business and post office address is Suite 101, 600 Kapiolani Boulevard, Honolulu, Hawaii 96813. The General Partners are:

Walter S. F. Leong
411 Kaiolu Street
Honolulu, Hawaii 96815

Richard B. S. Wong
2010 Manoa Road
Honolulu, Hawaii 96822

ATTORNEY REPRESENTING DEVELOPER: Okumura and Takushi (Alfred M. K. Wong), Suite 400, International Savings Building, 1022 Bethel Street, Honolulu, Hawaii 96813.

DESCRIPTION OF PROJECT: The proposed Declaration states that the land will be improved by constructing thereon two (2) buildings containing a total of eighty-nine (89) apartments. The first building, designated as "Building I", is a single-story concrete block structure consisting of the Laundry Apartment, a one-bedroom manager's apartment, an office, storage room, an elevator machine room, a transformer vault, an electric room, a water heater room, a maintenance and storage room, a linen storage room and a trash room. The total area of this building is approximately 2,048 square feet. The second building, designated as "Building II", is a two-elevator concrete block building consisting of four floors more particularly described as follows:

- a. The first floor consists of two (2) studio apartments, each containing an area of approximately 556 square feet (Type A), sixteen (16) one-bedroom apartments, each containing an area of approximately 611 square feet (Type B), two one-bedroom apartments, each containing an area of approximately 661 square feet (Type C) and two (2) one-bedroom apartments, each containing an area of approximately 628 square feet (Type C-1).
- b. The second through fourth floors each consists of two (2) studio apartments, each containing an area of approximately 556 square feet (Type A), sixteen (16) one-bedroom apartments, each containing approximately 611 square feet (Type B), and four (4) one-bedroom apartments, each containing an area of approximately 661 square feet (Type C).

APARTMENTS: Eighty-nine (89) freehold estates are hereby designated in the spaces within the perimeter walls, floors and ceilings of each of the eighty-nine (89) apartments of the Project. The apartments on each floor of Building II are numbered 01 through 22 preceded by the number of the floor, numbered from the southwest end to the northeast end. The 89 apartments consist of one (1) Laundry Apartment, eight (8) studio apartments and eighty (80) one-bedroom apartments further described as follows:

- a. A Laundry Apartment containing an area of approximately 341 square feet located in Building I.
- b. Eight (8) studio apartments, designated as "Type A" apartments, each consisting of a living-dining-bedroom, kitchen, bath, den and storage closet with a total area of approximately 556 square feet and a lanai of approximately 99 square feet. Each 01 and 22 apartment on each floor of Building II is a "Type A" studio apartment. The apartments numbered 01 are mirror images of the apartments numbered 22.
- c. Sixty-four (64) one-bedroom apartments, designated as "Type B" apartments, each consisting of a living-dining room, a kitchen, a bath, a bedroom and storage closets with a total area of approximately

611 square feet and a lanai of approximately 99 square feet. Each apartment numbered 02 through 07, 10 through 15 and 18 through 21 on each floor of Building II is a one-bedroom "Type B" apartment. The apartments numbered 02, 04, 06, 10, 12, 14, 18 and 20 are mirror images of the apartments numbered 03, 05, 07, 11, 13, 15, 19 and 21.

- d. Fourteen (14) one-bedroom apartments, designated as "Type C" apartments, each consisting of a living-dining room, a kitchen, a bath, a bedroom and storage closets with a total area of approximately 661 square feet and a lanai of approximately 99 square feet. Each apartment numbered 08, 16 and, except for the first floor, 09 and 17 on each floor of Building II is a one-bedroom "Type C" apartment. The apartments numbered 08 and 16 are mirror images of the apartments numbered 09 and 17 except for the apartments numbered 109 and 117 located on the first floor of Building II.
- e. Two (2) one-bedroom apartments, designated as "Type C-1" apartments, each consisting of a living-dining room, a kitchen, a bath, a bedroom and storage closets with a total area of approximately 628 square feet and a lanai of approximately 99 square feet. Apartments 109 and 117 on the first floor of Building II are one-bedroom "Type C-1" apartments.

Each apartment has immediate access to the balcony leading to three stairways and two elevators except the Laundry Apartment located in Building I.

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 or service lines running through such apartment, which are utilized for or serve any other apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

COMMON ELEMENTS: The Declaration states that the owners of apartments will have an undivided interest in the common elements, including specifically but not limited to:

- a. Said land in fee simple.
- b. All foundations, columns, girders, beams, supports, main walls, roofs, corridors, lobbies, balconies, stairs, stairway, entrances and exits of said building.
- c. All driveways, parking spaces, yards, gardens and recreational facilities, including the swimming pool.

- d. All central and appurtenant installations for common services, including power, light, water, telephone and trash disposal, and sewerage treatment plant.
- e. The elevators and all tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.
- f. All facilities located in Building I except for the Laundry Apartment. These facilities include a one-bedroom manager's apartment, an office storage room, an elevator machine room, a transformer vault, an electric room, a water heater room, a maintenance and storage room, a linen storage room, and a trash room.

LIMITED COMMON ELEMENTS: The Declaration reflects that certain parts of the common elements, called the limited common elements, are designated and set aside for the exclusive use of certain apartments, as follows:

The parking spaces are limited common elements except for five (5) parking spaces which shall remain as common elements. One parking space designated on said Condominium File Plan by the identical number corresponding to the number of each apartment shall be appurtenant to and for the exclusive use of such apartment except for the laundry apartment which shall have no parking space.

COMMON INTEREST: The Declaration reflects that each Type A studio apartment shall have appurtenant thereto an undivided 1.035% interest; each Type B one-bedroom apartment shall have appurtenant thereto an undivided 1.122% interest; each Type C one-bedroom apartment shall have appurtenant thereto an undivided 1.201% interest; each Type C-1 one-bedroom apartment shall have appurtenant thereto an undivided 1.149% interest; and the Laundry Apartment shall have appurtenant thereto an undivided .800% interest in the common elements and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting.

PURPOSES AND RESTRICTIONS AS TO USE: The Declaration states that the purposes for which the buildings and other improvements and each of the apartments are intended and shall be restricted as to use are as follows:

- a. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to this Declaration duly recorded, shall not be separated from such apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument.
- b. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by said Horizontal Property Act.
- c. 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 for no other purpose except for the Laundry Apartment which shall be used as a laundry room containing laundry equipment.

- d. Administration of the project shall be vested in its Association of Apartment Owners, herein called the "Association", consisting of all apartment owners of the project in accordance with the By-Laws of the Association. The owner of each apartment upon acquiring title thereto automatically shall become a member of the Association and shall remain a member thereof until such time as his ownership of such apartment ceases for any reason, at which time his membership in the Association automatically shall cease; provided, however, that if and to the extent a lease of any apartment filed with the Board of Directors of the Association so provides, the lessee of such apartment shall be deemed to be the owner thereof.

OWNERSHIP OF TITLE: The Developer reports that title to the land is vested in CHARLES NAKOA, husband of Ruth M. Nakoa, JOHN NAKOA, husband of Sarah L. Nakoa, BONIFACE NAKOA, husband of May S. Nakoa, MAGGIE FOO SUM, wife of Henry Foo Sum, WILLIAM NAKOA, husband of Margaret B. Nakoa, ERNEST SMITH, husband of Dorothy K. Smith, and MARY HARRINGTON MURPHY, widow, each as to an undivided 1/7 interest. The Preliminary Title Report dated March 27, 1973, issued by First American Title Company of Hawaii, Inc. confirms such ownership.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated March 27, 1973, prepared by First American Title Company of Hawaii, Inc., reports the following encumbrances:

1. Real property taxes that may be due and owing. ✓
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 4919.
3. The terms and provisions of that certain Lease dated August 15, 1972, made by and between Charles Nakoa, husband of Ruth M. Nakoa, John Nakoa, husband of Sarah L. Nakoa, Boniface P. Nakoa, husband of May S. Nakoa, William Nakoa, husband of Margaret B. Nakoa, Mary Harrington Murphy, wife of John Murphy, Maggie Foo Sum, wife of Henry Foo Sum, and Ernest Smith, husband of Dorothy K. Smith, as Lessors, and Walter S. F. Leong and Richard B. S. Wong, as General Partners of Kahana Reef Associates, a Hawaii Limited Partnership, as Lessees, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8608 Page 46, for a term of 75 years from August 17, 1972 to August 16, 2047.
4. Mortgage dated August 15, 1972, made by and between Charles Nakoa, John Nakoa, Boniface P. Nakoa, William Nakoa, Mary Harrington Murphy, Maggie Foo Sum and Ernest Smith, as Mortgagor, and Walter S. F. Leong and Richard B. S. Wong, as General Partners of Kahana Reef Associates, a Hawaii Limited Partnership, as Mortgagee, to secure an indebtedness of \$100,030.00, and any other amounts payable under the terms thereof, recorded in said Bureau of Conveyances in Liber 8608 Page 37.

5. Mortgage Deed dated September 28, 1972, made by and between Kahana Reef Associates, a Hawaii Limited Partnership, as Mortgagor, and Durand A. Holladay, as nominee of the Trustees of Continental Mortgage Investors, a Massachusetts Business Trust, as Mortgagee, to secure an indebtedness of \$2,500,000.00, and any other amounts payable under the terms thereof, recorded in said Bureau of Conveyances in Liber 8660 Page 142.

6. Additional Security Mortgage dated October 5, 1972, made by and between Charles Nakoa, John Nakoa, Boniface P. Nakoa, Mary Harrington Murphy, William Nakoa, Maggie Foo Sum and Ernest Smith, as Mortgagor, and Durand A. Holladay, as nominee of the Trustees of Continental Mortgage Investors, a Massachusetts Business Trust, as Mortgagee, recorded in said Bureau of Conveyances in Liber 8660 Page 161.

7. Subordination Agreement dated October 2, 1972, recorded in said Bureau of Conveyances in Liber 8660 Page 177; subordinating that certain Mortgage recorded in Liber 8608 Page 37, as set forth in encumbrance no. 4 and that certain Additional Security Mortgage recorded in Liber 8660 Page 161, as set forth in encumbrance no. 6.

8. Financing Statement made by Kahana Reef Associates, a Hawaii Limited Partnership, Debtor, and Continental Mortgage Investors, Secured Party, filed on October 12, 1972 in said Bureau of Conveyances in Liber 8660 Page 183, covering all contracts for sale of condominium units and any and all contract rights or receivables, now or hereafter acquired, arising from sale of debtor's assets in property described herein together with all debtor's personal property located thereon.

PURCHASE MONEY HANDLING: A copy of the Sales Contract and the executed Escrow Agreement dated March 29, 1973 have been submitted as part of the registration. The Escrow Agreement identifies First American Title Company of Hawaii, Inc. as the Escrow. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes.

Among other provisions the Escrow Agreement provides that if a Purchaser enters into a sales contract prior to the date of issuance of a Final Public Report by the Real Estate Commission of Hawaii, such Purchaser shall have the right to cancel his contract to purchase and to obtain a refund of all moneys held by Escrow which were paid by such Purchaser under such contract if (a) the Final Public Report differs in any material respect from the Preliminary Public Report, or (b) there is any change in the condominium building plans subsequent to the execution of said sales contract and prior to the issuance of said Final Public Report and Sellers fail to obtain Purchaser's written approval or acceptance of the specific change, or (c) if the Final Public Report is not issued within one year from the date of the issuance of the Preliminary Public Report, and (d) the Purchaser delivers notice in writing to Sellers and Escrow within ten (10) days after receipt of said Final Public Report by Purchaser, or any one of them if such Purchaser is more than one person.

Among other provisions the Sales Contract provides that if less than 50% of the apartments in the Project is sold prior to March 31, 1974, Sellers at their option may terminate this Sales Contract and refund all payments made by Buyer without interest or deduction.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter agreement establishes how the proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

MANAGEMENT AND OPERATIONS: The Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws except that the initial Managing Agent shall be appointed by the Developer. The Management Agreement provides that the agreement shall be in effect for a term of one (1) year from the date of execution.

CONTRACTOR: K. Nagata Construction, Inc.

ARCHITECT: Walter Leong & Associates, Inc.

STATUS OF PROJECT: The Developer has commenced construction of the project. The project will be completed on or about October 15, 1973.

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 30, 1973.

The PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 543 filed with the Commission on March 30, 1973.

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 in color.



(for) DOUGLAS R. SODEVANI, Chairman
Real Estate Commission
State of Hawaii

Distribution:

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

Registration No. 543

June 27, 1973.