

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

KAPAA SHORE
Kuhio Highway
Kapaa, Kauai
REGISTRATION NO. 679

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 6, 1974
Expires: July 6, 1975

SPECIAL ATTENTION

A comprehensive reading 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 SUBMITTED APRIL 26, 1974 AND INFORMATION SUBSEQUENTLY FILED AS OF JUNE 3, 1974. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. KAPAA SHORE is a proposed leasehold condominium project consisting of 3 separate four-story buildings containing 81 residential apartment units, all of which will be sold by the Developer upon and subject to the terms and provisions of apartment subleases to be issued by the Developer. There will be 122 parking stalls.
2. The Developer of the project has submitted to the Hawaii Real Estate Commission ("Commission") for examination all 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 Bylaws and the Condominium Map will be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii and recorded in the Bureau of Conveyances, Honolulu, Hawaii, immediately prior to the application for a Final Public Report.
4. The Developer has advised the Commission that the advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.
5. The Developer has submitted a statement of the estimated costs involved in completing the project and a loan commitment letter from Sonnenblick-Goldman Corp. of California to provide both construction financing and long-term mortgage loans to individually qualified purchasers of the units.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations promulgated thereunder which relate to Horizontal Property Regime.
7. This Preliminary Public Report is made a part of the registration of KAPAA SHORE 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.
8. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, June 6, 1974, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: KAPAA SHORE

LOCATION:

The site, comprising 183,219 square feet, is located on the makai side of Kuhio Highway, fronting the ocean, in Kapaa, Kauai.

TAX MAP KEY: 4-3-09-04

ZONING: R-20, Multiple Family Dwelling

DEVELOPER: S & J INVESTMENTS, LTD., 841 Bishop Street, Suite 1607, Honolulu, Hawaii 96813; telephone 537-4567. The officers of S & J Investments, Ltd. are as follows:

Dave Lewis - President
Thomas R. Kelso - Vice-President
Ann L. Lewis - Secretary - Treasurer

ATTORNEY REPRESENTING DEVELOPER: W. Patrick O'Connor, 1010 Amfac Building, 700 Bishop Street, Honolulu, Hawaii; telephone 537-5381

DESCRIPTION: The project is to consist of 81 leasehold estates in apartment units in 3 separate and distinct four-story structures that are designated A, B and C. Note, that although the structures are four stories in height, there are only three floors of apartments, the third floor apartments being two-story apartments. The principal materials used in the construction of said apartment units will be reenforced concrete slab, reenforced concrete block walls, heavy timbers and shake roof and related building materials. There will be a minimum of one parking stall for each apartment and also 41 additional parking stalls that will be sold on a first come, first served basis to apartment owners who desire a second parking stall. There will be a swimming pool, tennis and paddle tennis courts, outdoor barbecue, volleyball court, suffleboard and commercial laundry.

The apartments shall be numbered and are situated as follows:

Facing each apartment building from the side starting at the extreme left:

BUILDING A; FLOOR 1. 101-102-103-104-105-106-107-108-109-110;
FLOOR 2. 201-202-203-204-205-206-207-208-209-210; FLOORS 3 and 4.
301-302-303-304-305-306-307-308-309-310.

BUILDING B; FLOOR 1. 111-112-113-114-115-116-117-118;
FLOOR 2. 211-212-213-214-215-216-217-218; FLOORS 3 and 4. 311-
312-313-314-315-316-317-318.

BUILDING C; FLOOR 1. 119-120-121-122-123-124-125-126-127;
FLOOR 2. 219-220-221-222-223-224-225-226-227; FLOORS 3 and 4.
319-320-321-322-323-324-325-326-327.

The apartments and access thereto are more particularly described as follows:

(a) All the apartments on the first and second floors of the three buildings, i.e. 100 and 200 groups, are identical one-bedroom apartments consisting of an entry hall, bedroom, living room-dining room, a bathroom, a kitchen and an enclosed lanai. Each one-bedroom apartment will contain 705 square feet, including 93 square feet of lanai.

(b) All of the apartments located on the third and fourth floors, i.e. 300 group, are two-story two bedroom apartments consisting of an entry hall, bedroom, living room-dining room, kitchen, bathroom and enclosed lanai on the third floor level and a bedroom and bathroom on the fourth floor level. Each two bedroom apartment will contain 1002 square feet, including 93 square feet of lanai.

(c) All first floor units shall have immediate access to the land heretofore described. The remaining units shall have immediate access to the external covered walks and stairways that connect the units above the ground.

(d) Each apartment owner shall be deemed to own the non load-bearing walls and partitions which are contained in his apartment;

in addition, he shall be deemed to own the inner decorated and finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc., surrounding his apartment. The apartment owner shall be deemed not to own the undecorated or unfinished surfaces of the perimeter walls, floors and ceilings surrounding his apartment or the pipes, wires, conduits, or other public utility facilities running through his apartment which are utilized for, or serve more than one apartment, except to the extent of his interest as an owner of the common elements in common with other apartment owners.

COMMON ELEMENTS: The Declaration reflects that the common elements shall include the following:

(a) The land heretofore described;

(b) The public parking areas, other than the limited common elements consisting of at least one parking space for each apartment;

(c) The vehicular entry/exit to the parking area, the pedestrian entrances, all other concrete walks, planting areas, and gardens giving access to the building, the pedestrian entrances from the parking area and all walkways onto which each apartment directly opens;

(d) The manager's office located in Building C;

(e) All foundations, columns, beams and support, girders, roof, walks, stairways, exterior walls, partition walls between each apartment, floors and ceilings;

(f) The swimming pool and its filtration system, lobby pass through, washers, dryers, sewage disposal units, outdoor lighting, tennis and paddle tennis courts, outdoor barbecue, shuffleboard, volleyball courts and storage spaces outside of the apartment units.

(g) All central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines, television lines, sewage disposal, and other utilities (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for, or in the said buildings for common use.

(h) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use and which are not part of any apartment.

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

1. One or more parking stalls designated on said plans by the letter and number of an apartment, shall be appurtenant to and for the exclusive use of such apartment.

2. The corridors on any apartment floor above the first floor shall be appurtenant to and for the exclusive use of the apartments on such floor.

INTEREST TO BE CONVEYED TO PURCHASER: Apartment units shall have appurtenant to each the undivided interest in all common elements of the project as follows: one bedroom, 1.063%; two bedroom, 1.578%. The common interest, proportionate share in all common profits and expenses of the project and proportionate representation for voting purposes in the Association of Apartment Owners and all other purposes shall be in said percentage for each apartment.

USE: The Declaration provides that all apartments of the project may be used only for residential purposes. No apartment shall be used in connection with the carrying on of any trade or business whatsoever. The owners of the respective apartments shall have the absolute right to lease the same subject to the limitations, restrictions, covenants, and conditions of the Declaration.

OWNERSHIP OF TITLE: The Certificate of Title executed November 7, 1973, by Title Guaranty of Hawaii, Incorporated, a licensed abstractor, indicates that the owner of the fee simple title to the land is S. Otsuka Estate, Inc., a Hawaii corporation, who has entered into a master lease with Preston Leslie Moody, husband of Kathryn Elizabeth Moody, Peter Brown Nottage, husband of Lois Carpenter Nottage, and Wallace Allan Dyer, husband of Doris May Dyer, who in turn entered into a sublease of the subject property with David Carroll Maddox and Dorothy Stautzenberger Maddox, husband and wife, which sublease was assigned to S & J Investments, Ltd., Developer of this project.

ENCUMBRANCES AGAINST TITLE: Said Certificate of Title notes the following encumbrances:

(a) Master lease filed as Land Court Document No. 480645 and also recorded in Liber 6642, page 132, which master lease was subsequently assigned by document dated June 27, 1969 and filed as Land Court document No. 480647 and also recorded in Liber 6642, page 160;

(b) Sublease dated June 8, 1973 and filed as Land Court Document No. 656747 and also recorded in Liber 9584, page 1;

(c) Assignment of sublease dated December 7, 1973 and filed as Land Court Document No. 671357 and also recorded in Liber 9764, page 451;

(d) Mortgage, security agreement and financing statement dated March 6, 1974 in favor of David Carroll Maddox and Dorothy Stautzenberger Maddox, husband and wife, as tenants in common, filed as Land Court Document No. 671360 and also recorded in Liber 9764, page 464;

(e) For any taxes that may be due and owing and a lien on the land, reference is hereby made to the office of the Tax Assessor of the Fourth Division.

PURCHASE MONEY HANDLING: An executed Escrow Agreement dated April 22, 1974, identifies Landmark Escrow, Ltd. as the Escrow Agent. Upon examination of the Escrow Agreement, it is found to be in conformance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-35 through Section 514-40.

Among other provisions, the Escrow Agreement provides that Escrow Agent shall refund to Purchaser all of Purchaser's funds, without interest, if Purchaser shall in writing request refund of his funds and any one of the following have occurred:

(1) Escrow receives a written request from Seller to return to purchaser the funds of such purchaser then held hereunder by Escrow; or

(2) If a purchaser's funds were obtained prior to the issuance of a final public report and there is any change in the unit building plans, subsequent to the execution of purchaser's sales contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the purchaser has given written approval or acceptance of the specific change; or

(3) If a purchaser's funds were obtained prior to the issuance of a final public report and the final public report differs in any material respect from the preliminary public report, unless the purchaser has given written approval or acceptance of the difference; or

(4) If the final public report is not issued within one year from the date of issuance of the preliminary public report; or

(5) If less than 80% of the units are sold prior to April 30, 1975 and Seller cancels the sales contract by written notice to purchaser.

It is incumbent upon the Purchaser and prospective Purchaser to read and understand the Escrow Agreement before executing the Contract of Sale, since the Escrow Agreement prescribes the procedure for receiving and disbursing Purchaser's funds and the Contract of Sale specifically provides that the Purchaser approves said Escrow Agreement.

MANAGEMENT OF PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association under the direction of its Board of Directors by a responsible corporate managing agent. The Developer has submitted a copy of an unexecuted Management Agreement to the Commission with Hawaiiana Management Company, a Hawaii corporation, as initial Managing Agent.

STATUS OF PROJECT: The Developer is presently negotiating a construction contract and anticipates submitting it to the Commission within the next thirty days. Construction has not started on the project. The Developer proposes to commence construction on or before July 31, 1974. Construction is expected to be completed on or before December 31, 1975.

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 April 26, 1974, and information subsequently filed as of June 3, 1974.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES CONDOMINIUM PUBLIC REPORT which is made a part of REGISTRATION NO. 679, filed with the Commission on April 26, 1974.

This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimilies must be yellow in color.



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

DISTRIBUTION:

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

Registration No. 679
June 6, 1974