

# 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 VILLAGE  
Kahana, Lahaina, Maui, Hawaii

REGISTRATION NO. 895

### **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 12, 1977  
Expires: November 12, 1978

#### 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 DECEMBER 29, 1976, AND INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 7, 1977. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. Since the issuance of the Commission's Preliminary Public Report of January 31, 1977, the Developer reports that changes have been made in the plan or setup of the project. The changes subsequently made are determined to be a material addition to the information disclosed earlier.

2. The Developer of the project has submitted to the Commission for examination of all documents deemed necessary for the registration of a condominium project and the issuance of this Final Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime and the Bylaws have been recorded in the Bureau of Conveyances of the State of Hawaii in Book 12413, Page 548, and that the Condominium Map has been recorded as Condominium File Plan No. 512.
4. Advertising or promotional materials have been submitted to the Commission pursuant to its rules and regulations.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to the Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, October 12, 1977, unless a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Final Public Report is made a part of the registration of The KAHANA VILLAGE condominium project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Public Report (yellow paper stock), and securing a signed copy of the receipt for both the Final Public Report and Preliminary Public Report from each purchaser.

The information in the topical headings of the Preliminary Public Report of January 31, 1977, has not been disturbed except for the following topical headings: LOCATION, ENCUMBRANCES, PURCHASE MONEY HANDLING, and STATUS OF PROJECT.

NAME OF PROJECT: KAHANA VILLAGE

LOCATION: The project is located at Kahana, Lahaina, Island and County of Maui, State of Hawaii, and consists of approximately 3.199 acres or 139,340 square feet of land. The Developer has advised the Commission that the area of the land stated in the Preliminary Public Report (approximately 3.198 acres or 139,319 square feet) was based on a 1969 survey by Norman M. Saito and that the area stated in this Final Public Report is based on a 1976 survey by Norman M. Saito.

ENCUMBRANCES: The Preliminary Title Report (as amended) prepared by First American Title Company of Hawaii, Inc. states that as of October 4, 1977, title to the land is subject to:

1. Real property taxes for the current year.
2. A lease from the Trustees of The Naleieha Family Trust to Broms-Lonie, Inc. dated April 1, 1971 and recorded in the Bureau of Conveyances in Book 7751, Page 88, which lease was assigned to Franklin Service Corporation by instrument dated December 29, 1975 and recorded in Book 11192, Page 108, and which lease was subsequently amended by instrument dated April 14, 1977, and recorded in Book 12208, Page 12 (the lease, as amended, hereafter referred to as the "Master Lease").
3. As to the portion of land herein described, bordering on the ocean:
  - (a) The effect of the decision by the Supreme Court of Hawaii in respect to the location of high water mark.
  - (b) The effect of Section 205-31 to 205-37, inclusive, Hawaii Revised Statutes, as amended.

Note: (1) By the amendment to the Master Lease described in item 2, the Lessors have agreed to issue direct apartment leases to the purchasers of apartments in the Project. The apartment leases issued upon completion of construction of the Project shall be for a term of ninety (90) years and shall have three consecutive fixed rental periods, after which the lease rent shall be renegotiated every ten (10) years. All apartment leases issued subsequent to the completion of construction of the Project shall have a term and three fixed rental periods which expire on the same date as the three fixed rental periods contained in the first group of apartment leases which are issued so that the first fixed rental period in all subsequently issued apartments leases shall have a period of less than ten (10) years commencing as of the date they are issued. Contemporaneously with the issuance of an apartment lease to a purchaser, the Lessors and the Lessee will execute an appropriate instrument effecting the cancellation of the Master Lease as to the apartment and the undivided interest in the common elements, devised under the apartment lease.

- (2) In addition, the Master Lease is subject to a mortgage dated July 26, 1977, in favor of Honolulu Federal Savings and Loan Association for \$3,393,000.00, recorded in Book 12343, Page 108. The mortgage will be released as to each apartment sold prior to the issuance of an apartment lease to a purchaser.
- (3) The Developer has advised the Commission that a public beach access right of way (encompassing approximately .2 acres or 8,692 square feet and running along the western boundary of the project and the shoreline) will be dedicated to the County of Maui to fulfill a condition in the Shoreline Management Permit for the project.

PURCHASE MONEY HANDLING: In addition to the information supplied in the Preliminary Public Report, the Developer reports that:

1. The specimen Sales Contract provides, among other provisions, that the purchasers should be aware that the Seller's mortgage loan (interim, renewals and extensions) used for the construction of the project shall be and remain at all times a superior lien on the project, and purchasers intentionally waive and subordinate the priority of lien under the Sales Contract in favor of the mortgage loan. By executing the receipt for this Final Horizontal Property Regime (Condominium) Public Report, the purchaser expressly waives and subordinates the priority of the purchaser's lien under the Sales Contract to the mortgage securing the construction loan made by Honolulu Federal Savings and Loan Association to the Developer in the amount of \$3,393,000, with interest at the rate of eleven percent (11%) per annum (18 percent upon default) for a term of eighteen (18) months.
2. If the purchasers who have agreed to obtain mortgage loans have not secured commitments therefor satisfactory to the Developer, the Developer may cancel the Sales Contracts and refund all monies paid by the purchasers without interest.

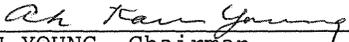
STATUS OF PROJECT: The Developer advises that construction of the project commenced in August 1977, and will be completed about June 1, 1978.

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The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted December 26, 1976, and information subsequently filed as of October 7, 1977.

THIS FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 895 filed with the Commission on December 29, 1976.

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

  
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AH KAU YOUNG, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

DISTRIBUTION:

DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING DEPARTMENT  
COUNTY OF MAUI  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

Registration No. 895  
October 12, 1977