

# 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 OUTRIGGER  
Honoapiilani Highway  
Kahana, Lahaina, Maui, Hawaii  
REGISTRATION NO. 1076

Issued: May 3, 1979  
Expires: June 3, 1980

### 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.

#### 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 JANUARY 16, 1979 AND INFORMATION SUBSEQUENTLY FILED ON APRIL 26, 1979. 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 514A.

1. The KAHANA OUTRIGGER is a proposed leasehold condominium project containing sixteen (16) apartments in four (4) separate apartment two-story building complexes, and a swimming pool with sun deck. There will be a total of 24 unassigned parking stalls which will be a part of the common elements.
2. The Developer of the proposed project has submitted to the 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 By-Laws and the Condominium Map will be filed in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.
4. Advertising or promotional material have not been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514A, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to the Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, May 3, 1979, unless a Final or a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is made a part of the registration of the KAHANA OUTRIGGER condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt for the Preliminary Public Report from each purchaser.

NAME OF PROJECT: KAHANA OUTRIGGER

LOCATION: The project is located at Kahana, Lahaina, Island and County of Maui, State of Hawaii, and consists of approximately 58,879 square feet of land.

TAX KEY: 4-3-05-20, 21 & 31, Second Taxation Division

ZONING: A-1, Apartment

DEVELOPER: The developer of the project is Kahana Developers, Ltd., a Hawaii corporation, with its principal place of business and post office address at Suite 310, The Kahului Building, 33 Lono Avenue, Kahului, Maui, Hawaii 96732.

ATTORNEY REPRESENTING DEVELOPER: Romanchak & McNish (Attention: Eric G. Romanchak, Esq.), Suite 380, The Kahului Building, 33 Lono Avenue, Kahului, Maui, Hawaii 96732, Telephone: 877-2441.

DESCRIPTION OF PROJECT AND APARTMENTS: The proposed project consists of four (4) two-story apartment building complexes, and a swimming pool with sun deck. There are sixteen (16) three-bedroom apartments in the Project. Each apartment

building complex contains four (4) three-bedroom apartments, two (2) on the first floor and two (2) on the second floor with loft. There is a basement in Building Number 4 of the Project to be used for pool equipment storage, owners' storage and space for the Kahana Canoe Club as shown on the proposed Condominium Map. All of the buildings are of wood construction with concrete block foundations, preformed metal roofs, bronzed anodized aluminum windows and patio doors, bevel siding.

There are two (2) basic types of apartments in the Project. Each apartment has direct access to a stairway which is a limited common element. The layout, location, unit type and number of each apartment are shown on the proposed Condominium Map.

There are four (4) type "A1" and four (4) type "A2" apartments in the Project. There is one (1) type "A1" and one (1) type "A2" on the first floor of every apartment building complex. The type "A1" and type "A2" apartments are identical except that the type "A2" apartment is in a reverse configuration from the type "A1" apartment. Each type "A1" and type "A2" apartment contains a living-dining room, kitchen, three (3) bedrooms, three (3) bathrooms (one (1) bathroom containing a toilet and bathtub-shower combination and the other two (2) bathrooms containing a toilet and separate shower), and one (1) separate enclosed storage locker on the first floor of each apartment building. Each type "A1" and type "A2" apartment has a lanai off the living room, containing approximately 161 square feet.

There are four (4) type "B1" and four (4) type "B2" apartments in the Project. There is one (1) type "B1" and one (1) type "B2" apartment in each apartment building complex, both apartments being located on the second floor directly above the type "A1" and type "A2" apartments. The type "B1" and type "B2" apartments are identical except that the type "B2" apartment is in a reverse configuration from type "B1" apartment. Each type "B1" and type "B2" apartment contains a dining-living area, kitchen, three (3) bedrooms (one (1) bedroom is a loft bedroom), two (2) bathrooms, each containing a toilet and bathtub-shower combination, and a separate enclosed storage locker on the first floor of each apartment building. Each type "B1" and type "B2" apartment is in a two-level configuration, with the entry, dining-living area, kitchen, one (1) bedroom and bathroom on the lower level, and one (1) bedroom and bathroom on the mezzanine. Each type "B1" and type "B2" apartment has a lanai off the living room containing approximately 107 square feet.

Each of the four (4) apartment building complexes contains one (1) type "A1", one (1) type "A2", one (1) type "B1", and one (1) type "B2" apartments. The square foot area of each apartment by model type is approximately as follows:

<u>Model Type</u>	<u>Interior Area</u>	<u>Lanai Area</u>	<u>Storage Area</u>
A1, A2	1,448	161	19
B1, B2	1,490	107	19

The first digit of each apartment number indicates the apartment building complex. The apartment numbers by unit type are as follows:

<u>Unit Type</u>	<u>Apartment Numbers</u>
A1	1A1, 2A1, 3A1, 4A1
A2	1A2, 2A2, 3A2, 4A2
B1	1B1, 2B1, 3B1, 4B1
B2	1B2, 2B2, 3B2, 4B2

There is a total of twenty-four (24) parking stalls which are common elements. Twenty (20) parking stalls are reserved for the apartment owners and four (4) parking stalls are reserved for the Kahana Outrigger Canoe Club as shown on the proposed Condominium Map.

The respective apartments shall not be deemed to include the undecorated or unfinished walls, the floors and ceilings surrounding each apartment, or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one (1) apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include the adjacent lanai as shown on the proposed Condominium Map, all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, and the built-in fixtures.

NOTE: The developer's attorney has informed the Commission that:

1. In accordance with condition 15 of the Special Management Area Permit (SMA) for this project, the developer upon completion of the construction of the project will install a sign mounted on a 4" by 4" wooden post identifying "Public Beach Access Parking when not in use by the Kahana Canoe Club" for the 4 parking stalls reserved for the Canoe Club.

2. Space in the basement of Building Number 4 of the project has been designed and set aside for use by the Kahana Canoe Club for storage of their canoes and related equipment. The agreement for such use will be by way of a written license agreement fully revocable by either party to the license agreement upon sufficient notice. In the event the Kahana Canoe Club should cease its activities on or about this project site, the space in the basement reserved for it will revert to full use by the Owner's Association as part of the common elements of the project.

Purchasers and prospective purchasers should be cognizant of the fact that the administrative and maintenance expense of the four (4) parking stalls and space in the basement of Building 4 used by the Kahana Canoe Club will be assumed by the Association of Apartment Owners.

COMMON ELEMENTS: The common elements will include the Land and all improvements on the Land other than the apartments, the limited common elements, and all common elements mentioned in Chapter 514A, Hawaii Revised Statutes, which are actually constructed on the Land and specifically shall include, but shall not be limited to:

- (a) The Land in fee simple;
- (b) All foundations, columns, girders, supports and load-bearing walls;
- (c) All the landscaped perimeter, plantings, planting boxes, retaining walls, planting areas, and similar items;
- (d) All parking stalls;
- (e) All roads, driveway areas, fences and exterior ground level walkways;
- (f) The exterior stairways, exterior storage lockers, all ducts, electrical equipment, wiring and other central and appurtenant installations for services including power, light, cold and hot water, refuse and telephone;
- (g) The swimming pool and swimming pool sun deck, swimming pool equipment and storage facilities;
- (h) The basement in Building Number 4;
- (i) All other devices or other installations upon the Land existing for or rationally of common use to all the owners of apartments within the Project.

LIMITED COMMON ELEMENTS: The exterior storage areas assigned to each apartment in the basement of Building Number 4 and the stairways leading to and from each apartment are limited common elements reserved for the use of each respective apartment.

INTEREST TO BE CONVEYED TO PURCHASERS: The proposed Declaration states the percentage of undivided interest in all of the common elements appertaining to each apartment by unit type is as follows:

<u>Unit Type</u>	<u>Common Interest Percentage</u>	<u>Number of Apartments of Each Unit Type</u>	<u>Total</u>
A1	6.27	4	25.08
A2	6.27	4	25.08
B1	6.23	4	24.92
B2	6.23	4	<u>24.92</u>
			100.00%

The common interest, the proportionate share in the profits and common expenses of the project and for all other purposes, including the proportionate representation for voting in the Association of Apartment Owners, for each apartment, shall be governed by the above percentages.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The apartments hereinabove described shall at all times be used only as a private dwelling for the owner, his family, tenants and social guests, and for such other purposes which are compatible with the applicable zoning ordinances. The owners of the respective apartments may rent or lease their apartments on any long-term or short-term (including daily) basis for such residential use. The apartments shall not be used as an office or for any other commercial purpose.

The proposed House Rules provide, in part, that household pets may not be kept in the apartment or on the premises.

OWNERSHIP OF TITLE: Preliminary Title Reports, dated March 19, 1979 and March 21, 1979 (as to Parcel 31 and Parcels 20 and 21, respectively), prepared by Title Guaranty of Hawaii, Inc., certify that title to the land committed to this regime is vested in Benjamin Naleieha and Sanford J. Langa, as Trustees of the Naleieha Family Trust (under a Trust Agreement dated April 24, 1969) (as to Parcels 20 and 21) and Francis Cosma, Sr. and Estrella G. Cosma ("Lessors") (as to Parcel 31).

ENCUMBRANCES: The Preliminary Title Reports prepared by Title Guaranty of Hawaii, Inc. state that as of the date of the search (March 19, 1979 and March 21, 1979), title to the land is subject to:

1. Any taxes that may be due and owing a lien on the land. Reference is hereby made to the Office of the Tax Assessor, Second Division.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Location of the seaward boundary in accordance with the law of the State of Hawaii, and shoreline setback line in accordance with County regulation and/or ordinance.
4. That certain Development Lease dated September 1, 1977, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12414 on Page 309, entered into by and between Benjamin Naleieha and Sanford J. Langa, Trustees of the Naleieha Family Trust, as "Trustees", Francis Cosma and Estrella Cosma, husband and wife, as "Cosma", and Kahana Developers, Ltd., a Hawaii corporation, as "Lessee"; leasing and demising the premises hereinbefore described, for a term of ten (10) years commencing September 1, 1977.
5. (As to Parcel 31 only) That certain mortgage made by Francis Cosma Sr. and Estrella G. Cosma, husband and wife, as Mortgagor, and American Savings and Loan Association, a Utah corporation, as Mortgagee, dated August 9, 1975, and recorded in the said Bureau of Conveyances in Liber 10848 on Page 153.

6. (As to Parcels 20 and 21 only) Terms, conditions and provisions contained in that certain Trust Agreement dated April 24, 1969, and recorded in the said Bureau of Conveyances in Liber 6887 on Page 324.
7. (As to Parcel 21 only) Any matters that a modern survey may reveal.

PURCHASE MONEY HANDLING: A copy of the specimen Purchase Agreement and the Escrow Agreement have been submitted as part of the registration. The Escrow Agreement dated January 15, 1979, identifies Title Guaranty Escrow Services, Inc., as the escrow agent. Upon examination, the specimen Purchase Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with Sections 514A-37 and 514A-39, and Sections 514A-63 through 514A-66, Hawaii Revised Statutes. A prospective purchaser should carefully examine the form of Purchase Agreement and Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the estimated common monthly expenses and the sharing of the closing costs.

Among other provisions, the specimen Purchase Agreement provides 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 Purchase Agreement in favor of the mortgage loan.

The specimen Purchase Agreement further provides that if the purchasers who have agreed to obtain mortgage loans have not secured commitments therefor satisfactory to the Developer, the Developer may cancel the Purchase Agreement and refund all monies paid by the purchasers without interest.

Among other provisions, the executed Escrow Agreement provides that:

A Buyer shall be entitled to a return of his funds, and Escrowee shall pay such funds to such Buyer, without any interest and less the cancellation fee of \$25.00 imposed by Escrowee, after request for return by Buyer if any one of the following has occurred:

(a) Seller, pursuant to paragraph 8(b) of the Purchase Agreement, has instructed Escrowee in writing to return to Buyer the funds of Buyer then being held hereunder by Escrowee; or

(b) Buyer's funds were obtained prior to issuance of a Final Public Report for the Project and either (i) such Final Public Report differs in any material respect from the Preliminary Public Report for the Project, or (ii) there is any change in the condominium building plans subsequent to the execution of the Purchase Agreement requiring approval of a county officer having jurisdiction over issuance of permits for construction of buildings, unless in any such case the Buyer has given written approval or acceptance of the specific differences and/or changes by acceptance of these differences and/or changes; or

(c) Construction of Buyer's Apartment has not been completed within twenty four (24) months from the date of his Purchase Agreement (subject to delays beyond Seller's control); or

(d) Final Public Report for the Project is not issued within one (1) year from the date of issuance of the Preliminary Public Report for the Project, unless after the one (1) year period either (i) such Final Report is accepted by Buyer, or (ii) Buyer, within thirty (30) days of the date of delivery of such Final Public Report, does not exercise his right to cancel the Purchase Agreement, after having been notified in writing of such right to cancel and the waiver of such right if he failed to act within the thirty (30) day period.

Upon return of such funds to Buyer, pursuant to paragraph 5(b) and/or paragraph 6 of the Escrow Agreement, Escrowee shall return to Seller Buyer's Purchase Agreement and any conveyancing documents theretofore delivered to Escrowee; and thereupon Buyer and Seller shall no longer be obligated under the Purchase Agreement. Other documents held by Escrowee relating to the sale of the Apartment identified in such Purchase Agreement will be returned to the person from whom, or entity from which, they were received.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Purchase Agreement and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the condominium units are placed in trust, as well as the retention and disbursement of said funds.

MANAGEMENT AND OPERATION: Article III, Section 3, of the By-Laws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property subject at all times to direction by the Board of Directors.

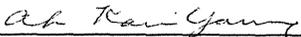
STATUS OF PROJECT: The Developer advises that construction of the project will commence in May, 1979, and will be completed about February, 1980.

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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 January 16, 1979, and information subsequently filed on April 26, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM)  
PUBLIC REPORT is made a part of REGISTRATION NO. 1076 filed  
with the Commission on January 16, 1979.

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

  
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AH KAU YOUNG, Chairmah  
REAL ESTATE COMMISSION  
STATE OF HAWAII

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ESCROW AGENT

REGISTRATION NO. 1076

May 3, 1979