

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 MANOR
Lower Honoapiilani Highway
Kahana, Lahaina, Maui

REGISTRATION NO. 1141

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 : July 24, 1979
Expires: August 24, 1980

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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 ON JUNE 14, 1979, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JULY 19, 1979. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. KAHANA MANOR is a leasehold condominium project consisting of one six-story multi-family residential building containing eighty-six (86) units, of which eighty-five (85) will be residential condominium apartments and one (1) will be a commercial apartment. There will be one hundred twenty-three (123) parking stalls provided in the parking areas.

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 Preliminary Public Report. The Developer is held responsible for placing this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed copy of the receipt therefor from each purchaser and prospective purchaser is also the responsibility of the Developer.
3. The basic documents (Declaration of Horizontal Property Regime of Kahana Manor, Bylaws of Association of Apartment Owners of Kahana Manor and a copy of the floor plans of the project) have not yet been filed in the Bureau of Conveyances of the State of Hawaii.
4. Advertising and promotional matter has been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Rules and Regulations which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, July 24, 1979, 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: KAHANA MANOR

LOCATION: The land, consisting of one (1) parcel containing 2.000 acres, more or less, is situate at Kahana, Lahaina, County of Maui, State of Hawaii.

TAX KEY: 4-3-10-11

ZONING: HM

DEVELOPER: Kahana Manor Company, a Hawaii partnership, whose principal place of business and post office address is Suite 601, 345 Queen Street, Honolulu, Hawaii 96813 (telephone: 524-0255), is the Developer of this project. The partners of the Developer are Hugh Menefee Development Corporation, a Hawaii corporation, whose principal place of business and post office address is 345 Queen Street, Honolulu, Hawaii, and David Hudesman, whose address is 1620 43rd Street, East, Seattle, Washington.

ATTORNEY REPRESENTING DEVELOPER: Ashford & Wriston (Attention: Galen C. K. Leong), Sixth Floor, 235 Queen Street, Honolulu, Hawaii (Telephone: 524-4787).

DESCRIPTION: The Project will consist of one building of six floors and a basement constructed principally of concrete, metal and glass. There will be a total of eighty-six (86) apartments, consisting of eighty-five (85) residential apartments and one (1) commercial apartment. Of the residential apartments, forty-two (42) are one bedroom apartments, forty-two (42) are two bedroom apartments and one (1) is a penthouse apartment. There will be one hundred twenty-three (123) parking stalls. The recreation area will consist of the swimming pool and its immediately adjacent deck area.

The proposed Declaration of Horizontal Property Regime states that there are four types of apartments:

(a) The "One-Bedroom Unit" consists of 4 rooms (a living-dining room, a kitchen, a bedroom and a bathroom) and a lanai, with an approximate gross floor area of 673.3 square feet, including the lanai.

(b) The "Two-Bedroom Unit" consists of 6 rooms (a living-dining room, a kitchen, 2 bedrooms and 2 bathrooms) and a lanai, with an approximate gross floor area of 992.0 square feet.

(c) The "Penthouse Unit" consists of 6 rooms (a living-dining room, a kitchen, 2 bedrooms and 2 bathrooms) and 2 lanais, with an approximate gross floor area of 1,346.6 square feet.

(d) The "Commercial Apartment" consists of 3 separate loft spaces having an approximate gross floor area, in the aggregate, of 8,376.0 square feet.

Except as specifically otherwise provided in the proposed Declaration, each residential apartment shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the unfinished surfaces of the concrete floors and ceilings which surround each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements. Each residential apartment shall be deemed to include its adjacent lanai or lanais, including the lanai railings, all of 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, all windows and window frames, doors and door frames, and glass walls serving the apartment and all fixtures and appliances originally installed in such apartment for its exclusive use.

Except as specifically otherwise provided in the proposed Declaration, the Commercial Apartment shall not be deemed to include

the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the unfinished surfaces of the concrete floors and ceilings surrounding such apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements. The Commercial Apartment shall be deemed to include all of 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, all windows and window frames, doors and door frames and glass walls serving such apartment and all fixtures and appliances originally installed in such apartment for its exclusive use.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime states that the common elements shall include: (a) the land in fee simple; (b) all foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter party and load-bearing walls, corridors, fire escapes, roofs, stairs, walkways and entrances and exits of the building; (c) the yards and grounds, fences, driveways and pavement; (d) central facilities and appurtenant installations for utility and other common services such as power, light, gas and water; (e) all other apparatus and installations existing for common use, including the maintenance storage shed and basement; (f) all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime provides that certain parts of the common elements, called the "limited common elements", are designated and set aside for the use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

(a) The walkways adjacent to the front of the Commercial Apartment shall be limited common elements appurtenant to the Commercial Apartment but such walkways shall be subject to the non-exclusive rights of ingress and egress to and from the residential apartments in favor of all residential apartments in the Project.

(b) Seventeen (17) parking stalls designated on the Condominium Map by the letter "C" shall be limited common elements appurtenant to the Commercial Apartment.

(c) Except for the twenty-one (21) parking stalls designated on the Condominium Map by the letter "G", which shall be stalls for the use of guests, the seventeen (17) parking stalls designated by the letter "C", which are appurtenant to the Commercial Apartment, and the two (2) loading stalls for the use of all owners, eighty-five (85) parking stalls shall be limited common

elements appurtenant to all of the residential apartments and each residential apartment shall have appurtenant thereto a non-exclusive easement for the use of one parking stall on an unassigned basis. The Board of Directors shall have the exclusive control over such parking stalls, including the right to assign particular parking stalls to particular apartments, so long as at least one parking stall is available for the use of each apartment at all times.

NOTE: The Developer advises that if the Future Additional Land Area is not added to the project, the parking stalls for residential apartment owners will be redesigned so that the 85th stall will be created in the area shown on the floor plans as Note 1.

If the Future Additional Land Area is added to the project, 20 additional apartments and 27 additional parking stalls will be added to the project.

(d) The swimming pool and other recreational facilities, if any, shall be appurtenant to and for the exclusive use of the residential apartments.

(e) The partially open corridors shown on the plans on each floor of the building above the ground floor shall be limited common elements appurtenant to the residential apartments located on the same floor as such corridors.

(f) The elevators, trash chute and central hot water system serving the residential apartments shall be limited common elements appurtenant to the residential apartments.

Expenses incurred in connection with a limited common element appurtenant to the Commercial Apartment shall be borne by the Commercial Apartment and expenses incurred in connection with limited common elements appurtenant to the residential apartments shall be borne by each residential apartment according to the percentage assigned to its type, as follows:

One-Bedroom Unit:	.9445%
Two-Bedroom Unit:	1.3915%
Penthouse Unit:	1.8888%

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the Project, called the "common interest", and the same proportionate share in the common profits and expenses of the Project and for all other purposes, including voting, as follows:

One-Bedroom Unit:	.8452%
Two-Bedroom Unit:	1.2452%
Penthouse Unit:	1.6900%
Commercial Apartment:	10.5132%

EASEMENTS: The proposed Declaration of Horizontal Property Regime provides that the apartments and common elements shall have and be subject to the following easements:

(a) Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from and utility services for and support of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided; and in all other apartments of the building for support.

(b) If any part of the common elements encroaches upon any apartment or limited common element or if any apartment or limited common element encroaches upon the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. If any portion of the Project shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

(c) The Association of Apartment Owners of the Project shall have the right, to be exercised by its Board of Directors or Managing Agent, to enter any apartment and limited common element from time to time during reasonable hours as may be necessary for the operation of the Project or for the installation, repair or replacement of any common elements or at any time for making emergency repairs therein required to prevent damage to any apartments or common elements.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the apartments may be occupied and used for any purposes that are permitted from time to time under applicable statutes, ordinances, rules and regulations, governmental determinations and restrictions of the appropriate agencies of the County of Maui and the State of Hawaii.

The owners of the respective apartments shall have the absolute right to rent or lease such apartments for such durations of time as they shall deem appropriate, subject to all provisions of the Declaration.

OWNERSHIP TO TITLE: A Preliminary Report prepared by Title Guaranty of Hawaii, Incorporated, dated June 12, 1979, shows that the fee simple title to the land is vested in Myron A. Resnick, whose address is 6417 Caminito Formby, La Jolla, California 92037.

By an unrecorded Option Agreement dated January 19, 1979, Myron A. Resnick, as Seller, granted to Hugh Menefee Development Corporation, as Buyer, an option to purchase the fee simple interest in the land. By an unrecorded Assignment of Option Agreement dated January 19, 1979, Hugh Menefee Development Corporation assigned all of its right, title and interest in the Option Agreement to the Developer. The Developer intends to assign all rights under the Option Agreement to the Association of Apartment Owners of Kahana Manor. The option may be exercised after June 30, 2010 and before June 30, 2031.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report prepared by Title Guaranty of Hawaii, Incorporated, dated June 12, 1979 shows that the land is subject to the following encumbrances:

1. For any taxes that are due and owing and 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. Mortgage dated July 8, 1976, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11526, at Page 67, from Myron A. Resnick, as Mortgagor, to Quality Pacific, Ltd., as Mortgagee, said Mortgage having been assigned to Bank of Hawaii by instrument dated July 9, 1976, recorded in said Bureau in Liber 11526, at Page 76.
4. Unrecorded Development Lease Agreement dated January 19, 1979, by and between Myron A. Resnick, "Owner", and Hugh Menefee Development Corporation, "Developer", of which a short form Development Lease Agreement is recorded in Liber 13423 at Page 13, commencing on January 19, 1979 and terminating upon the execution and recordation of all of the apartment leases, or upon the execution and recordation of all apartment leases except those apartments which Owner may contract to purchase, whichever first occurs. Said Development Lease Agreement was assigned to Kahana Manor Company, a registered Hawaii partnership, by instrument dated January 19, 1979, recorded in Liber 13756 at Page 701; Consent thereto given by Myron A. Resnick, dated June 4, 1979.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement dated June 8, 1979, by and between Title Guaranty Escrow Services, Inc., as Escrow, and Kahana Manor Company, as Seller, has been submitted to the Commission as part of this registration. On examination, the Escrow Agreement and specimen Sales Contract are found to be in compliance with Chapter 514A, Hawaii Revised Statutes. The provisions of the specimen Sales Contract should

be carefully read by the purchasers. The specimen document filed as a part of the registration recites the conditions under which the purchaser acknowledges receipt of the Public Report.

Among other provisions, the Escrow Agreement provides: A purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans, subsequent to the execution of purchaser's sales contract, requiring approval of a county officer having jurisdiction over the issuance of building permits, unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or unless a purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the purchaser has accepted in writing the apartment or the purchaser has first occupied the apartment; or

(d) The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived or has not been deemed to have waived his right to a refund.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c), (d) or (e) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee to Escrow of not less than \$25.00 per apartment or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder;

provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

The specimen Sales Contract also provides in part that:

(1) The mortgage and other liens which will secure the Developer's construction loan for the development, construction, equipping and sales of the project shall be and remain at all times a superior lien on the project. Any interest of the purchaser under the Sales Contract will be subordinate to such mortgage and other liens.

(2) Under the Sales Contract, the Buyer will obtain, through the Association of Apartment Owners of the project, the option to purchase the fee simple interest in the land submitted to the Horizontal Property Regime, as contained in the Option Agreement described under the topical heading OWNERSHIP TO TITLE.

It is incumbent upon the purchaser that he read with care the specimen Sales Contract and Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the apartments and all sums of any source are placed in trust as well as the retention, disbursement and refund of said trust fund.

RESERVATION TO ADD APARTMENTS: The proposed Declaration reserves to the Developer the right at its sole discretion at any time up to, but not later than December 31, 1982, unless such time as extended by all apartment owners in the Project, to develop, construct and add to the project up to 20 additional apartments, together with such supporting and servicing common elements which the Developer determines in its sole discretion are beneficial to the project. Said additional apartments shall become a part of the project by merger.

In connection with, and only to the extent necessary for the creation of the apartments and common elements, as aforesaid, the Developer shall have the right up to December 31, 1982 to remove, amend or add common elements; to remove, amend or add parking spaces; to enter upon the Project with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing the apartments and common elements according to plans and specifications or amended plans and specifications approved by the officer of the County of Maui having jurisdiction over the issuance of building permits; to connect the apartments and common elements to utilities of the Project, to file amendments to the Declaration for purposes of certifying condominium maps filed as reflecting the improvements shown therein to be "as built"; and to sell the apartments.

RESTRICTIONS ON INSTALLATION OF WATER METER AND ON ISSUANCE OF CERTIFICATE OF OCCUPANCY: The Project is situated in the interim regulation area as defined in Section II of the Department of Water Supply's Special Rule Regulating for an Interim Period of Approval of Subdivision Applications, the Approval of Building Permits and the Approval of Water Meters in the West Maui Areas Which Are Provided Public Water Service from the Kanaha, Waipuka, Alaeloa, and Napili Water Sources and Systems. Installation of a water meter and issuance of a certificate of occupancy for the Project are therefore subject to the following conditions:

(a) Until completion, acceptance by the County of Maui and satisfactory operation of the Napili "C" Pumping Station Project, no water meter of any size other than a temporary construction meter shall be issued for the Project; provided, however, if construction of the Project has been completed after November 30, 1980, but said Napili "C" Pumping Station has not been completed, the County of Maui will issue a suitable meter for the Project but shall limit the occupancy thereof to not more than 80%.

(b) The fee owner of the land described in said Declaration or his successors in interest may petition the Director of Public Works, County of Maui, for a certificate of occupancy for not more than 80% of the total units awaiting occupancy at the Project only after the Director of the Department of Water Supply certifies that said Napili "C" Pumping Station will not be completed, accepted by the County of Maui and satisfactorily operational prior to November 30, 1980.

MANAGEMENT AND OPERATION: An executed Management Agreement has been submitted to the Commission which appoints Menefee Management Corporation, 345 Queen Street, Honolulu, Hawaii, as the managing agent for the project. Purchasers are hereby informed that said managing agent is an affiliate of the Developer.

STATUS OF THE PROJECT: The Developer reports that construction of the project has not commenced but is scheduled to commence on October 1, 1979.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted June 14, 1979, and information subsequently filed as of July 19, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1141 filed with the Commission on June 14, 1979.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock must be yellow in color.

 (for)

AH KAI YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Taxation
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Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

REGISTRATION NO. 1141

July 24, 1979