

**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

HONO KOA  
Lower Honoapiilani Highway, Honokowai,  
Lahaina, Maui, Hawaii

REGISTRATION NO. 1281

**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 7, 1982  
Expires: November 7, 1983

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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 27, 1980 AND INFORMATION SUBSEQUENTLY FILED ON JULY 2, 1982. 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. Since the issuance of the Commission's Preliminary Public Report of April 18, 1980 on HONO KOA, Registration No. 1281, the Developer reports that certain material changes have been made in the project. This Final Report updates and amends the Preliminary Public Report and becomes a part of the HONO KOA condominium registration.

2. The Developer is responsible for placing 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 Disclosure Abstract and securing a signed copy of the receipt therefor.
3. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report.
4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and the Condominium Map) have been filed in the office of the recording officer.

The Declaration of Horizontal Property Regime, dated May 30, 1981, with the By-Laws of the Association of Apartment Owners, was filed with the Bureau of Conveyances of the State of Hawaii in Liber 16137 on Page 1, on February 1, 1982. An amendment thereto was executed on June 18, 1982 and recorded on June 24, 1982 in Liber 16423 on Page 456.

The Registrar of said Bureau of Conveyances has designated Condominium Map Number 837 to the project.

5. Advertising or promotional material has been submitted pursuant to the rules and regulations promulgated by the Commission.
6. Purchasers and prospective purchasers are advised to acquaint themselves with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the condominium rules and regulations which relate to Horizontal Property Regimes.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, October 7, 1982, unless a Supplementary Public Report is issued or the Commission upon review of the registration issues an order extending the effective period of this report.

The information in the Preliminary Public Report issued April 18, 1980, has not been disturbed except for the following:

LOCATION: The approximate area of the property on which the project is situated is 38,213 square feet rather than 40,641 square feet. The parcel is situated on Lower Honoapiilani Highway, Honokowai, Lahaina, Maui, Hawaii.

DEVELOPER: The new developer of the project is Alanmar-Delta Partnership, a Hawaii general partnership, with offices at 733 Middle Street, Suite 203, Honolulu, Hawaii 96819 (Ph. 845-7565). The partners are Delta Corporation, the former Developer, whose new address is 733 Middle Street, Suite 203, Honolulu, Hawaii 96819, and C. Allan Braun, 800 Garden Street, Santa Barbara, California 93101.

DESCRIPTION: Due mainly to changes of areas within the Apartment types, the following paragraphs supersede the original under this topical heading in the Preliminary Report:

"Apartment Nos. 101 through 107, 201 through 207, 301 through 307 and PH-1 through PH-7, inclusive, are located on the first, second, third and fourth floors, respectively, of the building, with the lowest number on each floor (e.g., 101) being located closest to the ocean, the next lowest number (e.g., 102) being located adjacent to it on the mauka side, so that the apartment on each floor with the highest number (e.g., 107) is located farthest from the ocean.

Type A (Apartments 107, 207, 307 and PH-7) consists of two bedrooms, two bathrooms, a kitchen, a dining room, and living room with a floor area of approximately 1066 square feet, a lanai of approximately 99 square feet, and a porch of approximately 92 square feet.

Type B (Apartments 102, 104, 106, 202, 204, 206, 302, 304, 306, PH-2, PH-4 and PH-6) consists of two bedrooms, two bathrooms, a kitchen and a combination dining and living room with a floor area of approximately 1010 square feet and a lanai of approximately 141 square feet.

Type C (Apartments 103, 105, 203, 205, 303, 305, PH-3 and PH-5) consists of two bedrooms, two bathrooms, a kitchen and a combination dining and living room with a floor area of approximately 1044 square feet and a lanai of approximately 149 square feet.

Type D (Apartments 101, 201, 301 and PH-1) consists of two bedrooms, two bathrooms, a kitchen and a combination dining and living room with a floor area of approximately 1095 square feet, a lanai of approximately 216 square feet, and a porch of approximately 108 square feet.

NOTE: IN CALCULATING THE APPROXIMATE GROSS FLOOR AREA OF EACH APARTMENT AS SET FORTH ABOVE, THE AREAS OF THE WALLS AND PARTITIONS WITHIN ITS PERIMETER WALLS, THE ENTIRETY OF ITS PERIMETER NON-PARTY WALLS AND THE INTERIOR HALF OF ITS PERIMETER PARTY WALLS, WHETHER LOAD-BEARING OR NON-LOAD BEARING, ARE TAKEN INTO ACCOUNT, ALL IN ACCORDANCE WITH LOCAL PRACTICE, BUT ACTUAL OWNERSHIP SHALL BE DETERMINED AS HEREINBELOW SET FORTH."

COMMON ELEMENTS: The following paragraphs are amended as shown:

3. All yards, grounds, landscaping and refuse areas;
4. All driveway and parking areas and parking stalls for 35 cars (28 regular and 7 compact car stalls);
9. Any and all other apparatus and installations of common use and all other parts of the land described, necessary or convenient to its existence, maintenance and safety, or normally in common use.

COMMON INTEREST TO BE CONVEYED TO PURCHASER: The undivided interest in all common elements of the project appurtenant to each apartment is revised as follows:

<u>Units</u>	<u>Unit Type</u>	<u>% Each</u>	<u>Total</u>
107, 207, 307, PH-7	A	3.691	14.764
102, 104, 106, 202, 204, 206, 302, 304, 306, PH-2, PH-4, PH-6	B	3.379	40.548
103, 105, 203, 205, 303, 305, PH-3, PH-5	C	3.503	28.024
101, 201, 301, PH-1	D	4.166	<u>16.664</u>
			100.000

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The following supersedes in entirety the information under this topical heading in the Preliminary Report:

"The Declaration provides that, except when a mortgagee has entered into possession of an apartment following (i) a default under a first mortgage, (ii) a foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the apartments shall be occupied and used only as residences by the respective owners thereof, their tenants, families, domestic servants and personal guests or for such purposes as are permitted by law and approved by the Board of Directors of the Association. Neither the apartment nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan arrangement or program, including, without limitation, any so-called "vacation license", "travel club membership" or "time interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project, rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Other than the foregoing obligations, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all the provisions of this Declaration and the By-Laws attached hereto; provided, however, that no apartment owner may lease less than the entire apartment."

The House Rules provide that pets will not be allowed on the premises except upon the approval of the Board of Directors.

OWNERSHIP OF TITLE: A Preliminary Title Report dated June 7, 1982, issued by Title Guaranty of Hawaii, Inc., indicates that George Apo and Winnifred Iwalani Shim, Trustees under that certain unrecorded Revocable Trust Agreement executed by George Apo and Ethylene K. Apo, husband and wife, dated April 14, 1972, are the fee simple owners of the property to be committed to the regime. By Development Lease dated May 22, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15574 on Page 1, said land was leased to the Developer.

ENCUMBRANCES AGAINST TITLE: Said preliminary title report of June 7, 1982 reflects the following encumbrances against title to the property:

1. Any and all real property taxes now due and payable. For further information, check with 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 laws of the State of Hawaii, and shoreline setback line in accordance with County regulation and/or ordinance.
4. Section IVg Agreement for West Maui Areas dated June 1, 1979, recorded in Liber 13785 on Page 342, by and between the County of Maui, Department of Water Supply, and Delta Corporation.
5. Terms, agreements, reservations, covenants, conditions and provisions contained in Development Lease dated May 22, 1981, by and between George Apo and Winnifred Iwalani Shim, Trustees under that certain unrecorded Trust Agreement dated April 14, 1972, as Lessor, and Alanmar-Delta Partnership, a Hawaii general partnership, as Lessee, recorded in Liber 15574 on Page 1, and Lessor's Estoppel Certificate dated May 22, 1981, recorded in Liber 15574 on Page 121, by George Apo and Winnifred Iwalani Shim, Trustees under that certain unrecorded Revocable Trust Agreement executed by George Apo and Ethylene K. Apo, dated April 14, 1972.
6. Mortgage and Financing Statement dated May 22, 1981, by and between Alanmar-Delta Partnership, a Hawaii general partnership, as Mortgagor, and Honolulu Federal Savings and Loan Association, a Federal savings and loan association, as Mortgagee, recorded in Liber 15574 on Page 77, in the amount of \$4,300,000.00.
7. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated May 30, 1981, recorded in Liber 16137 on Page 1, and the By-Laws attached thereto, as the same are or may hereafter be amended in accordance with law, said Declaration or said By-Laws. (Project covered by Condominium Map No. 837 recorded in said Bureau of Conveyances.)

The Developer has provided the Commission with a copy of the amended Declaration dated June 18, 1982 (See page 2 of this Report) and has represented that since the date of said title report, there have been no further encumbrances.

PURCHASE MONEY HANDLING: The following paragraphs supersede that portion of the information contained under this topical heading in the Preliminary Report:

"A specimen Sales Contract and the Escrow Agreement have been submitted as part of the registration. The Escrow Agreement dated April 24, 1981 identifies Title Guaranty Escrow Services, Inc., as the escrow agent. Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with

Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections 514A-37, 514A-39 and 514A-63 through 514A-66. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the estimated monthly common expenses and the sharing of closing costs.

Among other conditions, the Escrow Agreement provides for the payment of all monies under the specimen Sales Contract to the Escrow and that Escrow shall not disburse any funds to the Developer prior to the completion of the building unless and until a Final Public Report has been issued to the Purchaser.

The Escrow Agreement also provides, in part, that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, without interest, promptly after purchaser has requested such return if Escrow shall have received from Developer a written notice that any one of the following has occurred:

- (a) Developer shall have requested Escrow to return to purchaser the funds of purchaser then being 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 stated therein or otherwise available to Developer which is not based on any default by Buyer; 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 requiring approval of a county officer having jurisdiction over the issuance of building permits except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or to which said purchaser has otherwise consented in writing; 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.

In any of the foregoing events, Escrow shall, upon receipt of a written request for a refund from purchaser, pay said funds to said purchaser 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 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, shall be paid by the

Developer if the cancellation is pursuant to paragraphs 5(a) or 5(b), and by the purchaser if the cancellations are pursuant to paragraphs 5(c), 5(d) and 5(e) above.

The specimen Sales Contract states that certain of its terms are subject to the terms of the Escrow Agreement. The Sales Contract also provides, in part, that the Purchaser agrees that all rights and interest of the Purchaser are and shall be subject and subordinate to the lien of any mortgage made to finance the cost of construction of the project by Developer. The Amendment to the Deposit Receipt and Sales Contract omits from the Sales Contract the Seller's option to cancel the Sales Contract where the Seller (a) has not sold the right to lease twenty (20) apartments prior to September 25, 1980, or (b) is unable to obtain a building permit from the appropriate county authorities prior to September 25, 1980, or (c) is unable to obtain interim financing for the construction of improvements and/or permanent financing for the Buyer prior to September 25, 1980. Also, the Amendment provides in part that all interest accruing on Buyer's deposits in Escrow shall belong to Buyer, but if Buyer defaults on the Sales Contract, as amended, after the Sales Contract becomes binding upon the parties, then Buyer's deposits including the accrued interest thereon shall be paid to Seller as liquidated damages, less the \$25.00 cancellation fee charged by Escrow."

NOTE: Developer also advises that because the Final Public Report for the Project was not issued within one year from the date of issuance of the Preliminary Public Report, each Purchaser has the right to rescind the Sales Contract pursuant to Section 514A-66, Hawaii Revised Statutes, as amended. If the Purchaser fails to exercise such right within thirty days after his receipt of the Final Public Report, he will be deemed to have waived his right to rescind.

MANAGEMENT OF THE PROJECT: Ronald A. Kawahara and Company, CPA's Inc., whose address is 204 Lahaina Shopping Center Office Building, Lahaina, Maui, Hawaii 96761, has been selected to serve as managing agent upon the completion of the project, under the terms of the agreement dated May 28, 1982, executed by Alanmar-Delta Partnership, for the Association of Apartment Owners, and Ronald A. Kawahara and Company CPA's Inc., a copy of which agreement has been filed with the Commission.

FINANCING OF THE PROJECT: The Developer's attorney has advised the Commission that the Developer has obtained a Construction Mortgage from Honolulu Federal Savings and Loan Association ("Interim Lender").

NOTE: Each Purchaser and prospective Purchaser understands that the Interim Lender has a lien and security interest under various security instruments securing the Loan (the "Mortgage Loan"). The Mortgage Loan obtained by the Developer is mentioned in Item 6 under Encumbrances Against Title, above; however, the Developer may increase the amount of the Mortgage Loan provided that said Mortgage Loan (a) shall not exceed the aggregate principal sum of \$8,000,000.00, (b) shall not have an interest rate of more than four percentage points over the prime rate or base rate of Bank of Hawaii, fluctuating with prime; provided that the interest rate

shall in no event be less than 11% per annum; and provided further that upon default by the Developer under the Mortgage Loan, the interest rate may be increased to four percentage points over the interest rate otherwise in effect during the existence of such default, and (c) shall not be for a term greater than twenty-four (24) months.

EACH PURCHASER AND PROSPECTIVE PURCHASER UNDERSTANDS AND AGREES THAT THE MORTGAGE LOAN AND ANY RENEWALS OR EXTENSIONS THEREOF SHALL BE AND REMAIN AT ALL TIMES A LIEN OR CHARGE ON THE PROJECT PRIOR AND SUPERIOR TO ANY AND ALL LIENS OR CHARGES ON THE PROJECT ARISING FROM SUCH PURCHASER'S OR PROSPECTIVE PURCHASER'S SALES CONTRACT OR ANY PRIOR RESERVATION AGREEMENT. EACH PURCHASER AND PROSPECTIVE PURCHASER INTENTIONALLY WAIVES, RELINQUISHES AND SUBORDINATES THE PRIORITY OR SUPERIORITY OF ANY INTEREST UNDER SUCH SALES CONTRACT IN FAVOR OF THE LIENS, SECURITY INTERESTS AND CHARGES OF THE MORTGAGE LOAN UPON THE PROJECT.

STATUS OF THE PROJECT: The Developer's attorney has advised the Commission that construction of the project commenced on or about May 27, 1981. The estimated date of completion is September 30, 1982, as set forth by the Developer in its verified Statement of Costs dated May 10, 1982.

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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 27, 1980, and information subsequently filed on July 2, 1982.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1281 filed with the Commission March 27, 1980.

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 in color.

  
G. A. "RED" MORRIS, Chairman  
Real Estate Commission  
State of Hawaii

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FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

REGISTRATION NO. 1281

October 7, 1982