

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

KIHEI BEACH AND TENNIS CLUB/PHASE I
Kihei, Maui, Hawaii

REGISTRATION NO. 652

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: February 22, 1974
Expires: March 22, 1975

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 18, 1974, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 11, 1974. 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. KIHEI BEACH AND TENNIS CLUB is a fee simple condominium project consisting of two hundred fifteen (215) apartments arranged throughout two (2) separate apartment buildings shown upon the Condominium Map as Building "A" and Building "B". Apartment Building "A" will when complete consist of a northwest-southeast wing of four (4) stories, including the ground floor, an east-west wing of five (5) stories, including the ground floor, and one hundred and five (105)

apartments. Apartment Building "B" will when complete consist of a northeast-southwest wing of four (4) stories, including the ground floor, an east-west wing of five (5) stories, including the ground floor, and one hundred and ten (110) apartments.

2. The Developer of the project advises that the project has been divided into three (3) phases. This report covers only Phase I of the entire condominium project. Phase I includes the construction and sale of sixty (60) apartments located in Building "A" (the sixty (60) apartments to be sold in Phase I are shown on attached Exhibit A), and certain common elements shown on the proposed Condominium Map. There will be one hundred seventeen (117) parking stalls in Phase I.

NOTE: IT IS OF EXTREME IMPORTANCE THAT PURCHASERS AND PROSPECTIVE PURCHASERS READ THE CONTRACT OF SALE WITH CARE TO DETERMINE THE DEVELOPER'S OBLIGATIONS IN CONSTRUCTING PHASES II AND III. SEE ALSO THE TOPICAL HEADING "CONTRACT OF SALE" HEREIN.

3. 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.
4. The basic documents (Declaration Of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.
5. No advertising or promotional matter has been submitted pursuant to rules and regulations promulgated by the Commission.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Hawaii Revised Statutes, Chapter 514, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, February 22, 1974, unless a Supplementary Public Report issues or the Commission, upon review of registration, issues an order extending the effective period of this report.
8. This Preliminary Public Report is made a part of the registration of Phase I of the Kihei Beach and Tennis Club 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: KIHEI BEACH AND TENNIS CLUB

LOCATION: The approximate 247,835 square feet of land to be committed to the regime is situated at Kihei, Maui, Hawaii.

TAX KEY: SECOND DIVISION 3-9-01-2 & 71

ZONING: A-2

DEVELOPER: MAUI MAALAEA BAY LAND, a Minnesota limited partnership, whose general partner is LEISURE INDUSTRIES, INC., a Minnesota corporation, whose place of business and post office address is 4824 IDS Center, Minneapolis, Minnesota 55402 (Telephone: (612) 3416280), and whose officers are:

George L. Mikan, President

John D. Newell, Executive Vice-President, Secretary
and Treasurer

The address of Maui Maalaea Bay Land and Leisure Industries, Inc. in the State of Hawaii is 38 S. Market Street, Wailuku, Hawaii 96793. Telephone 244-3796.

ATTORNEY REPRESENTING DEVELOPER: Crockett & Crockett (Attention: Mr. William F. Crockett), 38 South Market Street, Wailuku, Maui, Hawaii. Telephone: 244-3796.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects that the project is to consist of two hundred fifteen (215) apartments arranged throughout two (2) separate buildings, situate upon the 247,835 square feet of land to be submitted to the said horizontal property regime.

The principal materials of which each apartment building shall be constructed are as follows: the foundation shall be of reinforced concrete; the ground floor slab shall be poured in place reinforced concrete on grade; each floor slab above the ground floor slab shall be constructed of post-tension concrete; the structural frame, the perimeter walls between apartments, and all bearing walls, shall be of eight (8) inch reinforced concrete blocks; the walls within each apartment (except the bearing walls located within each A-Three Bedroom Apartment, which shall be constructed of eight (8) inch reinforced concrete blocks) shall be of steel studs covered with gypsum board; the roof shall be constructed of post-tension concrete, built up with asphalt and gravel; the interior concrete floors of the apartments shall be covered with carpet or sheet vinyl; the stairs between the floors of each apartment building shall be of reinforced concrete.

Apartments A-101 through A-122 are located on the ground floor of Apartment Building "A", and are numbered, in ascending order, from east to west (in the east-west wing), and from southeast to northwest (in the northwest-southeast wing). Apartments A-201 through A-222 are located on the second floor of Apartment Building "A", and are numbered, in ascending order, from east to west (in the east-west wing), and from southeast to northwest (in the northwest-southeast wing). Apartments A-301 through A-322 are located on the third floor of Apartment Building "A", and are numbered, in ascending order, from east to west (in the east-west wing), and from southeast to northwest (in the northwest-southeast wing). Apartments A-401 through A-422 are located on the fourth floor of Apartment Building "A",

and are numbered, in ascending order, from east to west (in the east-west wing), and from southeast to northwest (in the northwest-southeast wing). Apartments A-501 through A-517 are located on the fifth floor of Apartment Building "A", and are numbered, in ascending order, from east to west.

Apartments B-101 through B-123 are located on the ground floor of Apartment Building "B", and are numbered, in ascending order, from east to west (in the east-west wing), and from northeast to southwest (in the northeast-southwest wing). Apartments B-201 through B-223 are located on the second floor of Apartment Building "B", and are numbered, in ascending order, from east to west (in the east-west wing), and from northeast to southwest (in the northeast-southwest wing). Apartments B-301 through B-323 are located on the third floor of Apartment Building "B", and are numbered, in ascending order, from east to west (in the east-west wing), and from northeast to southwest (in the northeast-southwest wing). Apartments B-401 through B-423 are located on the fourth floor of Apartment Building "B", and are numbered, in ascending order, from east to west (in the east-west wing), and from northeast to southwest (in the northeast-southwest wing). Apartments B-501 through B-518 are located on the fifth floor of Apartment Building "B", and are numbered, in ascending order, from east to west.

The apartments are of six types: A-Three Bedroom Apartments; B-Two Bedroom Apartments; B-1-Two Bedroom Apartments; C-Two Bedroom Apartments; D-One Bedroom Apartments; E-Two Bedroom Apartments.

The following eight (8) apartments are A-Three Bedroom Apartments: A-122, A-222, A-322, A-422, B-123, B-223, B-323, B-423.

Each A-Three Bedroom Apartment shall consist of three bedrooms, three baths, kitchen, living-dining room, and two lanais, and each such apartment shall have an approximate enclosed floor space of 1365 square feet, lanais of approximately 267 square feet, and an approximate total floor area of 1632 square feet. (The bearing walls constructed of reinforced concrete blocks located within each A-Three Bedroom Apartment are common elements.)

The following twenty-four (24) apartments are B-Two Bedroom Apartments: A-119, A-120, A-121, A-219, A-220, A-221, A-319, A-320, A-321, A-419, A-420, A-421, B-120, B-121, B-122, B-220, B-221, B-222, B-320, B-321, B-322, B-420, B-421 and B-422.

Each B-Two Bedroom Apartment shall consist of two bedrooms, two baths, kitchen, living-dining room, and a lanai, and each such apartment shall have an approximate enclosed floor space of 916 square feet, a lanai of approximately 185 square feet, and an approximate total floor area of 1101 square feet.

The following eight (8) apartments are B-1-Two Bedroom Apartments: A-118, A-218, A-318, A-418, B-119, B-219, B-319 and B-419.

Each B-1-Two Bedroom Apartment shall consist of two bedrooms, two baths, kitchen, living-dining room, and a lanai, and each such apartment shall have an approximate enclosed floor space of 905 square feet, a lanai of approximately 163 square feet, and an approximate total floor area of 1068 square feet.

The following thirty-one (31) apartments are C-Two Bedroom Apartments:
A-208, A-217, A-308, A-317, A-408, A-417, A-508, A-517, B-115,
B-116, B-117, B-208, B-215, B-216, B-217, B-218, B-308, B-315,
B-316, B-317, B-318, B-408, B-415, B-416, B-417, B-418, B-508,
B-515, B-516, B-517 and B-518.

Each C-Two Bedroom Apartment shall consist of two bedrooms, two baths, kitchen, hall, living-dining room, and lanai, and each such apartment shall have an approximate enclosed floor space of 927 square feet, a lanai of approximately 113 square feet, and an approximate total floor area of 1040 square feet.

The following one hundred and thirty-four (134) apartments are D-One Bedroom Apartments: A-102, A-103, A-104, A-105, A-106, A-107, A-108, A-109, A-110, A-111, A-112, A-113, A-114, A-115, A-116, A-117, A-202, A-203, A-204, A-205, A-206, A-207, A-209, A-210, A-211, A-212, A-213, A-214, A-215, A-216, A-302, A-303, A-304, A-305, A-306, A-307, A-309, A-310, A-311, A-312, A-313, A-314, A-315, A-316, A-402, A-403, A-404, A-405, A-406, A-407, A-409, A-410, A-411, A-412, A-413, A-414, A-415, A-416, A-502, A-503, A-504, A-505, A-506, A-507, A-509, A-510, A-511, A-512, A-513, A-514, A-515, A-516, B-102, B-103, B-104, B-105, B-106, B-107, B-108, B-109, B-110, B-111, B-112, B-113, B-114, B-118, B-202, B-203, B-204, B-205, B-206, B-207, B-209, B-210, B-211, B-212, B-213, B-214, B-302, B-303, B-304, B-305, B-306, B-307, B-309, B-310, B-311, B-312, B-313, B-314, B-402, B-403, B-404, B-405, B-406, B-407, B-409, B-410, B-411, B-412, B-413, B-414, B-502, B-503, B-504, B-505, B-506, B-507, B-509, B-510, B-511, B-512, B-513 and B-514.

Each D-One Bedroom Apartment shall consist of one bedroom, two baths, kitchen, hall, living-dining room, and a lanai, and each such apartment shall have an approximate enclosed floor space of 681 square feet, a lanai of approximately 112 square feet, and an approximate total floor area of 793 square feet.

The following ten (10) apartments are E-Two Bedroom Apartments:
A-101, A-201, A-301, A-401, A-501, B-101, B-201, B-301, B-401 and B-501.

Each E-Two Bedroom Apartment shall consist of two bedrooms, two baths, kitchen, hall, living-dining room, and two lanais, and each such apartment shall have an approximate enclosed floor space of 980 square feet, lanais of approximately 209 square feet, and an approximate total floor area of 1189 square feet.

Each apartment located on the ground floor of an apartment building shall have immediate access to the land. Each other apartment shall have immediate access to the open corridor immediately adjacent to and connecting the apartments of each floor above the ground floor of an apartment building, and the stairs and elevators between the floors.

Each apartment shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and the space measured by the lanai or lanais of each apartment, and measured vertically by the distance between the topside surface of the concrete floor and the underside surface of the concrete ceiling of each apartment.

In addition to the rights and easements created and established by Haw. Rev. Stat. Chapter 514 in and with respect to the common elements of the horizontal property regime hereby established, each apartment shall have appurtenant thereto, under and by virtue of the Declaration of Horizontal Property Regime, a non-exclusive easement in the common elements designed for such purpose for ingress and

egress, utility services, support, maintenance and repair, as the case may be; and the association shall have the irrevocable right, under and by virtue of the Declaration of Horizontal Property Regime, and in addition to the rights created and given to the apartment owners by Haw. Rev. Stat. Section 514-6(f), to be exercised by its Board of Directors, Manager or Managing Agent, as the case may be, to enter each apartment from time to time during reasonable hours as may be necessary for the repair, replacement, restoration or installation of any common element.

COMMON ELEMENTS: The proposed Declaration reflects that the common elements include:

(a) The land heretofore described, and the super-adjacent airspace above the roof, and next to the exterior walls, of the apartment buildings.

(b) All foundations, columns, girders, beams and supports, bearing walls, roof, structural frame (except that the windows, and window frames, doors and door frames, and the wall air conditioning unit, for each apartment, located within the structural frame of the apartment building, shall be a part of the apartment, and not a common element) perimeter walls between apartments, floors and ceilings, the open corridors on each floor above the ground floor, the stairs, elevators, and elevator shafts, of the apartment buildings.

(c) The swimming pool, and filtration plant, and the surrounding deck area; the lobby, office, elevator machine room, compactor room, breezeway corridor, all located on the ground floor of each apartment building; the storage rooms, located next to the elevators and stairs, on each floor of the apartment buildings; the trash chute in each apartment building; the sewage treatment plant, and the twelve (12) parking stalls shown and marked on the Condominium Map as "Guest Parking".

(d) All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, refrigeration, television, sewage disposal, and other utilities (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located within common elements or within apartments), and all tanks, pumps, motors, fans, compressors, ducts and other apparatus and installations existing for common use.

(e) All tangible personal property, accounts, general intangibles, instruments and money, and any apartment acquired and held by the Association or the Board of Directors of the horizontal property regime, or their agents, for the administration, maintenance, safety and operation of the common elements of the regime, or for the common use and benefit of the apartment owners.

(f) All other apparatus and installations existing for, or rationally of common use to, or necessary or convenient to the existence, maintenance or safety of all the apartments of the horizontal property regime.

LIMITED COMMON ELEMENTS:

(a) There shall be appurtenant to each apartment, as a limited common element, appertaining to and reserved for the exclusive use of each apartment, a parking stall located in the parking area

as shown and marked on the Condominium Map by the letter and number corresponding to the apartment to which it appertains.

(b) There shall be appurtenant to each of the following pairs of apartments, as a limited common element, appertaining to and reserved for the joint and exclusive use of each such paired apartments, the entry between the paired apartments, from the adjacent exterior open corridor, as shown and marked on the Condominium Map, with the following approximate rectangular dimensions 4.66 feet by 21.91 feet:

A-121/A-120
A-119/A-118
A-221/A-220
A-219/A-218
A-321/A-320
A-319/A-318
A-421/A-420
A-419/A-418
B-119/B-120
B-121/B-122
B-219/B-220
B-221/B-222
B-319/B-320
B-321/B-322
B-419/B-420
B-421/B-422

(c) Any pump, motor, fan, compressor or duct, or any installation for power, light, telephone, gas, hot and cold water, heating, refrigeration, television, sewage disposal, air conditioning, or other utilities, (including all pipes, ducts, wires, cables and conduits used in connection therewith), located in a common element, designed to serve one apartment, (that is, not designed or existing for common use), shall be appurtenant to such apartment, and the same shall be reserved for the exclusive use and benefit of such apartment, and all costs and expenses of every description pertaining thereto including but not limited to the cost of the maintenance, repair and replacement thereof, and the making of any additions and improvements thereto, shall be charged to the owner of such apartment.

INTEREST TO BE CONVEYED TO PURCHASER: The proposed Declaration reflects that the percentage of undivided interest in the common elements appertaining to the apartments is as follows:

Apartment No.	A-101	.59428304
	A-201	.59428304
	A-301	.59428304
	A-401	.59428304
	A-501	.59428304
	A-102	.39638684
	A-202	.39638684
	A-302	.39638684
	A-402	.39638684
	A-502	.39638684
	A-103	.39638684
	A-203	.39638684
	A-303	.39638684
	A-403	.39638684
	A-503	.39638684
	A-104	.39638684
	A-204	.39638684
	A-304	.39638684
	A-404	.39638684
	A-504	.39638684
	A-105	.39638684
	A-205	.39638684
	A-305	.39638684
	A-405	.39638684
	A-505	.39638684
	A-106	.39638684
	A-206	.39638684
	A-306	.39638684
	A-406	.39638684
	A-506	.39638684
	A-107	.39638684
	A-207	.51977640
	A-307	.51977640
	A-407	.51977640
	A-507	.51977640
	A-108	.39638684
	A-208	.39638684
	A-308	.39638684
	A-408	.39638684
	A-508	.39638684
	A-109	.39638684
	A-209	.39638684
	A-309	.39638684
	A-409	.39638684
	A-509	.39638684
	A-110	.39638684
	A-210	.39638684
	A-310	.39638684
	A-410	.39638684
	A-510	.39638684

Apartment No.	A-111	.39638684
	A-211	.39638684
	A-311	.39638684
	A-411	.39638684
	A-511	.39638684
	A-112	.39638684
	A-212	.39638684
	A-312	.39638684
	A-412	.39638684
	A-512	.39638684
	A-113	.39638684
	A-213	.39638684
	A-313	.39638684
	A-413	.39638684
	A-513	.39638684
	A-114	.39638684
	A-214	.39638684
	A-314	.39638684
	A-414	.39638684
	A-514	.39638684
	A-115	.39638684
	A-215	.39638684
	A-315	.39638684
	A-415	.39638684
	A-515	.39638684
	A-116	.39638684
	A-216	.39638684
	A-316	.39638684
	A-416	.39638684
	A-516	.39638684
	A-117	.39638684
	A-217	.51977640
	A-317	.51977640
	A-417	.51977640
	A-517	.51977640
	A-118	.55905861
	A-218	.55905861
	A-318	.55905861
	A-418	.55905861
	A-119	.57619087
	A-219	.57619087
	A-319	.57619087
	A-419	.57619087
	A-120	.57619087
	A-220	.57619087
	A-320	.57619087
	A-420	.57619087
	A-121	.57619087
	A-221	.57619087
	A-321	.57619087
	A-421	.57619087

Apartment No.	A-122	.81590186
	A-222	.81590186
	A-322	.81590186
	A-422	.81590186
	B-101	.59428304
	B-201	.59428304
	B-301	.59428304
	B-401	.59428304
	B-501	.59428304
	B-102	.39638684
	B-202	.39638684
	B-302	.39638684
	B-402	.39638684
	B-502	.39638684
	B-103	.39638684
	B-203	.39638684
	B-303	.39638684
	B-403	.39638684
	B-503	.39638684
	B-104	.39638684
	B-204	.39638684
	B-304	.39638684
	B-404	.39638684
	B-504	.39638684
	B-105	.39638684
	B-205	.39638684
	B-305	.39638684
	B-405	.39638684
	B-505	.39638684
	B-106	.39638684
	B-206	.39638684
	B-306	.39638684
	B-406	.39683684
	B-506	.39638684
	B-107	.39638684
	B-207	.39638684
	B-307	.39638684
	B-407	.39638684
	B-507	.39638684
	B-108	.39638684
	B-208	.51977640
	B-308	.51977640
	B-408	.51977640
	B-508	.51977640
	B-109	.39638684
	B-209	.39638684
	B-309	.39638684
	B-409	.39638684
	B-509	.39638684

Apartment No.	B-110	.39638684
	B-210	.39638684
	B-310	.39638684
	B-410	.39638684
	B-510	.39638684
	B-111	.39638684
	B-211	.39638684
	B-311	.39638684
	B-411	.39638684
	B-511	.39638684
	R-112	.39638684
	B-212	.39638684
	B-312	.39638684
	B-412	.39638684
	B-512	.39638684
	B-113	.39638684
	B-213	.39638684
	B-313	.39638684
	B-413	.39638684
	B-513	.39638684
	B-114	.39638684
	B-214	.39638684
	B-314	.39638684
	B-414	.39638684
	B-514	.39638684
	B-115	.51977640
	B-215	.51977640
	B-315	.51977640
	B-415	.51977640
	B-515	.51977640
	B-116	.51977640
	B-216	.51977640
	B-316	.51977640
	B-416	.51977640
	B-516	.51977640
	B-117	.51977640
	B-217	.51977640
	B-317	.51977640
	B-417	.51977640
	B-517	.51977640
	B-118	.39638684
	B-218	.51977640
	B-318	.51977640
	B-418	.51977640
	B-518	.51977640
	B-119	.55905861
	B-219	.55905861
	B-319	.55905861
	B-419	.55905861
	B-120	.57619087
	B-220	.57619087
	B-320	.57619087
	B-420	.57619087

Apartment No. B-121	.57619087
B-221	.57619087
B-321	.57619087
B-421	.57619087
B-122	.57619087
B-222	.57619087
B-322	.57619087
B-422	.57619087
B-123	.81590186
B-223	.81590186
B-323	.81590186
B-423	.81590186

The undivided interests established and to be conveyed with the respective "apartments" cannot be changed, and the Developer covenants and agrees that the undivided interests in the "common elements" and the fee simple titles to the respective "apartments" to be conveyed, shall not be separated or separately conveyed, and each said undivided interest shall be deemed to be conveyed or encumbered with its respective "apartment" even though the description in the instrument of conveyance or encumbrance may refer only to the fee simple title to the "apartment". The proportionate shares of the separate owners of the respective "apartments" in the profits and common expenses in the "common areas and facilities" as well as their proportionate representation for voting purposes in the Association of Apartment Owners shall be the undivided interest shown above.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments are intended to be used as residential apartments, but such apartments may be leased or rented from time to time to transients.

OWNERSHIP OF TITLE: A Preliminary Report dated February 12, 1974, prepared by Security Title Corporation, certifies that title to the land is vested in Ludy Augustine Perreira (as to that portion of the land formerly known as Lot 6-A-1-A); Arthur B. Fernandez and Vivian Fernandez (as to that portion of the land formerly known as Lots 6-A-2-A and 6-A-1-B); and Leisure Industries, Inc., a Minnesota corporation, general partner of Maui Maalaea Bay Land, a Minnesota limited partnership (as to that portion of the land formerly known as Lot 6-A-2-B).

ENCUMBRANCES AGAINST TITLE: The Preliminary Report, prepared February 12, 1974, by Security Title Corporation, certifies that there are no liens or encumbrances of whatever kind or nature of record against said title, save and except the following:

1. 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 Second Division.
2. Agreement of Sale (as to that portion of the land formerly known as Lot 6-A-1-A) dated May 7, 1971, recorded in Liber 7533, Page 198, between Ludy Augustine Perreira, Seller, and Mid-Pacific Management, Inc., Purchaser. The Purchaser's interest under said Agreement of Sale was assigned to and is now held by Leisure Industries, Inc., a Minnesota corporation, general partner of Maui Maalaea Bay Land, a Minnesota limited partnership, by instrument dated September 25, 1972, recorded in Liber 8681, Page 466.

3. Mortgage dated May 31, 1973, recorded in Liber 9213, Page 57, by Leisure Industries, Inc., a Minnesota corporation, general partner of Maui Maalaea Bay Land, a Minnesota limited partnership, to Kraus-Anderson Of St. Paul Co. affecting Purchaser's interest under said Agreement of Sale.
4. Mortgage dated December 12, 1969, recorded in Liber 6825, Page 102, by Arthur B. Fernandez and Vivian Fernandez to Maui Savings & Loan Association.
5. Agreement of Sale (as to that portion of the land formerly known as Lots 6-A-2-A and 6-A-2-B) dated December 14, 1973, recorded in Liber 9649, Page 285, between Arthur B. Fernandez and Vivian Fernandez, Sellers, and Maui Maalaea Bay Land, Purchaser.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated January 3, 1974, identifies Security Title Corporation, a Hawaii corporation, as the Escrow Agent. The Escrow Agreement establishes how the proceeds from the sale of apartments and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds. It is incumbent upon the purchaser and prospective purchaser that he read the executed Escrow Agreement with care. The terms of the Escrow Agreement are made a part of the Contract of Sale by reference.

On examination the specimen Contract of Sale and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514, and particularly Hawaii Revised Statutes, Section 514-35 and Section 514-36 through Section 514-40.

Among other provisions the executed Escrow Agreement states that a purchaser under a contract of sale shall be entitled to a refund of all money deposited with Escrow, and Escrow shall return such funds to such purchaser, without interest, and less a cancellation fee of \$15 to be kept by Escrow, if a purchaser shall file with Escrow a written request for the refund of such funds, and if any of the following events shall have occurred:

- (i) If funds were obtained from an apartment purchaser prior to the issuance of a final public report upon the project by the Hawaii Real Estate Commission, and there is a change in the plans for the said building requiring the approval of the official of the County of Maui having jurisdiction over the issuance of permits for the construction of buildings, unless Developer obtains the written approval or acceptance of such specific change in building plans by such apartment purchaser.
- (ii) The Final Public Report upon the project differs from the Preliminary Public Report upon the project issued by the Real Estate Commission of the State of Hawaii in any material respect.
- (iii) Such Final Public Report is not issued within one (1) year from the date of issuance of such Preliminary Public Report.
- (iv) Upon the occurrence of any other event which, under Haw. Rev. Stat., Chapter 514, gives an apartment purchaser under a contract of sale the right to a refund of his purchase money deposited in escrow.

In addition, the Escrow Agreement provides that, in the event of the rescission of any contract of sale, including without limitation a rescission of a Contract of Sale by the Developer for the failure of an apartment purchaser to furnish evidence of its ability to

provide funds for the purchase of such apartment, Escrow shall have the right to retain a reasonable cancellation fee for its services from the purchase price deposited by such apartment purchaser.

CONTRACT OF SALE: The Developer has filed with the Commission a specimen Contract of Sale. It is incumbent upon the purchaser and prospective purchaser that he read with care the Contract of Sale, which provides among its other provisions the following provisions of which Purchaser should take note:

1. Purchasers of apartments in Phase I of the Project will become obligated for the common expenses of the Association as of the date of closing of their respective Contracts of Sale. Thereafter each such purchaser will be obligated to pay his proportionate share of the common expenses determined in accordance with the common interest appurtenant to his apartment. Voting will be in accordance with such common interest and the Developer will be entitled to vote the common interests appurtenant to apartments in Phase II and III until deeds have been issued for such apartments.

2. The Contract also contains the following provision with respect to the future increments of the Project: "Vendor shall not be obliged to construct any of the apartments or common elements of the horizontal property regime not included in Phase I Project and Phase I Improvements. Purchaser understands that the apartments and common elements shown on the Condominium Map as a part of Phase II and Phase III ('FUTURE CONSTRUCTION') may not be constructed, or, if Vendor undertakes the construction of Future Construction, Vendor shall not be under any obligation to complete the same. Vendor shall be liable for, and shall promptly pay, any common expense, special assessment or real property tax or assessment attributable to any apartment of the horizontal property regime not included in Phase I Project, and shall continue to be liable for the same until Vendor delivers an apartment deed for any such apartment not included in Phase I Project, whereupon the owner of such apartment shall be liable therefor."

3. If Developer fails to sell forty-eight (48) apartments within twelve months after the issuance of this preliminary public report, Developer has reserved the absolute right to rescind the Contracts of Sale, and terminate Phase I of the Project before the issuance of the final public report upon Phase I of the Project. In such event Vendor shall give Purchaser and Escrow written notice of rescission.

MANAGEMENT AND OPERATIONS: The By-Laws empower the Board of Directors with the authority to acquire and pay for the services of a person or firm to manage the Horizontal Property Regime. No property manager has been identified in the notice of intention to sell.

STATUS OF PROJECT: No building contract has been executed.

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 January 18, 1974.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 652 filed with the Commission on January 18, 1974.


DOUGLAS R. SODETANI, 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. 652
February 22, 1974

EXHIBIT A

Apartment No.	A-110	Apartment No.	A-116
	A-210		A-216
	A-310		A-316
	A-410		A-416
	A-510		A-516
	A-111		A-117
	A-211		A-217
	A-311		A-317
	A-411		A-417
	A-511		A-517
	A-112		A-118
	A-212		A-218
	A-313		A-318
	A-412		A-418
	A-512		A-119
	A-113		A-219
	A-213		A-319
	A-313		A-419
	A-413		A-120
	A-513		A-220
	A-114		A-320
	A-214		A-420
	A-314		A-121
	A-414		A-221
	A-514		A-321
	A-115		A-421
	A-215		A-122
	A-315		A-222
	A-415		A-322
	A-515		A-422