

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

KOA LAGOON
South Kihei Road
Kihei, Maui, Hawaii

REGISTRATION NO. 876

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: June 9, 1977
Expires: July 9, 1978

SPECIAL ATTENTION

A comprehensive reading of the 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 AUGUST 31, 1976, AND ADDITIONAL INFORMATION SUBSEQUENTLY SUBMITTED AS LATE AS MAY 31, 1977. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on KOA LAGOON, Registration No. 876, dated September 28, 1976, the Developer has prepared and forwarded additional information to that filed in the August 31, 1976 submittal.

2. The Developer has submitted to the Commission all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report prior to the completion of construction.
3. This Final Public Report is made a part of the registration on the KOA LAGOON condominium project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers, including those receiving the Preliminary Public Report (yellow paper stock). Securing a signed copy of the Receipt for both Reports from each purchaser and prospective purchaser is also the responsibility of the Developer.
4. Advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have been filed in the office of the recording officer. The Declaration of Horizontal Property Regime executed on February 17, 1977, with the By-Laws attached, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12070, Page 20. The Bureau of Conveyances has designated Condominium Map No. 493 to the project.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations promulgated thereunder which relate to the Horizontal Property Regime Act.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, June 9, 1977, 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 topical headings of the Preliminary Public Report with the exceptions of ENCUMBRANCES AGAINST TITLE and STATUS OF PROJECT has not been disturbed. The topical heading of FINANCING OF PROJECT has been added.

ENCUMBRANCES AGAINST TITLE: A Preliminary Title Report, dated April 15, 1977, and prepared 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. Reservation in favor of the State of Hawaii of all minerals, all surface and ground waters appurtenant to the land of the project, as reserved in Land Patent Grant No. S-15,262, dated August 22, 1975.
3. Covenants as contained in said Land Patent Grant No. S-15,262, dated August 22, 1975.
4. "... that the use and enjoyment of the land herein granted shall not be in support of any policy which discriminates against anyone based upon race, creed, color or national origin." as set forth in said Land Patent Grant No. S-15,262, dated August 22, 1975.
5. Mortgage dated June 25, 1976, by Koa Development, Inc. to Edwin T. Ige and Elsie A. Ige, recorded in Liber 11698 on Page 443.

By instrument dated March 31, 1977, recorded on April 15, 1977, in said Bureau in Liber 12127, Page 112, the foregoing mortgage was subordinated to the lien of that certain mortgage referred to in Encumbrance No. 6 below.

6. Mortgage dated March 31, 1977, by Koa Development, Inc. to American Savings And Loan Association, recorded in Liber 12127, Page 98.
7. Financing Statement, undated, given as security by Koa Development, Inc., in favor of American Savings and Loan Association, recorded in Liber 12127, Page 118.
8. The covenants, agreements, obligations, conditions and other provisions set forth in that certain KOA LAGOON DECLARATION OF HORIZONTAL PROPERTY REGIME dated February 17, 1977, recorded on March 15, 1977, in said Bureau of Conveyances in Book 12070 Page 20 and the By-Laws attached thereto.
9. Condominium Map No. 493 filed in said Bureau on March 15, 1977.

FINANCING OF PROJECT: In the Supplement to the Notice of Intention submitted May 9, 1977, the Developer gives an estimated total cost of \$2,021,188.00 to complete the project.

American Savings And Loan Association has loaned Koa Development, Inc. the sum of \$1,700,000.00 to construct the Koa Lagoon project (the "Koa Lagoon Construction Loan"). Koa Development, Inc. has given American Savings And Loan Association a mortgage, dated March 31, 1977, recorded with the Bureau of Conveyances of the State of Hawaii at Liber 12127, Page 98, of the Koa Lagoon property,

to secure the payment of the Koa Lagoon Construction Loan (the "Koa Lagoon Construction Loan Mortgage"). Edwin T. Ige and Elsie A. Ige have subordinated the lien of the mortgage, dated June 25, 1976, recorded with the Bureau of Conveyances of the State of Hawaii at Liber 11698, Page 443, given to them by Koa Development, Inc., of the Koa Lagoon Property, to the Koa Lagoon Construction Loan Mortgage. Each contract of sale between Koa Development, Inc. and a purchaser of a Koa Lagoon apartment provides that the right, title and interest of the apartment purchaser in and to the Koa Lagoon property is subordinate to the Koa Lagoon Construction Loan Mortgage.

Forty (40) Koa Lagoon apartments have been sold for the aggregate purchase price of \$2,939,970.00. Each contract of sale between Koa Development, Inc. and a purchaser of a Koa Lagoon apartment provides for the payment of a part of the purchase price within ten days after the substantial completion of the roof of the Koa Lagoon building (the "Course Of Construction Partial Payment"). The aggregate amount of the Course Of Construction Partial Payments is \$447,920.50 for the forty Koa Lagoon apartments which have been sold. Koa Development, Inc. believes that the substantial completion of the roof of the Koa Lagoon building will occur no later than June 1, 1977, so that the Course Of Construction Partial Payments will be due and payable no later than June 10, 1977.

STATUS OF PROJECT: In the Supplement to the Notice of Intention submitted May 9, 1977, Developer discloses that Koa Development, Inc., and E. T. Ige Construction, Inc., by a letter agreement dated January 19, 1977, amended the construction contract between them dated June 25, 1976, and thereby reduced the contract price for the construction of the Koa Lagoon improvements from \$1,745,000.00 to \$1,575,000.00.

E. T. Ige Construction, Inc., as Principal, and Seaboard Surety Company, as Surety, have issued Performance and Labor and Material Payment Bonds, dated April 5, 1977, to Koa Development, Inc., in the penal amount of \$1,575,000, for the construction contract between Koa Development, Inc., as Owner, and E. T. Ige Construction, Inc., as Contractor, dated June 25, 1976, as amended.

As of February 28, 1977, E. T. Ige Construction, Inc., the Koa Lagoon general contractor, had completed approximately twenty-five per cent (25%) of the work required by the Koa Lagoon construction contract.

The Commission has been advised that October 1, 1977 is the estimated completion date for construction of the project.

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 August 31, 1976, and additional information filed as of May 31, 1977.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 876, filed with the Commission August 31, 1976.

This 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.

Ah Kau Young

AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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

REGISTRATION NO. 876
JUNE 9, 1977