

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
THE GOLF VILLAS
Kapalua, Maui, Hawaii

REGISTRATION NO. 897

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 15, 1977

Expires: March 15, 1978

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 27, 1977, AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 10, 1977. DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. THE GOLF VILLAS is a proposed leasehold condominium project consisting of sixteen (16) separate residential buildings (not including the reception center) containing a total of one hundred eighty-six (186) apartments, all to be built in accordance with floor plans

filed with the Real Estate Commission. The project will contain not less than two hundred seventy-two (272) parking spaces.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Preliminary Public Report. The Developer shall be responsible for placing this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the receipt for this Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.
3. Advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Master Lease, Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners, a copy of the approved floor plans and Supplemental Declaration of Covenants and Restrictions) have not been recorded in the office of the recording officer.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the condominium rules and regulations which relate to horizontal property regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, February 15, 1977, unless a Supplementary or Final Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: THE GOLF VILLAS.

LOCATION: The land submitted to the Regime, approximately 15.841 acres, is located in Kapalua, Maui.

TAX MAP KEY: Portion of TMK 4-2-1-18.

ZONING: A-2 (Apartment District)

DEVELOPER: Kapalua Land Company, Ltd., a Hawaii corporation, whose post office address is P. O. Box 188, Kahului,

Maui, Hawaii 96732, telephone number 877-5393. The officers of the corporation are:

Colin C. Cameron	Chairman of the Board
Thos Rohr	President
Benjamin W. Baker	Vice President
Charles F. DuBois	Secretary and Treasurer
William M. Slater	Assistant Secretary

ATTORNEY REPRESENTING DEVELOPER: CARLSMITH, CARLSMITH, WICHMAN AND CASE, Pacific Trade Center, 22nd Floor, Honolulu Hawaii 96813 (Attention: James W. Boyle and Ronald Y. Shigetani), telephone number 524-5112.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime submitted to the Commission (hereinafter referred to as the "Declaration") provides that the land will be improved according to the Developer's plans and intention to sell, by constructing thereon sixteen (16) separate residential buildings, ten (10) of which contain twelve (12) apartments each, and six (6) of which contain eleven (11) apartments each. The project will contain four (4) swimming pools, a reception center (if built), walkways, driveways and outdoor parking areas. Each unit will include standard appliances. The respective apartments shall not be deemed to include (a) the undecorated or unfinished surfaces of the perimeter walls, interior load-bearing walls or interior party walls, (b) the floors and ceiling surrounding each apartment, or (c) any pipes, shafts, 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 as hereinafter provided. Each apartment shall be deemed to include (i) all the walls and partitions which are not load-bearing within its perimeter walls, (ii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iii) any doors, windows or panels along the perimeters, (iv) any adjacent lanai to which each apartment has direct exclusive access, and (v) all fixtures originally installed therein. Each apartment has immediate access to the common land area with walkways to the parking areas and public highway.

1. Building Descriptions. The ten (10) Type A buildings containing twelve (12) apartments each are designated as buildings 12, 15, 16, 17, 20, 21, 22, 24, 26 and 27. The six (6) Type B buildings containing eleven (11) apartments each are designated as buildings 11, 14, 18, 19, 23 and 25. Type A buildings have three (3) stories, including a ground floor, but no basement. Type B buildings

have three (3) stories, including a ground floor, but no basement. Buildings 11 and 14 are modified Type B buildings in that only one (1) carport is attached; other Type B buildings have four (4) attached carports. The letter "r" after a building type means reversed.

2. Materials. Each building will be constructed principally of wood frame with stucco and exterior wood siding, concrete roof tiles and a concrete floor slab.

3. Description, Area and Numbering of Apartments. There will be five (5) apartment unit types ("Units") designated as Units 1-1-1/2, 1-2D, 1-L, 2-2D and 2-L, which are described below.

The first number of the Unit type indicates the number of bedrooms; the second number (if any), the number of bathrooms; the letter "L" indicates loft; and the letter "D" indicates a divisible Unit. Type 1-L has one and one-half bathrooms and Type 2-L has two bathrooms, but the number of bathrooms is not indicated. The one-half bathroom is designated a Powder Room.

Unit 1-1-1/2 is a single-story apartment containing five (5) rooms consisting of one bedroom, one and one-half bathrooms, kitchen, a living room/dining area, plus two lanais. The apartment floor area excluding lanais is approximately 899 square feet. There are thirty-two (32) Unit 1-1-1/2 apartments in the project.

Unit 1-2D is a single-story apartment with two (2) entrances, containing five (5) rooms consisting of one bedroom, two bathrooms, kitchen, and a living room/dining area, plus a lanai. The apartment floor area excluding lanais is approximately 972 square feet. There are forty-two (42) Unit 1-2D apartments in the project.

Unit 1-L is a two-story apartment containing five (5) rooms consisting of one bedroom, one and one-half bathrooms, kitchen, and living room/dining area, plus two lanais. The apartment floor area excluding lanais is approximately 987 square feet. There are twenty (20) Unit 1-L apartments in the project.

Unit 2-2D is a single-story apartment with two (2) entrances, containing six (6) rooms consisting of two bedrooms, two bathrooms, kitchen, living room/dining area, plus a lanai. The apartment floor area excluding lanais is approximately 1344 square feet. There are seventy-six (76) Unit 2-2D apartments in the project.

Unit 2-L is a two-story apartment with one entrance, containing six (6) rooms consisting of two bedrooms,

two bathrooms, kitchen, living room/dining area, plus two lanais. The apartment floor area excluding lanais is approximately 1350 square feet. There are sixteen (16) Unit 2-L apartments in the project.

Each apartment is designated by two digits, a letter and a single or multiple digits, in that order. The first two digits represent the building number, followed by a "P" representing Patio (garden) level, or "T" representing Trellis (middle) level, or "V" representing Vista (top) level, followed by the door number (two numbers in the case of Units 1-2D and 2-2D apartments). The numbering is from east to west (left to right as one looks at the rear of the buildings) and from one (1) through eight (8) in the individual buildings. For example, Apartment 12T-1 is in Building 12 on the Trellis level and is the first Unit from the east side of the building (first door on the left end). Units with more than one entrance have an extra number for each entrance (e.g., 17P-5 & 6).

The building type, apartment, apartment unit types, floor area and total square feet are listed below:

<u>Apt. No.</u>	<u>Apartment Type</u>	<u>Floor Area Enclosed</u>	<u>Lanai</u>	<u>Total Square Feet (including lanai)</u>
<u>Building 11 - Type Br*</u>				
11P-1&2	2-2D	1344	430	1774
11P-3&4	2-2D	1344	430	1774
11P-5&6	2-2D	1344	430	1774
11P-7&8	2-2D	1344	430	1774
11T-1&2	2-2D	1344	350	1694
11T-3&4	1-2D	972	366	1338
11T-5	2-L	1350	433	1783
11T-6&7	1-2D	972	366	1338
11V-1&2	2-2D	1344	350	1694
11V-3	1-1-1/2	899	238	1137
11V-4	1-1-1/2	899	238	1137
<u>Building 12 - Type A</u>				
12P-1&2	2-2D	1344	430	1774
12P-3&4	2-2D	1344	430	1774
12P-5&6	2-2D	1344	430	1774
12P-7&8	2-2D	1344	430	1774
12T-1	1-L	987	304	1291
12T-2	1-L	987	246	1233
12T-3&4	1-2D	972	366	1338
12T-5&6	1-2D	972	306	1278
12T-7&8	1-2D	972	366	1338

*modified

Apt. No.	Apartment Type	Floor Area		Total Square Feet (including lanai)
		Enclosed	Lanai	
12V-1	1-1-1/2	899	238	1137
12V-2	2-L	1350	507	1857
12V-3	1-1-1/2	899	238	1137
<u>Building 14 - Type B*</u>				
14P-1&2	2-2D	1344	430	1774
14P-3&4	2-2D	1344	430	1774
14P-5&6	2-2D	1344	430	1774
14P-7&8	2-2D	1344	430	1774
14T-1&2	1-2D	972	366	1338
14T-3	2-L	1350	433	1783
14T-4&5	1-2D	972	366	1338
14T-6&7	2-2D	1344	350	1694
14V-1	1-1-1/2	899	238	1137
14V-2	1-1-1/2	899	238	1137
14V-3&4	2-2D	1344	350	1694
<u>Building 15 - Type A</u>				
15P-1&2	2-2D	1344	430	1774
15P-3&4	2-2D	1344	430	1774
15P-5&6	2-2D	1344	430	1774
15P-7&8	2-2D	1344	430	1774
15T-1	1-L	987	304	1291
15T-2	1-L	987	246	1233
15T-3&4	1-2D	972	366	1338
15T-5&6	1-2D	972	306	1278
15T-7&8	1-2D	972	366	1338
15V-1	1-1-1/2	899	238	1137
15V-2	2-L	1350	507	1857
15V-3	1-1-1/2	899	238	1137
<u>Building 16 - Type A</u>				
16P-1&2	2-2D	1344	430	1774
16P-3&4	2-2D	1344	430	1774
16P-5&6	2-2D	1344	430	1774
16P-7&8	2-2D	1344	430	1774
16T-1	1-L	987	304	1291
16T-2	1-L	987	246	1233
16T-3&4	1-2D	972	366	1338
16T-5&6	1-2D	972	306	1278
16T-7&8	1-2D	972	366	1338
16V-1	1-1-1/2	899	238	1137
16V-2	2-L	1350	507	1857
16V-3	1-1-1/2	899	238	1137

*modified

<u>Apt. No.</u>	<u>Apartment Type</u>	<u>Floor Area</u>		<u>Total Square Feet (including lanai)</u>
		<u>Enclosed</u>	<u>Lanai</u>	
<u>Building 17 - Type Ar</u>				
17P-1&2	2-2D	1344	430	1774
17P-3&4	2-2D	1344	430	1774
17P-5&6	2-2D	1344	430	1774
17P-7&8	2-2D	1344	430	1774
17T-1&2	1-2D	972	366	1338
17T-3&4	1-2D	972	306	1278
17T-5&6	1-2D	972	366	1338
17T-7	1-L	987	246	1233
17T-8	1-I.	987	304	1291
17V-1	1-1-1/2	899	238	1137
17V-2	2-L	1350	507	1857
17V-3	1-1-1/2	899	238	1137
<u>Building 18 - Type Br</u>				
18P-1&2	2-2D	1344	430	1774
18P-3&4	2-2D	1344	430	1774
18P-5&6	2-2D	1344	430	1774
18P-7&8	2-2D	1344	430	1774
18T-1&2	2-2D	1344	350	1694
18T-3&4	1-2D	972	366	1338
18T-5	2-L	1350	433	1783
18T-6&7	1-2D	972	366	1338
18V-1&2	2-2D	1344	350	1694
18V-3	1-1-1/2	899	238	1137
18V-4	1-1-1/2	899	238	1137
<u>Building 19 - Type B</u>				
19P-1&2	2-2D	1344	430	1774
19P-3&4	2-2D	1344	430	1774
19P-5&6	2-2D	1344	430	1774
19P-7&8	2-2D	1344	430	1774
19T-1&2	1-2D	972	366	1338
19T-3	2-L	1350	433	1783
19T-4&5	1-2D	972	366	1338
19T-6&7	2-2D	1344	350	1694
19V-1	1-1-1/2	899	238	1137
19V-2	1-1-1/2	899	238	1137
19V-3&4	2-2D	1344	350	1694

<u>Apt. No.</u>	<u>Apartment Type</u>	<u>Floor Area</u>		<u>Total Square Feet (including lanai)</u>
		<u>Enclosed</u>	<u>Lanai</u>	
<u>Building 20 - Type Ar</u>				
20P-1&2	2-2D	1344	430	1774
20P-3&4	2-2D	1344	430	1774
20P-5&6	2-2D	1344	430	1774
20P-7&8	2-2D	1344	430	1774
20T-1&2	1-2D	972	366	1338
20T-3&4	1-2D	972	306	1278
20T-5&6	1-2D	972	366	1338
20T-7	1-L	987	246	1233
20T-8	1-L	987	304	1291
20V-1	1-1-1/2	899	238	1137
20V-2	2-L	1350	507	1857
20V-3	1-1-1/2	899	238	1137
<u>Building 21 - Type Ar</u>				
21P-1&2	2-2D	1344	430	1774
21P-3&4	2-2D	1344	430	1774
21P-5&6	2-2D	1344	430	1774
21P-7&8	2-2D	1344	430	1774
21T-1&2	1-2D	972	366	1338
21T-3&4	1-2D	972	306	1278
21T-5&6	1-2D	972	366	1338
21T-7	1-L	987	246	1233
21T-8	1-L	987	304	1291
21V-1	1-1-1/2	899	238	1137
21V-2	2-L	1350	507	1857
21V-3	1-1-1/2	899	238	1137
<u>Building 22 - Type A</u>				
22P-1&2	2-2D	1344	430	1774
22P-3&4	2-2D	1344	430	1774
22P-5&6	2-2D	1344	430	1774
22P-7&8	2-2D	1344	430	1774
22T-1	1-L	987	304	1291
22T-2	1-L	987	246	1233
22T-3&4	1-2D	972	366	1338
22T-5&6	1-2D	972	306	1278
22T-7&8	1-2D	972	366	1338
22V-1	1-1-1/2	899	238	1137
22V-2	2-L	1350	507	1857
22V-3	1-1-1/2	899	238	1137

<u>Apt. No.</u>	<u>Apartment Type</u>	<u>Floor Area</u>		<u>Total Square Feet (including lanai)</u>
		<u>Enclosed</u>	<u>Lanai</u>	
<u>Building 23 - Type B</u>				
23P-1&2	2-2D	1344	430	1774
23P-3&4	2-2D	1344	430	1774
23P-5&6	2-2D	1344	430	1774
23P-7&8	2-2D	1344	430	1774
23T-1&2	1-2D	972	366	1338
23T-3	2-L	1350	433	1783
23T-4&5	1-2D	972	366	1338
23T-6&7	2-2D	1344	350	1694
23V-1	1-1-1/2	899	238	1137
23V-2	1-1-1/2	899	238	1137
23V-3&4	2-2D	1344	350	1694
<u>Building 24 - Type A</u>				
24P-1&2	2-2D	1344	430	1774
24P-3&4	2-2D	1344	430	1774
24P-5&6	2-2D	1344	430	1774
24P-7&8	2-2D	1344	430	1774
24T-1	1-L	987	304	1291
24T-2	1-L	987	246	1233
24T-3&4	1-2D	972	366	1338
24T-5&6	1-2D	972	306	1278
24T-7&8	1-2D	972	366	1338
24V-1	1-1-1/2	899	238	1137
24V-2	2-L	1350	507	1857
24V-3	1-1-1/2	899	238	1137
<u>Building 25 - Type B</u>				
25P-1&2	2-2D	1344	430	1774
25P-3&4	2-2D	1344	430	1774
25P-5&6	2-2D	1344	430	1774
25P-7&8	2-2D	1344	430	1774
25T-1&2	1-2D	972	366	1338
25T-3	2-L	1350	433	1783
25T-4&5	1-2D	972	366	1338
25T-6&7	2-2D	1344	350	1694
25V-1	1-1-1/2	899	238	1137
25V-2	1-1-1/2	899	238	1137
25V-3&4	2-2D	1344	350	1694
<u>Building 26 - Type Ar</u>				
26P-1&2	2-2D	1344	430	1774
26P-3&4	2-2D	1344	430	1774

<u>Apt. No.</u>	<u>Apartment Type</u>	<u>Floor Area Enclosed</u>	<u>Area Lanai</u>	<u>Total Square Feet (including lanai)</u>
26P-5&6	2-2D	1344	430	1774
26P-7&8	2-2D	1344	430	1774
26T-1&2	1-2D	972	366	1338
26T-3&4	1-2D	972	306	1278
26T-5&6	1-2D	972	366	1338
26T-7	1-L	987	246	1233
26T-8	1-L	987	304	1291
26V-1	1-1-1/2	899	238	1137
26V-2	2-L	1350	507	1857
26V-3	1-1-1/2	899	238	1137

Building 27 - Type Ar

27P-1&2	2-2D	1344	430	1774
27P-3&4	2-2D	1344	430	1774
27P-5&6	2-2D	1344	430	1774
27P-7&8	2-2D	1344	430	1774
27T-1&2	1-2D	972	366	1338
27T-3&4	1-2D	972	306	1278
27T-5&6	1-2D	972	366	1338
27T-7	1-L	987	246	1233
27T-8	1-L	987	304	1291
27V-1	1-1-1/2	899	238	1137
27V-2	2-L	1350	507	1857
27V-3	1-1-1/2	899	238	1137

The floor areas were arrived at by taking the measurements from the center line of common walls to the exterior surface of exterior walls and to the exterior surface of the lanai railings, without exclusions for ducts, columns, stairs, elevators, walls, or other interior construction or equipment within such areas.

COMMON ELEMENTS: The common elements will include the limited common elements described in the next topical heading, LIMITED COMMON ELEMENTS, and all other portions of the project other than the apartments, and all elements mentioned in the Horizontal Property Act which are actually included in the project including specifically but not limited to:

(a) The land in fee simple as described in Exhibit A attached to the Declaration;

(b) All foundations, floor slabs, beams, columns, supports, girders, unfinished perimeter and load-bearing walls, walkways, ramps, fences, railings and roofs;

(c) All driveways, roadways, pavements, and walkways and all planted areas, grounds, landscaping, and other recreational areas, including swimming pool(s), the reception center (if built), refuse facilities and mail boxes;

(d) All parking areas, ramps (if any) and parking stalls, including unassigned parking stalls;

(e) All common laundry facilities and storage areas;

(f) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, sewer, telephones and radio and television signal distribution;

(g) Any and all other apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called "Limited Common Elements", are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

(a) Entranceways to each apartment shall be limited common elements for the exclusive use of the apartment they serve.

(b) Parking stalls may be assigned to selected apartments upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of the apartment to which it is assigned.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting as set forth below.

<u>Apartment Unit Type</u>	<u>Undivided Percentage Interest</u>	<u>Number of Apartment</u>	<u>Total Undivided Percentage Interest</u>
1-1-1/2	0.46%	32	14.72%
1-2D	0.50%	42	21.00%
1-L	0.50%	20	10.00%
2-2D	0.59%	76	44.84%
2-L	0.59%	16	9.44%
		<u>186</u>	<u>100.00%</u>

PURPOSE AS TO USE: The proposed Declaration provides that the apartments shall be occupied and used only as permanent or temporary residences, lodgings or rental and for no other purpose.

RECEPTION CENTER: The Developer may (but is not required to) construct a reception center as a separate building, which will be a common element of the Project. The size, location, dimensions and furnishings of the reception center shall be at the sole discretion of the Developer.

But the Developer does not promise to do all or any of the things listed above with respect to a reception center, as any such action is wholly within Developer's discretion.

OWNERSHIP OF TITLE: The Notice of Intention reflects that title to the land is vested in Maui Land & Pineapple Company, Inc., but the Developer intends to lease it from Maui Land & Pineapple Company, Inc.

ENCUMBRANCES AGAINST TITLE: A Preliminary Title Report prepared by Title Guaranty of Hawaii, Incorporated, dated January 3, 1977 reflects the following:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. That certain Mortgage and Security Agreement dated April 24, 1975, made by Kapalua Land Company, Ltd., a Hawaii corporation, as Mortgagor and Bank of Hawaii, a Hawaii banking corporation, as Mortgagee, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10667, Page 1.
3. By instrument dated June 30, 1976, recorded in Liber 11515 at Page 358, Maui Land & Pineapple Company, Inc. assigns to Bank of Hawaii, all of its right, title and interest in and to the premises described above, besides other land, as additional security to that certain Mortgage and Security Agreement recorded in Liber 11515 at Page 309.
4. That certain negative Pledge Agreement dated April 24, 1975, recorded in Liber 10667 at Page 78, by Maui Land & Pineapple Co., Inc. a Hawaii corporation.
5. Final Subdivision approval of the County of Maui.
6. For any taxes that are due and owing and a lien on the land, reference is made to the Office of the Tax Assessor, Second Division.

The Developer has notified the Commission that in order to annex THE GOLF VILLAS Project to the rest of the Kapalua Resort and its Association, it anticipates the following encumbrances will be reflected on an updated title search at the time The Final Public Report is issued:

1. Covenants and restrictions contained in "Declaration of Covenants and Restrictions" dated December 29, 1976, recorded in the said Bureau in Liber 11922 at Page 26, as submitted by a Supplemental Declaration of Covenants and Restrictions.

2. Reservation in favor of Maui Land & Pineapple Company, Inc. of the right, at its expense and for the benefit of the land described above or adjacent property or other Kapalua Resort property (i) to grant over, across and under the common elements easements for utilities, sanitary and storm sewers, cable television, walkways, and rights of way, and (ii) to relocate or realign any existing easements and rights of way over, across, and under the land described above, including without limitation, any existing utilities, sanitary and sewer lines and cable television and connect same, over, across and under the land described above, provided that such easements and such relocations and connections of lines shall not materially impair or interfere with the use of the land described above.

3. Reserving and excepting to MAUI LAND & PINEAPPLE COMPANY, INC., its successors and assigns (collectively the "Reservant"), forever, as appurtenant to lands of Reservant, located in the District of Lahaina, Island and County of Maui, State of Hawaii, now owned and used or hereinafter acquired and used by Reservant (whether in fee, lease, or otherwise), in its pineapple plantation and other agricultural operations, the perpetual right and easement over and upon the lands described above and/or submitted to the Kapalua Protective Provisions, to discharge and emit, diffuse and inflict, noise, smoke, soot, dust, lights, noxious vapors, odors, and other minor nuisances of every description created by and resulting from the operations of Reservant in burning, harvesting, fertilizing, watering, growing, planting, generating power, trucking, hauling, milling, and all other activities incidental to the operation of a pineapple plantation and all other agricultural activities of Reservant.

4. The terms and conditions contained in a Lease to be entered into by and between Maui Land & Pineapple Co., Inc., as Lessor, and Kapalua Land Company, Ltd., as Lessee.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement, dated January 26, 1977, between Title Guaranty Escrow Services, Inc., a Hawaii corporation, as "Escrow", and the Developer, as "Seller" (and Title Guaranty of Hawaii, Incorporated as to paragraph 16 only), has been submitted to the Commission as part of the registration. On examination, the Sales Contract, in specimen form, and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-15(b) and Sections 514-36 through 514-40.

The provisions of the Escrow Agreement are to be carefully read and understood as follows:

If at the time of the execution of the Sales Contract a Final Report has not been issued by the Commission with respect to the project, then the following limitations shall apply:

(a) Purchaser's funds obtained prior to the issuance of a Final Report shall be refunded if there is any change in the condominium building plans subsequent to the execution of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless purchaser's written approval or acceptance of the specific change is obtained or ninety (90) days have elapsed since purchaser has accepted the apartment in writing or since purchaser has first occupied the apartment.

(b) All rights under the Sales Contract shall not become enforceable against the purchaser until the purchaser has had a full opportunity to read the Real Estate Commission's Final Public Report on the project, and to obtain a refund of any moneys paid by the purchaser as well as release from all obligations under the Sales Contract if the Final Report differs in any material respect from the Preliminary Report.

(c) If the Final Report is not issued within one year from the date of the issuance of said Preliminary Report and any extensions of the Preliminary Report, the purchaser shall be entitled to a refund of all moneys paid by him under the Sales Contract without further obligation.

(d) All moneys paid by the purchaser prior to the issuance of said Final Report shall be deposited in trust with the Escrow and the Escrow is hereby instructed that no disbursements shall be made from such trust fund on behalf of the Seller until:

(i) The Sales Contract has become effective, and the requirements of Sections 514-36 through 514-39, Hawaii Revised Statutes, have been met;

(ii) A Final Public Report for the project has been issued by the Real Estate Commission, Escrow has received a copy of purchaser's receipt for such Final Public Report and forty-eight (48) hours have elapsed since purchaser receipted for such Final Public Report;

(iii) Seller has notified Escrow in writing that all requirements of Sections 514-36 through 514-39, Hawaii Revised Statutes, have been met.

After issuance of the Final Public Report, the Developer may use the trust fund to finance construction of the project in accordance with the Escrow Agreement and Section 514-14, Hawaii Revised Statutes.

The Developer has agreed to pay interest on Payment A and B of the Sales Contract at the rate of 5-1/4% simple interest per annum from the date Escrow receives Payment B to the date of final closing. The Developer shall be responsible for the payment of such interest regardless of any interest actually earned on such funds. Escrow will calculate the amount of interest due the purchaser and shall pay such interest to the purchaser within ten (10) days after final closing.

The provisions of the specimen Sales Contract are to be carefully read and understood as follows:

1. Sales Conditional on Final Subdivision Approval.

If at the Seller's Acceptance Date (as defined in Sales Contract) Developer has not received final subdivision approval for the Land, then purchaser's performance under the Sales Contract shall be subject to the condition precedent of the issuance to Developer of such final approval by December 31, 1977 (the "Approval Deadline"), and the following provisions shall apply:

(a) Developer will proceed with all due diligence to obtain such final approval and shall comply with all of the county requirements of the preliminary and final subdivision approvals (including any construction requirements);

(b) Purchaser's funds deposited with Escrow prior to the Approval Deadline shall be refunded to purchaser without deductions, together with any interest earned, within ten (10) days after the Approval Deadline if the final subdivision approval has not been issued by that date;

(c) Pending such final approval, purchaser shall continue to perform under the provisions of the Sales Contract (including making Payment B and proceeding under either paragraph 4(a) or (b) (relating to financing)); and

(d) If final subdivision approval has not been obtained by the Approval Deadline, then upon the return by Escrow Agent of the payments made by purchaser as provided above, the Sales Contract shall terminate and Developer and purchaser shall have no further rights or obligations with respect thereto.

But upon the issuance of the final subdivision approval by the Approval Deadline, the Sales Contract shall no longer be conditional with respect to subdivision approval and any failure by purchaser to perform fully with respect to the remaining terms and conditions of the Sales Contract shall give Developer the option to terminate it under paragraph 17 thereunder (relating to purchaser's default).

If at the Seller's Acceptance Date final subdivision approval has been issued, this paragraph shall not apply. But if at that date final approval has not been so issued, then a stamp or other notation shall be made on the Sales Contract to that effect.

2. That Seller has made no representations with respect to its renting or managing the apartment on Buyer's behalf, and if Buyer wishes to rent the apartment to third persons, Buyer will make his own arrangements to do so; and that Buyer acknowledges that he has been informed that none of Seller's agents are authorized to make any representations concerning the foregoing, and

3. That Buyer cannot enter into a rental pool without Seller's consent.

4. That Buyer agrees to subordinate his interest to the lien of the interim mortgage when obtained for the construction of the project and to any and all advances, whether contractual or voluntary made pursuant to said mortgage, and to any and all sums which may become a lien pursuant to the terms of said mortgage or the construction loan agreement or any other agreement relating to the interim mortgage. Buyer irrevocably appoints Seller the attorney-in-fact, coupled with an interest, of Buyer to execute and deliver on behalf of Buyer any instrument of subordination which the interim mortgagee or its successors or assigns may require.

5. That if more than one hundred forty (140) Apartments have not been sold within twelve (12) months of the Seller's Acceptance Date of the Sales Contract, Seller may, at its option, cancel the Contract, in which event, Seller will cause Escrow to refund to Buyer all monies paid, with any interest earned thereon, and Seller and Buyer shall be released from any further liability under such Contract.

6. That Seller reserves the right to sell or lease unsold apartments free from any restrictions on such sale or lease which may under the Declaration and Bylaws apply to Buyer.

7. Seller has agreed to pay Buyer interest on the down payment (Payment A and B) at the rate of 5-1/4% simple interest per annum from the date Escrow receives Payment B to the date of final closing. Seller shall be responsible for the payment of such interest regardless of any interest actually earned on such funds deposited by Escrow with the financial institutions as set forth in the Escrow Agreement, which shall be paid to Seller. The interest on the down payment shall be calculated by Escrow and be payable to Buyer within ten (10) days after final closing.

8. Notwithstanding any item or items that may be contained in any model apartment or apartments located in the project:

(a) That (i) carpeting (except for the kitchen and bathrooms which will have vinyl floors), draperies, and tracks are included in the apartment but no ceiling fixtures, no wallpaper and no furniture, furnishings, or appliances (other than the standard appliances) are included in the apartment; and that (ii) the walls will be painted white; and

(b) That minor finishing details in the apartment may be changed.

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

KAPALUA RESORT ASSOCIATION: All purchasers shall automatically become members of the Kapalua Resort Association, a Hawaii nonprofit corporation. The Resort Association's purpose is to provide for the management, maintenance, protection, preservation, and architectural control of land described in the Declaration of Covenants and Restrictions filed by Declarant.

Voting rights are determined as of January 1st of each year as follows:

(a) All Owners, including Declarant, shall receive Voting Rights entitling them to one (1) vote for every ten thousand (10,000) square feet of real property they own in fee simple (whether or not under lease) which is subject to the Kapalua Protective Provisions; and

(b) All other Voting Rights shall be determined in accordance with the following schedule:

1 vote for every Condominium Unit owned by the Owner, for every apartment in an apartment

house owned by the Owner, and for every single-family residence owned by the Owner on a Single Family Residential Lot (excluding guest houses and servants quarters).

1 vote for each hotel guest room owned by the Owner.

1 vote for every 1,000 square feet of Floor Area in a building owned by the Owner (other than floor area in a hotel, in a project included under the definition of Condominium Unit, in an apartment house, or in improvements on a Single Family Residential Lot) used for recreational, commercial, restaurant, convention or similar uses.

The Floor Area in buildings devoted to public utility purposes for the furnishing of gas, water, electricity, sewerage, or other utility services shall not be included in the computation of Voting Rights, nor shall the Owners thereof be entitled to any votes with respect to such Lots.

The Voting Rights of Owners of Condominium Units shall be exercised by the Board of Directors of the Association of Owners or Community Association, as the case may be, of the project in which the Unit is located. If merchants or similar associations are established at Kapalua, the Voting Rights of the Owners of the Floor Area included in such associations shall be exercised through the boards of directors of such associations.

Each Owner of any Lot or Condominium Unit, by acceptance of a purchase and sale agreement, deed, lease or other conveyance document therefor, whether or not it shall be expressed in any such deed, lease or any other conveyance, shall be deemed to covenant and agree to pay his proportionate share of general and special maintenance assessments and assessments for capital contributions, such assessments to be fixed, allocated and collected from time to time.

The assessments levied by the Association shall be used exclusively for the purposes provided for in the Kapalua Protective Provisions.

NOTE: The Declaration of Covenants and Restrictions shall control in case of any conflict with the Declaration of Horizontal Property Regime.

NOTE: The purchaser or prospective purchaser should read the Kapalua Resort Association documents carefully, especially the Declaration of Covenants and Restrictions, which will give the Declarant rights to annex additional land.

MANAGEMENT OF THE PROJECT: The proposed Bylaws of the Association of Apartment Owners vest in the Board of Directors the powers and duties necessary for the administration of the overall affairs of the project. The said Bylaws specify that the presence at any meeting in person or by proxy of owners of apartments to which are appurtenant more than fifty percent (50%) of the common interests as established by the Declaration shall constitute a quorum and at any meeting in which a quorum is present, action by a majority of the voting power represented at such meeting shall be valid and binding on the Association except as otherwise provided in the Declaration or the Bylaws. Voting shall be on a percentage basis; the percentage of the total vote to which each apartment unit is entitled shall be the same as the percentage of the common interests assigned to such apartment unit in the Declaration; and any percentage of apartment unit owners specified in the Bylaws means the owners of apartment units to which are appurtenant such percentage of the common interest. The Board may employ necessary personnel to carry out the management and operation of the project. The Sales Contract permits the Developer to retain a corporate managing agent, including Kapalua Management Company, a division of Developer, to manage the project. The contract with the managing agent shall not have an initial term exceeding one (1) year and shall be terminable by either party on not more than sixty (60) days' notice.

STATEMENT OF FINANCING: The construction financing of the project is presently being negotiated but has not yet been executed. The cost of the project is unknown as yet.

STATUS OF PROJECT: Construction of the project has not yet begun.

DISCLAIMER: Nothing in the proposed Declaration and Sales Contract, nor any advertising or other documentation in connection with the project or the Kapalua Resort, shall be construed as obligating lessor, Developer or any other person to develop any land other than the land described in the Declaration, or to construct any improvements, including any recreational facilities, other than the improvements described in the applicable phase by the Declaration; nor as granting to purchasers any membership or other interest in

any entity, club, or facility (recreational or otherwise) other than the project and the Kapalua Resort Association; and any representations to the contrary by Developer's agents are not authorized.

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 filed on January 27, 1977, and information subsequently filed as of February 10, 1977.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 897 filed with the Commission on January 27, 1977.

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

Mary V. Davio, for
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

DATE: February 15, 1977

Registration No. 897