

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

FINAL PUBLIC REPORT

WAILEA ELUA I (Phase IB)
Wailea, Island of Maui

REGISTRATION NO. 940

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: November 21, 1977
Expires: December 21, 1978

SPECIAL ATTENTION

A comprehensive reading of this report by a prospective purchaser is urged in order that the personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED OCTOBER 17, 1977. THE DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING ADDITIONAL INFORMATION, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. WAILEA ELUA I is a fee simple condominium project consisting of (a) eighty-six (86) residential apartments located in thirteen (13) buildings; (b) a Beach Pavilion apartment; and (c) one hundred seventeen (117) parking stalls including sixteen (16) stalls located within the structure of certain apartment buildings. As fully set forth in the Declaration, the project is subject to development in two (2) phases (Phase IA and Phase IB).

Phase IA, which is already constructed, consists of (a) fifty-four (54) residential apartments located in eight (8) buildings which are numbered 7 through 14; (b) the Beach Pavilion apartment; and (c) sixty-eight (68) parking stalls (including sixteen (16) stalls located within Buildings 7 and 8).

Phase IB will consist of (a) thirty-two (32) residential apartments located in five (5) buildings which are numbered 1 through 5; and (b) forty-nine (49) parking stalls.

IMPORTANT: This report covers only Phase IB of the Wailea Elua I project. The Commission has previously issued a separate Final Public Report covering Phase IA of the Wailea Elua I project.

2. 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.
3. The Developer advises that the Declaration of Horizontal Property Regime and attached Bylaws are filed in the Office of the Assistant Registrar of the Land Court as Document No. 820118. Amendments to the Declaration of Horizontal Property Regime are also filed in the Office of the Assistant Registrar of the Land Court as Document Nos. 839137, 839138, and 839655, respectively. The Condominium Map, as amended, has been filed with the Assistant Registrar as Map No. 307.
4. Advertising and promotional material have been, and further advertising and promotional material will from time to time be, submitted to the Commission pursuant to its rules and regulations.
5. The purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, as amended, and the rules and regulations of the Hawaii Real Estate Commission relating to Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, November 21, 1977, unless a Supplementary Public Report issues or the Commission upon review of the registration issues an order extending the effective period of this Report.
7. This Final Public Report is made a part of the registration of Wailea Elua I (Phase IB). The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and securing a signed receipt from each purchaser, signifying that he has had an opportunity to read the Report.

NAME OF PROJECT: WAILEA ELUA I (Phase IB)

LOCATION: The Wailea Elua I project is located at Wailea, Island and County of Maui, State of Hawaii, and consists of approximately 12.537 acres of land, divided into approximately 9.135 acres in Phase IA and 3.402 acres in Phase IB.

TAX MAP KEYS: 2-1-08-68 and 2-1-08-69 - Second Taxation Division, County of Maui.

ZONING: H-1 (Hotel) and O (Open Space). The Developer has received approval to develop the Phase IB project as a planned development.

DEVELOPER: WAILEA DEVELOPMENT COMPANY, a registered Hawaii partnership between Wailea Land Corporation, a Hawaii corporation, whose address is 822 Bishop Street, Honolulu, Hawaii 96813, and The Northwestern Mutual Life Insurance Company, a Wisconsin corporation authorized to do business in the State of Hawaii, whose address is 720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202. The principal place of business of the Developer is 822 Bishop Street, Honolulu, Hawaii 96813. Wailea Land Corporation is the managing partner and duly authorized agent of the Developer.

ATTORNEY REPRESENTING DEVELOPER: ALEXANDER & BALDWIN, INC. - Law Department (Attention: Clyde E. Sumida), 822 Bishop Street, Honolulu, Hawaii 96813. Telephone: 525-8450

DESCRIPTION: Phase IB of the project consists of thirty-two (32) residential apartments located in four (4) two-story buildings without basements, numbered 1 through 4, and one (1) one-story building without basement, numbered 5. The buildings will be principally of wood frame construction with stucco exteriors, shake roofs and concrete slab ground floors with wood frame upper floors. Phase IB also contains driveways and parking areas containing forty-nine (49) parking stalls.

Buildings 1 through 5 in Phase IB contain the three (3) different types of apartments described below.

There are ten (10) Type "A Modified" apartments in Phase IB, which are one-bedroom, two-bath apartments including a living room/dining room, kitchen, one bedroom, two bathrooms and one lanai.

There are two (2) Type "D Modified" apartments in Phase IB, which are three-bedroom, two-bath apartments including a living room, dining room, kitchen, three bedrooms, two bathrooms and two lanais.

There are twenty (20) Type "F" apartments in Phase IB, which are two-bedroom, two-bath apartments including a living room/dining room, kitchen, two bedrooms, two bathrooms and two lanais.

Each lower floor apartment has access to the common elements at the ground level. Each upper level apartment has access via an entryway and staircase to the common elements at ground level.

In Phase IB, each residential apartment will have a range and oven combination, refrigerator/freezer, disposal, dishwasher, water heater, compactor, washer and dryer and an open air-duct system with electrical wiring for an optional air conditioning system. The kitchens and the bathrooms of all residential apartments will have hard tile floors. Drapes in the residential apartments and carpeting in the living rooms, dining rooms and bedrooms of all residential apartments will be optional. If the apartment owner desires such drapes and carpeting, they will be installed in the residential apartment by the Declarant, otherwise, the apartment owners will be entitled to credit(s)

against the purchase price of the residential apartment or he will be entitled to such drapes and carpeting uninstalled. The option on these items and the credit(s) against the purchase price will not be available after a date to be determined by the Developer. Any apartment owner who elects to install his own drapes will be required to have drapes of a similar color to that of the standard type drapes in the project and/or drapery lining of such similar color installed prior to occupancy. Each residential apartment will be connected to a master television antenna system. There is a possibility of the development of a cable television system with accompanying assessments and fees in the future.

The apartment numbers, apartment types, floor location, approximate interior floor area, approximate lanai area and percentage of common interest appurtenant to each apartment in Phase IB are listed immediately below. The first digit of each apartment number indicate the number of the building in which the apartment is located.

<u>Apartment No.</u>	<u>Apartment Type</u>	<u>Floor</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Lanai Area</u>	<u>Percentage Interest</u>
101	FR	1	1,269	383	1.1734
102	FR	2	1,269	303	1.1734
103	AR Modified	1	940	331	0.8692
104	AR Modified	2	945	285	0.8738
105	FVR	1	1,269	397	1.1734
106	FVR	2	1,269	324	1.1734
107	F	1	1,269	454	1.1734
108	F	2	1,269	324	1.1734
201	FR	1	1,269	505	1.1734
202	FR	2	1,269	324	1.1734
203	FV	1	1,269	394	1.1734
204	FV	2	1,269	324	1.1734
205	A Modified	1	940	310	0.8692
206	A Modified	2	945	285	0.8738
207	A Modified	1	955	310	0.8830
208	A Modified	2	955	285	0.8830
301	AR Modified	1	955	310	0.8830
302	AR Modified	2	955	285	0.8830
303	AR Modified	1	940	310	0.8692

<u>Apartment No.</u>	<u>Apartment Type</u>	<u>Floor</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Lanai Area</u>	<u>Percentage Interest</u>
304	AR Modified	2	945	285	0.8738
305	FVR	1	1,269	512	1.1734
306	FVR	2	1,269	324	1.1734
307	F	1	1,269	512	1.1734
308	F	2	1,269	324	1.1734
401	FR	1	1,269	510	1.1734
402	FR	2	1,269	324	1.1734
403	FV	1	1,269	472	1.1734
404	FV	2	1,269	324	1.1734
405	F	1	1,254	375	1.1595
406	F	2	1,259	303	1.1641
501	DR Modified	1	1,568	692	1.4499
502	D Modified	2	1,598	692	1.4776

(An "R" designation in the Apartment Type indicates a reverse floor plan. A "V" designation in the Apartment Type indicates a variation in the roofline.)

LIMITS OF APARTMENTS: The respective apartments shall not be deemed to include the undecorated or unfinished walls, the floors and ceilings surrounding each apartment, the flooring, railings and any ceilings or overhead trellises of lanais, or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as herein-after provided. Each apartment shall include any adjacent lanais, all the walls and partitions which are not load bearing within its perimeter walls, all doors, windows and perimeter glass, the inner decorated or finished surfaces and perimeter glass, the inner decorated or finished surfaces of all walls, floors and ceilings, and the built-in fixtures. Some of the lower level lanais are partially bounded by rock walls which are part of the common elements.

COMMON ELEMENTS: Since Phase IB is the second phase of the two-phase development of the Wailea Elua I project, the common elements of both Phase IA and Phase IB will be the same, and will include all portions of the land and improvements (other than the respective apartments themselves) in the Wailea Elua I project. In other words, the common elements of Phase IB (and also of Phase IA) will include the apartment buildings, the land on which all apartment buildings are located, and all common elements mentioned in the Horizontal Property Act which are actually constructed on the land described herein of the Wailea Elua I project, and specifically shall include, but shall not be limited to:

- (a) Said land in fee;
- (b) All foundations, supports, bearing walls and exterior stairs, landings and entranceways of said buildings;
- (c) All roofs;
- (d) The gatehouse, bridge, belvedere, all storage stations (including tool storage and grounds maintenance storage areas), yards and refuse areas;
- (e) All ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, cold and hot water, refuse, television, and telephone;
- (f) All parking stalls, subject to the designation of those parking stalls within certain apartment structures as limited common elements in Phase IA;
- (g) One swimming pool adjacent to the Beach Pavilion, one paddle tennis court and a barbecue area containing three barbecue grills which are all located in the area of Phase IA;
- (h) All other devices or installations upon the land existing for or normally in common use by all the owners of apartments within the Project; and
- (i) The limited common elements described below.

LIMITED COMMON ELEMENTS: Similarly, since Phase IB is the second phase of the two-phase development of the Wailea Elua I project, the limited common elements of both Phase IA and Phase IB will be the same. The limited common elements in Phase IB (and also in Phase IA) and the apartments to which their use is reserved are:

- (a) Exterior staircases, landings and entranceways shall be limited common elements for the exclusive use of the apartments they serve.
- (b) Any trellis-covered privacy area (other than a lanai comprising part of an apartment) adjacent to an apartment shall be a limited common element for the exclusive use of that apartment.
- (c) Sixteen (16) parking spaces within Buildings 7 and 8 in Phase IA shall be limited common elements. Viewed from the side of such buildings on which such parking spaces are located, the parking spaces are numbered in ascending order from right to left, being numbered from 701 through 708 in Building 7 and from 801 through 808 in Building 8.

NOTE: The Developer in the Declaration has reserved the right to assign the exclusive use of such parking spaces to specific apartment owners. The Developer has sold the exclusive use of such parking spaces to apartment owners in Phase IA and has executed and filed an amendment to the Declaration designating the apartments to which the exclusive use of such parking spaces are appurtenant to.

- (d) Mailboxes for all apartments are located in the vicinity of the Beach Pavilion, and each mailbox shall be a limited common element for the exclusive use of the apartment having the same number as such mailbox.
- (e) The planting spaces adjacent to each of Apartment Numbers 501 and 502 in Phase IB shall be limited common elements for the exclusive use of each of the said respective apartments it is adjacent to.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The percentage of undivided interest in the common elements appertaining to the apartments in Phase IB is shown opposite the number of each apartment listed in the DESCRIPTION contained above. The remaining undivided interest in the common elements are allocated among the apartments in Phase IA, as more fully described in the Declaration, subject to change by the Developer pursuant to its rights reserved in paragraph 13 of the Declaration. The interests in the common elements of the project are allocated among the apartments approximately on the basis of their interior floor areas.

The voting rights of apartment owners, as well as their shares of the common expenses shall be allocated in proportion to their percentage interests in the common elements; PROVIDED, that no apartment owner, including the Developer, shall be obligated for the payment of the share of the common expenses allocated to his apartment nor have any voting rights with respect to such apartment until a certificate of occupancy relating to such apartment is issued by the appropriate county agency, and all common expenses and voting rights of any apartment for which a certificate of occupancy has not been issued shall be reallocated among the owners of apartments for which a certificate of occupancy has been issued pending the issuance of a certificate of occupancy for such apartment.

APARTMENT OWNERS ASSOCIATION: The Declaration provides for the organization of the Association of Apartment Owners, an unincorporated association responsible for the management, operation and maintenance of the common elements within the Wailea Elua I project. All apartment owners in Phase IA and in Phase IB will be members of one Association of Apartment Owners for Wailea Elua I and will be obliged to pay assessments levied by the Association in accordance with the Bylaws of the Association filed with the Declaration. The voting rights of apartment owners, as well as their shares of the common expenses, shall be allocated in proportion to their respective interests in the common elements.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The thirty-two (32) residential apartments in Phase IB shall at all times be used as permanent or temporary residences and for no other purposes, except that the Developer may use any of such apartments for sales or display purposes prior to the sale and conveyance thereof by the Developer. All parking spaces in the project (including parking spaces within buildings) shall be used solely for the parking of automobiles, motorcycles, motorbikes and trucks 1/2 ton or less in capacity.

The Beach Pavilion apartment, located in Phase IA of the project, is intended and restricted for use as a recreational facility by the owners and occupants of residential apartments and their guests of both Phases IA and IB, subject to the reservation by

the Developer of the right to make such facility available for use by the owners and occupants (and their guests) of other premises covered by the Declaration as to Merger of Increments in a Condominium Project described below; PROVIDED, THAT (1) a portion of the Beach Pavilion apartment may be used as an office by the Board of Directors or the Managing Agent of the project and (2) the Beach Pavilion apartment may be used by the Developer for sales or display purposes in connection with sales of residential apartments in the project or in any other project constructed on other premises covered by such Declaration as to Merger.

OWNERSHIP OF TITLE: The updated Preliminary Title Report dated October 13, 1977, issued by Title Guaranty of Hawaii Incorporated, states that fee simple title to the land of the Wailea Elua I project is held by the Developer, as shown on Transfer Certificate of Title No. 166,518, and also by the various apartment owners of Phase IA, who were issued separate Transfer Certificates of Title when the apartments in Phase IA were deeded to them. The Developer in the Declaration and in the Apartment Deed of Phase IA has reserved the right to do all things necessary and required for the development, construction, and sale of Phase IB, and every owner of an apartment in Phase IA, upon the acceptance of his Apartment Deed, has consented and agreed to the said rights reserved by the Developer.

ENCUMBRANCES: An updated Preliminary Report dated October 13, 1977, issued by Title Guaranty of Hawaii Incorporated, discloses the following encumbrances on the land of the Wailea Elua I project:

1. Location of the seaward boundary in accordance with the laws of the State of Hawaii.
2. Reservation of all mineral and metallic mines in favor of the State of Hawaii, as set forth in Royal Patent Grants 234 and 548.
3. Designation of Easement 30, for waterline purposes, as shown on Maps 12 and 17 filed with Land Court Application No. 1804, and as set forth by Land Court Order No. 44243.
4. Designation of Easement 32, for drainage, landscaping, pedestrian access, recreational and building set back purposes, as shown on Maps 12 and 17 filed with Land Court Application No. 1804, and as set forth by Land Court Order No. 44243, as amended by Land Court Order No. 47157.
5. Designation of Easement 57, for electrical and other utility purposes, as shown on Map 17 filed with Land Court Application No. 1804, and as set forth by Land Court Order No. 47157.
6. Designation of Easement 58, for waterline purposes, as shown on Map 17 filed with Land Court Application No. 1804, and as set forth by Land Court Order No. 47157.
7. Open Space Declaration dated October 1, 1975, executed by the Declarant and filed as Land Court Document No. 770617.

NOTE: The Developer has advised the Commission, at the request of the County of Maui, it will amend the Open Space Declaration to redesignate the common protected open space in the Project to cover certain additional portions of the common areas.

8. Declaration as to Merger of Increments in a Condominium Project dated May 20, 1977, executed by the Declarant and filed as Land Court Document No. 820117.
9. Supplemental Declaration No. Six dated April 14, 1977, executed by the Declarant and filed as Land Court Document No. 820119, subjecting the project to the Declaration of Covenants and Restrictions dated January 17, 1975, executed by the Declarant and filed as Land Court Document No. 713123.
10. Declaration of Horizontal Property Regime dated May 20, 1977, executed by the Declarant and filed as Land Court Document No. 820118, together with Bylaws attached thereto and made a part thereof and Condominium Map No. 307, and amendments to the Declaration of Horizontal Property Regime and Condominium Map No. 307, dated August 31, 1977, August 31, 1977, and September 28, 1977, respectively, and filed as Land Court Document Nos. 839137, 839138, and 839655, respectively.
11. Grant of Easement, dated May 24, 1977, in favor of Maui Electric Company, Limited, and Hawaiian Telephone Company, for electrical and other utility purposes, affecting said Easement 57, filed in said Office of the Assistant Registrar of the Land Court of Hawaii as Document No. 826957.
12. Grant of Easement, dated May 24, 1977, in favor of Board of Water Supply of the County of Maui, for water-line purposes, affecting said Easement 58, filed in said Office of the Assistant Registrar of the Land Court of Hawaii as Document No. 826960.
13. Designation of Easement 61, for drainage, landscaping, pedestrian access, recreational and building set back purposes, as shown on Map 18 filed with Land Court Application No. 1804, and as set forth by Land Court Order No. 47728.
14. Designation of Easements 62 and 63, for drainage purposes, as shown on Map 18 filed with Land Court Application No. 1804, and as set forth by Land Court Order No. 47728.
15. Various deeds and mortgages filed on certain apartments have been purposely omitted from the preliminary report.
16. For any taxes that may be due and owing, reference is made to the office of the tax assessor, second division.

WAILEA PROPERTY OWNERS ASSOCIATION: The Declaration of Covenants and Restrictions provides for the organization of the Wailea Property Owners Association, a nonprofit corporation established to own and maintain certain property and to provide certain services for all the owners of property at Wailea, Maui, including condominium apartment owners, hotel operators and so forth. The Wailea Elua I project has been annexed to the Wailea Property

Owners Association. All apartment owners in the project will be obliged to pay assessments levied by the Wailea Property Owners Association, but no such assessments will be levied against any apartment until a certificate of occupancy is issued for such apartment. The Declaration of Covenants and Restrictions also provides for the establishment of a community design committee having the authority to approve or disapprove any proposed construction or alteration on property subject to such Declaration. The Developer does not represent that any common property will in fact be conveyed to the Wailea Property Owners Association or that any further property at Wailea, Maui, will in fact be annexed to the property covered by such Declaration.

MERGER: The Declaration as to Merger of Increments in a Condominium Project dated May 20, 1977, and filed as Land Court Document No. 820117, a copy of which has been filed with and is available for public inspection at the Office of the Real Estate Commission and also at the office of Wailea Realty Corporation, at the Wailea Town Center, Wailea, Maui, Hawaii, affects the project and additional adjacent property. The Declaration as to Merger permits the Developer to merge one or more additional condominium projects with this project for purposes of administration and use. The Developer does not represent that any such additional condominium projects will be developed or that, if developed, they will be merged with the project.

RESTRICTIONS AND OBLIGATIONS: The prospective purchasers should note that the Purchase Agreement, the Declaration as to Merger of Increments in a Condominium Project and the Apartment Deed prohibit the apartment owners in any of the phases and/or projects of the Wailea Elua development from entering into a rental pool or other rental sharing agreement until after all phases and/or projects of the Wailea Elua development covered by the Declaration as to Merger have been completed and sold. Prospective purchasers are advised to examine carefully the form of the Declaration of Horizontal Property Regime, the Declaration as to Merger of Increments in a Condominium Project and the Declaration of Covenants and Restrictions so that they may familiarize themselves with the restrictions and obligations contained therein. The Declaration of Horizontal Property Regime provides that the Declaration of Covenants and Restrictions and the Declaration as to Merger of Increments in a Condominium Project shall control if there is any conflict with the Declaration of Horizontal Property Regime.

PURCHASE MONEY HANDLING: The Developer has submitted as part of the registration copies of the specimen Purchase Agreement and the Escrow Agreement dated October 14, 1977, executed by the Developer and Title Guaranty Escrow Services, Inc., "Escrowee". The Escrow Agreement governs the release of purchasers' funds from escrow.

Upon examination, the Purchase Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, as amended, and particularly with Sections 514-35 through 514-40. A prospective purchaser should carefully examine the form of Purchase Agreement and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and the sharing of closing costs, as well as the manner in which funds held in escrow may be disbursed. These documents provide that such purchaser's funds may, from time to time, be used to pay for construction and other costs of Phase IB.

The executed Escrow Agreement and the form of Purchase Agreement provide in part that a purchaser shall be entitled to a return of his funds, and the Escrowee shall pay such funds to such purchaser, with interest, and less the cancellation fee imposed by the Escrowee, after request for return by the purchaser if any one of the following occurs:

- (a) The Developer, pursuant to paragraph 9(b) of the Purchase Agreement, instructs the Escrowee in writing to return to the purchaser the funds of the purchaser then being held in escrow by the Escrowee; or
- (b) There is any change in the condominium building plans subsequent to the execution of the Purchase Agreement and the issuance of a Final Public Report requiring approval of a county officer having jurisdiction over issuance of permits for construction of buildings, unless in any such case the Buyer has given written approval or acceptance of the specific differences and/or changes by acceptance of a Supplementary Public Report covering these differences and/or changes; or
- (c) Construction of the purchaser's apartment is not completed within twenty-four (24) months after the date of his Purchase Agreement (subject to delay beyond the Developer's control).

Upon any such return of funds to a purchaser, the Escrowee will return to the Developer the purchaser's Purchase Agreement and any conveyancing documents theretofore delivered to the Escrowee; and thereupon the purchaser and the Developer shall no longer be obligated under the Purchase Agreement.

Further, the executed Escrow Agreement and the form of Purchase Agreement provide in part what sums of money, if any, the purchaser is entitled to as refunds if the purchaser is in default in any payment when required or fails to perform any other obligation required by the purchaser.

It is incumbent upon the purchaser and the prospective purchaser that he reads with care the Purchase Agreement and the executed Escrow Agreement.

MANAGEMENT AND OPERATION: Section 3 of Article III of the Bylaws of the Association of Apartment Owners states that the Board of Directors of the Association shall at all times employ a responsible managing agent to manage and control all of the project subject at all times to direction by the Board of Directors. The Developer has contracted with Aaron M. Chaney, Inc., a Hawaii corporation, on behalf of the Association of Apartment Owners for Wailea Elua I to act as the fiscal and physical manager of the project for a term of one (1) year.

BEACH PAVILION: The Beach Pavilion, which is located in Phase IA, contains a single nonresidential apartment having (a) approximately 1,194 sq.ft. of interior floor area, including locker rooms, dressing rooms, shower and toilet facilities, janitors' closet, pool and equipment room, and office, and (b) exterior trellised and roof patio areas of approximately 2,916 sq.ft., including kitchenette and bar.

The Developer will convey the Beach Pavilion apartment to the Board of Directors of the Association of Apartment Owners for

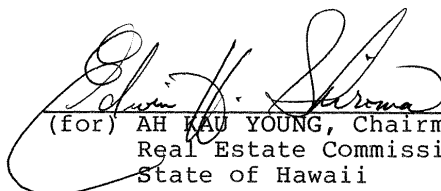
Wailea Elua I in trust for the use and enjoyment of the owners and occupants (and their guests) from time to time of residential apartments in the Wailea Elua I project, including Phase IA and Phase IB, and the owners and occupants (and their guests) of other premises covered by the Declaration as to Merger of Increments in a Condominium Project, subject to the right of the Board of Directors or the Managing Agent to use a portion of the Beach Pavilion Apartment as an office and the right of the Developer to use the Beach Pavilion apartment for sales or display purposes in connection with sales of residential apartments in the project or in any other project constructed on other premises covered by such Declaration as to Merger. The Association of Apartment Owners will be obligated to pay all expenses (including the Beach Pavilion apartment's proportionate share of common expenses) incident to the ownership and operation of the Beach Pavilion. Such expenses will thus be common expenses of the Association of Apartment Owners payable by all residential apartment owners in the same manner as all other common expenses of the project.

STATUS OF PROJECT: The Developer has entered into a sitework contract with Goodfellow Bros., Inc., and a building contract with Rovens Construction Corp. Sitework construction has commenced as of July, 1977, and it is estimated the construction will be completed approximately by February, 1978.

A prospective purchaser should be cognizant of the fact that this Final Public Report represents information disclosed by the Developer in the required Notice of Intention submitted on October 17, 1977.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 940, filed with the Commission on October 17, 1977.

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.


(for) AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

Distribution:
Department of Taxation
Planning Department, County of Maui
Escrow Agent
Federal Housing Administration
Bureau of Conveyances

Registration No. 940

November 21, 1977.