

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

WAILEA EKOLU
Wailea, Island of Maui

REGISTRATION NO. 964

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: January 20, 1978

Expires: February 20, 1979

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 DECEMBER 28, 1977, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 16, 1978. THE DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. WAILEA EKOLU is a proposed fee simple condominium project consisting of one hundred and forty-eight residential apartments located in seventeen (17) separate two-story buildings located on two parcels divided by a roadway lot. There will be a total of one hundred eighty-nine (189) parking stalls.

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 Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws and the Condominium Map will be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii prior to the application for a Final Public Report.
4. At the present time there are no advertising and promotional materials; however, when such materials are available, they will 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 Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, January 20, 1978, unless a Final Public Report or 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 Preliminary Public Report is made a part of the registration of WAILEA EKOLU. 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 this Preliminary Public Report from each purchaser.

NAME OF PROJECT: WAILEA EKOLU

LOCATION: The project is located at Wailea, Island and County of Maui, State of Hawaii, and consists of three parcels. One parcel (Makai-West) consists of approximately 10.909 acres and the second parcel (Mauka-East) consists of approximately 6.695 acres. The third parcel, which divides the Makai-West and the Mauka-East parcels, is a roadway lot (approximately 0.848 acres), of which an undivided one-half interest therein will belong to the project.

TAX MAP KEY: Portion of 2-1-08-42 (Second Taxation Division - County of Maui).

ZONING: A-1 (Apartment). The Developer has applied for approval to develop the 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. The Project consists of one hundred and forty-eight (148) residential apartments contained in seventeen (17) two-story buildings, numbered 1 through 17. The Project will be on three (3) parcels, including an undivided one-half interest in a roadway lot. One parcel (Makai-West) will have eight-five (85) residential apartments contained in nine (9) two-story buildings, numbered 1 through 9. Another parcel (Mauka-East) will have sixty-three (63) residential apartments contained in eight (8) two-story buildings, numbered 10 through 17. The third parcel, which divides the Makai-West and the Mauka-East parcels, is the roadway lot, of which an undivided one-half interest therein will belong to the Project. The apartment buildings will be principally of wood frame construction with wood siding exteriors, shake roofs and concrete slab ground floors with wood frame upper floors. The buildings are all two stories high containing various combinations of the three (3) basic unit types described below.

There are a total of forty (40) Type "A" apartments in the Project. Twenty-two (22) Type "A" apartments will be located in the Makai-West parcel and eighteen (18) Type "A" apartments will be located in the Mauka-East parcel of the project. The Type "A" apartments are one-bedroom and two-bath apartments, including a living room/dining room, kitchen, two bathrooms, one bedroom, and two verandas (one adjoining the living room/dining room, and a smaller one adjoining the bedroom).

There are a total of eighty-eight (88) Type "B" apartments in the Project. Fifty-two (52) Type "B" apartments will be located in the Makai-West parcel and thirty-six (36) Type "B" apartments will be located in the Mauka-East parcel of the Project. The Type "B" apartments are two-bedroom and two-bath apartments, including a living room/dining room, kitchen, two bathrooms, two bedrooms, and three verandas (one adjoining the living room/dining room and two smaller ones, each one adjoining each bedroom).

There are a total of twenty (20) Type "C" apartments in the Project. Eleven (11) Type "C" apartments will be located in the Makai-West parcel and nine (9) Type "C" apartments will be located in the Mauka-East parcel of the Project. The Type "C" apartments are two-bedroom, two and one-half-bath, two-story townhouse apartments, including a living room, dining area, kitchen, two and one-half bathrooms, two bedrooms, and three verandas (one adjoining the living room and two smaller ones, each one adjoining each bedroom).

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

Each residential apartment will have a range and oven combination, refrigerator/freezer, disposal, dishwasher, water heater, compactor, washer and dryer, and tile flooring in the entryway and veranda areas. Drapes in the residential apartments, ceramic tile flooring in the kitchens and bathrooms, and carpeting in the living rooms, dining room and bedrooms of all residential apartments will be optional. If the apartment owner desires such drapes, tile flooring, and carpeting, they will be installed in the residential apartment by the Developer; otherwise, the apartment owner will be entitled to credit(s) against the purchase price of the residential apartment or he will be entitled to such drapes, tile flooring, 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 initially be connected to a master television antenna system with the possibility of such system being replaced by the development of a cable television system in the future.

The apartment numbers, apartment types, approximate interior floor areas, approximate veranda areas, approximate gross apartment areas, and percentage of common interest appurtenant to each apartment are hereafter listed. The first digit (in the case of apartment numbers of three digits) and the first two digits (in the case of apartment numbers of four digits) of each apartment number indicate the number of the building in which the apartment is located. An odd apartment number indicates a ground floor unit and an even apartment number indicates a second floor unit, except that a Type "C" apartment will have an even apartment number with the main entry on the second floor and a secondary entry on the ground floor. An "R" designation in the Apartment Type indicates a reverse floor plan.

(For purposes of determining the percentage of common interest appurtenant to each apartment all Type "A" apartments are considered to have the same amount of gross apartment areas (consisting of interior floor and veranda areas) since the differences in gross areas among these Type "A" units were minimal. The same was done for the Type "B" apartments for the same reason.)

The Project also contains driveways, walkways, picnic areas and parking areas containing a total of one hundred eighty-nine (189) parking stalls with one hundred ten (110) parking stalls in the Makai-West parcel and seventy-nine (79) parking stalls in the Mauka-East parcel of the Project. There will also be two (2) swimming pools with adjoining pool structures, one each located within each of the Makai-West parcel and the Mauka-East parcel of the Project. There will be a Recreational Pavilion with adjoining office and residence for the resident manager of the Project located in the Mauka-East parcel of the Project. The Project will also have eight (8) trash enclosures and seven (7) trash enclosures/service buildings, with five (5) trash enclosures and four (4) trash enclosures/service buildings located in the Makai-West parcel, and three (3) trash enclosures and three (3) trash enclosures/service buildings

located in the Mauka-East parcel of the Project. There will also be four (4) barbecue areas in the Project with two (2) such areas located in each of the Makai-West parcel and the Mauka-East parcel of the Project.

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Veranda Area</u>	<u>Approx. Gross Apt. Area</u>	<u>Percentage Interest</u>
<u>MAKAI-WEST</u>					
101	BR	1,071	245	1,316	.6661
102	BR	1,071	245	1,316	.6661
103	BR	1,073	243	1,316	.6661
104	BR	1,073	243	1,316	.6661
105	BR	1,069	245	1,314	.6661
106	BR	1,069	245	1,314	.6661
107	A	866	201	1,067	.5410
108	A	866	201	1,067	.5410
109	(Not Used)				
110	C	1,489	460	1,949	.9871
201	BR	1,071	245	1,316	.6661
202	BR	1,071	245	1,316	.6661
203	BR	1,073	243	1,316	.6661
204	BR	1,073	243	1,316	.6661
205	BR	1,069	245	1,314	.6661
206	BR	1,069	245	1,314	.6661
207	A	866	201	1,067	.5410
208	A	866	201	1,067	.5410
209	(Not Used)				
210	C	1,489	460	1,949	.9871
301	(Not Used)				
302	C	1,489	460	1,949	.9871
303	A	869	200	1,069	.5410

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Veranda Area</u>	<u>Approx. Gross Apt. Area</u>	<u>Percentage Interest</u>
304	A	869	200	1,069	.5410
305	B	1,073	243	1,316	.6661
306	B	1,073	243	1,316	.6661
307	B	1,069	245	1,314	.6661
308	B	1,069	245	1,314	.6661
309	BR	1,069	245	1,314	.6661
310	BR	1,069	245	1,314	.6661
311	AR	869	200	1,069	.5410
312	AR	869	200	1,069	.5410
313	(Not Used)				
314	CR	1,489	460	1,949	.9871
401	BR	1,071	245	1,316	.6661
402	BR	1,071	245	1,316	.6661
403	BR	1,073	243	1,316	.6661
404	BR	1,073	243	1,316	.6661
405	BR	1,069	245	1,314	.6661
406	BR	1,069	245	1,314	.6661
407	A	866	201	1,067	.5410
408	A	866	201	1,067	.5410
409	(Not Used)				
410	C	1,489	460	1,949	.9871
501	BR	1,071	245	1,316	.6661
502	BR	1,071	245	1,316	.6661
503	BR	1,073	243	1,316	.6661
504	BR	1,073	243	1,316	.6661
505	BR	1,069	245	1,314	.6661

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Veranda Area</u>	<u>Approx. Gross Apt. Area</u>	<u>Percentage Interest</u>
506	BR	1,069	245	1,314	.6661
507	A	866	201	1,067	.5410
508	A	866	201	1,067	.5410
509	(Not Used)				
510	C	1,489	460	1,949	.9871
601	BR	1,071	245	1,316	.6661
602	BR	1,071	245	1,316	.6661
603	BR	1,073	243	1,316	.6661
604	BR	1,073	243	1,316	.6661
605	BR	1,069	245	1,314	.6661
606	BR	1,069	245	1,314	.6661
607	A	866	201	1,067	.5410
608	A	866	201	1,067	.5410
609	(Not Used)				
610	C	1,489	460	1,949	.9871
701	B	1,071	245	1,316	.6661
702	B	1,071	245	1,316	.6661
703	B	1,073	243	1,316	.6661
704	B	1,073	243	1,316	.6661
705	B	1,069	245	1,314	.6661
706	B	1,069	245	1,314	.6661
707	AR	866	201	1,067	.5410
708	AR	866	201	1,067	.5410
709	(Not Used)				
710	CR	1,489	460	1,949	.9871

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Veranda Area</u>	<u>Approx. Gross Apt. Area</u>	<u>Percentage Interest</u>
801	(Not Used)				
802	CR	1,489	460	1,949	.9871
803	AR	869	200	1,069	.5410
804	AR	869	200	1,069	.5410
805	BR	1,073	243	1,316	.6661
806	BR	1,073	243	1,316	.6661
807	BR	1,070	245	1,315	.6661
808	BR	1,070	245	1,315	.6661
901	(Not Used)				
902	C	1,489	460	1,949	.9871
903	A	869	200	1,069	.5410
904	A	869	200	1,069	.5410
905	B	1,073	243	1,316	.6661
906	B	1,073	243	1,316	.6661
907	B	1,069	245	1,314	.6661
908	B	1,069	245	1,314	.6661
909	BR	1,069	245	1,314	.6661
910	BR	1,069	245	1,314	.6661
911	AR	869	200	1,069	.5410
912	AR	869	200	1,069	.5410
913	(Not Used)				
914	CR	1,489	460	1,949	.9871
<u>MAUKA-EAST</u>					
1001	(Not Used)				
1002	CR	1,489	460	1,949	.9871
1003	AR	869	200	1,069	.5410

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Veranda Area</u>	<u>Approx. Gross Apt. Area</u>	<u>Percentage Interest</u>
1004	AR	869	200	1,069	.5410
1005	BR	1,073	243	1,316	.6661
1006	BR	1,073	243	1,316	.6661
1007	BR	1,070	245	1,315	.6661
1008	BR	1,070	245	1,315	.6661
1101	(Not Used)				
1102	CR	1,489	460	1,949	.9871
1103	AR	869	200	1,069	.5410
1104	AR	869	200	1,069	.5410
1105	BR	1,073	243	1,316	.6661
1106	BR	1,073	243	1,316	.6661
1107	BR	1,070	245	1,315	.6661
1108	BR	1,070	245	1,315	.6661
1201	(Not Used)				
1202	C	1,489	460	1,949	.9871
1203	A	869	200	1,069	.5410
1204	A	869	200	1,069	.5410
1205	B	1,073	243	1,316	.6661
1206	B	1,073	243	1,316	.6661
1207	B	1,070	245	1,315	.6661
1208	B	1,070	245	1,315	.6661
1301	(Not Used)				
1302	CR	1,489	460	1,949	.9871
1303	AR	869	200	1,069	.5410
1304	AR	869	200	1,069	.5410

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Veranda Area</u>	<u>Approx. Gross Apt. Area</u>	<u>Percentage Interest</u>
1305	BR	1,073	243	1,316	.6661
1306	BR	1,073	243	1,316	.6661
1307	BR	1,070	245	1,315	.6661
1308	BR	1,070	245	1,315	.6661
1401	(Not Used)				
1402	C	1,489	460	1,949	.9871
1403	A	869	200	1,069	.5410
1404	A	869	200	1,069	.5410
1405	B	1,073	243	1,316	.6661
1406	B	1,073	243	1,316	.6661
1407	B	1,070	245	1,315	.6661
1408	B	1,070	245	1,315	.6661
1501	(Not Used)				
1502	CR	1,489	460	1,949	.9871
1503	AR	869	200	1,069	.5410
1504	AR	869	200	1,069	.5410
1505	BR	1,073	243	1,316	.6661
1506	BR	1,073	243	1,316	.6661
1507	BR	1,069	245	1,314	.6661
1508	BR	1,069	245	1,314	.6661
1509	B	1,069	245	1,314	.6661
1510	B	1,069	245	1,314	.6661
1511	A	869	200	1,069	.5410
1512	A	869	200	1,069	.5410
1513	(Not Used)				
1514	C	1,489	460	1,949	.9871

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Veranda Area</u>	<u>Approx. Gross Apt. Area</u>	<u>Percentage Interest</u>
1601	B	1,071	245	1,316	.6661
1602	B	1,071	245	1,316	.6661
1603	B	1,073	243	1,316	.6661
1604	B	1,073	243	1,316	.6661
1605	B	1,069	245	1,314	.6661
1606	B	1,069	245	1,314	.6661
1607	AR	866	201	1,067	.5410
1608	AR	866	201	1,067	.5410
1609	(Not Used)				
1610	CR	1,489	460	1,949	.9871
1701	(Not Used)				
1702	CR	1,489	460	1,949	.9871
1703	AR	869	200	1,069	.5410
1704	AR	869	200	1,069	.5410
1705	BR	1,073	243	1,316	.6661
1706	BR	1,073	243	1,316	.6661
1707	BR	1,070	245	1,315	.6661
1708	BR	1,070	245	1,315	.6661

LIMITS OF APARTMENTS. The respective apartments shall not be deemed to include the undecorated or unfinished walls, the floors and ceilings surrounding each apartment, and the undecorated or unfinished floors, railings and any ceilings or overhead trellises of verandas, 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 hereinafter provided. Each apartment shall include any adjacent verandas, 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 of all walls, floors and ceilings, and the built-in fixtures.

COMMON ELEMENTS. The proposed Declaration provides that the common elements will include all portions of the land and improvements in the Project other than the respective apartments. The common elements will include the the land on which

all apartment buildings are located, an undivided one-half interest in the land and improvements on the roadway lot, together with a nonexclusive easement over, under, along, across and upon the whole of the roadway lot, with others thereon entitled, for pedestrian access, roadway, drainage, and utility purposes, and all common elements mentioned in the Horizontal Property Act which are actually constructed on the land described herein, and specifically shall include, but shall not be limited to:

- (a) Said land in fee simple;
- (b) All foundations, supports, bearing walls and exterior stairs, landings and entranceways of said buildings;
- (c) All roofs;
- (d) All trash enclosures, trash enclosures/service buildings, yards, grounds and landscaping;
- (e) All ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, cold and hot water, refuse, cable television and/or master television, and telephone;
- (f) All parking stalls, walkways and picnic areas;
- (g) Two swimming pools with adjacent pool structures and four barbecue areas containing a total of ten barbecue grills;
- (h) The Recreational Pavilion;
- (i) The office and residence of the resident manager of the Project;
- (j) An undivided one-half interest in the land and improvements on the roadway lot, together with appurtenant easements;
- (k) All other devices or installations upon the land existing for or normally in common use by all the owners of apartments within the Makai-West parcel and the Mauka-East parcel of the Project; and
- (l) The limited common elements described below.

The undivided one-half interest in the land and improvements of the roadway lot is a part of the common elements of the Project and each apartment will have the percentage of undivided interest therein, as contained in DESCRIPTION above, and all taxes, maintenance and other costs and expenses allocable to said common elements shall be allocated among the apartments in proportion to their percentage interests therein. Together with such interest therein, each apartment will have appurtenant thereto a nonexclusive easement, with others thereon entitled, over, under, along, across and upon the whole of the said roadway lot, for pedestrian access, roadway, drainage and utility purposes. The Developer, its successors and assigns, reserves the right to hold and to grant such nonexclusive easements to others, including utility companies, governmental agencies, and other persons requiring such easements.

The other undivided one-half interest in the land and improvements of the roadway lot, together with and subject to such nonexclusive easements, may be granted to owners of adjoining lots or an association thereof, who will be responsible for the taxes, maintenance and other costs and expenses attributable to such one-half undivided interest therein.

LIMITED COMMON ELEMENTS. Limited common elements and 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 veranda comprising part of an apartment) adjacent to an apartment shall be a limited common element for the exclusive use of that apartment.
- (c) Mailboxes for all apartments will be located in the vicinity of the Recreational Pavilion, and each mailbox shall be a limited common element for the exclusive use of the apartment having the same number as such mailbox.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The percentage of undivided interest in the common elements appertaining to the apartments is shown opposite the number of each apartment listed in the DESCRIPTION contained above. The interests in the common elements of the project are allocated among the apartments approximately on the basis of their gross apartment areas (including interior floor and veranda areas), as discussed in the DESCRIPTION contained above. 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. The undivided interest in the common areas and facilities of each apartment owner will be in and covers all of the common elements of the Project, whether located in the Makai-West parcel, the Mauka-East parcel or the roadway lot. The Developer covenants and agrees that the undivided interest in the common areas and facilities and the title 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 may refer only to one or other of the interests.

PURPOSES OF BUILDINGS AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the residential apartments hereinabove described 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 shall be used solely for the parking of automobiles, motorcycles, motorbikes and trucks 1/2 ton or less in capacity.

The Recreational Pavilion is intended and restricted for use as a recreational facility by the owners and occupants of residential apartments and their guests; PROVIDED, that (1) a portion of the Recreational Pavilion may be used as an office by the Board of Directors or the Managing Agent of the Project and (2) the Recreational Pavilion may be used by the Developer for sales or display purposes in connection with sales of residential apartments in the project.

RESERVATIONS BY THE DEVELOPER

The Developer reserves the right to enter and go upon the Property and the Project as needed for the development, construction and sale of the Project, including (without limitation thereto) the right to perform surveying, excavation and landscaping and to permit parking and storage of construction equipment and materials and for all other purposes necessary or convenient to the development, construction and sale of the Project, provided that the Developer shall at all times assure access to the Project and shall undertake to minimize interference with the use and enjoyment of apartments in the Project.

The Developer further reserves the right at its expense (i) to designate and grant easements over, under and across the Property for utilities, sanitary and storm sewers, cable television and/or master television, and rights-of-way and all other purposes necessary for the development and construction of the Project and (ii) to relocate or realign any existing easements (including easements for utilities, sanitary and storm sewer lines and cable television and/or master television), utilities and rights-of-way and to connect the same over, under and across the common elements, provided that such easements and such relocations and connections of utility and other lines shall not materially impair or interfere with the use of any apartment in the Project.

The Developer reserves the right to execute and file in the Office of the Assistant Registrar of the Land Court and with the Department of Regulatory Agencies and the County of Maui, without the consent or joinder of any apartment owner, or mortgagee or other lien holder hereafter acquiring any interest in the Project an amendment or amendments to the Declaration, the Condominium Map and any other constituent documents of the Project designating, granting or relocating easements over, under and across the common elements as permitted by the Declaration above.

Every owner of an apartment and every mortgagee or lien holder hereafter acquiring an interest in an apartment in the Project shall, by the acceptance of a deed or the instrument creating a lien affecting such apartment, be automatically deemed to consent to the Developer's rights reserved pursuant to the Declaration, and shall, if requested by the Declarant, join in, execute and acknowledge all instruments and documents necessary or desirable to the Developer's exercise of such reserved rights, and shall be deemed to have granted an irrevocable power of attorney coupled with an interest to the Developer to execute and acknowledge all such instruments and documents on behalf of such apartment owners, mortgagees and lien holders.

OWNERSHIP OF TITLE: The updated Preliminary Title Report dated November 25, 1977, issued by Title Guaranty of Hawaii Incorporated, states that fee simple title to the land is held by the Developer, subject to the encumbrances stated below.

ENCUMBRANCES: A Preliminary Report dated November 25, 1977, issued by Title Guaranty of Hawaii Incorporated, discloses the following:

1. Reservation of all mineral and metallic mines in favor of the State of Hawaii, as set forth in Royal Patent Grants 234 and 548.
2. Designation of Easement C (10 feet wide), for drainage purposes, as shown on Maps 3 and 8, filed with Land Court Application No. 1804, and as set forth by Land Court Order No. 29241.
3. Designation of Easements F, G, and H, for roadway, telephone, electrical, gasoline, sewer, waterline, sewer, cable television, and other utility purposes, as shown on Maps 5 and 8, filed with Land Court Application No. 1804, and as set forth by Land Court Order No. 37357, and as amended by Land Court Order No. 47774.
4. Designation of Easements J, K, and Q, for access purposes, as shown on Maps 5 and 8, filed with Land Court Application No. 1804, and as set forth by Land Court Order No. 37357.
5. Grant of Right of Access, dated November 24, 1976, in favor of the Board of Water Supply, County of Maui, and in favor of Lot 75, over said Easements F, G, and H, filed in said Office of the Assistant Registrar of the Land Court of Hawaii as Document No. 802365.
6. 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 Project may become subject to a Declaration of Covenants and Restrictions, filed as Land Court Document No. 713123, by the filing of a Supplemental Declaration annexing the Project to the Wailea Property Owners Association (WPOA). The Declaration of Covenants and Restrictions provides for the organization of the WPOA, a nonprofit corporation established to own and maintain certain common property and to provide certain services for the owners of property at Wailea, Maui, whose properties have been annexed to the WPOA. All owners of annexed properties, including the apartment owners in the Project if the Project is annexed to the WPOA, will be obliged to pay assessments levied by the WPOA. The Declaration of Covenants and Restrictions also provides for the establishment of a community design committee which shall have the authority to approve or disapprove any proposed construction or alteration of property which has been annexed. The Developer does not represent that any common property will in fact be conveyed to the WPOA nor that this Project or any additional property will in fact be annexed to the WPOA. The Developer does represent that this Project and additional properties may in fact become part of another association of property owners at Wailea, Maui, succeeding or similar in nature to the WPOA.

RESTRICTIONS AND OBLIGATIONS: The prospective purchasers should note that the Purchase Agreement, the Declaration of Horizontal Property Regime and the Apartment Deed prohibit the apartment owners in the Project from entering into a rental pool or other

rental sharing agreement until after all the apartments in the project have been completed and sold.

Prospective purchasers are advised to examine carefully the form of the Declaration of Horizontal Property Regime and the Declaration of Covenants and Restrictions so that they may familiarize themselves with the restrictions and obligations contained therein.

PURCHASE MONEY HANDLING: The Developer has submitted as part of the registration copies of the specimen Purchase Agreement and the Escrow Agreement dated December 21, 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. The documents provide that such purchaser's funds may, from time to time, be used to pay for construction and other costs of the Project. The executed Escrow Agreement provides in part that a purchaser shall be entitled to a return of his funds, and the Escrowee shall pay such funds to such purchaser, without 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, has instructed the Escrowee in writing to return to the purchaser the funds of the purchaser then being held in escrow by the Escrowee; or
- (b) The purchaser's funds are obtained prior to the issuance of a Final Public Report for the Project and either (i) such Final Public Report differs in any material respect from the Preliminary Public Report for the Project or (ii) there is any change in the condominium building plans subsequent to the execution of the Purchase Agreement requiring approval of a county officer having jurisdiction over the issuance of permits for the construction of buildings, unless in any such case the purchaser has given written approval or acceptance of the specific differences and/or changes; or
- (c) The Final Public Report for the Project is not issued within one (1) year of the date of issuance of the Preliminary Public Report for the project, unless after the one (1) year period either (i) such Final Public Report is accepted by the purchaser, or (ii) the purchaser, within thirty (30) days of the date of delivery of such Final Public Report, does not exercise his right to cancel the Purchase Agreement, after having been notified in writing of such right to cancel and the waiver of such right if he failed to act within the thirty (30) day period; or

- (d) 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 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.

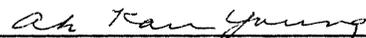
MANAGEMENT AND OPERATION: Section 3 of Article III of the Bylaws of the Association of Apartment Owners states that the Board of Directors of the Association shall at all times employ a responsible managing agent to manage and control all of the Project subject at all times to direction by the Board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

STATUS OF PROJECT: Final plans and specifications for the project are being prepared and construction financing arrangements are being finalized. Developer is applying for subdivision and planned development approval from the County of Maui for the Project. Developer is in the process of negotiating the sitework and construction contracts and expects to commence construction approximately January 15, 1978, and to complete construction approximately December 31, 1978.

A purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted on December 28, 1977, and additional information filed with the Commission on January 16, 1978.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 964, filed with the Commission on December 28, 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 yellow.


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

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Registration No. 964

January 20, 1978