

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

PANIOLO HALE
Kaluakoi, Molokai, Hawaii

REGISTRATION NO. 993

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: May 19, 1978
Expires: June 19, 1979

SPECIAL ATTENTION

A comprehensive reading of this report by the prospective purchaser is urged in order that 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 FILED APRIL 12, 1978, AND ADDITIONAL INFORMATION SUBSEQUENTLY SUBMITTED AS OF May 12, 1978. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES.

1. PANIOLO HALE is a proposed fee simple condominium project consisting of twenty-one (21) buildings without basements and containing seventy-seven (77) apartments. There is a total of one hundred (100) unassigned parking stalls in the Project.

2. The Developer of the Project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

4. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514A of the Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, May 19, 1978, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

7. This Preliminary Public Report is made a part of the registration on PANIOLO HALE condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt for the Preliminary Horizontal Property Regime Public Report from each purchaser is also the responsibility of the Developer.

NAME OF PROJECT: PANIOLO HALE

LOCATION: The approximately 8.772 acres of land to be submitted to the horizontal property regime are situated at Kaluakoi, Island of Molokai, County of Maui, State of Hawaii.

TAX MAP KEY NO.: 5-1-03: 3 and 4

ZONING: Hotel (medium).

DEVELOPER: TEDWILL, INC., a Hawaii corporation, the principal place of business and post office address of which is Suite 1510, 700 Bishop Street, Honolulu, Hawaii; Phone 538-7137. The officers of the corporation are: Ted James, President; William E. Patridge, Vice-President; and Werner G. Boone, Secretary/Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Hamilton, Gibson, Nickelsen, Rush & Moore (Attention: Dwight M. Rush and D. Scott MacKinnon), 20th Floor Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813; Phone: 521-2611.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of twenty-one (21) buildings without basements, constructed principally of wood. The buildings of the Project and the apartments are designated on the proposed condominium map and described as follows:

(a) The apartments of the Project are located as follows:

1. Building A: There are four (4) apartments located on the first and second floors of Building A, being Apartment Nos. A-1, A-2, A-3 and A-4.
2. Building B: There are four (4) apartments located on the first and second floors of Building B, being Apartment Nos. B-1, B-2, B-3 and B-4.
3. Building C: There are three (3) apartments located on the first floor of Building C, being Apartment Nos. C-1, C-2 and C-3.
4. Building D: There are four (4) apartments located on the first and second floors of Building D, being Apartment Nos. D-1, D-2, D-3 and D-4.
5. Building E: There are two (2) apartments located on the first and second floors of Building E, being Apartment Nos. E-1 and E-2.
6. Building F: There are three (3) apartments located on the first and second floors of Building F, being Apartment Nos. F-1, F-2 and F-3.
7. Building G: There are two (2) apartments located on the first and second floors of Building G, being Apartment Nos. G-1 and G-2.
8. Building H: There are four (4) apartments located on the first and second floors of Building H, being Apartment Nos. H-1, H-2, H-3 and H-4.
9. Building I: There are five (5) apartments located on the first floor of Building I, being Apartment Nos. I-1, I-2, I-3, I-4 and I-5.
10. Building J: There are four (4) apartments located on the first floor of Building J, being Apartment Nos. J-1, J-2, J-3 and J-4.

11. Building K: There are four (4) apartments located on the first and second floors of Building K, being Apartment Nos. K-1, K-2, K-3 and K-4.

12. Building L: There are three (3) apartments located on the first and second floors of Building L, being Apartment Nos. L-1, L-2 and L-3.

13. Building M: There are three (3) apartments located on the first and second floors of Building M, being Apartment Nos. M-2, M-3 and M-4; Apartment Nos. M-1 and M-5 are located entirely on the first floor of Building M.

14. Building N: There are four (4) apartments located on the first and second floors of Building N, being Apartment Nos. N-1, N-2, N-3 and N-4.

15. Building O: There are three (3) apartments located on the first and second floors of Building O, being Apartment Nos. O-1, O-2 and O-3.

16. Building P: There are four (4) apartments located on the first and second floors of Building P, being Apartment Nos. P-1, P-2, P-3 and P-4.

17. Building Q: There are four (4) apartments located on the first and second floors of Building Q, being Apartment Nos. Q-1, Q-2, Q-3 and Q-4.

18. Building R: There are four (4) apartments located on the first and second floors of Building R, being Apartment Nos. R-1, R-2, R-3 and R-4.

19. Building S: There are four (4) apartments located on the first and second floors of Building S, being Apartment Nos. S-1, S-2, S-3 and S-4.

20. Building T: There are four (4) apartments located on the first and second floors of Building T, being Apartment Nos. T-1, T-2, T-3 and T-4.

21. Building U: There are three (3) apartments located on the first and second floors of Building U, being Apartment Nos. U-1, U-2 and U-3; Apartment No. U-4 is located entirely on the first floor of Building U.

(b) The apartments are constructed according to seven (7) different floor plans. A description of each of said floor plans, designating the layout, number of rooms and approximate floor area, is as follows:

(1) Type "A": Apartment Nos. B-1, B-4, D-1, D-4, E-1, E-2, F-1, F-3, G-1, G-2, H-1, H-4, K-1, K-4, L-3, N-1, O-1, O-3, P-1, P-4, Q-1, Q-4, T-1 and T-4 are two-story

apartments and each consists of six (6) rooms, including one (1) bedroom, one (1) bathroom, a living/dining room, a kitchen and a lanai on the first floor and a master bedroom and master bathroom on the second floor, and contains a total floor area of approximately 1,911 square feet, including the lanai of approximately 513 square feet.

(2) Type "A-1": Apartment Nos. N-3 and U-2 are two-story apartments and each consists of six (6) rooms, including one (1) bedroom, one (1) bathroom, a living/dining room, a kitchen and a lanai on the first floor and a master bedroom and master bathroom on the second floor, and contains a total floor area of approximately 1,686 square feet, including the lanai of approximately 288 square feet.

(3) Type "B": Apartment Nos. A-1, A-4, L-1, N-4, R-1, R-4, S-1, S-4 and U-1 are two-story apartments and each consists of five (5) rooms, including a living/dining room, a kitchen, one (1) bathroom and a lanai on the first floor and a master bedroom, master bathroom and a lanai on the second floor, and contains a total floor area of approximately 1,384 square feet, including the lanais of approximately 417 square feet and 34 square feet, respectively.

(4) Type "B-1": Apartment Nos. A-2, A-3, B-2, B-3, D-2, D-3, F-2, H-2, H-3, K-2, K-3, L-2, M-2, M-3, M-4, N-2, O-2, P-2, P-3, Q-2, Q-3, R-2, R-3, S-2, S-3, T-2, T-3 and U-3 are two-story apartments and each consists of five (5) rooms, including a kitchen, one (1) bathroom and a lanai on the first floor and a master bedroom, master bathroom and a lanai on the second floor, and contains a total floor area of approximately 1,159 square feet, including the lanais of approximately 192 square feet and 34 square feet, respectively.

(5) Type "C": Apartment No. U-4 consists of three (3) rooms, including a kitchen, bathroom and living/dining room and a lanai, and contains a total floor area of approximately 964.5 square feet, including the lanai of approximately 417 square feet.

(6) Type "D": Apartment Nos. C-2, I-2, I-3, I-4, J-2 and J-3 each consists of three (3) rooms, including a living/dining room, a kitchen, a bathroom and a lanai, and contains a total floor area of approximately 739.5 square feet, including the lanai of approximately 192 square feet.

(7) Type "E": Apartment Nos. C-1, C-3, I-1, I-5, J-1, J-4, M-1 and M-5 each consists of four (4) rooms, including a master bedroom, a bathroom, a kitchen, a living/dining room and a lanai, and contains a total floor area of approximately 1,075 square feet, including the lanai of approximately 459 square feet.

(c) Each of the apartments has immediate access to the grounds of the Project.

(d) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartments 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 all the walls and partitions which are not load-bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, the exterior air space bounded by the interior of the lanai railing, and all fixtures originally installed therein, including a built-in range and oven, refrigerator, dishwasher, sink and water heater.

NOTE: The project lies within an area subject to potential tsunami inundation.

COMMON ELEMENTS: The proposed Declaration states that one (1) freehold estate is designated in all remaining portions of the Project, therein called the "common elements", including specifically but not limited to:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, chases, entries, stairways, walkways, entrances and exits of the buildings of the Project;
- (c) All yards, grounds, landscaping, refuse and service areas, and trash disposal equipment;
- (d) All parking areas, including without limitation to the generality of the foregoing, the one hundred (100) parking stalls depicted on said proposed Condominium Map;
- (e) All pipes, cables, conduits, ducts, electrical equipment, wiring 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, gas, water, sewer, telephone and television signal distribution, if any;
- (f) The swimming pool and recreation center and any appurtenant deck area;
- (g) The paddle tennis court and appurtenant deck area;
- (h) The maintenance shack;

(i) Apartment No. U-4 in Building U which is to be used as a residence and office for the resident manager of the Project; and

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

NOTE: There will be a private sewage treatment facility on the site of the Project to serve the apartments and which will be maintained by the Association as a common expense.

LIMITED COMMON ELEMENTS: There are no limited common elements in this Project.

INTEREST TO BE CONVEYED TO PURCHASERS: The proposed Declaration states that 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 follows:

<u>Apartment Type</u>	<u>No. of Apartments</u>	<u>Common Interest</u>
A	24	1.6%
A-1	2	1.6%
B	9	1.2%
B-1	28	1.2%
D	6	1.0%
E	8	1.0%

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: Except when the holder of the first mortgage on an apartment has entered into possession of the apartment following (1) a default under its first mortgage, (ii) foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose; except that the apartments may also be rented for transient or hotel purposes. The owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration and the By-Laws attached hereto; provided, however, that no apartment owner may lease less than the entire apartment.

OWNERSHIP OF TITLE: A Preliminary Report dated March 20, 1978, issued by Long & Melone, Ltd., discloses that KALUA KOI CORPORATION, a Hawaii corporation, is the present owner of the fee simple title to the property to be submitted to the horizontal property regime. The principals of the Developer have entered into a Purchase Agreement dated January 18, 1977, with West Molokai Venture, a Hawaii joint venture, whereby West Molokai Venture agreed to sell and

Developer agreed to purchase the land to be submitted to the horizontal property regime. West Molokai Venture had the right, under a joint venture agreement, to sell on behalf of KALUA KOI CORPORATION the real property which is to be submitted to the horizontal property regime.

NOTE: The Developer advises that said Purchase Agreement includes the right to obtain access to and from the subject property over proposed Roadway Lots 24, 25 and 26 to Maunaloa Highway, a public road.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report of March 20, 1978, discloses that the following are encumbrances against title to the property:

1. Reservation unto the State of Hawaii of all mineral and metallic mines.
2. Unrecorded Purchase Agreement dated January 18, 1977, by and between West Molokai Venture, as Seller and Theodore James and William Patridge, doing business as Tedwill Venture.

NOTE: Long & Melone, Ltd. has been informed by the Treasurer's Office, Corporate Registration, State of Hawaii, that West Molokai Venture dissolved on January 31, 1977. The general partners of said Venture were Kaluakoi Corporation and Shurl Curci. There are no liens docketed against said parties.

3. Means of access to and from a public road.
4. For information on real property taxes, check with the Tax Assessor, Second Division.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated April 11, 1978, between Bank of Hawaii, as Escrow, and Developer has been filed with the Commission. On examination, the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Sections 514A-40(6), 514A-39, and 514A-63 through 514A-66, H.R.S. Among other provisions, the executed Escrow Agreement states that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest, and less Escrow's cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

1. Escrow receives a written request from Developer to return to purchaser the funds of such purchaser then held under the Escrow Agreement by Escrow; or
2. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change

in the condominium building plans, subsequent to the execution of purchaser's sales contract, requiring the approval of a County officer having jurisdiction over the issuance of permits for construction of buildings, unless the purchaser has given written approval or acceptance of the specific change; or

3. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or

4. If the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has given written approval or acceptance of the difference; or

5. If the Final Public Report is not issued within one year of the date of issuance of the Preliminary Public Report.

It is incumbent of the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the Condominium Reservation Agreement since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's funds. The specimen Condominium Reservation Agreement specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided. Purchasers and prospective purchasers are advised to read with care the provisions of the Condominium Reservation Agreement.

NOTE: Pursuant to paragraph 19 of the Condominium Reservation Agreement the purchaser agrees that all of its rights under the Condominium Reservation Agreement are and shall be subject and subordinate to the lien of any mortgage securing repayment of the interim loan or loans made to finance the costs of construction of the Project.

MANAGEMENT OF THE PROJECT: The proposed By-Laws which are incorporated in the draft Declaration provides that the operation of the Project shall be conducted for the Association of Apartment Owners by a responsible corporate Managing Agent under the direction of the Board of Directors. The Developer in its Notice of Intention indicates that Ronald A. Kawahara, whose residence and post office address is Suite 300, 33 Lono Avenue, Kahalui, Maui, Hawaii, will be the initial managing agent for the Project.

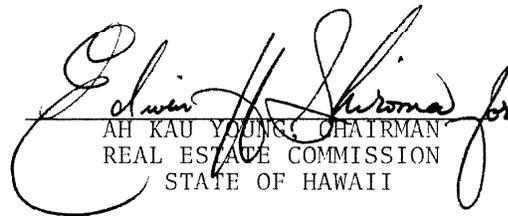
NOTE: The Developer advises that in conjunction with the sale of the apartments in the Project it is not offering to provide services relating to the rental of apartments in the Project and no representation or reference to that effect has been made or will be made by or on behalf of the Developer. Rental or other disposition of the apartments and the provision of management services in connection therewith is the sole responsibility of the purchaser.

NOTE: The Developer advises that pursuant to paragraph 28 of the Condominium Reservation Agreement the purchaser shall agree that until Developer has closed out the sale of all apartments in the Project the purchaser will not enter into a "rental pool" or similar agreement with any purchaser, lessee or owner of another apartment in the Project and/or any third party.

STATUS OF PROJECT: The Developer advises that it has not yet entered into a construction contract for construction of the Project and therefore has not yet determined an estimated date for the start of or completion of construction.

The purchaser and prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted April 12, 1978, and information subsequently submitted as of May 12, 1978.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 993 filed with the Commission April 12, 1978. 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.


AH KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

REGISTRATION NO. 993
May 19, 1978