

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

## FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on  
KAHANA VILLA  
Honoapiilani Highway  
Kahana, Kaanapali, Maui, Hawaii  
REGISTRATION NO. 1025

### 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: August 28, 1978  
Expires: September 28, 1979

#### 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JULY 25, 1978, AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 23, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES.

1. KAHANA VILLA is a leasehold residential condominium project consisting of an existing building containing eight (8) apartments. The Developer has, however, reserved the right to construct additional units on the property in the future, which would be added to the project by way of merger.

2. This Final Public Report is made a part of the registration on the Kahana Villa condominium project. The Developers are responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers.

Securing a signed copy of the Receipt for the Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developers.

3. The Developers have submitted to the Commission for examination all documents deemed necessary for the issuance of this Final Public Report.

The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved floor plans) have been recorded in the Bureau of Conveyances of the State of Hawaii. The Declaration of Horizontal Property Regime, dated July 12, 1978, together with the By-Laws of the Association of Apartment Owners, was recorded in the Bureau of Conveyances in Liber 13043, Page 49, and the Condominium plans have been recorded in said Bureau as Condominium File Plan No. 554.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to horizontal property regimes.

6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, August 28, 1978, unless a Supplementary Public Report issues or the Commission, upon review of the Registration, issues an order extending the effective period of this report.

NAME OF PROJECT: KAHANA VILLA

LOCATION: The land of the project, consisting of approximately 6.960 acres, is situate on the Honoapiilani Highway at Kahana, near Kaanapali, Maui, Hawaii.

TAX KEY: (Second Division) 4-3-10-13(2)

ZONING: HM

DEVELOPERS: Realty Concepts, Inc., a Hawaii corporation, whose principal place of business and post office address is 190 South King Street, Suite 1404, Honolulu, Hawaii, (phone: 524-2500) and Harvard Developments, Ltd., a Canadian corporation whose principal place of business and post office address is 1015 McCallum Hill Building, Regina Saskatchewan, Canada, as tenants in common.

ATTORNEY REPRESENTING DEVELOPERS: Mukai, Ichiki, Raffetto & MacMillan (Attention: Richard G. MacMillan), 345 Queen Street, Suite 800, Honolulu, Hawaii. Telephone number: 531-6277.

DESCRIPTION OF PROJECT: The recorded Declaration of Horizontal Property Regime describes the project as follows:

1. Description of Building. The existing improvements constructed on said land consist of a three-story building, without a basement, and adjoining parking areas. Said building contains six (6) split level apartments on the first two floors and two (2) single-level apartments on the third floor, and is constructed of concrete slabs, hollow tile, wood and allied building materials. Four (4) attached carports are also located on the first floor of the building. The parking area provides parking stalls for seventeen (17) vehicles.

2. Description of Apartments. The Project is divided into eight (8) separately designated apartments as more particularly described herein and in said Declaration and Condominium File Plan.

The numbering, unit type, (the designation "(R)" denotes a reverse floor plan), number of rooms, and appurtenant common interest of said apartments are as follows:

<u>Apartment No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Percentage Common Interest</u>
A-11	A-1M(R)	6	13.66662
A-12	A-1M	6	13.66662
A-13	B	8	15.69180
A-14	B	8	15.69180
A-15	C	6	13.10754
A-16	C(R)	6	13.10754
A-21	A-2M(R)	4	7.53404
A-22	A-2M	4	7.53404

Notwithstanding the designation of the limits of the apartment hereinbelow, all areas set forth above are computed by measuring from the centerline of exterior end walls and from the centerline of interior party walls, and no reduction has been made to account for interior walls, ducts, vent shafts and the like located within the perimeter walls.

3. Types of Apartments.

(1) Each of the two (2) apartments designated as a Type "A-1M" unit hereinabove is a two-story apartment with an area of approximately 1100 square feet (excluding lanai and storage compartment), containing two bedrooms, 1-1/2 baths, kitchen, a living-dining room, and lanai.

(2) Each of the two (2) apartments designated as a Type "A-2M" unit hereinabove is one-story apartment with an area of approximately 606.4 square feet (excluding lanai), containing one bedroom, one bath, kitchen, a living-dining room, and lanai.

(3) Each of the two (2) apartments designated as a Type "B" unit hereinabove is a two-story apartment with an area of approximately 1263 square feet (excluding lanai and carport), containing three bedrooms, two baths, kitchen-dining room, living room, family room, a lanai, and attached single carport.

(4) Each of the two (2) apartments designated as a Type "C" unit hereinabove is a two-story apartment with an area of approximately 1055 square feet (excluding lanai and carport), containing two bedrooms, 1-1/2 baths, a kitchen, a living-dining room, a lanai and attached single carport.

4. Access. Each apartment on the ground floor of the building has immediate access to its entries and to the walkways connecting said building to the parking and recreational areas of the Project. Each apartment above the ground floor has immediate access to its entries and to a stairway leading to the ground floor.

5. Limits of Apartments. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment, 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. Subject to the foregoing, each apartment shall include all of the walls and partitions which are not load-bearing within its perimeter walls, any glass windows or panels within its perimeter, the inner decorated or

finished surfaces of all walls, floors and ceilings, all adjacent lanais, and any fixtures and appliances originally installed therein. Four of the apartments (Nos. A-13, A-14, A-15 and A-16) shall also include the attached carport appurtenant to each of said units.

COMMON ELEMENTS: The recorded Declaration states that the common elements shall include the limited common elements described below and all other portions of the land and improvements other than the apartments, including the buildings, the land on which they are located, and all elements mentioned in the Horizontal Property Act which are actually constructed on the land of the Project. Said common elements shall include but shall not be limited to:

- (a) All the land of the Project.
- (b) All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surface within each unit), roofs, stairways, walkways, entrances and exits of said buildings.
- (c) All yards, grounds, walkways, landscaping, refuse facilities, and recreational facilities and appurtenances.
- (d) All driveways, parking areas and parking stalls, and ground floor storage areas.
- (e) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution.
- (f) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, and normally in common use.

LIMITED COMMON ELEMENTS: The Declaration provides that certain parts of the common elements, hereinafter called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (a) The fenced garden and planting areas adjoining each apartment, as shown on said Condominium File Plan, is a limited common element appurtenant to said adjoining apartment.

(b) Stairways and sidewalks or walkways utilized for ingress and egress to one or more apartments but not all apartments, as shown on Condominium File Plan, are restricted solely for the use of the apartments served thereby.

NOTE: With the exception of Apartment Nos. A-13, A-14, A-15 and A-16 which include an attached carport, each apartment owner shall have the right and license to park one (1) passenger car, or other vehicle which is no larger than an ordinary passenger car, in the parking areas at all times and from time to time. The owner's parking license for each apartment is appurtenant to that apartment for the term of the apartment lease and not be leased or transferred independently of, or in any other manner separated from, the apartment to which it is appurtenant and shall be deemed to be leased, conveyed, encumbered or transferred with the apartment even though the owner's parking license is not expressly mentioned or described in the lease, conveyance or other instrument. The Board of Directors of the Association shall at all times have sole and exclusive control over the determination of where within the parking areas any vehicle which is being parked pursuant to the owner's parking license shall be parked from time to time. However, no space will be permanently assigned to any owner or apartment. The Board shall have the further right to designate the parking stalls to be utilized for guest parking.

INTEREST TO BE CONVEYED TO PURCHASERS: Developers and the Fee Owners hereinafter described shall, by means of an apartment sublease, demise to purchasers the apartments and the undivided percentage interest in the common elements appurtenant thereto. The percentage interest appurtenant to each apartment is set forth hereinabove under the heading "Description of Project" and shall be the same proportionate share in all common profits and expenses of the project, and for all other purposes including voting. Purchasers should be cognizant that the form of sublease submitted to the Commission contemplates that upon the completion of the second increment of the Project, the Master Lease described under the topical heading "Encumbrances Against Title" below will be cancelled and direct apartment leases will be issued by the Fee Owners to the purchasers of apartments in said Second Increment. Upon such cancellation, the subleases for the existing eight (8) units will automatically become direct leases with said Fee Owners.

RESTRICTIONS AS TO USE: 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 may be utilized for long-term or day-to-day rentals. Subject to the foregoing limitations, the owners of the respective apartments shall have the absolute right to rent or lease such apartments subject to all provisions of the Declaration.

Purchasers should examine with care the House Rules which provide, among other things, that no pets may be kept on the Project; that all guests of a week or more must be registered with the Managing Agent, and that permission must first be obtained from the Board of Directors before a waterbed or air conditioning unit may be installed.

DEVELOPERS' OPTION TO CONSTRUCT SECOND INCREMENT:

(a) Developers have reserved the right under the Declaration, up to but not later than December 31, 1985, to require alteration of the Project by creating not more than two hundred ten (210) residential and commercial apartments, with appurtenant recreational facilities and other common elements (hereinafter called the "Second Increment") within the area delineated on said Condominium File as the "Future Development Area", and to thereafter merge said Second Increment with the then existing apartments and common elements of the Project (hereinafter called the "First Increment").

(b) In furtherance of the rights reserved to Developers under the Declaration, Developers, their employees, agents, contractors and subcontractors, shall have the right at any time, and from time to time, to enter upon the Project and the common elements thereof and do all things reasonably necessary, desirable or useful for constructing and completing the Second Increment, connecting the same to the utility installations of the Project, and selling the apartments contained within said Second Increment, upon and subject to the following terms and conditions:

(1) The Second Increment shall be constructed in accordance with plans and specifications prepared by a licensed architect and first approved in writing by Fee Owners; provided, however, that such plans and specifications shall not require the alteration or demolition of any apartments of the First Increment or any buildings or structures constituting part of the common elements;

(2) Developers shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights-of-way over, under and on the common elements necessary or desirable to service said Second Increment, including but not limited to easements and rights-of-way for utilities, cesspools, sanitary and storm sewers, sewage treatment plants, cable television, refuse disposal, driveways, parking areas and roadways; provided, that such easements and rights-of-way shall not materially impair the use of any existing apartment or its appurtenant interest in the common elements;

(3) Before the commencement of construction, Developers shall (i) secure a performance and payment bond, issued by a surety licensed to do business in the State of Hawaii and having a net worth of not less than \$10,000,000, naming as obligees the Developers, the Fee Owners and collectively the owners of all apartments in the First Increment as their interests may appear through the Association of Apartment Owners, in a penal sum of not less than one hundred percent (100%) of the cost of the construction of

the Second Increment guaranteeing completion thereof free and clear of all mechanic's and materialmen's liens; and (ii) furnish to the Association of Apartment Owner's satisfactory evidence that Developers have obtained a construction loan commitment and/or other immediately available funds in an aggregate amount sufficient to pay in full the costs of constructing and completing the Second Increment, including without limitation, the cost of construction, land acquisition or ground rental, financing commitment fees, appraisal, architectural engineering, legal and accounting fees, and all other costs and expenses associated with such construction;

(4) The construction of the Second Increment shall be performed in such manner as shall cause the least practicable annoyance to and interference with the then existing apartment owners. Each purchaser of an apartment in the First Increment, by his acceptance and occupancy of his apartment on closing, agrees; (i) to remain outside of any fenced or posted construction areas or any other areas upon which work is being performed pending completion, and to exert diligent efforts to prohibit entry into such areas by members of his household and by his invitees; and (ii) to indemnify and save harmless Developers and their contractors and agents from and against any and all loss or liability for death or injury to persons or damage or loss of property on account of such entry either by the apartment purchaser or his family and invitees;

(5) Developers shall have the right, at their own expense, and without being required to obtain the consent or joinder of any apartment owner or lienholder, to execute and record such amendments to this Declaration and said Condominium File Plan as shall be necessary or appropriate in furtherance of the rights reserved to Developers to construct and complete the Second Increment, and without limiting the generality of the foregoing, Developer may amend the Declaration: (i) to create and establish the Second Increment; (ii) to describe and allocate the common interest and common elements appurtenant to the Second Increment; (iii) to decrease the common interest appurtenant to each apartment in the First Increment; and (iv) to merge the Second Increment with and into the First Increment.

(6) The common interest appurtenant to each apartment in the First Increment shall be decreased and the common interest appurtenant to each new apartment in the Second Increment shall be allocated on the following basis: The total net floor area (exclusive of lanais) of all of the apartments in the First and Second Increments shall first be determined. The net floor area of each such apartment shall then be divided by such total net floor area and the resulting quotient shall be the common interest appurtenant to each such apartment.

(7) Until the merger of the Second Increment as hereinafter provided: (i) Developers shall be responsible for the payment of 85.63218% of all real property taxes allocable to the land of the Project (but excluding any such taxes assessed against the existing improvements herein described). Developers will use their best efforts to arrange to have its proportionate share of said real property taxes excluded from the taxes assessed to the apartment owners; however, if such cannot be arranged and Developer's share of said taxes are assessed directly to the apartment owners, Developers shall promptly reimburse each apartment owner therefor; and (ii) the owners of apartments in the First Increment shall have no liability for any common expenses attributable to common elements to be constructed as part of the Second Increment.

(8) The merger of the Second Increment with the First Increment shall take effect only after the completion of such Second Increment and the issuance of a Certificate of Occupancy therefor and upon the recordation by Developers of an Amendment to the Declaration which shall certify that said increment has been completed as aforesaid and that the merger has been consummated. Without limiting the generality of the foregoing, the following consequences shall ensue from and after the effective date of such merger:

(i) Each of the increments so merged shall be treated for purposes of administration, use and sharing of common expenses as though they had been developed, divided into apartments and used by the owners thereof as a single undivided Project. The apartments in each of the merged increments shall have an equal and non-exclusive right to use the common elements constructed as a part of each of said increments, subject to the terms, conditions and limitations provided herein and in the By-Laws attached hereto, and the apartments in each of the merged increments shall have appurtenant thereto an undivided percentage interest in the 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 computed in the manner described above;

(ii) The Developers may require the owner of the additional apartments added to the Project by merger to make contribution, in addition to their share of the common elements, to the maintenance reserves of the Project. The Developers may provide that such contributions may be made over a period of time, and in establishing the amounts and terms of such contribution, Developers shall take into account the amount of maintenance reserves accumulated prior to the addition of such apartments and the condition of the pre-existing apartments in the Project. The owners of additional apartments added to the Project by merger shall not be obligated to pay or assume any debts, expenses,

costs or other obligations incurred by or on behalf of the Association of Apartment Owners as of the effective date of the merger, with the exception of any such debts, expenses, costs or obligations which were incurred for the common benefit of the apartments in the First Increment and the owners of the additional apartments added to the Project by merger; and

(iii) Within sixty (60) days following the completion and merger of the Second Increment, a special meeting of the Association of Apartment Owners shall be called to elect a new Board of Directors to replace the existing board of directors and govern the entire Project.

DEVELOPERS' OPTION TO WITHDRAW AREAS: Notwithstanding the conveyance of any apartment or anything to the contrary in the Declaration, if Developers shall be unable to construct and complete the Second Increment by reason of governmental laws or regulations or the decision of governmental agencies having jurisdiction thereof, war, insurrection, strike, economic conditions, or other reasons beyond its control, then, and in such event, Developers shall have the right, at their option, up to but not later than December 31, 1985, to require alteration of the Project by withdrawing therefrom any portion or all of the land within the common element area delineated on said Condominium File Plan, as "Future Development Area". Such withdrawal shall be effected on the following terms and conditions:

(a) If the withdrawal shall require subdivision of the land of the Project, Developers shall arrange for such subdivision at its sole cost and expense;

(b) Developers shall give each apartment owner and lienholder at least ninety (90) days prior written notice of its intention to withdraw such land;

(c) Developers shall, at their own expense and without being required to obtain the consent or joinder of any apartment owner or lienholder, execute and file an amendment to the Declaration and the Condominium File Plan: (i) to withdraw all or any portion of the common elements area or areas designated as being subject to withdrawal, and (ii) when applicable, to add, delete, relocate, realign, reserve and grant all easements and rights-of-way over, under and on the common elements necessary or desirable to service the land withdrawn, including but not limited to, easements and/or rights-of-ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways provided that such easements and/or rights-of-way do not materially impair the use of any apartment or its appurtenant common interest in the common elements.

(d) The withdrawal shall become effective upon the filing with the Bureau of Conveyances of the State of Hawaii of an amendment to the Declaration noting such withdrawal and setting forth a description of the land withdrawn from the Project as a common element.

(e) No withdrawal shall be permitted which requires the alteration or destruction of any existing apartment or the limited common elements appurtenant thereto.

NOTE:

1. Purchasers should be aware that the construction of the Second Increment will subject them to the risks and inconvenience arising from such future construction including noise, dust and similar conditions. The sales contract for the units specifically states that each purchaser, by his execution thereof, agrees to accept such risks and inconvenience.

2. To the extent that the joinder of any apartment owners may be required in order to validate any amendment of the Declaration by the Developers in connection with the development of the Second Increment or the withdrawal of a portion of the land of the Project, such joinder shall be accomplished by power of attorney from each of the owners to the Developers, and the acceptance of ownership of an apartment in the Project shall constitute a grant of such power and such grant, being coupled with the interest of the Developers as herein reserved to construct the Second Increment or withdraw a portion of the land of the Project, shall be irrevocable so long as said rights reserved to Developers under the Declaration shall remain in effect.

OWNERSHIP OF TITLE: A preliminary title report, dated June 13, 1978, and updated by letter report dated July 20, 1978, issued by Title Guaranty of Hawaii, Inc., indicates that title to the land is vested in Insurance Concepts, Inc., a Hawaii corporation (as to an undivided 2/3 interest) and Glenn O. Hay, Jr., husband of Carol Ann Hay (as to an undivided 1/3 interest). The Commission has been furnished with a copy of an executed Master Lease, dated July 12, 1978, whereby said Fee Owners have demised the land of the Project to the Developers, as tenants in common.

ENCUMBRANCES AGAINST TITLE: Said preliminary title report issued by Title Guaranty of Hawaii, Inc., as updated by said letter report reflect that title to the land is subject to the following:

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, Second Division.

2. The reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. A grant in favor of Lahaina Land Co., Inc., a Hawaii Corporation, dated August 27, 1974 and recorded in Liber 10112 at Page 91; granting a certain 44-foot wide easement for road and utility purposes in favor of Lot E.

4. Mortgage dated May 5, 1978 made by Insurance Concepts, Inc., a Hawaii corporation, and Glenn O. Hay, Jr., husband of Carol Ann Hay in favor of Quality Pacific, Ltd., a Hawaii corporation, and recorded in said Bureau in Liber 12884 at Page 215. Said mortgage was assigned to Bank of Hawaii, a Hawaii corporation by instrument dated May 5, 1978 and recorded in said Bureau in Liber 12884 at Page 232.

5. Grant in favor of Meyer M. Ueoka, husband of Yukie H. Ueoka, dated May 25, 1978, recorded in Liber 12945 at Page 23; granting a 10-foot wide easement for utility purposes, including water, sewer and electrical lines, along the northern boundary of Lot C.

6. The terms and conditions of that certain Indenture of Lease dated July 12, 1978, by and between said Fee Owners, as Lessor, and Developers, as Lessee, recorded in said Bureau in Liber 13043 at Page 13.

7. The aforementioned Declaration and By-Laws recorded in said Bureau in Liber 13043 at Page 49.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated June 7, 1978, identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation, as the escrow agent. Upon examination, the specimen Deposit Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

Among other provisions, the Escrow Agreement provides that a purchaser under a Sales Contract shall be entitled to a return of his funds, without interest and less the \$25.00 escrow cancellation fee, after purchaser has requested such return and if Escrow shall have received from Developers a written notice that any one of the following has occurred:

(a) Developers shall have requested Escrow to return to purchaser the funds of purchaser then being held by Escrow; or

(b) Developers shall have notified Escrow of Developers' exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Developers; or

(c) There shall have been a change in the building plans of the project subsequent to the date of Developers' execution of the Sales Contract which change requires the approval of a county officer having jurisdiction over the issuance of building permits unless the purchaser gives his written approval or acceptance of the specific change; or

(d) The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report.

According to the specimen Deposit Receipt and Sales Contract, in the event that less than five (5) of the eight (8) apartments in the project are sold prior to December 31, 1978, Developers may, at their option, cancel the contract and cause the escrow agent to refund to buyer all monies paid without interest and less a cancellation fee of \$25.00.

The specimen Deposit Receipt and Sales Contract also states that: (1) all of Buyer's right, title and interest under the Sales Contract are and shall be subject and subordinate to the lien of any mortgage made by Developers for the purpose of acquiring, renovating or refurbishing the Project; (2) Buyer acknowledges that neither the apartment nor the appliances and fixtures therein are in a new condition and that the same are being sold "as is" without any warranties of any kind.

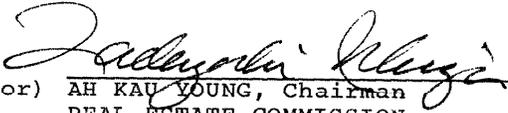
It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Deposit Receipt and Sales Contract, since the Escrow Agreement describes the procedure for receiving and disbursing purchasers' funds, and the Deposit Receipt and Sales Contract specifically provides that the purchaser approves that Escrow Agreement and assumes the benefit and obligations therein provided.

MANAGEMENT OF PROJECT: The By-Laws, which are incorporated in the Declaration, provide that the operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws. The initial Managing Agent will be Aaron M. Chaney, Inc., whose address is American Savings & Loan Building, Suite 205-A, Lahaina Shopping Center, Lahaina, Maui, Hawaii 96761.

STATUS OF PROJECT: Construction of the existing building was completed on or about November 1, 1972. Since completion, the apartments were used for rental purposes but are presently vacant.

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The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Owner in the required Notice of Intention submitted July 25, 1978, and additional information subsequently filed as of August 23, 1978.

This is a FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 1025, filed with the Commission on July 25, 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 white.

  
(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

Registration No. 1025  
August 28, 1978