REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

SUPPLEMENTARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
KAHANA VILLA
(Increment II)
Honoapiilani Highway
Kahana, Kaanapali, Maui, Hawaii

Registration No. 1025

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated issued by the Real Estate Commission on the above 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: April 27, 1979
Expires: March 27, 1980

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JULY 25, 1978 AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 24, 1979. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND REPORTING CHANGES IN THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Final Public Report of August 28, 1978 on the KAHANA VILLA condominium project, the Developer reports that changes have been made in the plan or set-up as represented in the July 25, 1978 Notice of Intention.

The changes subsequently made are determined to be a material revision to the information disclosed earlier. This Supplementary Public Report (pink paper stock) amends the Final Public Report (white paper stock), becoming a part of Registration No. 1025. The Developer is responsible for placing a true copy of the Supplementary Public Report in the hands of all purchasers or prospective purchasers, along with a copy of the Final Public Report. It is also the responsibility of the Developer to obtain the required receipts signifying that the purchaser has had an opportunity to read the two reports.

2. The recorded Declaration of Horizontal Property Regime for Kahana Villa, dated July 12, 1978, as amended, and the Commission's Final Public Report of August 28, 1978, describe Kahana Villa as a leasehold residential project consisting of an existing building containing eight (8) apartments. However, the Developer reserved the right under the Declaration to construct up to 210 additional residential and commercial apartments on the land of the Project in one or more increments. The Developer has notified the Commission that it intends to exercise its right of further development by constructing a second increment consisting of 92 residential apartments and 6 commercial units (referred to herein as "Increment II"). The Developer estimates that Increment II will be completed on or about March 1, 1980, and upon completion it will be merged with and into the existing apartments in accordance with the procedures established in the Declaration. Upon such merger, the Project will consist of 106 condominium units, as described herein.

3. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for registration of the Project and the updating of information disclosed therein.

4. A First Amendment to Declaration of Horizontal Property Regime of Kahana Villa, dated November 28, 1978 has been recorded in

the Bureau of Conveyances of the State of Hawaii in Liber 13313 at Page 362.

5. The Developer has advised the Commission that advertising and promotional material required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the rules and regulations promulgated thereunder which relate to horizontal property regimes.

7. This Supplementary Public Report expires March 27, 1980 unless another Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the period of the report.

NOTE: PURCHASERS OR PROSPECTIVE PURCHASERS OF APARTMENTS IN INCREMENT II SHOULD BE COGNIZANT OF THE FACT THAT THE COMMISSION'S FINAL PUBLIC REPORT OF AUGUST 28, 1978 IS APPLICABLE ONLY TO THE EXISTING 8 UNITS OF THE PROJECT. WITH RESPECT TO THE APARTMENTS IN INCREMENT II, THE DEVELOPER MUST COMPLY WITH ALL OF THE REQUIREMENTS WHICH WOULD OTHERWISE BE APPLICABLE TO A NEW PROJECT NOT COVERED BY A PRE-EXISTING REGISTRATION. PURCHASERS SHOULD BE SPECIFICALLY AWARE THAT THE ISSUANCE OF THIS SUPPLEMENTARY PUBLIC REPORT AUTHORIZES DEVELOPER ONLY TO ENTER INTO RESERVATION AGREEMENTS OR SALES CONTRACTS FOR THE APARTMENTS IN INCREMENT II. SUCH AGREEMENTS OR CONTRACTS SHALL NOT BECOME BINDING NOR SHALL DEVELOPER HAVE ANY RIGHT TO UTILIZE PURCHASER'S FUNDS OBTAINED IN CONNECTION THEREWITH UNTIL THE ISSUANCE OF A SUBSEQUENT SUPPLEMENTARY PUBLIC REPORT WHICH RECITES OR REFLECTS THAT THE DEVELOPER HAS COMPLIED WITH ALL OF THE REQUIREMENTS OF SECTION 514A-40 OF THE HAWAII REVISED STATUTES WITH RESPECT TO INCREMENT II, AND THAT THE COMMISSION IS SATISFIED THAT ALL OF THE OTHER REQUIREMENTS AND CONDITIONS NECESSARY FOR THE ISSUANCE OF A FINAL PUBLIC REPORT IN THE CASE OF A NEW REGISTRATION ARE SATISFIED.

Except for the topical headings which follow, the information contained in the Final Public Report of August 28, 1978 has not been disturbed.

LOCATION: A lot containing 32,346 square feet will be added to the land of the Project by way of consolidation. Accordingly, the area of the Project will be increased from 6.960 acres to 7.702 acres upon completion of consolidation.

DESCRIPTION OF PROJECT: The proposed Second Amendment of Declaration of Horizontal Property Regime, describes the Project as follows:

1. Description of Project. Upon the completion of Increment II, the Project will consist of three (3) residential buildings, designated herein and on the Condominium File Plan as Buildings "A", "E" and "F", and a free-standing recreational and commercial structure (the "Recreation and Commercial Building"). Said improvements are more particularly described as follows:

(a) Increment I ("Building A"). Building A is an existing three-story structure, without a basement. 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, and a parking area adjoining said building provides parking stalls for seventeen (17) vehicles.

(b) Increment II. The new improvements to be constructed as part of Increment II consist of two (2) residential buildings (designated herein and on said Condominium File Plan as Buildings "E" and "F"), the Recreation and Commercial Building, a tennis court and parking facilities.

Building "E" will be an eight-story structure without a basement containing fifty-six (56) residential apartments. The first floor will contain the entry levels of four (4) split-level apartments which are located on the first and second floors. The second floor is the main entry level, and will contain an elevator lobby, elevator machine room, trash room, storage room, electrical room, four (4) residential apartments, and the upper levels of the units having their entries on the first floor. On the third floor, there will be fourteen (14) residential apartments, and the fourth and fifth floors will contain fourteen (14) split-level apartments, each of which will have its entry on the fourth floor. The sixth floor will contain ten (10) apartment units and the entry level of four (4) split-level units. The seventh floor will contain the entry levels of six (6) split-level units and the upper levels of the units having their entry on the sixth floor. The eighth floor will contain the upper levels of the six (6) apartments having their entries on the seventh floor. Each of the third, fourth and sixth floors, will also contain an elevator lobby, storage room, electrical room, trash chute, vending machine area and exterior access corridors.

Building "F" will be a seven-story structure without a basement containing thirty-six (36) residential apartment units. The first floor of Building F will contain an elevator lobby, elevator machine room, trash room, storage room, electrical room, vending machine area and six (6) apartments. The second and third floors will contain ten (10) split-level units, each of which will have its entry on the second floor.

On the fourth floor, there will be six (6) apartments and the entry levels of four (4) split-level units. The fifth floor will contain the upper portions of the split-level units having their entry on the fourth floor and the entry levels of six (6) split-level units which occupy the fifth and sixth floors. The sixth floor shall contain the entry levels of four (4) split-level units and the upper level of the split-level units having their entry on the fifth floor. The seventh floor contains the upper levels of the split-level apartments having their entry on the sixth floor. Each of the second, fourth, fifth, and sixth floors, shall also contain an elevator lobby elevators, storage room, electrical room, trash chute, vending machine area, and an exterior access corridors. In addition to the upper levels of the apartments having their entry on the second floor, the third floor will contain a storage room and trash chute.

Buildings "E" and "F" shall be constructed principally of concrete with concrete slab floors and roof and concrete shingles; however, said buildings will also incorporate glass, aluminum and allied building materials.

The Recreation and Commercial building will be a two-story structure without a basement which shall be principally of wood and masonry construction. The ground floor contains a reception lobby, five (5) commercial apartments (hereinafter called "Commercial Units"), a pool equipment room, two storage rooms, a resident manager's office, trash disposal area, and a stairway. The second level contains one (1) commercial unit, swimming pool, jaccuzi, sun decks, rest rooms and sauna baths.

(c) Merger of Increment II. Increment II is scheduled for completion on or about March 1, 1980, provided that the foregoing completion date is an estimate only, and if the completion of said Increment II as herein provided shall be delayed by war, earthquake, fire, flood, or similar disaster, or by strikes, labor disputes or any other cause beyond the control of the Developer, the time for completion thereof shall be extended according to the duration and nature of such delay; provided, further, that said Increment II shall, in any event, be completed not later than December 31, 1985. Subject to the limitations provided in paragraph 13 of the Declaration, the construction and completion by Developer of Increment II shall not prejudice or affect the right of Developer to construct and complete additional apartments in the Project as part of any future increment or increments, and Developer shall have the right to complete, obtain a Certificate of Occupancy for and convey title to the apartments comprising Increment II or any future increment prior to the completion of any other increment to be constructed later in time. Upon the completion of Increment II, and any future increment, said increment shall be merged with the preceding increment or increments, and the increments so merged shall be controlled and administered as a single condominium Project.

Until the completion and merger of Increment II, the percentage interests in the common elements appurtenant to each

of the eight (8) apartments comprising Increment I shall be the same as set forth in the recorded Declaration. After the completion and merger of Increment II, the percentage interest appurtenant to each of the one hundred six (106) apartments then comprising the Project, shall be as set forth in Topical Heading "Interests To Be Conveyed To Purchasers" hereinbelow. The foregoing provisions to the contrary notwithstanding, until the completion and merger of Increment II: (1) Developer 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 improvements comprising Increment II). From and after the date of merger of Increment II, Developer's proportionate share of the real property taxes allocable to the land of the Project shall be reduced to 31.94718%. Developer will use its best efforts to arrange to have its proportionate share of said real property taxes, as specified above, excluded from the taxes assessed directly to the apartment owners; provided, that if said proportionate share is nonetheless assessed to the apartment owners, Developer shall promptly reimburse each apartment owner therefor. In no event shall the owners of apartments in Increment I have any liability or any common expenses attributable to the common elements to be constructed as part of Increment II prior to the merger of said Increment II.

2. Division of Property. Upon the completion and merger of Increment II, the Project will be divided into one hundred six (106) separately designated and described condominium apartment units, as more particularly described hereinbelow and on said Condominium File Plan.

(a) The numbering, unit type, and approximate areas in square feet of said apartments are as follows:

Building "A"

Apartment No.	Unit Type	Approx. Enclosed Area	Approx. Lanai Area
A-11	A-1M(R)*	1100	57.5
A-12	A-1M	1100	57.5
A-13	B	1263	144.7
A-14	B	1263	144.7
A-15	C	1055	198
A-16	C(R)*	1055	198
A-21	A-2M(R)*	606.4	105
A-22	A-2M	606.4	105

*(R) denotes a reverse or opposite hand floor plan.

Building "E"

Apartment No.	Unit Type*	Approx. Floor Area	Lanai Area
E-111	E-1	1,269	68
E-112	E	1,269	68

E-113	E-1	1,269	68
E-114	F	1,298	69
E-207	A-1	720	68
E-208	A	720	68
E-209	A-1	720	68
E-207	A	720	68
E-301	B-1	736	69
E-302	A	720	68
E-303	A-1	720	68
E-304	A	720	68
E-305	A-1	720	68
E-306	A	720	68
E-307	B-1	736	69
E-308	A	720	68
E-309	A-1	720	68
E-310	A	720	68
E-311	A-1	720	68
E-312	A	720	68
E-313	A-1	720	68
E-314	B	736	69
E-401	H-1	1,298	158
E-402	G	1,268	155
E-403	G-1	1,268	155
E-404	G	1,268	155
E-405	G-1	1,268	155
E-406	G	1,268	155
E-407	H-1	1,298	158
E-408	G	1,268	155
E-409	G-1	1,268	155
E-410	G	1,268	155
E-411	G-1	1,268	155
E-412	G	1,268	155
E-413	G-1	1,268	155
E-414	H	1,298	158
E-601	B-1	736	69
E-602	A	720	68
E-603	A-1	720	68
E-604	A	720	68
E-605	A-1	720	68
E-606	A	720	68
E-607	K	1,281	69
E-608	J	1,269	68
E-609	J-1	1,269	68
E-610	J	1,269	68
E-611	C-1	720	68
E-612	C	720	68
E-613	C-1	720	68
E-614	D	736	69
E-701	M-1	1,298	158
E-702	L	1,268	155
E-703	L-1	1,268	155
E-704	L	1,268	155
E-705	L-1	1,268	155
E-706	L	1,268	155

Building "F "

Apartment No.	Unit Type*	Approx. Floor Area	Lanai Area
F-105	A-1	720	68
F-106	A	720	68
F-107	A-1	720	68
F-108	A	720	68
F-109	A-1	720	68
F-110	B	736	69
F-201	F-1	1,298	69
F-202	E	1,269	68
F-203	E-1	1,269	68
F-204	E	1,269	68
F-205	G-1	1,268	155
F-206	G	1,268	155
F-207	G-1	1,268	155
F-208	G	1,268	155
F-209	G-1	1,268	155
F-210	H	1,298	158
F-401	F-1	1,298	69
F-402	E	1,269	68
F-403	E-1	1,269	68
F-404	E	1,269	68
F-405	A-1	720	68
F-406	A	720	68
F-407	A-1	720	68
F-408	A	720	68
F-409	A-1	720	68
F-410	B	736	69
F-505	L-1	1,268	155
F-506	L	1,268	155
F-507	L-1	1,268	155
F-508	L	1,268	155
F-509	L-1	1,268	155
F-510	M	1,298	158
F-601	K	1,281	69
F-602	J	1,269	68
F-603	J-1	1,269	68
F-604	J	1,269	68

*A unit type followed by the numeral "1" denotes a reverse or opposite-hand floor plan.

Recreational and Commercial Building	
Comm. #1	896.0
Comm. #2	466.8
Comm. #3	322.9
Comm. #4	165.4
Comm. #5	420.0
Comm. #6	5,030.4

Notwithstanding the designation of the limits of the apartment in paragraph 3(f) hereinbelow, all areas set forth hereinabove 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.

(b) Type of Apartments - Building "A".

(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 1,110 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 a 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 1,263 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 1,055 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.

(c) Types of Apartments - Buildings E and F.

(1) Subject to minor variations in their respective floor plans, as shown on said Condominium File Plan, each of the apartments designated hereinabove as Type "A", "A-1", "C" and "C-1" is a one-story apartment with an enclosed area of approximately 720 square feet, containing one bedroom, one full bathroom, living-dining area, and kitchen. There are thirty (30) Type "A" and "A-1" units in Increment II and three (3) Type "C" and "C-1" units.

(2) Subject to minor variations in their respective floor plans, as shown on said Condominium File Plan, each of the apartments designated hereinabove as Types "B", "B-1" and "D" is a one-story apartment with an enclosed area of approximately 736 square feet, containing one bedroom, one full bathroom, living-dining area, kitchen and lanai. There are six (6) Type "B" and "B-1" units in Increment II and one (1) Type "B" unit.

(3) Subject to minor variations in their respective floor plans, as shown on said Condominium File Plan, each of the apartments designated hereinabove as Types "E", "E-1", "J" and "J-1" is a two-story apartment with an enclosed area of

approximately 1,269 square feet. Each of said apartments will contain a living room, dining room, kitchen and lanai on the ground floor and two bedrooms and two full baths, including a master bedroom and master bath, on the upper floor. There are nine (9) Type "E" and "E-1" units in Increment II and six (6) Type "J" and "J-1" units.

(4) Subject to minor variations in their respective floor plans, as shown on said Condominium File Plan, each of the apartments designated hereinabove as Types "F", "F-1", "H", "H-1", "M" and "M-1" is a two-story apartment with an enclosed area of approximately 1,298 square feet. Each of said apartments will contain a living room, dining room, kitchen and lanai on the lower floor and two bedrooms and two full baths, including a master bedroom and master bath, on the upper floor. Increment II will contain three (3) Types "F" and "F-1" units, four (4) Type "H" and "H-1" units, and two (2) Type "M" and "M-1" units.

(5) Subject to minor variations in their respective floor plans, as shown on said Condominium File Plan, each of the apartments designated hereinabove as Types "G", "G-1", "L" and "L-1" is a two-story apartment with an enclosed area of approximately 1,268 square feet. Each of said apartments will contain a dining room, living room, kitchen and lanai on the lower floor and two bedrooms and two full baths, including a master bedroom and a master bathroom, on the upper floor. There are sixteen (16) Type "G" and "G-1" units in Increment II and ten (10) Type "L" and "L-1" units.

(6) The apartment designated as a Type "K" unit hereinabove is a two-story apartment with an enclosed area of approximately 1,281 square feet, and said apartment contains a living room, dining room, kitchen and lanai on the lower floor and two bedrooms and two full bathrooms, including a master bedroom and master bath, on the upper floor. There are two (2) Type "K" unit in Increment II.

(d) Commercial Units. With the exception of Commercial Unit No. 6, each commercial unit will contain one room consisting of unfinished loft space. Commercial No. 6 is intended to be used as a restaurant and cocktail lounge (although such unit may also be used for any other purpose permitted by law as provided hereinbelow), and will be partitioned into areas intended for use as a dining room, reception area, bar, kitchen, customer restroom facilities and employee restroom facilities. Commercial Unit No. 6 shall be deemed to include the window counter which will be installed in the perimeter wall facing the swimming pool area and the equipment and shaft comprising the dumbwaiter installation between the ground floor and the second floor of the Recreation and Commercial Building. To the extent that said dumbwaiter installation is located in or encroaches upon any portion of the common elements or limited common elements, said Commercial Unit shall have appurtenant thereto a non-exclusive easement in such common elements or limited common elements for the use, maintenance and repair of said dumbwaiter installation.

(e) Access. Each apartment on the ground floor of its building has immediate access to its entries and to the walkways connecting said building to the grounds and recreational areas of the Project. Each apartment above the ground floor has immediate access to its entries and to the grounds and recreational areas of the Project after travel by elevator or stairway to its designated floor.

(f) Limits of Apartments. The respective apartments, whether residential or commercial, 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 proposed amendment to the 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 described herein. 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, the swimming pool, jacuzzi, tennis court, sauna baths, and other recreational facilities and appurtenances.

(d) The lobby of the Commercial and Recreational Building and the manager's office and common equipment and two storage rooms located on the ground floor of said building.

(e) All driveways, parking areas and parking stalls.

(f) 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.

(g) 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 proposed amendment of the Declaration provides that certains parts of the common elements, herein called and designated "limited common elements", are set aside and reserved for the exclusive use of certain condominium units, and such units shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are listed below. Unless otherwise provided herein, all costs of every kind pertaining to each limited common element, including but not limited to costs of security, maintenance, repair, replacement, additions and improvements, shall be borne entirely by the unit or units to which they are appurtenant. If any cost is charged to more than one unit, each such unit shall bear that portion of the total cost equal to the ratio which its common interest bears to the total common interest of all units responsible for said cost.

(a) The following limited common elements are appurtenant to and for the exclusive use of the Commercial Units as a class: (i) all ducts, waterlines, electrical equipment, pipes, wiring, or other utility system or components thereof serving more than one Commercial Unit, but excluding any portion of such facilities serving the Residential Apartments or the limited common elements appurtenant thereto; and (ii) all other common elements of the Project which are rationally related to only the Commercial Units.

(b) The following limited common elements are appurtenant to and for the exclusive use of all Residential Apartments as a class: (i) all foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls, roofs, stairways, walkways and entrances and exits which are part of the residential buildings and which are intended only for the use of the owners of the Residential Apartments; (ii) the elevators and their appurtenant housings and machinery located in the residential buildings; (iii) all recreational areas and facilities of the Project; and (iv) all ducts, sewer lines, electrial equipment, pipes, wiring and other central transmission facilities and installations which serve only the residential buildings or the limited common elements appurtenant to the residential units.

(c) The following limited common elements are appurtenant to and for the exclusive use of certain apartments:

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

(2) 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.

(3) All electrical, plumbing, telephone, cable, television, or other utility systems, or any component thereof, serving or for the exclusive use of only one apartment or one or more limited common elements appurtenant to only one apartment, to the extent such system is located outside the boundaries of such apartment as described herein, shall be a limited common element appurtenant to such apartment.

NOTE: The proposed amendment continues to provide, as disclosed in the Final Public Report, that each owner will have only a license to park one vehicle in a parking stall to be determined from time to time by the Board of Directors. No space will be permanently assigned to any owner. However, the amendment further requires that at all times sufficient parking stalls shall be made available to the patrons of the Commercial Units so as to permit said units to be utilized for their intended purposes. After merger of Increment II, there will be 161 parking stalls in the project, 144 in Increment II and 17 in Increment I.

INTERESTS TO BE CONVEYED TO PURCHASERS: Until the merger of Increment II, the percentage interest appurtenant to each of the existing eight (8) apartments shall remain as set forth in the Declaration and as disclosed in the Final Public Report. After the merger of Increment II, the percentage interest appurtenant to each of the 106 units then comprising the Project shall be as set forth below:

Unit Type	No. of Units	Percentage Common Interest Each
A & C	32	.65152
B & D	8	.66600
E & J	15	1.14831
F, H & M	9	1.17456
G & L	26	1.14741
K	2	1.15917
A-1M & A-1M(R)	2	.99539
B	2	1.14289
C & C(R)	2	.95467
A-2M & A-2M(R)	2	.54873
Commercial 1	1	.81089
Commercial 2	1	.42250
Commercial 3	1	.29229
Commercial 4	1	.14977
Commercial 5	1	.38015
Commercial 6	1	4.53771

Purchasers of apartments in Increment II should also be aware that they will also receive an Apartment Sublease for their

units, contrary to information contained in the Final Public Report, and that the Master Lease described under the topical heading "Encumbrances" below will not be surrendered until the completion by Developer of the final increment(s) of the Project, as described below. Upon such cancellation, the subleases for the units will automatically become direct leases with the Fee Owner.

RESTRICTIONS AS TO USE: The proposed amendment of the Declaration reflects that the Commerical Units may be used for any commercial purposes permitted by law.

DEVELOPER'S OPTION TO CONSTRUCT ADDITIONAL INCREMENTS: The recorded first amendment to the Declaration dated November 28, 1978 permits the Developer to construct up to 210 additional apartments on the Project in one or more increments, rather than in a single increment as formerly provided. Under the proposed second amendment, the Developer has retained the right to construct further future increments up to a maximum of 210 additional units (including the 98 units in Increment II). The Developer anticipates that a third increment will be constructed in the near future, though its plans in this regard have not been finalized. Accordingly, purchasers of apartments in Increment II should carefully review the proposed second amendment and the Final Public Report to acquaint themselves with the procedures for such future developments and the risks and consequences attendant thereto.

OWNERSHIP OF TITLE: A Preliminary Title Report, dated March 21, 1979, issued by Title Guaranty of Hawaii confirms that title to both the original parcel of 6.960 acres as well as the added parcel of 32,346 sq. ft. is held by Insurance Concepts, Inc., a Hawaii corporation, and Glenn Orr Hay, Jr., husband of Carol Ann Hay.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report dated March 21, 1979 issued by Title Guaranty of Hawaii, Inc., reflects 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. 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 215.

4. 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.

5. 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, and amendment thereto dated January 22, 1979.

6. Restricted vehicle access, reservation of right of way, and unrecorded right of entry agreement favoring the State, all as detailed in said Preliminary Report.

7. Mortgage dated January 31, 1979 in favor of Quality Pacific, Ltd., and recorded in Liber 13464, Page 59.

8. Said Declaration of Horizontal Property Regime dated July 12, 1978 (By-Laws attached thereto) as amended November 28, 1978.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated December 27, 1978, identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation, as the escrow agent for units in Increment II. 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 Increment II 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.

The specimen Deposit Receipt and Sales Contract also states that 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 refurnishing the Project and that Seller has until December 31, 1985 to construct said additional increment.

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.

STATUS OF PROJECT: The Developer is in the process of applying for consolidation of lots and obtaining a building permit for the project.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted July 25, 1978, and information subsequently filed as of April 24, 1979.

This is a SUPPLEMENTARY 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 pink.

Ah Kau Young

AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

Distribution:

Department of Taxation
Bureau of Conveyances
Planning Department,
County of Maui
Federal Building Administration
Escrow Agent

Registration No. 1025

April 27, 1979