

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

KOA RESORT (PHASE I)
Kihei, Maui, Hawaii

REGISTRATION NO. 1055

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: January 22, 1979
Expires: February 22, 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 and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 13, 1978, AND INFORMATION SUBSEQUENTLY FILED AS LATE AS DECEMBER 18, 1978. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A OF THE HAWAII REVISED STATUTES.

1. KOA RESORT is a fee simple condominium project, which when complete, shall consist of fifty-four (54) apartments arranged throughout five (5) separate apartment buildings shown upon the Condominium Map as "Building No. 1", "Building No. 2", "Building No. 3", "Building No. 4", and "Building No. 5". The common elements will, when complete, include the Office Manager's Apartment Building, the Cabana, the swimming pool, filtration plant, and swimming pool pump house, jacuzzi, shuffleboard court, tennis courts, putting greens, outdoor lighting and all parking areas.

2. The Developer of the project advises that the project has been divided into two (2) phases. This report covers only Phase I of the entire condominium project. Phase I includes the construction and sale of twenty (20) apartments, ten (10) of which are located in "Building No. 1", and ten (10) of which are located in "Building No. 2" (the twenty (20) apartments to be sold in Phase I are shown on Exhibit A attached hereto and made a part hereof), and certain common elements shown on the Condominium Map. There will be twenty-six (26) parking stalls in Phase I.
3. The Developer has submitted to the Commission all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report prior to the completion of construction.
4. 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 filed in the Bureau of Conveyances of the State of Hawaii. The Declaration of Horizontal Property Regime executed on September 8, 1978, with the By-Laws attached, was recorded in said Bureau on October 25, 1978, in Liber 13224 on Page 453. The Registrar has designated Condominium Map No. 575 to the project.

Note: It is of extreme importance that purchasers and prospective purchasers read the Contract of Sale with care to determine the Developer's obligation in constructing Phase II.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. Promotional material has not been submitted pursuant to the rules and regulations promulgated by the Commission.
7. This Final Public Report is made a part of the registration of the KOA RESORT (PHASE I) project. The Developer is 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 Final Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.
8. This Final Public Report automatically expires thirteen (13) months after date of issuance, January 22, 1979, 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: KOA RESORT (PHASE I)

LOCATION: The approximate 245,375 square feet or 5.633 acres of land to be committed to the regime is situate on the East side of Kihei Road, at Kaonoulu and Waiohuli (Kihei), Maui, Hawaii.

TAX KEY: SECOND DIVISION 3-9-1-14 & 134

ZONING: A-1

DEVELOPER: KOA RESORT DEVELOPMENT COMPANY, a Hawaii limited partnership, whose principal place of business and post office address is 250 Waiehu Beach Road, Wailuku, Maui, Hawaii, and whose general partners are:

EDWIN T. IGE
250 Waiehu Beach Road
Wailuku, Maui, Hawaii 96793
Tel. No. 244-7957

HOWARD W. WINZELER
1119 Westfield Avenue
Bryan, Ohio 43506
Tel. No. (419) 636-1052

ATTORNEY REPRESENTING DEVELOPER: William F. Crockett, P. O. Box NNN, Wailuku, Maui, Hawaii. Telephone: 244-3796.

DESCRIPTION: The Declaration of Horizontal Property Regime reflects that the project is to consist of fifty-four (54) apartments arranged throughout five (5) separate apartment buildings, a cabana and an office manager's apartment building, situate upon the 245,375 square feet or 5.633 acres of land submitted to the said horizontal property regime. "Building No. 1" will when complete consist of two stories, including the ground floor, and ten (10) apartments. "Building No. 2" will when complete consist of two stories, including the ground floor, and ten (10) apartments. "Building No. 3" will when complete consist of two stories, including the ground floor, and fourteen (14) apartments. "Building No. 4" will when complete consist of two stories, including the ground floor, and ten (10) apartments. "Building No. 5" will when complete consist of two stories, including the ground floor, and ten (10) apartments. The common elements will when complete include the Office Manager's Apartment Building, the Cabana, the swimming pool, filtration plant, and swimming pool pump house, jacuzzi, shuffleboard court, tennis courts, putting greens, outdoor lighting and all parking areas.

The principal materials of which all five apartment buildings shall be constructed are as follows: The ground floor slabs shall be of poured standard weight aggregate concrete; the floor construction above the ground floor shall be of wood joists, plywood decking, and a poured 3/4" thick gypsum underlayment compound topping (the

"mezzanine" floor construction shall be of wood joists and plywood decking); the exterior sides shall be wood frame; the structural perimeter walls between apartments shall be of light-weight, reinforced aggregate concrete blocks finished with textured painted gypsum plaster; the walls within each apartment shall be of wood studs covered with textured painted gypsum board; the exterior (outside the apartments) stairs shall be of wood frame construction; the roofs shall be of heavy cedar shakes with exposed beams at the eaves; the interior floors of the apartments shall be covered with carpet or vinyl.

The principal materials of which the Office Manager's Apartment Building shall be constructed are as follows: The ground floor slab shall be of poured standard weight aggregate concrete; the floor construction above the ground floor shall be of wood joists and plywood decking; the exterior sides shall be wood frame; the roof shall be of heavy cedar shakes; the interior walls shall be of wood studs and textured painted gypsum board; the interior floors shall be covered with carpet or vinyl.

The principal materials of which the Cabana shall be constructed are as follows: The ground floor slab shall be of poured standard weight aggregate concrete; the roof shall be of heavy cedar shakes.

Apartments 1-A through 1-F are located on the ground floor of Apartment Building No. 1, and are numbered, in ascending order, from west to east. Apartments 1-G through 1-J are located on the second story of Apartment Building No. 1, and are numbered, in ascending order, from west to east.

Apartments 2-A through 2-F are located on the ground floor of Apartment Building No. 2, and are numbered, in ascending order, from west to east. Apartments 1-G through 1-J are located on the second story of Apartment Building No. 2, and are numbered, in ascending order, from west to east.

Apartments 3-A through 3-H are located on the ground floor of Apartment Building No. 3, and are numbered, in ascending order, from north to south. Apartments 3-I through 3-N are located on the second story of Apartment Building No. 3, and are numbered, in ascending order, from north to south.

Apartments 4-A through 4-F are located on the ground floor of Apartment Building No. 4, and are numbered, in ascending order, from east to west. Apartments 4-G through 4-J are located on the second story of Apartment Building No. 4, and are numbered, in ascending order, from east to west.

Apartments 5-A through 5-F are located on the ground floor of Apartment Building No. 5, and are numbered, in ascending order, from east to west. Apartments 5-G through 5-J are located on the second story of Apartment Building No. 5, and are numbered, in ascending order, from east to west.

There are five types of apartments. A-One Bedroom Apartment; B-Two Bedroom Apartment; C-Two Bedroom Apartment; D-Three Bedroom Apartment; E-Three Bedroom Apartment.

The following eleven (11) apartments are A-One Bedroom Apartments: 1-B, 1-D, 2-B, 2-D, 3-B, 3-D, 3-F, 4-C, 4-E, 5-C and 5-E.

Each A-One Bedroom Apartment shall consist of a bedroom, a toilet, entry, kitchen, living-dining area, and a lanai, and each such apartment shall have an approximate enclosed floor space of 751 square feet, a lanai of approximately 163 square feet, and an approximate total floor area of 914 square feet.

The following eleven (11) apartments are B-Two Bedroom Apartments: 1-C, 1-E, 2-C, 2-E, 3-C, 3-E, 3-G, 4-B, 4-D, 5-B and 5-D.

Each B-Two Bedroom Apartment shall consist of a bedroom, a study-bedroom, a toilet, entry, kitchen, living-dining area, and a lanai, and each such apartment shall have an approximate enclosed floor space of 863 square feet, a lanai of approximately 163 square feet, and an approximate total floor area of 1026 square feet.

The following eleven (11) apartments are C-Two Bedroom Apartments: 1-G, 1-I, 2-G, 2-I, 3-I, 3-K, 3-M, 4-H, 4-J, 5-H and 5-J.

Each C-Two Bedroom Apartment shall be located on two levels (the first level of the apartment and the mezzanine level of the apartment), and shall consist of a bedroom, a toilet, entry, kitchen, living-dining area, and a lanai, all located on the first level of the apartment, an interior stairway connecting the first level of the apartment and the mezzanine level of the apartment, and a bedroom, a bath, an owner's closet, and attic space, all located on the mezzanine level of the apartment, and each such apartment shall have an approximate enclosed floor space (two levels) of 1067 square feet, a lanai of approximately 163 square feet, and an approximate total floor area of 1230 square feet.

The following eleven (11) apartments are D-Three Bedroom Apartments: 1-H, 1-J, 2-H, 2-J, 3-J, 3-L, 3-N, 4-G, 4-I, 5-G and 5-I.

Each D-Three Bedroom Apartment shall be located on two levels (the first level of the apartment and the mezzanine level of the apartment), and shall consist of a bedroom, a bath, a study-bedroom, entry, kitchen, living-dining area, and a lanai, all located on the first level of the apartment, an interior stairway connecting the first level of the apartment and the mezzanine level of the apartment, and a bedroom, a bath, an owner's closet, and attic space, all located on the mezzanine level of the apartment, and each such apartment shall have an approximate enclosed floor space (two levels) of 1179 square feet, a lanai of approximately 163 square feet, and an approximate total floor area of 1342 square feet.

The following ten (10) apartments are E-Three Bedroom Apartments: 1-A, 1-F, 2-A, 2-F, 3-A, 3-H, 4-A, 4-F, 5-A and 5-F.

Each E-Three Bedroom Apartment shall be located on two levels (the first level of the apartment and the mezzanine level of the apartment), and shall consist of two bedrooms, one bath and one toilet, entry, hall, kitchen, living-dining area, and a lanai, all located on the first level of the apartment, an interior stairway connecting the first level of the apartment and the mezzanine level of the apartment, and a bedroom, a toilet, hall, attic, and a lanai, all located on the mezzanine level of the apartment, and each such apartment shall have an approximate enclosed floor space (two levels) of 1798 square feet, two lanais of approximately 232 square feet (aggregate), and an approximate total floor area of 2030 square feet.

Each apartment shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and the space measured by the lanai (or the lanais) of each apartment, and measured vertically by the distances between the topside surface of the floor and the underside surface of the ceiling of each apartment (in the case of each apartment located on two levels, the "surface of the floor" shall mean the surface of the floor on the first level, and the "surface of the ceiling" shall mean the surface of the ceiling over the mezzanine level and the ceiling over that part of the first level which is not covered by the mezzanine level.)

Each apartment located on the ground floor of an Apartment Building shall have immediate access to the Land. Each other apartment shall have immediate access to the open entry corridor adjacent to each pair of apartments located entirely above the ground floor, and the stairs between that open entry corridor and the Land.

In addition to the rights and easements created and established by Haw. Rev. Stat. Chapter 514A in and with respect to the common elements of the Horizontal Property Regime hereby established, each apartment shall have appurtenant thereto, under and by virtue of this Declaration of Horizontal Property Regime, a non-exclusive easement in the common elements designed for such purpose for ingress and egress, utility services, support, maintenance and repair, as the case may be; and the Association shall have the irrevocable right, under and by virtue of this Declaration of Horizontal Property Regime, and in addition to the rights created and given to the apartment owners by Haw. Rev. Stat. Section 514-13(f), to be exercised by its Board of Directors, Manager or Managing Agent, as the case may be, to enter each apartment from time to time during reasonable hours as may be necessary for the repair, replacement, restoration or installation of any common element.

COMMON ELEMENTS: The Declaration reflects that the common elements include:

(a) The land described in said Declaration, and the super-adjacent airspace above the roofs, and next to the exterior walls, of the apartment buildings.

(b) The following parts of the apartment buildings: all foundations, columns, girders, beams and supports, bearing walls, roofs, structural frame (except that the windows and window frames, doors and door frames, for each apartment, located within the structural frame of an apartment building, shall be a part of that apartment, and not a common element) perimeter walls between apartments, floors and ceilings (the floor between the first level and the mezzanine level of an apartment located on two levels shall be a part of that apartment, and not a common element), the open entry corridor adjacent to each pair of apartments located entirely above the ground floor, and the stairs between that open entry corridor and the land.

(c) The Office Manager's Apartment Building, the Cabana, the swimming pool, filtration plant, and swimming pool pump house, jacuzzi, shuffleboard court, tennis courts, putting greens, outdoor lighting and all parking areas.

(d) All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, refrigeration, television, sewage disposal, and other utilities (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located within common elements or within apartments), and all tanks, pumps, motors, fans, compressors, ducts and other apparatus and installations existing for common use.

(e) All tangible personal property, accounts, general intangibles, instruments and money, and any apartment acquired and held by the Association or the Board of Directors of the horizontal property regime, or their agents, for the administration, maintenance, safety and operation of the common elements of the regime, or for the common use and benefit of the apartment owners.

(f) All other apparatus and installations existing for, or rationally of common use to, or necessary or convenient to the existence, maintenance or safety of all the apartments of the horizontal property regime.

LIMITED COMMON ELEMENTS: The Declaration states that the following are limited common elements: Any pump, motor, fan, compressor or duct, or any installation for power, light, telephone, gas, hot and cold water, heating, refrigeration, television, sewage disposal, air conditioning, or other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith), located in a common element, designed to serve only one apartment (that is, not designed or existing for common use), shall be appurtenant to such apartment, as a limited common element, and the same shall be reserved for the exclusive use and benefit of such apartment, and all costs and expenses of every description pertaining thereto including but not limited to the cost of the maintenance, repair and replacement thereof, and the making of any additions and improvements thereto, shall be charged to the owner of such apartment.

INTEREST TO BE CONVEYED TO PURCHASER: The Declaration reflects that the percentage of undivided interest in the common elements appertaining to the apartments is as follows:

Apartment No.	1-A	2.55%
	1-B	1.40%
	1-C	1.57%
	1-D	1.40%
	1-E	1.57%
	1-F	2.54%
	1-G	1.82%
	1-H	1.99%
	1-I	1.82%
	1-J	1.99%
	2-A	2.54%
	2-B	1.40%
	2-C	1.57%
	2-D	1.40%
	2-E	1.57%
	2-F	2.54%
	2-G	1.82%
	2-H	1.99%
	2-I	1.82%
	2-J	1.99%
	3-A	2.54%
	3-B	1.40%
	3-C	1.57%
	3-D	1.40%
	3-E	1.57%
	3-F	1.40%
	3-G	1.57%
	3-H	2.54%
	3-I	1.82%
	3-J	1.99%
	3-K	1.82%
	3-L	1.99%
	3-M	1.82%
	3-N	1.99%
	4-A	2.54%
	4-B	1.57%
	4-C	1.40%
	4-D	1.57%
	4-E	1.40%
	4-F	2.54%
	4-G	1.99%
	4-H	1.82%
	4-I	1.99%
	4-J	1.82%
	5-A	2.54%
	5-B	1.57%
	5-C	1.40%
	5-D	1.57%
	5-E	1.40%
	5-F	2.55%
	5-G	1.99%
	5-H	1.82%
	5-I	1.99%
	5-J	1.82%

The undivided interests established and to be conveyed with the respective "apartments" cannot be changed, and the Developer covenants and agrees that the undivided interests in the "common areas and facilities" and the fee simple titles 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 or encumbrance may refer only to the fee simple title to the "apartment." The proportionate shares of the separate owners of the respective "apartments" in the profits and common expenses in the "common areas and facilities" as well as their proportionate representation for voting purposes in the Association of Apartment Owners shall be the undivided interest shown above.

NOTE: The proposed By-Laws of the Association of Apartment Owners indicates that the Association of Apartment Owners shall be formed as of the date of filing of Declaration, and the Vendor shall act as owners until Apartment Deeds are granted to purchasers.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration reflects that the apartments shall be used as residential apartments, but such apartments may be leased or rented from time to time by transients.

OWNERSHIP OF TITLE: A Preliminary Report dated October 26, 1978, prepared by Security Title Corporation, certifies that title to the land is vested in KOA RESORT DEVELOPMENT COMPANY, a Hawaii limited partnership.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report, prepared October 26, 1978, by Security Title Corporation, certifies that there are no liens or encumbrances of whatever kind or nature of record against said title, save and except the following:

1. Declaration Of Horizontal Property Regime dated September 8, 1978, recorded in said Bureau of Conveyances in Liber 13224 on Page 453.
2. Condominium Map No. 575, filed in the Bureau of Conveyances of the State of Hawaii on October 25, 1978.
3. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 7447.
4. Mortgage dated May 3, 1978, recorded in said Bureau of Conveyances in Liber 12912 on Page 725, by KOA RESORT DEVELOPMENT COMPANY, a Hawaii limited partnership, to LINCOLN NATIONAL BANK AND TRUST COMPANY, a National Banking Association, TRUSTEE under a Trust Agreement with HOWARD W. WINZELER, SR., dated December 12, 1969.
5. Easement dated September 15, 1978, recorded in said Bureau of Conveyances in Liber 13167 on Page 290, in favor of Maui Electric Company, Limited, a Hawaii corporation.
6. For any Taxes that may be due and owing and a lien on the land, reference is hereby made to the Office of the Tax Assessor of the Second Division.

FINANCING OF PROJECT: The Developer gives an estimated total cost of \$1,798,397.00 to complete Phase I of the project. Developer has obtained a loan in the principal amount of \$1,500,000.00 from the Lincoln National Bank And Trust Company, trustee under a trust agreement with Howard W. Winzeler, Sr., dated December 12, 1969, for the construction of Phase I of the project. Koa Resort Development Company has also obtained a standby loan commitment in the amount of \$400,000.00 from the First Hawaiian Bank for the construction of Phase I of the project. The Lincoln National Bank And Trust Company loan to Developer is secured by a mortgage of the project property. The rights of apartment purchasers to the project property under apartment contracts of sale will be subordinate to the rights of the Lincoln National Bank And Trust Company mortgage of the project property. The First Hawaiian Bank loan to Developer will not be secured by a mortgage of the project property.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated May 17, 1978, identifies Security Title Corporation, a Hawaii corporation, as the Escrow Agent. The Escrow Agreement establishes how the proceeds from the sale of apartments and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds. It is incumbent upon the purchaser and prospective purchaser that he read the executed Escrow Agreement with care. The terms of the Escrow Agreement are made a part of the Contract of Sale by reference.

On examination the specimen Contract of Sale and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514A.

Among other provisions the executed Escrow Agreement states that a purchaser under a contract of sale shall be entitled to a refund of all money deposited with Escrow, and Escrow shall return such funds to such purchaser, without interest, and less a cancellation fee of \$20 to be kept by Escrow, if a purchaser shall file with Escrow a written request for the refund of such funds, and if any of the following events shall have occurred:

(i) If funds were obtained from an apartment purchaser prior to the issuance of a final public report upon the Phase I Project by the Hawaii Real Estate Commission, and there is a change in the plans for the construction of the Phase I Project requiring the approval of the official of the County of Maui having jurisdiction over the issuance of permits for the construction of buildings, unless: (a) Developer obtains the written approval or acceptance of such specific change in building plans by such apartment purchaser, (b) the apartment purchaser has inspected and has accepted in writing the apartment purchased, and ninety (90) days have elapsed; or (c) the apartment purchaser has occupied the apartment purchased.

(ii) The Final Public Report upon the Phase I Project differs from the Preliminary Public Report, if any, upon the Phase I Project issued by the Real Estate Commission of the State of Hawaii in any material respect, unless Developer obtains the written approval or acceptance of such material difference in the Phase I Project by such apartment purchaser.

(iii) Such Final Public Report is not issued within one (1) year from the date of issuance of such Preliminary Public Report, if any.

(iv) Upon the occurrence of any other event which, under Haw. Rev. Stat., Chapter 514A, gives an apartment purchaser under a contract of sale the right to a refund of his purchase money deposited in escrow.

In addition, the Escrow Agreement provides that, in the event of the rescission of any contract of sale, including without limitation a rescission of a contract of sale by the Developer for the failure of an apartment purchaser to furnish evidence of its ability to provide funds for the purchase of such apartment, Escrow shall have the right to retain a reasonable cancellation fee for its services from the purchase price deposited by such apartment purchaser.

It is incumbent upon the purchaser and prospective purchaser that he read with care the contract of sale, which provides among its other provisions the following provisions of which purchaser should take note:

1. The Purchaser of an apartment in Phase I of the Project shall have the right to the possession of the apartment and shall be liable for the pro-rata common expenses and real property taxes attributable to the apartment from and after the closing of his Contract of Sale, in accordance with the common interest appurtenant to his apartment. Voting will be in accordance with such common interest and the Developer will be entitled to vote the common interests appurtenant to apartments in Phase II until deeds have been issued for such apartments.

2. The Contract of Sale also contains the following provision with respect to Phase II of the Project: Vendor shall commence the construction of the Apartment Buildings and the on-site improvements shown and marked on the Condominium Map as "Phase II" no later than May 31, 1979 and shall substantially complete said "Phase II" no later than June 1, 1981. Vendor shall be liable for, and shall promptly pay, any common expense, special assessment or real property tax or assessment attributable to any Apartment of the Horizontal Property Regime not included in the Phase I Project, and shall continue to be liable for the same until the Vendor delivers an apartment deed for any such Apartment not included in the Phase I Project, whereupon the owner of such Apartment shall be liable therefor. Vendor shall also be entitled to exercise the right to vote appertaining to any Apartment of the Horizontal Property Regime not included in the Phase I Project, and shall continue to be entitled to exercise such voting right until the Vendor delivers an apartment deed for any such Apartment not included in the Phase I Project, whereupon the owner of such Apartment shall be entitled to exercise such voting right.

MANAGEMENT AND OPERATIONS: The By-Laws empower the Board of Directors with the authority to acquire and pay for the services of a person or firm to manage the Horizontal Property Regime. No property manager has been identified in the Notice Of Intention. The specimen Sale Contract provides that the Vendor shall have the power to select the managing agent if the first Association meeting is not called.

STATUS OF PROJECT: Developer discloses that it has entered upon construction contracts for the full project as shown in the building plans and specifications as follows:

1. Construction Contract between Koa Resort Development Company, Owner, and Maui Shiraishi, Inc., Contractor, dated July 26, 1978, for the construction of the buildings of Phase I of the project, and

2. Construction Contract between Koa Resort Development Company, Owner, and E. T. Ige Construction, Inc., Contractor, dated July 28, 1978, for the site work and landscaping of Phase I of the project.

Construction for Phase I commenced August 1, 1978, and the estimated date of completion is June 18, 1979. Five per cent (5%) of Phase I has been completed to date.

Section 4.5.1 of the General Conditions of the Contract for Construction provides as follows:

"The Contractor warrants to the Owner and the Architect that all materials and equipment furnished under this Contract will be new unless otherwise specified, and that all Work will be of good quality, free from faults and defects and in conformance with the Contract Documents. All Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. This warranty is not limited by the provisions of Paragraph 13.2."

Section 13.2.2 of the General Conditions of the Contract for Construction provides as follows:

"If, within one year after the Date of Substantial Completion of the Work or designated portion thereof or within one year after acceptance by the Owner of designated equipment or within such longer period of time as may be prescribed by law or by the terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be defective or not in accordance with the Contract Documents, the Contractor shall correct it promptly after receipt of a written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This obligation shall survive termination of the Contract. The Owner shall give such notice promptly after discovery of the condition."

NOTE: Purchasers are reminded that this Horizontal Property Regimes Public Report covers only Phase I of the entire project. Developer will submit a separate registration for KOA RESORT (PHASE II) at a later date.

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 November 13, 1978, and information subsequently filed as of December 18, 1978.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1055, filed with the Commission November 13, 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 in color.


(for) 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. 1055

January 22, 1979

EXHIBIT A

Apartment No. 1-A
1-B
1-C
1-D
1-E
1-F
1-G
1-H
1-I
1-J

2-A
2-B
2-C
2-D
2-E
2-F
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2-H
2-I
2-J