

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
KAANAPALI ROYAL
Kaanapali, Island and County of Maui,
State of Hawaii

REGISTRATION NO. 1066

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: April 27, 1979
Expires: May 27, 1980

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that the personal requirement 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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 7, 1978, AND ADDITIONAL INFORMATION FILED AS OF APRIL 26, 1979. DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report dated December 29, 1978, the Developer has forwarded additional information reflecting changes that have been made in the documents for the Project.
2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime and the By-Laws of the Association of Apartment Owners attached thereto dated April 11, 1979, have been filed in the Office of the Assistant Registrar of the Land Court of Hawaii as Document No. 932343. The approved floor plans have been filed in the Office of the Assistant Registrar of the Land Court as Condominium Map No. 364.
4. Advertising and promotional materials have been submitted to the Commission pursuant to the rules and regulations promulgated by the Commission, and have been determined to be in compliance thereto.
5. 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 of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Final Public Report expires thirteen (13) months after issuance, April 27, 1979, unless a Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report. This Final Public Report is part of the registration of Kaanapali Royal.
7. This Final Public Report amends the Preliminary Public Report of December 29, 1978 and becomes a part of the Kaanapali Royal registration. The Developer has the responsibilities of placing true copies of this Final Public Report (white paper stock) and the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective

purchasers and securing a signed copy of the receipt for the Preliminary and Final Public Reports from each purchaser and prospective purchaser.

The information in the Preliminary Public Report of December 29, 1978, under the topical headings DEVELOPER, DESCRIPTION, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING and STATUS OF PROJECT, has been changed as described below, and a new heading entitled LICENSE AGREEMENTS has been added. Information under other topical headings has not been changed according to the Developer.

DEVELOPER: The current officers of the corporate partners comprising KANAPALI ROYAL ASSOCIATES are as follows:

RWG, Inc.:

Richard W. Gushman, II - President, Vice President, Treasurer and Secretary
Duncan MacNaughton - Assistant Secretary and Assistant Treasurer

TMAC, Inc.:

Duncan MacNaughton - President, Vice President, Treasurer and Secretary
Richard W. Gushman, II - Assistant Secretary and Assistant Treasurer

DESCRIPTION: The Developer has submitted a new executed Declaration of Horizontal Property Regime dated April 11, 1979 which reflects revised Apartment areas as follows: (a) all Apartments numbered 101, 102, 201 or 202 will have approximate living areas of 1534 square feet and approximate lanai areas of 495 square feet, and (b) all Apartments numbered 301, 302 or 303 will have approximate living areas of 1467 square feet and approximate lanai areas of 380 square feet. The Developer has advised the Commission that the dimensions of the Apartments have not changed, and that the living and lanai areas reflected in the Preliminary Public Report were incorrect due to computational error. The tabular listing set forth in subparagraph 2(g), under the topical heading DESCRIPTION, of the Preliminary Public Report is therefore amended to reflect the above-mentioned revised, approximate living and lanai areas.

The Developer has advised the Commission that the County of Maui Building Department will not permit the installation of folding louvered lanai panels (which panels are depicted in the floor plans previously filed with the Commission, as well as in the Project promotional materials) in any of the Apartments, and, therefore, the floor plans of the Apartments have been revised to delete all folding louvered lanai panels and to remove the supporting ledge areas of the lanais. The lanai areas set forth in the tabular listing found in said subparagraph 2(g) of the Preliminary

Public Report are computed by measuring from the outside of exterior walls and from the centerline of interior party walls.

The Developer has also advised the Commission that the buildings in the Project will be principally of concrete, concrete block and wood construction, with tile and/or metal roofs, and said buildings shall also incorporate glass, steel, plastic laminate, aluminum and allied building materials.

ENCUMBRANCES AGAINST TITLE: A Preliminary Report issued by Title Guaranty of Hawaii, Inc. dated April 12, 1979 states that title to the land is subject to the following encumbrances in addition to those reported in the Preliminary Public Report of December 29, 1978:

1. Covenants, conditions, restrictions, easements, reservations and all other provisions set forth in Declaration of Horizontal Property Regime dated April 11, 1979 filed in the Office of the Assistant Registrar of the Land Court as Document No. 932343 and the By-Laws attached thereto. (Project covered by Condominium Map No. 364.)
2. Agreement dated February 7, 1979 recorded in Liber 13481 at Page 432 by and between the County of Maui, Department of Water Supply, Amfac Inc. and Kaanapali Royal Associates.

PURCHASE MONEY HANDLING. The Developer, as Seller, has waived and does hereby waive the Seller's option (provided in paragraph 17 of the Sales Contract) to cancel the Sales Contracts in the event that less than 90 of the 105 Apartments in the Project are sold by August 31, 1979. As a result of said waiver, said Seller's option is cancelled and of no force and effect.

All other information under this topical heading in the Preliminary Public Report of December 29, 1978 remains unchanged.

LICENSE AGREEMENTS: The Developer has advised the Commission that, in order to provide an appropriate entranceway to the Project, the Developer has entered into an unrecorded Agreement, dated April 12, 1979, with Amfac, Inc., a true copy of which Agreement is on file with the Real Estate Commission, pursuant to which Agreement the Developer has the exclusive right and obligation to pave, landscape, repair and maintain a certain portion of Easement 73 as more particularly described in said Agreement (the "license area"). Said Agreement and the rights and obligations therein described are to terminate upon the filing in said Office of a verified statement of a registered architect or professional engineer certifying that the final plans for Kaanapali Royal theretofore filed, or being filed simultaneously therewith, fully and accurately depict the layout, location, apartment numbers

and dimensions of the apartments "as built" in Kaanapali Royal.

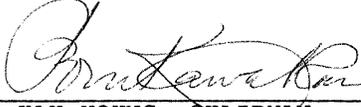
On April 12, 1979, the Association of Apartment Owners of Kaanapali Royal entered into an unrecorded Agreement with Amfac, Inc., a true copy of which Agreement is on file with the Real Estate Commission, pursuant to which Agreement the Association has the exclusive right and obligation to repair and maintain the pavement and landscaping within said license area during the term of said Agreement. Said Agreement is to commence upon the filing in said Office of a verified statement of a registered architect or professional engineer certifying that the final plans for Kaanapali Royal theretofore filed or being filed simultaneously therewith fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments "as built" in Kaanapali Royal.

STATUS OF PROJECT: The Developer has selected Associated Masons, Ltd., a Hawaii corporation, as general contractor to construct the Project. The Developer has also engaged K. R. Construction, Inc., a Hawaii corporation, to act as its construction manager and representative to supervise and coordinate all of the construction work on the Project. The Developer has obtained an interim loan from Amfac Financial Corp. to finance (together with purchasers' funds) such construction, as well as to finance Developer's land acquisition costs. Said interim loan is in an amount not exceeding \$28,000,000.00, and the interest rate of the loan is not more than 4% over the prime rate charged from time to time by the Bank of Hawaii or First Hawaiian Bank, whichever is higher, except that the rate may be increased to 18% per annum in the event of any default and except that the rate of interest shall in no event be less than 10% per annum. The estimated date of completion of construction of the Project is August 15, 1980.

The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted December 7, 1978, and additional information subsequently filed as of April 26, 1979.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1066 filed with the Commission on December 29, 1978. The report, when

reproduced, shall be a true copy of the Commission's Public Report. Paper stock used in making facsimiles must be white.



(for)

AH KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Taxation
Department of Land Utilization,
City and County of Honolulu
Escrow Agent
Federal Housing Administration

Registration No. 1066

Dated: April 27, 1979