

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

HALE ROYALE
3788 Honoapiilani Highway
Lahaina, Maui, Hawaii

REGISTRATION NO. 1113

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: February 28, 1980
Expires: March 28, 1981

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 MARCH 29, 1979 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF FEBRUARY 21, 1980. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on July 13, 1979, on HALE ROYALE, Registration Number 1113, the Developer reports that certain changes have been made in the project. This Final Public Report (white paper stock) amends the Preliminary Public Report (yellow paper stock), becoming a part of HALE ROYALE registration. The

Developer is responsible for placing a true copy of this Final Public Report in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Public Report and Disclosure Abstract and securing a signed receipt therefor.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium project and the issuance of this Final Public Report.
3. The Developer advises that the Declaration of Horizontal Property Regime and attached By-Laws of the Association of Apartment Owners were filed at the Bureau of Conveyances on January 4, 1980 at Liber 14384 Page 38. The Condominium Map has been recorded in that office as Map No. 679.
4. Advertising and promotional materials have been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of 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 automatically expires thirteen (13) months after the date of issuance, February 28, 1980, unless a Supplementary Public Report is issued, or the Commission, upon review of the registration, issues an order extending the effective date of this report.

The information in the Preliminary Public Report of July 13, 1979, under the topical headings DEVELOPER, ATTORNEY REPRESENTING DEVELOPER, COMMON ELEMENTS, LIMITED COMMON ELEMENTS, OWNERSHIP OF TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING and STATUS OF PROJECT have been changed. The topical heading STREET WIDENING has been added. The Developer reports that no other information in the Preliminary Public Report has changed.

DEVELOPER: HALE ROYALE HUI, a registered Hawaii general partnership, whose principal place of business is 930 Wainee Street, P. O. Box 1773, Lahaina, Maui, Hawaii 96761 (Telephone No. 661-3678). The General Partners of the joint venture are as follows:

William R. Bagg	930 Wainee Street Lahaina, Maui, Hawaii 96761
Jack Edwin Counts	930 Wainee Street Lahaina, Maui, Hawaii 96761
Bay Area Industrial Corp.	845 Page Mill Road Palo Alto, California 94304
Jerry Baker	P. O. Box 38 Duncan, Oklahoma 73553

E. W. McKenzie

905 Industrial Way
Sparks, Nevada 89431

Rosemar Corporation

850 West Hind Drive
Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Torkildson, Katz, Jossem & Loden (THOMAS A. BODDEN), 700 Bishop Street, Honolulu, Hawaii 96813 (Telephone No. 877-7177 & 521-1051) and NELSON CHRISTENSEN, P. O. Box 1088, Lahaina, Maui, Hawaii 96761 (Telephone No. 661-4458) are the attorneys representing the Developer.

COMMON ELEMENTS: Section (h) has been added to this topical heading as follows:

(h) The Project's private water and sewage system, including but not limited to all wells, equipment, pipes, and other facilities and equipment used in connection with said system.

All other information under this topical heading in the Preliminary Public Report remains unchanged.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and such apartments, shall have apurtenant thereto exclusive easements for the use of such limited common elements.

These shall be appurtenant to each apartment, as a limited common element, the parking space assigned to each apartment, 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 maintenance, repair and replacement thereof, and the making of any additions and improvements thereto, shall be charged to the owner of such apartment.

OWNERSHIP OF TITLE: A Policy of Title Insurance issued on December 7, 1979, by Title Guaranty of Hawaii, Inc. certifies that title to the property has been conveyed by Hawaii Omori Corporation, a Hawaii corporation, to the Developer by Warranty Deed dated November 26, 1979 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14287, Page 594, and by Quitclaim Deeds dated November 26, 1979 and November 28, 1979 recorded in the said Bureau of Conveyance at Liber 14287, Page 590, and Liber 14287, Page 600, respectively, and is now held by the Developer.

ENCUMBRANCES AGAINST TITLE: Said Policy of Title Insurance dated December 7, 1979, states that title to the property is subject to the following encumbrances:

(1) 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, County of Maui, Hawaii.

(2) Reservation in favor of the State of Hawaii of all Mineral and Metallic Mines.

(3) Agreement dated January 5, 1979, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13417 at Page 588, made by and between the County of Maui, Department of Water Supply and Hale Royale Hui, relating to issuance of a building permit for the Project on the basis of development of a private water supply system on the Property.

(4) Real Property Mortgage and Financing Statement and Security Agreement dated December 6, 1979, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14287 at Page 603, made by and between Hale Royale Hui and Honolulu Federal Savings and Loan Association.

(5) UCC-1 Financing Statement dated December 6, 1979, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14287 at Page 640, made by and between Hale Royale Hui and Honolulu Federal Savings and Loan Association.

(6) Declaration of covenants, conditions and restrictions dated May 25, 1979 recorded in Liber 13943 at Page 287.

The Developer has submitted to the Real Estate Commission a certified copy of the Declaration of Horizontal Property Regime and By-Laws attached thereto, which were recorded in the Bureau of Conveyances of the State of Hawaii in Book 14348, Page 38, together with the condominium map filed in said Bureau of Conveyances as Condominium Map No. 679. Said Declaration is therefore an encumbrance against title.

PURCHASE MONEY HANDLING: Related to the provisions of the Sales Contract, for purposes of clarification, paragraph (3) of the Preliminary Public Report is hereby deleted in its entirety and the following is substituted:

"Prospective Purchasers should be aware that the Sales Contract provides that the Mortgage and other liens which will secure the Developer's interim construction loan (renewals and extensions) for the construction of the Project shall be and remain at all times a superior lien on the Project, and Purchasers are required to waive and subordinate their interests under the Sales Contract in favor of the priority of all such liens.

NOTE: Prospective Purchasers are notified that under the terms of Honolulu Federal Savings and Loan's commitment letter dated May 23, 1979, the principal amount of such interim loan (including any amendment thereto) shall not exceed \$8,000,000.00; the interest rate shall be not more than 2% over the prime rate charged at the time of the loan, except that the interest rate may increase to up to 18% per annum in the event of default; the loan shall be repaid not less than ten (10) years from its date; and the proceeds of such loan shall be used primarily for construction, planning and marketing and other development and financing costs of the Project."

STREET WIDENING: Maui County has requested, and the Developer has agreed to the dedication to the County of a 4 feet by 379 feet strip of land along the Project's boundary on Honoapiilani Highway. This strip would be used for the widening of that

highway. The design of the Project would not be affected, and access from the Project to Honoapiilani Highway would remain unchanged. The Declaration provides that the Developer may make this conveyance to Maui County and that such conveyance shall automatically remove that strip from the Horizontal Property Regime and the Project. Honolulu Federal, the construction lender, has also agreed to this conveyance and has stated that it will, upon such conveyance, remove the lien of its mortgage from the strip so conveyed.

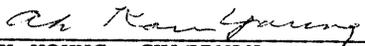
STATUS OF PROJECT: Construction began on September 1, 1979 and is expected to be completed on or about September 1, 1980.

Fuku Construction Company, Inc. has been hired as the general contractor for the Project pursuant to construction contracts dated August 12, 1979 and August 29, 1979. Construction has begun under the terms of those contracts and pursuant to Building Permit No. 79/1071-1080, dated June 1, 1979, issued by the Department of Public Works, County of Maui for the construction work on this Project. The Performance of Fuku Construction Company has been guaranteed by a Performance and Completion bond issued by Seaboard Surety Company, in the full amount of the construction contracts.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention filed on March 29, 1979 and information subsequently submitted as of February 21, 1980.

THIS FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1113 filed with the Commission on March 29, 1979.

This report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles shall be white in color.



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. 1113

Date: February 28, 1980