

# 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

THE SANDS OF KAHANA  
Honoapiilani Highway  
Kahana, Lahaina, Maui, Hawaii

REGISTRATION NO. 1195

Issued: November 14, 1980

Expires: December 14, 1981

### **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.

#### SPECIAL ATTENTION

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

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 1, 1979, AND INFORMATION SUBSEQUENTLY FILED ON NOVEMBER 14, 1980. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, HAWAII REVISED STATUTES, CHAPTER 514A, as amended.

1. Since the issuance of the Commission's Preliminary Public Report on November 23, 1979, the Developer reports that changes have been made in the plan or setup of the project. The changes subsequently made are determined to be a material addition to the information disclosed earlier.
2. The Developer of the project has submitted to the Commission for examination all of the documents deemed necessary for the registration of a 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 have been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15060 on Page 527, and that the Condominium Map has been recorded as Condominium Map No. 763.
4. Advertising or promotional materials have been submitted to the Commission pursuant to its rules and regulations.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514A, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to the Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, November 14, 1980, unless a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Final Public Report is made a part of the registration of THE SANDS OF KAHANA condominium project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers, along with a copy of the Preliminary Public Report (yellow paper stock) and revised Disclosure Abstract, and securing a signed copy of the receipt therefor.

LOCATION: The project is located at Kahana, Lahaina, Island and County of Maui, State of Hawaii, and now consists of approximately 6.788 acres of land.

ZONING: H-2, Hotel

DEVELOPER: The address of the developer is now Suite 295, The Kahului Building, 33 Lono Avenue, Kahului, Maui, Hawaii 96732; Telephone 877-7641.

DESCRIPTION OF BUILDINGS AND APARTMENTS: The Project consists of one hundred ninety-five (195) residential apartments contained in five (5) apartment building complexes, each containing a basement containing thirty-six (36) parking stalls (with the exception of Building 5, which contains fifty (50) parking stalls in its basement), numbered Buildings 1 through 5, inclusive. Buildings 1 through 4 contain seven stories and Building 5 contains six stories. In addition, Building 2 contains as part of the basement a canoe storage facility. Also included in the Project are a swimming pool, wading pool, two (2) beach pavilions, one (1) tennis court, landscaping, including a sculptured water pond and garden area, sixty-one (61) on-grade uncovered parking stalls of which eight (8) on-grade uncovered parking stalls are reserved for public use, driveways and pathways.

The apartment buildings are primarily of masonry construction with concrete masonry bearing walls, concrete floor and roof slabs, concrete mat foundations and interior partitioning of gypsum wallboard. Each apartment on the first floor has immediate access to the walkways connecting the buildings to the Project grounds, and each apartment on the other floors has immediate access to hallways and an elevator providing access to the walkways connecting the buildings to the Project grounds.

Except for the following type apartments, the description of all other apartments remains unchanged:

There are a total of four (4) Type 2F apartments in the Project. One (1) Type 2F apartment is located in each of Buildings 1, 2, 3 and 4. Each Type 2F apartment is in a two-level configuration. The lower level contains a living-dining room, kitchen, laundry room, one bedroom, one bathroom containing a toilet and bathtub-shower combination, and one lanai off the living-dining room. The loft level contains one bedroom and one bathroom containing a toilet and shower.

There are a total of two (2) Type 2J apartments in the Project. All two (2) Type 2J apartments are located in Building 5. Each Type 2J apartment is in a two-level configuration. The lower level contains a living-dining room, kitchen, laundry room, one bedroom, one bathroom containing a toilet and shower, and two lanais (one off the living-dining room and the other off the kitchen, bathroom and bedroom). The loft level contains one bedroom and one bathroom containing a toilet and bathtub-shower combination.

There are a total of two (2) Type 2K apartments in the Project. All two (2) Type 2K apartments are in Building 5. Each Type 2K apartment is in a two-level configuration. The lower level contains a living-dining room, kitchen, laundry room, one bedroom, one bathroom containing a toilet and bathtub-shower combination, and one lanai off the living-dining room. The loft level contains one bedroom, one bathroom containing a toilet and shower, and one lanai off the bedroom and bathroom.

There are a total of two (2) Type 2L apartments in the Project. All two (2) Type 2L apartments are located in Building 5. Each Type 2L apartment is in a two-level configuration. The lower level contains a living-dining room, kitchen, laundry room, one bedroom, one bathroom containing a toilet and shower, and two lanais (one off the living-dining room and the other off the kitchen, bathroom and bedroom). The loft level contains one bedroom, one bathroom containing a toilet, bathtub-shower combination and one lanai off the bedroom and bathroom.

There are a total of two (2) Type 2M apartments in the Project. All two (2) Type 2M apartments are located in Building 5. Each Type 2M apartment is in a two-level configuration. The lower level contains a living-dining room, kitchen, laundry room, one bedroom, one bathroom containing a toilet and bathtub-shower combination, and one lanai off the living-dining room. The loft level contains one bedroom, one bathroom containing a toilet and shower, and one lanai off the bedroom and bathroom.

There are a total of eight (8) Type 3B apartments in the Project. Two (2) Type 3B apartments are located in each of Buildings 1, 2, 3 and 4. Each Type 3B apartment is in a two-level configuration. The lower level contains a living-dining room, kitchen, two bedrooms, two bathrooms (one bathroom containing a toilet, bathtub and shower and the other containing a toilet and shower), and two lanais (one off the living-dining room and master bedroom and the other off the bathrooms and second bedroom). The loft level contains one bedroom, one bathroom containing a toilet and shower, and one lanai off the bedroom and bathroom.

There are a total of four (4) Type 3D apartments in the Project. One (1) Type 3D apartment is located in each of Buildings 1, 2, 3 and 4. Each Type 3D apartment is in a two-level configuration. The lower level contains a living-dining room, kitchen, two bedrooms, two bathrooms (one bathroom containing a toilet, bathtub and shower and the other containing a toilet and shower), and two lanais (one off the living-dining room and master bedroom and the other off the bathrooms and second bedroom). The loft level contains one bedroom, one bathroom containing a toilet and shower, and one lanai off the bedroom and bathroom.

There are a total of eight (8) Type 3E apartments in the Project. Two (2) Type 3E apartments are located in each of Buildings 1, 2, 3 and 4. Each Type 3E apartment is in a two-level configuration. The lower level contains a living-dining room, kitchen, two bedrooms, two bathrooms (one bathroom containing a toilet and bathtub-shower combination and the other containing a toilet and shower), and one lanai off the living-dining room and one of the bedrooms. The loft level contains one bedroom, one bathroom containing a toilet and shower, and one lanai off the bedroom and bathroom.

PHASE CONSTRUCTION:

The Project will be constructed in three phases as follows:

Phase IA. Phase IA will consist of Building 2, Building 3, the swimming pool, wading pool, two (2) beach pavilions, one (1) tennis court, landscaping, including a sculptured water pond and garden area, the covered parking stalls in the basements of Building 2 and Building 3, all uncovered and public parking stalls and driveways and pathways.

Phase IB and Phase II. Phase IB will consist of Building 1 and Building 4, including the covered parking stalls in the basements thereof. Phase II will consist of Building 5, including the covered parking stalls in the basement thereof. Notwithstanding anything to the contrary contained herein, the Developer shall be under no obligation whatsoever to commence the construction of either Phase IB or Phase II, it being understood that the Developer may construct Phase IB and not Phase II, without any obligation to construct Phase II.

The construction of Phase IB and Phase II shall be in accordance with the following terms:

(1) Construction, if undertaken, shall be undertaken at the expense of the Developer not later than September 1,

1982 for Phase IB and not later than September 1, 1983 for Phase II, and shall be substantially completed within twenty-four (24) months after commencement thereof, subject to delays beyond the control of the Developer, its contractor and subcontractors.

(2) During the entire course of construction of Phase IB and Phase II, the Developer will cause to be maintained, at its expense, a standard policy of builder's risk insurance in an amount not less than the estimated costs of construction of Phase IB and Phase II, and public liability insurance with coverage of not less than \$2,000,000.00 for personal injury and property damage. The Association, Fee Owner, Lessee and construction lender shall be named as additional insureds under such policy, and evidence of such insurance shall be deposited with the Board of Directors of the Association, Fee Owner, Lessee and construction lender. Such insurance policy (or policies) shall provide that it shall not be cancelled or altered without at least thirty (30) days prior written notice to the Board of Directors, construction lender, Lessee and Fee Owner.

(3) Prior to the commencement of construction of Phase IB and Phase II, the Developer shall cause to be deposited with the Board of Directors of the Association, construction lender, Lessee and Fee Owner satisfactory evidence of a performance and payment bond issued by a corporate surety authorized to do a surety business in the State of Hawaii or by a corporation authorized to do business in the State of Hawaii and having a net worth in excess of \$5,000,000.00, or an irrevocable letter of credit issued by a bank authorized to do business in the State of Hawaii, naming the Association, construction lender, Lessee and Fee Owner as co-obligees, in an amount not less than 100% of the cost of the construction of Phase IB and Phase II. In addition, Developer shall, prior to the commencement of construction of Phase IB and Phase II, (a) provide evidence satisfactory to seventy-five percent (75%) (measured by the percentage of the common interest) of the mortgagees who have acquired a first mortgage interest in an apartment in a completed phase or phases, of its ability to pay for all improvements constructed in the phase to be constructed free and clear of any mechanic's, materialmen's, or other liens which may gain priority over the mortgagee's interest in an apartment, and (b) furnish to such mortgagee evidence that the Developer has obtained and closed a construction loan in an aggregate amount sufficient to pay in full the costs of constructing and completing all improvements in a phase to be constructed, including without limitation, the cost of construction, ground rental, financing commitment fees, appraisal, architectural, engineering, legal and accounting fees, and all other costs and expenses associated with such construction.

(4) Apartments in Phase IB and Phase II shall be offered for sale and sold in compliance with applicable provisions of Chapter 514A, Hawaii Revised Statutes, as amended.

(5) The owners of apartments in Phase IB and Phase II, including the Developer, shall possess all the

incidents of apartment ownership in accordance with the terms of the Declaration of Horizontal Property Regime Under Chapter 514A, Hawaii Revised Statutes, and shall become obligated for the payment of the share of the common expenses allocated to such apartments upon the effective date of the completion of construction of said phases as defined in Paragraph 7 of said Declaration, it being intended that the owners of apartments in an uncompleted phase shall not be liable for assessments for any common expenses attributable to a completed phase prior to the effective date of completion of construction of Phase IB or Phase II.

(6) If the Developer shall commence but fails to substantially complete the construction of Phase IB or Phase II within the period prescribed in paragraph (1) above and shall abandon or cease construction (excluding cessation of work through causes beyond the Developer's control) for a period of thirty (30) days, the Lessee may, upon sixty (60) days' written notice to the Developer, or upon the Lessee's failure to give written notice within said sixty (60) day period, the Fee Owner may upon fifteen (15) days' written notice to the Developer and Lessee, or upon the Fee Owner's failure to give written notice within said fifteen (15) day period, the Association may thereafter upon fifteen (15) days' written notice to the Developer, Lessee and Fee Owner assume control of such construction and, the Lessee, Fee Owner or Association, in doing so, may use the proceeds of any performance and payment bond or irrevocable letter of credit required by paragraph (3) above and make all reasonable arrangements for the completion of construction and the sale of apartments in an uncompleted phase; provided, however, that both the Fee Owner or the Association first obtain written approval by the Lessee and construction lender, such approval to be based upon proof by the Fee Owner or Association of its financial and development management abilities to complete construction of the Project. The proceeds of sales of such apartments shall be applied (a) to the costs and expenses of completion and sale incurred by the Lessee (or the Fee Owner or Association as the case may be) and not previously reimbursed, provided that, if such proceeds shall not fully repay such costs and expenses, the Developer shall pay any deficiency, and (b) to payment of the balance, if any, to the Lessee (or the Fee Owner or Association as the case may be).

The Developer reserves the right to enter and go upon the Property and the Project as reasonably needed for the development, construction and sale of Phase IB and Phase II, including (without limitation thereto) the right to perform surveying, excavation and landscaping and to use not more than one-half (1/2) of the on-grade, uncovered parking spaces constructed in Phase IA for parking and storage of its equipment and materials; provided that the Developer shall at all times minimize interference with the use and enjoyment of apartments and appurtenant common elements constructed as part of Phase IA and shall not damage any of the parking areas or other common elements within Phase IA.

The Developer hereby reserves the right at its expense (1) to designate and grant easements over, under and across the Land and the Project for utilities, sanitary and storm sewers, cable television and rights-of-way and all other purposes necessary for the development and construction of

Phase IB and Phase II, and (2) to relocate or realign any existing easements (including easements for utilities, sanitary and storm sewer lines and cable television), utilities and rights-of-way and to connect the same over, under and across the common elements, PROVIDED that such easements and such relocations and connections of utility and other lines shall not materially impair or interfere with the use of any apartment in a completed phase.

Every owner of an apartment in a completed phase and every mortgagee or lien holder hereafter acquiring an interest in an apartment in a completed phase shall, by the acceptance of a lease, deed, condominium conveyance document, or the instrument creating a lien affecting such apartment, be automatically deemed to consent to the Developer's rights reserved pursuant to paragraph 11 of said Declaration, and shall, if requested by the Developer prior to the sale of all units in Phase IB and/or Phase II, join in, execute and acknowledge all instruments and documents necessary or desirable to the Developer's exercise of such reserved rights, and shall be deemed to have granted an irrevocable power of attorney coupled with an interest to the Developer to execute and acknowledge all such instruments and documents on behalf of such apartment owners, mortgagees and lien holders.

The following consequences shall ensue from and after the effective date of the completion of construction of Phase IB (as defined in Paragraph 7 of said Declaration):

(1) Phase IA and Phase IB shall be treated for all purposes, including but not limited to, administration, use and sharing of common expenses as though they had been developed, divided into apartments and used by the owners thereof as a single undivided Project. The apartments in Phase IA and Phase IB shall have an equal and non-exclusive right to use the common elements constructed as a part of each phase, subject to the terms, conditions and limitations provided in said Declaration and in the By-Laws attached thereto, and the apartments in each phase shall have appurtenant thereto an undivided percentage interest in the common elements of the Project and the same proportionate share in all common profits and expenses of the Project, and for all other purposes including voting, as computed pursuant paragraph 4 of said Declaration.

(2) The Developer may require the owners of the apartments in Phase IB to make contribution, in addition to their share of common expenses, the maintenance reserves of the Project. The Developer may provide that such contributions may be made over a period of time, and in establishing the amounts and terms of such contribution, the Developer shall take into account the amount of maintenance reserves accumulated prior to the completion of construction of Phase IB apartments and the condition of the apartments in Phase IA. The owners of apartments in Phase IB shall not be obligated to pay or assume any debts, expenses, costs or other obligations incurred by or on behalf of the Association as of the effective date of completion of construction of Phase IB, with the exception of any such debts, expenses, costs or obligations which were incurred for the common benefit of the apartments in Phase IA and Phase IB of the Project.

(3) Within sixty (60) days following the effective date of the completion of construction of Phase IB, a special meeting of the Association shall be called to elect a new Board of Directors to replace the existing Board of Directors and govern the entire Project. The procedures for calling and holding such a meeting and all of the meetings of the Association shall be as set forth in the By-Laws attached to said Declaration as Exhibit "B".

COMMON ELEMENTS: Except for subsection (g) which has been amended to read as follows:

"(g) The swimming pool, wading pool and tennis court;"

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

LIMITED COMMON ELEMENTS:

(a) The exterior storage lockers having the same number as the number of the apartment and located on the same floor, except for apartment numbers 517, 518, 519, and 5110, whose storage lockers are located on the sixth floor of Building 5 as indicated on the Condominium Map, and assigned to each apartment are limited common elements reserved for the use of each respective apartment. The costs and expenses of these limited common elements, including but not limited to, maintenance, repair, replacement, additions and improvements shall be borne entirely by the apartment or apartments to which they are appurtenant. If any such cost is charged to more than one apartment, each such apartment shall bear that portion of the total cost equal to the ratio which its common interest bears to the total common interest of all apartments responsible for said cost.

(b) The area delineated on the Condominium Map as Phase IB shall be limited common elements appurtenant to the apartments contained in Buildings 1 and 4 and shall be reserved for the exclusive use by the owners of such apartments until completion of construction of Phase IB. Completion of construction of Phase IB shall be deemed to be the date upon which a Certificate of Occupancy is issued by the appropriate agency of the County of Maui for all of the apartments in Buildings 1 and 4 (such date of issuance being hereinafter called the "Phase IB Completion Date"). The costs and expenses of these limited common elements, including but not limited to the landscaping and maintenance thereof, shall be borne entirely by the owners of such apartments until the Phase IB Completion Date. From and after the Phase IB Completion Date, such limited common elements shall cease to be limited common elements appurtenant to the apartments contained in Buildings 1 and 4, and shall, without the joinder or consent of any owner, mortgagee or any other party having any interest in the Project, automatically become and shall thereafter be deemed to be, subject only to the provisions of paragraph (a) above, common elements of the Project, to be maintained by all of the owners in the Project as in said Declaration provided.

(c) The area delineated on the Condominium Map as Phase II shall be limited common elements appurtenant to the apartments contained in Building 5 and shall be reserved for the exclusive use by the owners of such apartments until completion of construction of Phase II. Completion of

construction of Phase II shall be deemed to be the date upon which a Certificate of Occupancy is issued by the appropriate agency of the County of Maui for all of the apartments in Building 5 (such date of issuance being hereinafter called the "Phase II Completion Date"). The costs and expenses of these limited common elements, including but not limited to the landscaping and maintenance thereof, shall be borne entirely by the owners of such apartments until the Phase II Completion Date. From and after the Phase II Completion Date, such limited common elements shall cease to be limited common elements appurtenant to the apartments contained in Building 5, and shall, without the joinder and consent of any owner, mortgagee or any other party having any interest in the Project, automatically become and shall thereafter be deemed to be, subject only to the provisions of paragraph (a) above, common elements of the Project, to be maintained by all of the owners in the Project as in said Declaration provided.

(d) The Developer shall be responsible for the payment of all real property taxes allocable to the Land of the Project delineated on the Condominium Map, provided, however, that upon the date a Certificate of Occupancy is issued for all of the apartments comprising a particular phase of the Project (the "Date of Issuance"), the Developer (except in its capacity as an apartment owner) shall not be responsible for any such taxes assessed against the land and improvements of a completed phase from such Date of Issuance, payment of such taxes being thereafter the obligation of the apartment owners of the completed phase. The Developer will use its best efforts to arrange to have its proportionate share (such proportionate share being equal to twenty per cent (20%) until the Date of Issuance for Phase IB, and being equal to eight per cent (8%) until the Date of Issuance for Phase II) of the real property taxes allocable to the Land of the Project excluded from the taxes assessed directly to the apartment owners of a completed phase; provided, that if the Developer's proportionate share of such real property taxes is nonetheless assessed to the apartment owners of a completed phase, the Developer shall promptly reimburse each apartment owner of a completed phase for the Developer's proportionate share of said real property taxes. In the event no separate tax assessment is made for the real property taxes allocable to the land area upon which a completed phase is located (as such land area is shown on the Condominium Map), the owners of apartments in Phase IA shall pay from the Date of Issuance for Phase IA eighty percent (80%) of the real property taxes allocable to the Land of the Project, which percentage represents the ratio of the land area of Phase IA as delineated on the Condominium Map to the land area of the entire Project, and the Developer shall pay the remaining twenty percent (20%) of the real property taxes allocable to the Land of the Project, and from the Date of Issuance for Phase IB, the owners of apartments in Phase IA and IB shall pay ninety-two percent (92%) of the real property taxes allocable to the Land of the Project, which percentage represents the ratio of the land area of Phase IA and Phase IB as delineated on the Condominium Map to the land area of the entire Project, and the Developer shall pay the remaining eight percent (8%) of the real property taxes allocable to the Land of the Project. If separate assessments are made for the real property taxes allocable to the undivided interests in the Land appurtenant to the apartments in Phase IB and Phase II and such assessments exceed the Developer's minimum proportionate share (twenty

per cent (20%) or eight per cent (8%), as the case may be) of tax assessments, the Developer shall not in any event be entitled to any contribution for such tax assessments from the owners of apartments in Phase IA or Phase IB.

OWNERSHIP OF TITLE: Preliminary Title Report dated October 17, 1980, prepared by Title Guaranty of Hawaii, Inc., certifies that title to the land committed to this regime is vested in Myron A. Resnick, as Lessee. The Lessee has entered into a Development Agreement dated July 17, 1978 with Kahana Developers, Ltd., "Developer". Said Development Agreement was assigned to West Maui Shore Investors, a Hawaii Limited Partnership, by instrument dated October 1, 1979.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report prepared by Title Guaranty of Hawaii, Inc. states that as of the date of the search (October 17, 1980), title to the land is subject to:

1. Taxes that may be due and owing and a lien on the premises, reference is made to the Office of the Tax Assessor, Second Division, Island of Maui, Hawaii.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Location of the seaward boundary in accordance with the laws of the State of Hawaii, and shoreline setback line in accordance with County regulation and/or ordinance.
4. Terms, agreements, reservations, covenants, conditions and provisions contained in that certain Lease dated June 16, 1971, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7836 on Page 275, which said lease was amended by instrument dated May 9, 1973, and recorded in the said Bureau of Conveyances in Liber 9166 on Page 86, and further amended by instrument dated January 18, 1975, and recorded in the said Bureau of Conveyances in Liber 10394 on Page 537.
5. Unrecorded Development Agreement dated July 17, 1978, entered into by and between Myron A. Resnick, individually and as a general partner of Kahana Maui Company, a California general partnership, doing business as KAMCO, "Owner", Peter B. Nottage, Wilbur F. Daily, Jr., Barry A. Rand and Byron M. Brome, "Guarantors", and Kahana Developers, Ltd., a Hawaii corporation, "Developer", of which a memorandum of agreement is recorded in the said Bureau of Conveyances in Liber 13026 on Page 108. Said Development Agreement was assigned to West Maui Shore Investors, a Hawaii limited partnership, by instrument dated October 1, 1979, effective as of February 12, 1979, and recorded in the said Bureau of Conveyances in Liber 14040 on Page 412.
6. That certain Section IVG Agreement for West Maui Areas dated November 13, 1979 and recorded in the said Bureau of Conveyances in Liber 14221 on Page 609, entered into by and between the County of Maui, Department of Water Supply, as "County", and Kahana Developers, Ltd., a Hawaii corporation, the authorized general partner of West Maui Shore Investors, a Hawaii limited partnership, as "Applicant".

7. Declaration of Covenants, Conditions and Restrictions dated July 7, 1980 and recorded in the said Bureau of Conveyances in Liber 14852 on Page 218.

8. That certain Mortgage and Financing Statement made by West Maui Shore Investors, a duly registered Hawaii limited partnership, "Borrower", and Myron A. Resnick, unmarried, "Lessee", as Mortgagor, in favor of Honolulu Federal Savings and Loan Association, a Federal savings and loan association, as Mortgagee, dated September 10, 1980, and recorded in the said Bureau of Conveyances in Liber 15060 on Page 475.

Lessor's Consent to Mortgage and Estoppel Certificate dated October 14, 1980, and recorded in the said Bureau of Conveyances in Liber 15060 on Page 426, by and between Hyades Bechert Kiesel, wife of Herbert H. Kiesel, and Myron A. Resnick, unmarried.

9. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements, and other provisions set forth in Declaration of Horizontal Property Regime dated October 14, 1980, and recorded in the said Bureau of Conveyances in Liber 15060 on Page 527, and the By-Laws attached thereto, as the same are or may hereafter be amended in accordance with law, said Declaration or said By-Laws. (Project covered by Condominium Map No. 763.)

10. Agreement dated October 14, 1980, recorded in the said Bureau of Conveyances in Liber 15060 on Page 596, by and between Hyades Bechert Kiesel, wife of Herbert H. Kiesel, and Myron A. Resnick, unmarried.

PURCHASE MONEY HANDLING: A copy of the specimen Purchase Agreement, as amended, and the Escrow Agreement, as amended, have been submitted as part of the registration. The Escrow Agreement dated October 29, 1979, and amended by instrument dated September 3, 1980, identifies Title Guaranty Escrow Services, Inc., as the escrow agent. Upon examination, the specimen Purchase Agreement, as amended, and the executed Escrow Agreement, as amended, are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with Sections 514A-37 and 514A-39, and Sections 514A-63 through 514A-66, Hawaii Revised Statutes. A prospective purchaser should carefully examine the form of the Purchase Agreement, as amended, and Escrow Agreement, as amended, to determine the time for and the amount of installment payments on the purchase price, the estimated common monthly expenses and the sharing of the closing costs.

Only Paragraph 10 under this topical heading has been amended to read:

"Construction of Buyer's apartment has not been completed within twenty-four (24) months from the date of his Purchase Agreement (subject to delays beyond Seller's control); or".

By executing a receipt for this Final Public Report, each purchaser acknowledges that the Developer has entered into an agreement with Honolulu Federal Savings and Loan Association

(the "Lender") pursuant to which the Lender may loan the Developer an aggregate of up to \$39,000,000.00 for the costs of acquiring the development rights in the land on which the Project is to be built, the costs of constructing and equipping the Project, and other associated costs of the Project. The interest rate on such loan will be the greater of eleven per cent (11%) per annum or two (2) percentage points higher than the prime interest rate of Bank of Hawaii from time to time, except that the interest rate in the event of default by the Developer will be the greater of eighteen per cent (18%) per annum or six (6) percentage points higher than the prime interest rate of Bank of Hawaii from time to time. The loan will be due and payable by the Developer to the Lender within thirty (30) months after the loan closes. To secure the entire loan amount, the Developer will give to the Lender a mortgage covering the leasehold interest in the land on which the Project is to be built and security interests in other items of property comprising or affecting the project, including the apartment and limited common elements covered by the purchaser's Purchase Agreement. The purchaser acknowledges and agrees that such mortgage lien and security interests securing such loan and all extensions, renewals and modifications thereof shall be and remain at all times a lien or charge on the Project prior and superior to any and all liens or charges on the Project arising from the purchaser's Purchase Agreement or any prior reservation agreement. The purchaser intentionally waives, relinquishes and subordinates the priority or superiority of any interest under his Purchase Agreement in favor of the liens or charges upon the Project in favor of the Lender. The purchaser also consents to the Developer's assignment of the purchaser's Purchase Agreement to the Lender as a portion of the security for such loan and agrees that the purchaser will, in the event that the Lender acquires or controls the Project and at the request of the Lender, attorn to the Lender and perform the purchaser's obligations under the Purchase Agreement directly to and for the benefit of the Lender.

WARRANTIES: Additionally, each purchaser acknowledges that the Developer makes no warranties, express or implied, with respect to the building or improvements, but that the warranties received by the Developer from the general contractor for the Project shall be assigned to the benefit of the purchaser. Developer further makes no warranties, express or implied, with respect to any other items, including but not limited to, appliances and equipment, but the manufacturer's warranties received by the Developer from the manufacturer of the equipment and appliances shall be assigned to the purchaser.

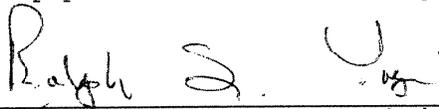
It is incumbent upon the purchaser and prospective purchaser that he reads with care the Purchase Agreement, as amended, and the executed Escrow Agreement dated October 29, 1979, as amended by instrument dated September 3, 1980.

STATUS OF PROJECT: The Developer advises the Commission that construction of the project commenced on October 27, 1980, and is estimated to be completed about March 1, 1982 for Phase IA.

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 submitted November 1, 1979, and information subsequently filed on November 14, 1980.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1195 filed with the Commission on November 1, 1979.

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

  
G. A. "RED" MORRIS, 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. 1195

November 14, 1980