

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 ALII

South Beach Access Road off Kaanapali Parkway
Kaanapali, Island of Maui, Hawaii

REGISTRATION NO. 1212

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 20, 1981
Expires: February 20, 1982

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 DECEMBER 11, 1979 AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 16, 1981. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, 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 on the KAA NAPALI ALII condominium apartment project, Registration No. 1212 issued January 21, 1980, the Developer has forwarded additional information deemed material to purchasers and notified the Commission that there have been changes relating to the Project. This Final Public Report reflects these changes and is made a part of the registration of the KAA NAPALI ALII condominium project. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) together with a copy of the Preliminary Public Report (yellow paper stock) and revised Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed receipt therefor from all purchasers and prospective purchasers is also the responsibility of the Developer.

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 revised Declaration of Horizontal Property Regime and By-Laws of the Association of Apartment Owners have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1047605 and a copy of the approved floor plans have been filed in the Bureau of Conveyances as Condominium Map No. 444.

4. Advertising and promotional materials have been filed 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, and the condominium rules and regulations which relate to horizontal property regimes.

6. This Final Public Report automatically expires thirteen (13) months after date of issuance, January 20, 1981, unless a Supplementary Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information in the Preliminary Public Report of January, 21, 1980, under the topical headings identified below by capital letters has been changed as hereafter stated. Except for these changes the information in the Preliminary Public Report remains unchanged.

DEVELOPER: The address of Kaanapali Kai, Inc., one of the joint venturers of the developer, has been changed to Suite 306, 2145 Wells Street, Wailuku, Maui, Hawaii 96793.

DESCRIPTION OF PROJECT: Certain changes have been made in the description of portions of the project as set forth in the Declaration of Horizontal Property Regime, as follows:

1. Description of Buildings and Facilities.

An exercise room has been added to the recreation building and the recreation nook has been deleted, in connection with a revision to the recreation building layout.

Provisions have been added to specify that the parking stall assigned to the resident manager's apartment for such manager's use is to be a common element, and not a limited common element, and also to state that the twenty-six (26) guest parking stalls (numbers 91 to 116 inclusive) will not be assigned to any apartment.

The apartment to which twenty (20) additional parking stalls are assigned in Building I is changed to Apartment 1105 instead of Apartment 1106.

2. Description of Apartments. Subsequent to issuance of the Preliminary Public Report (yellow paper) for the project, changes were noted in the areas of the apartments. The changes result from recalculation of the square footage on the plans for certain lanais and certain rooms. Some of the changes are increases and others are decreases. As a result of the recalculations, the lanai areas for some apartments and the floor areas and percentage common interests for all apartments are different from those shown in the Preliminary Public Report (yellow paper). The recalculated areas and common interests are shown in the following columns. An apartment's proportionate share of common expenses and common profits of the project will be increased if the percentage common interest for that apartment is increased, or decreased if the percentage common interest for that apartment is decreased.

In addition, the parking stall and percentage common interest of Apartment 1105 in Building I have been exchanged for the parking stalls and percentage common interest for Apartment 1106 in Building I. The assignments of parking stalls for some other apartments have been changed, and the assignments as changed are shown in the following columns. Also, in the column indentifying the Apartment No. on page 10 of the Preliminary Public Report, the number "904" for Apartment 904 in Building III was stated before "903". The correct order is stated below.

<u>Apartment No.</u>	<u>Floor Plan Type</u>	<u>Approx. Net Floor Area in Sq. Ft.</u>	<u>Approx. Lanai Area in Sq. Ft.</u>	<u>No. of Rooms</u>	<u>Percentage Common Interest</u>	<u>Assigned Parking Stall(s)</u>
<u>Building I</u>						
101	C	1,439	136	10	0.3523	D-14
102	C-1	1,459	136	10	0.3568	D-15
103	B	1,636	263	12	0.4248	D-87
104	D	1,173	133	8	0.2922	D-16
105	A	1,678	222	11	0.4250	62
106	A	1,678	222	11	0.4250	21
201	I	1,441	103	10	0.3454	D-84
202	I	1,441	103	10	0.3454	D-56
203	H	1,643	200	12	0.4123	D-58
204	L	1,523	200	11	0.3855	D-57
205	G	1,676	169	11	0.4127	66
206	G	1,676	169	11	0.4127	60
301	I	1,441	103	10	0.3454	D-26
302	I	1,441	103	10	0.3454	D-27
303	H	1,643	200	12	0.4123	D-29
304	L	1,523	200	11	0.3855	D-28
305	G	1,676	169	11	0.4127	69
306	G	1,676	169	11	0.4127	55
401	I	1,441	103	10	0.3454	D-55
402	I	1,441	103	10	0.3454	D-54
403	H	1,643	200	12	0.4123	D-52
404	L	1,523	200	11	0.3855	D-53
405	G	1,676	169	11	0.4127	71
406	G	1,676	169	11	0.4127	58
501	I	1,441	103	10	0.3454	77
502	I	1,441	103	10	0.3454	78
503	H	1,643	200	12	0.4123	80
504	L	1,523	200	11	0.3855	79
505	G	1,676	169	11	0.4127	81
506	G	1,676	169	11	0.4127	82
601	I	1,441	103	10	0.3454	52
602	I	1,441	103	10	0.3454	51
603	H	1,643	200	12	0.4123	49
604	L	1,523	200	11	0.3855	50
605	G	1,676	169	11	0.4127	48
606	G	1,676	169	11	0.4127	47
701	I	1,441	103	10	0.3454	13
702	I	1,441	103	10	0.3454	12
703	H	1,643	200	12	0.4123	10
704	L	1,523	200	11	0.3855	11
705	G	1,676	169	11	0.4127	9
706	G	1,676	169	11	0.4127	8

801	I	1,441	103	10	0.3454	46
802	I	1,441	103	10	0.3454	45
803	H	1,643	200	12	0.4123	43
804	L	1,523	200	11	0.3855	44
805	G	1,676	169	11	0.4127	42
806	G	1,676	169	11	0.4127	41
901	I	1,441	103	10	0.3454	29
902	I	1,441	103	10	0.3454	30
903	H	1,643	200	12	0.4123	32
904	L	1,523	200	11	0.3855	31
905	G	1,676	169	11	0.4127	33
906	G	1,676	169	11	0.4127	34
1001	I	1,441	103	10	0.3454	35
1002	I	1,441	103	10	0.3454	36
1003	H	1,643	200	12	0.4123	38
1004	L	1,523	200	11	0.3855	37
1005	G	1,676	169	11	0.4127	39
1006	G	1,676	169	11	0.4127	40
1101	I	1,441	103	10	0.3454	7
1102	I	1,441	103	10	0.3454	6
1103	H	1,643	200	12	0.4123	3
1104	L	1,523	200	11	0.3855	5
1105	G	1,676	169	11	0.4145	1, 85, 86, 87, and 134 to 150 inclusive
1106	G	1,676	169	11	0.4127	2

Building II

101	C	1,439	136	10	0.3523	90 (Compact)
102	C	1,439	136	10	0.3523	89 (Compact)
103	B	1,636	263	12	0.4248	D-1
104	F	1,308	263	9	0.3514	88 (Compact)
105	E	1,647	174	11	0.4074	D-23
106	E-1	1,666	174	11	0.4116	D-24
201	I	1,441	103	10	0.3454	D-4
202	I	1,441	103	10	0.3454	D-3
203	H	1,643	200	12	0.4123	D-5
204	K	1,313	200	9	0.3385	D-2
205	J	1,650	138	11	0.4000	D-7
206	J-1	1,669	138	11	0.4042	D-6
301	I	1,441	103	10	0.3454	D-11
302	I	1,441	103	10	0.3454	D-12
303	H	1,643	200	12	0.4123	D-10
304	K	1,313	200	9	0.3385	D-13
305	J	1,650	138	11	0.4000	D-8
306	J-1	1,669	138	11	0.4042	D-9
401	I	1,441	103	10	0.3454	D-20
402	I	1,441	103	10	0.3454	D-21
403	H	1,643	200	12	0.4123	D-19
404	K	1,313	200	9	0.3385	D-22
405	J	1,650	138	11	0.4000	D-17
406	J-1	1,669	138	11	0.4042	D-18

501	I	1,441	103	10	0.3454	D-47
502	I	1,441	103	10	0.3454	D-48
503	H	1,643	200	12	0.4123	61
504	K	1,313	200	9	0.3385	D-49
505	J	1,650	138	11	0.4000	63
506	J-1	1,669	138	11	0.4042	D-86
601	I	1,441	103	10	0.3454	64
602	I	1,441	103	10	0.3454	59
603	H	1,643	200	12	0.4123	65
604	K	1,313	200	9	0.3385	D-25
605	J	1,650	138	11	0.4000	67
606	J-1	1,669	138	11	0.4042	D-59
701	I	1,441	103	10	0.3454	56
702	I	1,441	103	10	0.3454	57
703	H	1,643	200	12	0.4123	68
704	K	1,313	200	9	0.3385	D-50
705	J	1,650	138	11	0.4000	70
706	J-1	1,669	138	11	0.4042	D-30
801	I	1,441	103	10	0.3454	53
802	I	1,441	103	10	0.3454	54
803	H	1,643	200	12	0.4123	20
804	K	1,313	200	9	0.3385	D-31
805	J	1,650	138	11	0.4000	22
806	J-1	1,669	138	11	0.4042	D-85
901	I	1,441	103	10	0.3454	73
902	I	1,441	103	10	0.3454	72
903	H	1,643	200	12	0.4123	74
904	K	1,313	200	9	0.3385	D-51
905	J	1,650	138	11	0.4000	76
906	J-1	1,669	138	11	0.4042	75
1001	I	1,441	103	10	0.3454	17
1002	I	1,441	103	10	0.3454	18
1003	H	1,643	200	12	0.4123	16
1004	K	1,313	200	9	0.3385	19
1005	J	1,650	138	11	0.4000	14
1006	J-1	1,669	138	11	0.4042	15
1101	I	1,441	103	10	0.3454	25
1102	I	1,441	103	10	0.3454	24
1103	H	1,643	200	12	0.4123	26
1104	K	1,313	200	9	0.3385	23
1105	J	1,650	138	11	0.4000	28
1106	J-1	1,669	138	11	0.4042	27

Building III

101	C-1	1,459	136	10	0.3568	D-46
102	C	1,439	136	10	0.3523	D-32
103	D	1,173	133	8	0.2922	D-33
104	B	1,636	263	12	0.4248	D-45
105	A	1,678	222	11	0.4250	G-24
106	A	1,678	222	11	0.4250	G-3

201	I	1,441	103	10	0.3454	D-43
202	I	1,441	103	10	0.3454	D-35
203	L	1,523	200	11	0.3855	D-36
204	H	1,643	200	12	0.4123	D-42
205	G	1,676	169	11	0.4127	G-21
206	G	1,676	169	11	0.4127	G-6
301	I	1,441	103	10	0.3454	D-40
302	I	1,441	103	10	0.3454	D-38
303	L	1,523	200	11	0.3855	D-39
304	H	1,643	200	12	0.4123	G-28
305	G	1,676	169	11	0.4127	G-2
306	G	1,676	169	11	0.4127	G-1
401	I	1,441	103	10	0.3454	G-26
402	I	1,441	103	10	0.3454	G-27
403	L	1,523	200	11	0.3855	G-14
404	H	1,643	200	12	0.4123	G-13
405	G	1,676	169	11	0.4127	G-29
406	C	1,676	169	11	0.4127	G-12
501	I	1,441	103	10	0.3454	G-30
502	I	1,441	103	10	0.3454	G-61
503	L	1,523	200	11	0.3855	G-60
504	H	1,643	200	12	0.4123	G-31
505	G	1,676	169	11	0.4127	G-58
506	G	1,676	169	11	0.4127	G-59
601	I	1,441	103	10	0.3454	G-66
602	I	1,441	103	10	0.3454	G-65
603	L	1,523	200	11	0.3855	G-67
604	H	1,643	200	12	0.4123	G-68
605	G	1,676	169	11	0.4127	G-70
606	G	1,676	169	11	0.4127	G-69
701	I	1,441	103	10	0.3454	G-57
702	I	1,441	103	10	0.3454	G-32
703	L	1,523	200	11	0.3855	G-33
704	H	1,643	200	12	0.4123	G-56
705	G	1,676	169	11	0.4127	G-34
706	G	1,676	169	11	0.4127	G-55
801	I	1,441	103	10	0.3454	G-35
802	I	1,441	103	10	0.3454	G-54
803	L	1,523	200	11	0.3855	G-53
804	H	1,643	200	12	0.4123	G-36
805	G	1,676	169	11	0.4127	G-38
806	G	1,676	169	11	0.4127	G-37
901	I	1,441	103	10	0.3454	G-72
902	I	1,441	103	10	0.3454	G-71
903	L	1,523	200	11	0.3855	G-76
904	H	1,643	200	12	0.4123	G-75
905	G	1,676	169	11	0.4127	G-74
906	G	1,676	169	11	0.4127	G-73

1001	I	1,441	103	10	0.3454	G-49
1002	I	1,441	103	10	0.3454	G-50
1003	L	1,523	200	11	0.3855	G-48
1004	H	1,643	200	12	0.4123	G-47
1005	G	1,676	169	11	0.4127	G-45
1006	G	1,676	169	11	0.4127	G-46
1101	I	1,441	103	10	0.3454	G-40
1102	I	1,441	103	10	0.3454	G-39
1103	L	1,523	200	11	0.3855	G-41
1104	H	1,643	200	12	0.4123	G-42
1105	G	1,676	169	11	0.4145	G-44, 4, 83, 84, and 117 to 133 inclusive
1106	G	1,676	169	11	0.4127	G-43
<u>Building IV</u>						
101	C	1,439	136	10	0.3523	D-60
102	C	1,439	136	10	0.3523	D-82
103	F	1,308	263	9	None	D-83
104	B	1,636	263	12	0.4248	D-61
105	E-1	1,666	174	11	0.4116	D-81
106	E	1,647	174	11	0.4074	D-80
201	I	1,441	103	10	0.3454	D-79
202	I	1,441	103	10	0.3454	D-78
203	K	1,313	200	9	0.3385	D-62
204	H	1,643	200	12	0.4123	D-71
205	J-1	1,669	138	11	0.4042	D-63
206	J	1,650	138	11	0.4000	D-64
301	I	1,441	103	10	0.3454	D-72
302	I	1,441	103	10	0.3454	D-76
303	K	1,313	200	9	0.3385	D-77
304	H	1,643	200	12	0.4123	D-73
305	J-1	1,669	138	11	0.4042	D-75
306	J	1,650	138	11	0.4000	D-74
401	I	1,441	103	10	0.3454	D-70
402	I	1,441	103	10	0.3454	D-66
403	K	1,313	200	9	0.3385	D-65
404	H	1,643	200	12	0.4123	D-69
405	J-1	1,669	138	11	0.4042	D-67
406	J	1,650	138	11	0.4000	D-68
501	I	1,441	103	10	0.3454	G-25
502	I	1,441	103	10	0.3454	G-4
503	K	1,313	200	9	0.3385	D-34
504	H	1,643	200	12	0.4123	G-5
505	J-1	1,669	138	11	0.4042	G-15
506	J	1,650	138	11	0.4000	G-16
601	I	1,441	103	10	0.3454	G-11
602	I	1,441	103	10	0.3454	G-7
603	K	1,313	200	9	0.3385	D-37
604	H	1,643	200	12	0.4123	G-10
605	J-1	1,669	138	11	0.4042	G-8
606	J	1,650	138	11	0.4000	G-9

701	I	1,441	103	10	0.3454	G-17
702	I	1,441	103	10	0.3454	G-23
703	K	1,313	200	9	0.3385	D-44
704	H	1,643	200	12	0.4123	G-18
705	J-1	1,669	138	11	0.4042	G-22
706	J	1,650	138	11	0.4000	G-19
801	I	1,441	103	10	0.3454	G-20
802	I	1,441	103	10	0.3454	G-52
803	K	1,313	200	9	0.3385	D-41
804	H	1,643	200	12	0.4123	G-62
805	J-1	1,669	138	11	0.4042	G-51
806	J	1,650	138	11	0.4000	G-63
901	I	1,441	103	10	0.3454	G-93
902	I	1,441	103	10	0.3454	G-92
903	K	1,313	200	9	0.3385	G-64
904	H	1,643	200	12	0.4123	G-91
905	J-1	1,669	138	11	0.4042	G-90
906	J	1,650	138	11	0.4000	G-89
1001	I	1,441	103	10	0.3454	G-87
1002	I	1,441	103	10	0.3454	G-86
1003	K	1,313	200	9	0.3385	G-80
1004	H	1,643	200	12	0.4123	G-85
1005	J-1	1,669	138	11	0.4042	G-84
1006	J	1,650	138	11	0.4000	G-83
1101	I	1,441	103	10	0.3454	G-81
1102	I	1,441	103	10	0.3454	G-77
1103	K	1,313	200	9	0.3385	G-82
1104	H	1,643	200	12	0.4123	G-78
1105	J-1	1,669	138	11	0.4042	G-79
1106	J	1,650	138	11	0.4000	G-80

3. Access. The provisions on access have been changed to clarify that access to each apartment above the ground floor is via the corridor leading to stairways and elevators, which lead to Project grounds.

Except for the hereinabove changes, the remaining paragraphs remain unchanged.

COMMON ELEMENTS: The description of common elements in the Declaration has been changed to include the land described in Exhibit "A" to the Declaration, not just a leasehold interest in the land. The purpose is to assure that the land is validly submitted to the horizontal property regime under Hawaii law when the Declaration is recorded. The common interest received by each apartment purchaser in the land will be a leasehold interest. The description has also been revised to include the two (2) parking stalls adjacent to the Project main office building as common elements. In addition, the exercise room that has been added will be part of the common elements.

LIMITED COMMON ELEMENTS: The description of limited common elements in the Declaration has been revised to clarify that each apartment will have "assigned" to it one parking stall, but the parking stall assigned to the resident manager's apartment will not be "appurtenant" to that apartment as a limited common element, but will be a general common element that the resident manager will have the right to use. Parking stalls assigned to apartments other than the resident manager's will be appurtenant to those apartments as limited common elements. This description also clarifies that Apartment 1105 in Building I and Apartment 1105 in Building III will have exclusive use of more than one stall. It is also added that each apartment's mailbox will be the one bearing the same number as that apartment.

USE: The restrictions on use have been expanded to clarify that they prohibit any "time sharing use". To distinguish it from transient vacation rentals, "time sharing use" is defined as follows: "time-sharing use" shall be deemed to include, but not be limited to, any interest in an apartment under which the use, occupancy or possession of such apartment circulates among various purchasers of interests in or rights to use such apartment according to a fixed or floating time schedule on a periodic recurring basis, whether the right to such use, occupancy or possession is evidenced by deed, lease, partnership agreement, right to use, license, association membership, club membership, reservation, vacation license, vacation bond or otherwise.

ENCUMBRANCES AGAINST TITLE:

An updated preliminary title report issued by Title Guaranty of Hawaii, Inc. dated October 16, 1980, lists the following encumbrances:

1. Any and all real property taxes that may be due and owing; reference is made to Tax Assessor, Second Division, County of Maui.
2. Reservation of all mineral or metallic mines of every description to the Hawaiian government; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 1, 1960 as contained in that certain instrument dated January 29, 1960 and recorded in the Office of the Registrar of Conveyances in Liber 3822, Pages 37-40.
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. Easement "32" for storm drainage purposes and easement "33" (10 feet wide) for utility purposes situate over the northeastern portion of Lot 56; as shown on Map 12, as set forth by Land Court Order No. 27504, filed September 11, 1967.

5. Reservations contained in deeds dated October 11, 1967, filed as Land Court Document No. 428919 and dated April 25, 1969, filed as Document No. 476140.
6. Declaration of Restrictions dated December 23, 1977, filed as Document No. 853030 and recorded in Liber 12641 at Page 179, as amended by instrument dated October 31, 1978, filed as Document No. 906095 and recorded in Liber 13244 at Page 299.
7. Easement "51" (area 765 square feet) situate over the northeastern portion of Lot 56; easement "52" (area 750 square feet) situate over the northeastern portion of said Lot; easement "53" (area 730 square feet) situate over the eastern portion of said Lot; and easement "54" (area 730 square feet) situate over the southeastern portion of said Lot; for utility purposes, as shown on Map 19, as set forth by Land court Order No. 31151, filed January 13, 1970.
8. Agreement dated November 20, 1979, filed as Document No. 983786, by and between the County of Maui, Department of Water Supply, and Royal Kaanapali Joint Venture, a joint venture registered as a Hawaii general partnership, whose registered joint venturers are Hawaii Omori Corporation and Kaanapali Kai, Inc.; re: To obtain a building permit of a proposed 264 unit condominium project at Kaanapali, Maui, TMK 4-4-08-22, on Lot 56.
9. Declaration of Covenants, Conditions and Restrictions (Flood Zone) dated June 4, 1980, recorded in Liber 14914 at Page 111 (not noted on Transfer Certificate of Title No. 205,622).
10. Declaration of Covenants, Conditions and Restrictions (Tsunami or Storm Wave District) dated June 4, 1980, recorded in Liber 14914 at Page 119 (not noted on Transfer Certificate of Title No. 205,622).

11. Mortgage

Mortgagor: Royal Kaanapali Joint Venture, a Hawaii General Partnership

Mortgagee: First Hawaiian Bank, a Hawaii Corporation

Dated : as of August 13, 1980
 Filed : Land Court Document No. 1028619
 Amount : \$53,000,000.00"

The construction loan is also secured by a Uniform Commercial Code Financing Statement dated August 13, 1980, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14946, Page 664.

PURCHASE MONEY HANDLING: An Amendment dated February 2, 1980, to the Escrow Agreement dated December 21, 1979, has been made with the escrow agent Title Guaranty Escrow Services, Inc., to modify the conditions under which purchasers' funds may be used

for Project construction and to provide that escrow cancellation fees will be paid by the developer and not by the purchaser in the event of cancellation as described in paragraph 6 of the Escrow Agreement. Upon examination, the Amendment to Escrow Agreement is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly §514A-39, §514A-40, and §514A-63 through §514A-66.

The developer is no longer selling apartments under the revocable reservation sales procedure described on page 21 of the Preliminary Public Report and the form of Apartment Reservation and Deposit Receipt is no longer being used. This procedure and the reservation form will apply to only sales that have already been made thereby. Except for sales that have already been made, the provisions of the Apartment Reservation quoted on pages 21-22 (four paragraphs) of the Preliminary Public Report will not apply.

Since the purchase money mortgages to Amfac, Inc. (mortgage and additional charge mortgage) described on page 24 of the Preliminary Title Report, have been released, they are no longer superior liens on the Project, and purchasers' sales contracts or reservations are no longer subordinated to them. The purchasers' sales contracts or reservations are subordinated to the construction mortgage loan to First Hawaiian Bank.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Amendment to Escrow Agreement as well as the Escrow Agreement, the Supplementary Escrow Agreement, and the Sales Contract before executing the Sales Contract, since the Escrow Agreement and the Amendment and Supplement to it describe the procedure for receiving and disbursing purchaser's funds, and the Sales Contract specifically provides that the purchaser approves that Escrow Agreement, Amendment to Escrow Agreement and Supplementary Escrow Agreement and assumes the benefit and obligations therein provided.

MANAGEMENT OF PROJECT: The developer has not executed a contract with a particular managing agent for the Project Association. Until the managing agent's contract is executed, the developer remains the person to receive service of legal process.

STATUS OF PROJECT: Construction of the project commenced on June 14, 1980. It is estimated construction will be completed in September, 1982.

SPECIAL NOTATION:

1. The Developer has increased the rate of interest payable on purchasers' deposits under paragraph 5 of the Sales Contract to an annual rate of ten percent (10%) or the prime interest rate announced from time to time by First Hawaiian Bank in Honolulu, Hawaii, whichever is less. From the beginning of Project sales to the date of this report, the Bank's prime rate has exceeded ten percent.

2. The previously anticipated Declaration of Covenants described in paragraph 2 of the "Special Notation" on page 25 of the Preliminary Public Report consists of the two Declarations of Covenants identified in items 9 and 10 of the "Encumbrances Against Title" section of this report. The previously anticipated agreement with the County of Maui described in paragraph 3 on page 25 of the Preliminary Public Report is the Agreement identified in item 8 of the "Encumbrances Against Title" section of this report. NOTE: These instruments are all on public record. Purchasers and prospective purchasers should take note of these instruments and apprise themselves of the details contained in them.

3. Hedges will be planted instead of fences previously planned along north and south boundaries of the project land.

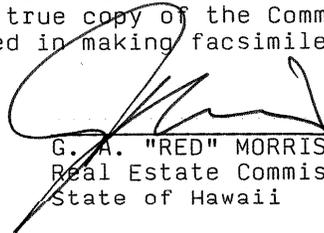
4. In the form of Condominium Conveyance Document to be issued to each purchaser at closing, the term of the ground lease to be issued to each purchaser has been increased from sixty (60) years to eighty (80) years, and the renegotiation period for lease rent after the first thirty (30) years of fixed rent has been increased from every five (5) years to every ten (10) years.

5. The developer intends to register the Project for sale in the State of California and the Canadian Provinces of British Columbia and Alberta, and may register it and/or sell apartments in other states and/or nations. Each of the three named jurisdictions requires, and other jurisdictions where the Developer registers and/or sells may require, sales procedures and buyers' rights not required by the State of Hawaii and not necessarily required by other jurisdictions. These requirements will be covered in amendments or addenda to the sales and escrow documents which apply to only those buyers. In addition, California requires changes in the Declaration of Horizontal Property Regime and By-Laws, which affects all Project purchasers. The attention of each purchaser and prospective purchaser is directed to the form of Declaration and By-Laws accompanying this Final Public Report and each such purchaser and prospective purchaser is advised to read the same in order to apprise himself of such changes. The Developer has reserved the right to amend the Declaration and By-Laws (without violating Hawaii law) if and as required by any jurisdiction other than Hawaii where registration and/or sales are made.

6. In order to facilitate provision of necessary public services, utilities, and access for the Project, a provision has been added to the "Easements" section in the Declaration of Horizontal Property Regime to cover the right reserved to the Developer in the Condominium Conveyance Document to grant easements for such services, utilities, and access. In addition, the Developer anticipates that it may be required to grant to the County of Maui or other governmental agency title to the areas set aside for access purposes, and the right to make this grant is reserved.

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 December 11, 1979 and information subsequently filed as of January 16, 1981.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1212. 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.



G. A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

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Department of Taxation
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Registration No. 1212

Date: January 20, 1981