

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

WALEA ALANUI VILLAGE I
Wailea, Island of Maui

REGISTRATION NO. 1213

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 but may only take reservations therefore after

- (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: December 24, 1979

Expires: January 24, 1981

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 11, 1979. THE DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. WALEA ALANUI VILLAGE I is a fee simple condominium project consisting of eighty-eight (88) residential apartments located in thirty-six (36) buildings. There will be one hundred fifty-three (153) parking stalls. Fifty-four (54) of the stalls will be trellised and the remaining ninety-nine (99) stalls will be open.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime and attached Bylaws, the Condominium Map, the Declaration as to Merger of Increments in a Condominium Project, Supplemental Declaration to the Declaration of Covenants and Restrictions, if any such Supplemental Declaration is made, will be filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii prior to the application for a Final Public Report.
4. Advertising and promotional materials will from time to time be submitted to the Commission pursuant to its rules and regulations.
5. The 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 relating to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, December 24, 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.
7. This Preliminary Public Report is made a part of the registration of WAILEA ALANUI VILLAGE I. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and securing a signed receipt therefor.

NAME OF PROJECT: WAILEA ALANUI VILLAGE I

LOCATION: The Wailea Alanui Village I project is located at Wailea, Kihei, Island and County of Maui, State of Hawaii, and consists of approximately 16.727 acres of land.

TAX MAP KEY: Second Taxation Division, County of Maui, 2-1-08-82.

ZONING: A-1 (Apartment). The Developer has received preliminary approval from the County of Maui to develop the project as a planned development.

DEVELOPER: WAILEA DEVELOPMENT COMPANY, a registered Hawaii partnership between Wailea Land Corporation, a Hawaii corporation, and The Northwestern Mutual Life Insurance Company, a Wisconsin corporation authorized to do business in the State of Hawaii. The principal place of business of the Developer is 161 Wailea Ike Place, Wailea, Maui, Kihei, Hawaii 96753. Wailea Land Corporation is the managing partner and duly authorized agent of the Developer.

ATTORNEY REPRESENTING DEVELOPER: JOHN L. SMART, ATTORNEY, Suite 602, 810 Richards Street, Honolulu, Hawaii 96813. Telephone: 531-4171.

DESCRIPTION: The Project consists of eighty-eight (88) residential apartments contained in thirty-six (36) one and two-story buildings without basements. The buildings will be principally of wood frame construction with wood exteriors, shake roofs and wood frame floors with wood frame upper floors.

There are four (4) building types (A, B, C and D) containing eight (8) different types of units. Each building type contains a combination of one or more of the eight (8) different types of apartments described below, ranging from one-bedroom, two-bath apartments to three-bedroom. Building types A, B and C each contain two apartments. Building type D contains six apartments.

There are four (4) type "I" apartments which are one-bedroom, two-bath apartments including a living room, dining room, kitchen, bedroom, two bathrooms, foyer, laundry room, storage closet and two lanais which are covered. The type "I" unit always occurs on the lower level.

There are four (4) type "I-L" apartments which are one-bedroom, two-bath apartments, including a living room, dining room, kitchen, bedroom, two bathrooms, foyer, laundry room, storage closet, a loft and two lanais which are covered. The type "I-L" unit always occurs on the upper level.

There are four (4) type "II" apartments which are two-bedroom, two-bathroom apartments including a living room, dining room, kitchen, two bedrooms, two bathrooms, foyer, laundry room, storage closet, and three lanais which are covered. The type "II" units always occur on the lower level.

There are four (4) type "II-L" apartments which are two-bedroom, two-bathroom apartments including a living room, dining room, kitchen, two bedrooms, two bathrooms, foyer, laundry room, storage closet, a loft and three lanais which are covered. The type "II-L" units always occur on the upper level.

There are twenty-two (22) type "III" apartments which are two-bedroom, two-bath apartments including a living room, dining room, kitchen, two bedrooms, two bathrooms, foyer, laundry room, storage closet and three lanais which are covered. All type "III" units are single story.

There are thirteen (13) type "IV" apartments which are two-bedroom, two-bathroom apartments including a living room, dining room, kitchen, two bedrooms, two bathrooms, foyer, laundry room, storage closet and three lanais which are covered. All type "IV" units are two-story with mid-level entry.

There are twenty-five (25) type "V" apartments which are two-bedroom, two and one-half-bathroom apartments including a living room, dining room, kitchen, two bedrooms, two and one-half bathrooms, foyer, laundry room, storage closets and two lanais which are covered. All type "V" units are two-story with mid-level entry.

There are twelve (12) type "VI" apartments which are three-bedroom, three-bathroom apartments including a living room, dining room, kitchen, three bedrooms, three bathrooms, foyer, laundry room, storage closet and four lanais which are covered. All type "VI" units are two-story, three-level with a mid-level entry.

Each lower level apartment has access to the common elements at the ground level. Each upper level apartment has access via an entry way and/or a staircase to the common elements at ground level.

Each residential apartment will have a range and oven combination (which includes a microwave oven), refrigerator/ freezer (with icemaker), disposal, dishwasher, water heater, washer and dryer, ceiling fans in the living room and bedroom(s), and tile flooring in the lanai area(s). For a limited period to be established by the Developer and at an additional cost, air conditioning units, a compactor and/or a Jenn-Aire range (which includes a microwave oven) will be available as optional items. Each apartment will have drapes and/or woven wood blinds, ceramic tile flooring in the kitchens, bathrooms, and entry. Black-out drapes will be provided only in bedrooms. The use of drapes or woven-wood blinds for windows other than bedrooms varies from apartment to apartment, therefore the Project Specifications should be referred to to determine which will be used in a particular apartment. The living rooms, dining rooms and bedrooms of all residential apartments will be carpeted. No light fixture is provided for dining room ceilings; however, a junction box for such a fixture will be provided.

The apartment numbers, apartment types, building type, approximate interior floor area, approximate lanai area(s) and percentage of common interest appurtenant to each apartment are listed below. An "R" designation indicates a reverse floor plan. An "L" designation indicates a loft.

Interior areas are measured from the approximate center line of interior partitions to the approximate center line of interior partitions or to the outside face of outside walls. Exterior areas such as lanais are measured from the outside face of outside walls to the outer edge of railings. All such measurements are subject to the common elements in the area measured. Actual physical measurements after construction vary from measurements on plans and drawings. Also, alignments after construction vary from alignments shown on plans and drawings. Therefore, all areas shown are approximations. Apartments and lanai areas are further subject to the limitations set forth in paragraph 4 below, "Limits on Apartments".

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Building Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Lanai Area</u>	<u>Percentage Interest</u>
3201	V	B	1,526	512	1.1366
3202	IV	B	1,597	553	1.1894
3203	V	B	1,526	512	1.1366

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Building Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Lanai Area</u>	<u>Percentage Interest</u>
3204	IV	B	1,597	553	1.1894
3205	IVR	B	1,597	553	1.1894
3206	VR	B	1,526	512	1.1366
3207	III	B	1,331	459	0.9912
3208	IIIR	A	1,331	459	0.9912
3209	III	A	1,331	459	0.9912
3210	IIIR	A	1,331	459	0.9912
3211	IVR	B	1,597	553	1.1894
3212	IVR	B	1,526	512	1.1366
3213	IVR	B	1,597	553	1.1894
3214	VR	B	1,526	512	1.1366
3215	VR	C	1,526	512	1.1366
3216	VIR	C	1,958	612	1.4583
3217	VI	C	1,958	612	1.4583
3218	VI	C	1,958	612	1.4583
3219	V	C	1,526	512	1.1366
3220	VI	C	1,598	612	1.4583
3221	V	C	1,526	512	1.1366
3222	VR	B	1,526	512	1.1366
3223	IVR	B	1,597	553	1.1894
3224	III	D	1,331	459	0.9912
3225	IR	D	1,190	341	0.8863
3226	ILR	D	1,542	341	1.1484
3227	IIR	D	1,334	373	0.9935
3228	IILR	D	1,579	373	1.1760
3229	IIIR	D	1,331	459	0.9912
3230	III	D	1,331	459	0.9912

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Building Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Lanai Area</u>	<u>Percentage Interest</u>
3231	IR	D	1,190	341	0.8863
3232	ILR	D	1,542	341	1.1484
3233	IIR	D	1,334	373	0.9935
3234	IILR	D	1,579	373	1.1760
3235	IIIR	D	1,331	459	0.9912
3236	III	D	1,331	459	0.9912
3237	II	D	1,334	373	0.9935
3238	IIL	D	1,579	373	1.1760
3239	I	D	1,190	341	0.8863
3240	IL	D	1,542	341	1.1484
3241	IIIR	D	1,331	459	0.9912
3242	III	D	1,331	459	0.9912
3243	II	D	1,334	373	0.9935
3244	IIL	D	1,579	373	1.1760
3245	I	D	1,190	341	0.8863
3246	IL	D	1,542	341	1.1484
3247	IIIR	D	1,331	459	0.9912
3248	VI	C	1,958	612	1.4583
3249	V	C	1,526	512	1.1366
3250	IV	B	1,597	553	1.1894
3251	V	B	1,526	512	1.1366
3252	VR	B	1,526	512	1.1366
3253	IVR	B	1,597	553	1.1894
3254	VR	B	1,526	512	1.1366
3255	IVR	B	1,597	553	1.1894
3256	III	A	1,331	459	0.9912
3257	IIIR	A	1,331	459	0.9912

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Building Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Lanai Area</u>	<u>Percentage Interest</u>
3258	III	A	1,331	459	0.9912
3259	IIIR	A	1,331	459	0.9912
3260	III	A	1,331	459	0.9912
3261	IIIR	A	1,331	459	0.9912
3262	IIIR	A	1,331	459	0.9912
3263	III	A	1,331	459	0.9912
3264	IVR	B	1,597	553	1.1894
3265	VR	B	1,526	512	1.1366
3266	IVR	B	1,597	553	1.1894
3267	VR	B	1,526	512	1.1366
3268	IVR	B	1,597	553	1.1894
3269	VR	B	1,526	512	1.1366
3270	IVR	B	1,597	553	1.1894
3271	VR	B	1,526	512	1.1366
101	IIIR	A	1,331	459	0.9912
102	III	A	1,331	459	0.9912
103	VIR	C	1,958	612	1.4583
104	VR	C	1,526	512	1.1366
105	V	C	1,526	512	1.1366
106	VI	C	1,958	612	1.4583
107	V	C	1,526	512	1.1366
108	VI	C	1,958	612	1.4583
109	VIR	C	1,958	612	1.4583
110	VR	C	1,526	512	1.1366
111	V	C	1,526	512	1.1366
112	VI	C	1,958	612	1.4583
113	V	C	1,526	512	1.1366

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Building Type</u>	<u>Approx. Interior Floor Area</u>	<u>Approx. Lanai Area</u>	<u>Percentage Interest</u>
114	VI	C	1,958	612	1.4583
115	V	C	1,526	512	1.1366
116	VI	C	1,958	612	1.4583
117	V	C	1,526	512	1.1366

The Project also contains driveways and walkways. There is also a recreational facility with a swimming pool with deck with an adjoining pool structure, containing a pool storage and janitor equipment room, restrooms and outdoor shower facilities. The Project also has eleven (11) trash enclosures for trash receptacles. There is also one (1) barbecue area in the Project located within the recreational facility.

The Project will contain one hundred fifty-three (153) parking stalls. Fifty-four (54) of the parking stalls will be trellised and the remaining ninety-nine (99) will be open. All parking stalls will be available for the use of apartment owners, occupants and their guests.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the unfinished floors and unfinished ceilings surrounding each apartment, and the floors, railings and any ceilings or overhead trellises of lanais, or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall include any adjacent lanais, all the walls and partitions which are not load bearing within its perimeter walls, all doors, windows and perimeter glass, the inner decorated or finished surfaces of all walls, floors and ceilings, and the built-in fixtures.

COMMON ELEMENTS. The common elements will include all portions of the land and improvements other than the respective apartments and will include the apartment buildings (exclusive of the apartments as defined above), the land on which all apartment buildings are located, and all common elements mentioned in the Horizontal Property Act which are actually constructed on the land described herein and specifically including but not limited to:

- (a) Said land in fee simple;
- (b) All foundations, supports, bearing walls and exterior stairs, landings and entranceways of said buildings;
- (c) All roofs;
- (d) The tool storage and grounds maintenance storage areas, yards, trash enclosures and refuse areas;

- (e) All ducts, electrical equipment, wiring and other central and appurtenant installations within the buildings and structures for services, including power, water, refuse, cable television and telephone;
- (f) All parking stalls;
- (g) The recreational facility with swimming pool and deck, and the adjacent pool structure, and one (1) barbecue area containing a barbecue grill;
- (h) All other devices or installations upon the land existing for or normally in common use by all the owners of apartments within the Project; and
- (i) The limited common elements described below.

LIMITED COMMON ELEMENTS: Limited common elements and apartments to which their use is reserved are:

- (a) Exterior staircases, landings and entranceways shall be limited common elements for the exclusive use of the apartments they serve.
- (b) Any trellis-covered privacy area, if any (other than a lanai comprising part of an apartment) adjacent to an apartment shall be a limited common element for the exclusive use of that apartment.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED. The percentage of undivided interest in the common elements appertaining to each apartment is shown opposite the number of each apartment listed in the DESCRIPTION above. The interests in the common elements of the Project are allocated among the apartments approximately on the basis of their interior floor areas. The voting rights of apartment owners in the Association of Apartment Owners as well as their shares of the common expenses shall be allocated in proportion to their percentage interests in the common elements; PROVIDED, that no apartment owner, including the Developer, shall be obligated for the payment of the share of the common expenses allocated to his apartment nor have any voting rights with respect to such apartment until a certificate of occupancy relating to such apartment is issued by the appropriate county agency. All Owners will not commence payments for assessments or maintenance costs (or payments into a reserve for such costs) at the same time. The date for commencement of such payments is the date title to an Apartment is transferred, therefore, such payments will begin earlier for some Owners than for others. The Developer has covenanted in the Declaration that the undivided interest in the common areas and facilities and the title 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 may refer only to one or other of the interests. After any merger of Wailea Alanui

Village II and/or Wailea Alanui Village III into Wailea Alanui Village I, the computation for sharing common expenses and for purposes of voting in the merged phases and Associations shall be as provided in the Declaration of Merger. The Declaration of Merger is described more fully below in "Merger".

APARTMENT OWNERS ASSOCIATION: The Declaration and Bylaws provide for the organization of the Association of Apartment Owners, an unincorporated association responsible for the management, operation and maintenance of the common elements within the Wailea Alanui Village I project. All apartment owners will be members of an Association of Apartment Owners for Wailea Alanui Village I (or for Wailea Alanui Village I and such other Phases(s) of Wailea Alanui Village as may be merged with Wailea Alanui Village I pursuant to the Declaration of Merger) and will be obliged to pay assessments levied by the Association in accordance with the Bylaws of the Association filed with the Declaration. The voting rights of apartment owners, as well as their shares of the common expenses, shall be allocated in proportion to their respective interests in the common elements.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The eighty-eight (88) apartments in the Project shall at all times be used as permanent or temporary residences and for no other purposes, except that the Developer may use any of such apartments and recreational areas for sales or display purposes in connection with sales of apartments in Wailea Alanui Village I, Wailea Alanui Village II and Wailea Alanui Village III. All parking stalls in the Project shall be used solely for the parking of automobiles, motorcycles, motorbikes and trucks 1/2 ton or less in capacity. No boats or trailers may be parked or stored in any parking stall.

The swimming pool, the adjoining pool structure, and the barbecue area are intended and restricted for use as recreational facilities by the owners and occupants of residential apartments and their guests, subject to the reservation by the Developer of the right to use such areas for apartment sales as mentioned above and to make such facilities available for use by the owners and occupants (and their guests) of other premises covered by the Declaration as to Merger of Increments in a Condominium Project described below. The residence of the resident manager shall be used only for such purposes and not apartment rentals. The enclosed storage area in the pool structure shall be used only for the storage of equipment and supplies of the Project and not for storage of personal property belonging to the manager or apartment owners.

The apartment(s) and the project shall not be used, sold or let for time sharing or other similar uses or purposes nor shall any time sharing or similar interest or use be created for or in any portion of the project. For purposes of this condominium project, "Time Sharing" shall include but not be limited to licenses, partnerships, associations, club membership, right-to-use, and reservations (whether periodically recurring or for a floating period with a right to use by notification).

TEMPORARY RESIDENCE RENTED FOR MANAGER: Except for the temporary rental mentioned in this paragraph, the Project does not contain a residence for a resident manager. As provided under "Merger"

below, a permanent manager's residence will be provided in the Wailea Alanui Village II, which upon a merger of Wailea Alanui Village II into this Project, would serve as the residence for the manager of the merged projects. The Developer has agreed to rent to the Association an unfurnished one bedroom apartment for use as a temporary residence for the manager of Wailea Alanui Village I. The rental agreement is for one year with options in the Association to extend the agreement for two successive periods of one year each. The rent is \$750.00 per month for the first year payable monthly in advance. The rent for the second and third years are 110% and 120%, respectively, of the rent for the first year. The rental agreement requires one month's rent as a deposit and requires the Association to carry, at its expense, insurance on the apartment. The Association will also pay the Hawaii General Excise tax on the unit, all assessments, maintenance fees, property taxes, utilities and other charges and costs relating to the apartment or its use. If and when Wailea Alanui Village II is merged into this project, the Developer can terminate the rental agreement provided (a) such merger has occurred and (b) a certificate of occupancy has been issued for the resident manager's unit in Wailea Alanui Village II. A copy of the rental agreement has been filed with the Real Estate Commission of the State of Hawaii.

The Developer shall be free to sell the unit which is being rented to the Association provided that any such sale shall be subject to the rental agreement. The rental agreement shall however be subject to any mortgage placed on the apartment by the Developer or any transferee of the Developer's interests.

The Developer shall provide up to Seven Thousand Five Hundred Dollars (\$7,500.00) to the Association to be used toward the purchase price of basic furnishings for the manager's apartment. "Basic furnishings" shall mean furniture, beds, office equipment, lamps, tables and chairs. "Basic furnishings" shall not include linen, towels, china, silverware or other similar items.

If and when Wailea Alanui Village II is merged into this Project, all such basic furnishings shall become the property of the Association for the merged projects and shall be moved to the permanent manager's unit in Wailea Alanui Village II. Neither Wailea Alanui Village II nor Wailea Alanui Village III shall be obligated to pay or otherwise compensate Wailea Alanui Village I or Developer for such basic furnishings if either or both of such projects are merged into this Project.

The Association shall be obligated to maintain, and charge the cost of such maintenance to the Owners as a common expense, the land area between (1) the rear of the curb of any private or public roadway adjacent to or bordering the land on which the Project is located and (2) the boundary line of the property on which the Project is located. Such maintenance shall include but shall not be limited to providing water to and watering through a sprinkler system connected to the Project's sprinkler system, planting, fertilizing, mowing, spraying with insecticides and otherwise maintaining such area free of weeds, brush and debris. The foregoing obligation shall be a covenant running with the land and shall not be amended at any time hereafter without the prior written consent of Developer.

RESERVATIONS BY THE DEVELOPER: The Developer has reserved the right in the Declaration to enter and go upon the Property and the Project in connection with the development, construction and sale of Wailea Alanui Village I, Wailea Alanui Village II and Wailea Alanui Village III, including (without limitation thereto) the right to perform surveying, excavation and landscaping and to permit parking and storage of construction equipment and materials and for all other purposes necessary or convenient to the development, construction and sale of Wailea Alanui Village I, II and III, provided that the Developer shall at all times assure access to Wailea Alanui Village I and shall undertake to minimize interference with the use and enjoyment of apartments in Wailea Alanui Village I.

The Developer has reserved the right at its expense and without compensation to any Owner, (i) to designate and grant easements and facilities over, under and across the Property for utilities, sanitary and storm sewers, cable television, and rights-of-way and for all other purposes necessary or convenient for the development and construction of Wailea Alanui Village I, II and III, and (ii) to relocate, connect to or realign any existing easements (including easements for utilities, sanitary and storm sewer lines and cable television), utilities and facilities, 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 facilities and other lines and facilities shall not materially impair or interfere with the use of any apartment in Wailea Alanui Village I.

The Developer has further reserved the right to execute and file in the Office of the Assistant Registrar of the Land Court and with the Department of Regulatory Agencies and the County of Maui, without the consent and/or joinder of any apartment owner, or mortgagee or other lien holder hereafter acquiring any interest in the Wailea Alanui Village I, an amendment or amendments to the Declaration, the Condominium Map and any other constituent documents of the Project designating, granting or relocating easements and facilities over, under and across the common elements as permitted by subparagraph 13(b) of the Declaration.

The Developer has reserved the right to execute and file in the Office of the Assistant Registrar of the Land Court, without the consent and/or joinder of any apartment owner, or mortgagee or other lien holder or person hereafter acquiring any interest in Wailea Alanui Village I, a supplemental declaration annexing the Project and making it a part of the Wailea Property Owners Association ("WPOA") and subject to the Declaration of Covenants and Restrictions, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. 713123, and the amendments thereto, or of a similar type of declaration subjecting and annexing the Project into an organization similar to WPOA which shall be responsible for the maintenance of the whole or a part of the Wailea resort area at a level and in a manner as will beautify and protect the value of the project and Wailea. A member of WPOA or similar interim Association is obligated to pay assessments and is subject to covenants and restrictions relating to an apartment and its use.

At present there is a limitation in the WPOA legal documents which prevents further annexations to WPOA. If the limitation has not been removed by the date Declarant decides to include this Project within WPOA, Declarant intends to create an interim Association

similar to WPOA and include this Project within that interim Association until such time as this Project can be included within WPOA. The obligations for expenses and assessments of WPOA, the WPOA covenants and restrictions and the voting rights in WPOA are set forth in Land Court Document No. 713123 and the Bylaws of WPOA. Such obligations are in addition to those of the Association of Apartment Owners for this Project.

The Developer has also reserved the right to execute and file in the Office of the Assistant Registrar of the Land Court, if requested by the County of Maui, without the consent and/or joinder of any apartment owner, or mortgagee or other lien holder or person hereafter acquiring any interest in the Project, an open space declaration, declaring certain areas of the Project as common protected open space to be used solely for landscaping, utility, drainage, access, walkway, and recreational purposes, or such other purposes as may be approved by the County of Maui.

The Developer has reserved the right to execute and file in the Office of the Assistant Registrar of the Land Court and with the Department of Regulatory Agencies and the County of Maui, without the consent and/or joinder of any apartment owner, or mortgagee or other lien holder hereafter acquiring any interest in Wailea Alanui Village I any amendment(s) to the Declaration, the Declaration of Merger, and any other constituent documents of the Project and to do all things necessary in order to effectuate the merger of this Project with any other projects pursuant to the Declaration of Merger and/or to make any amendments or changes required by law.

Every owner of an apartment in the Project and every mortgagee or lien holder hereafter acquiring an interest in an apartment in the Project shall, by the acceptance of a deed or the instrument creating a lien affecting such apartment, be automatically deemed to consent to the Developer's rights reserved pursuant to the Declaration, and shall, if requested by the Developer, 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.

OWNERSHIP OF TITLE: A Preliminary Report dated as of November 30, 1979, issued by Title Guaranty of Hawaii Incorporated, states that fee simple title to the land of the Wailea Alanui Village I project is held by the Developer, subject to the encumbrances stated below or hereafter granted.

ENCUMBRANCES: Said Preliminary Report dated as of November 30, 1979, issued by Title Guaranty of Hawaii Incorporated, discloses the following:

1. Reservation of all mineral and metallic mines in favor of the State of Hawaii, as set forth in Royal Patent Grants 234 and 548.
2. For all taxes that may be due and owing, reference is made to the office of the tax assessor, second division.
3. Designation of Easement 145 for drainage, landscaping and pedestrian access and walkway purposes as shown on

Map 26 filed with Land Court Application No. 1804 and as set forth in Land Court Order No. 54945.

4. Grant of easement in favor of County of Maui for drainage purposes over, under and across Lot 98 adjoining Lot 5, "said easements to be determined and designated after construction of the improvements in Lot 5 has been completed by the Grantors, and the Grantees agree to promptly file a petition to designate such easements and to execute Grant of Easement documents in favor of the Grantee in such form as shall be mutually agreed upon; provided that Grantee shall execute a document cancelling this grant concurrently with the execution of Grant of Easement documents from the Grantors to Grantee", as set forth in deed made by Wailea Land Corporation, a Hawaii corporation, and The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, doing business as Wailea Development Company, a joint venture, as Grantors, to County of Maui, a political subdivision of the State of Hawaii, as grantee, dated April 18, 1973 and filed as Land Court Document No. 626880.

NOTE: As encumbrances, the Declaration makes it clear that the property shall be subject to all reservations, easements, grants, restrictions, covenants, encumbrances and other matters affecting title as are noted elsewhere herein in the Declaration of Horizontal Property Regime and as may be granted, made, erected, imposed, designated or declared by Developer.

WALLEA PROPERTY OWNERS ASSOCIATION: The Developer has reserved the right to annex this Project to and make it a part of the Wailea Property Owners Association (WPOA) and to subject this Project to the Declaration of Covenants and Restrictions for WPOA filed as Land Court Document No. 713123, the WPOA Bylaws and any amendments thereto. WPOA is responsible for the maintenance of certain portions of the Wailea resort area, outside the Project, at a level and in a manner which will beautify and protect the value of the Project and the Wailea resort area.

At present there is a limitation in the WPOA legal documents which prevents further annexations to WPOA. If the limitation has not been removed by the date Declarant decides to include this Project within WPOA, Declarant has reserved the right to, and intends to create an interim Association similar to WPOA and include this Project within that interim Association until such time as this Project can be included within WPOA. The obligations for expenses and assessments of WPOA, the WPOA covenants and restrictions and the voting rights in WPOA are set forth in Land Court Document No. 713123 and the Bylaws of WPOA. Such obligations are in addition to those of the Association of Apartment Owners for this Project.

MERGER: A copy of the Declaration as to Merger of Increments in a Condominium Project ("Declaration of Merger"), has been filed with and is available for inspection at the Office of the Real Estate Commission and also at the office of Wailea Realty Corporation, at the Wailea Town Center, 3750 Wailea Alanui, Wailea, Maui, Hawaii, affects the Project and additional adjacent property. The Declaration of Merger permits the Developer to merge the Wailea Alanui Village I,

Wailea Alanui Village II and Wailea Alanui Village III condominium projects with each other for purposes of management, administration, sharing of common expenses and use of common areas. Use of the common areas after phases have been merged is limited to the purposes and use for which the common area was created and is subject to any limitations on such purposes and use. Such merger(s) shall not merge the legal or equitable title to the land nor of the apartments or their respective appurtenant undivided interest in the common elements. The Developer does not represent that these other projects will, in fact, be merged with this Project. After any such merger, new directors shall be elected as provided in the Declaration of Merger.

A permanent residence for the manager and permanent mailboxes are now planned for construction in Wailea Alanui Village II. The temporary mailboxes in Wailea Alanui Village I shall remain the property of the Developer until Wailea Alanui Village II shall have been merged into Wailea Alanui Village I or until Developer gives notice that no such merger shall occur. Upon such merger, Developer shall remove the temporary mailboxes in Wailea Alanui Village I.

Upon a merger of Wailea Alanui Village II into Wailea Alanui Village I, the apartment owners of Phase I shall have the nonexclusive right of access to and from such manager's office and mailboxes in Wailea Alanui Village II and the right to use such mailboxes. Upon a merger of Phase III into Phases I and II, apartment owners in Wailea Alanui Village III shall also have such access and right to use the manager's office and mailboxes in Phase II. From and after a merger the apartment owners of all merged Phases shall have the right to use all common areas of the merged Phases for the intended purpose for which such common area was created, in the same manner and fashion as if the merged Phases had been constructed at one time.

To facilitate any such merger, the Declaration of Horizontal Property Regime, the Bylaws, the Declaration as to Merger of Increments in a Condominium Project and the related condominium documents of Wailea Alanui Village I and of Wailea Alanui Village II cannot be amended, modified or supplemented by the Apartment Owners or the Association until all three Phases have been merged and all Apartments therein sold or until developer has given written notice that any such merger shall not occur.

Any amendment of any such document required by law during the period between the effective date of such document and (a) the date all three Phases have been merged and all apartments therein are sold (and the sale recorded) or (b) the date the Developer shall give notice in writing that such merger shall not occur, shall, without further action by the Developer or the Association be deemed to have been made as of the effective date of such law.

RESTRICTIONS AND OBLIGATIONS: The prospective purchasers should note that the Purchase Agreement, the Declaration as to Merger of Increments in a Condominium Project and the Apartment Deed prohibit the apartment owners in any of the phases and/or project of the Wailea Alanui Village development from entering into a rental pool or other rental sharing agreement until after all three phases of

the Wailea Alanui Village development covered by the Declaration of Merger have been completed and sold. Prospective purchasers are advised to examine carefully the Declaration of Horizontal Property Regime and the Declaration of Merger of Increments in a Condominium Project so that they may familiarize themselves with the restrictions and obligations contained therein.

PURCHASE MONEY HANDLING: The Developer has submitted as part of the registration copies of the specimen Purchase Agreement and the Escrow Agreement dated December 5, 1979, executed by the Developer and Title Guaranty Escrow Services, Inc., "Escrowee". The Escrow Agreement governs the release of purchasers' funds from escrow.

Upon examination, the Purchase Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections 514A-39 and 514A-63 through 514A-66. A prospective purchaser should carefully examine the form of Purchase Agreement and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and the sharing of closing costs, as well as the manner in which funds held in escrow may be disbursed. The documents provide that such purchaser's funds may, from time to time, be used to pay for construction and other costs of the Project. The executed Escrow Agreement provides in part that a purchase shall be entitled to a return of his funds, and the Escrowee shall pay such funds to such purchaser, without interest and less the cancellation fee imposed by the Escrowee, after request for return by the purchaser if any one of the following occurs:

- (a) The Developer, pursuant to paragraph 9(b) of the Purchase Agreement, has instructed the Escrowee in writing to return to the purchaser the funds of the purchaser then held in escrow by the Escrowee provided, however, Escrowee shall withhold and pay to Developer any liquidated damages due Seller under said paragraph 9.
- (b) There is any change in the condominium building plans subsequent to the execution of the Purchase Agreement requiring approval of a county officer having jurisdiction over the issuance of permits for the construction of buildings, unless in any such case the purchaser has given written approval or acceptance of the specific differences and/or changes or the purchaser has accepted in writing the Apartment or has first occupied the Apartment; or
- (c) Construction of the purchaser's apartment is not completed within twenty-four (24) months after the date of this Purchase Agreement (subject to delay beyond the Developer's control).

Upon any such return of funds to a purchaser, the Escrowee will return to the Developer the purchaser's Purchase Agreement and any conveyancing documents theretofore delivered to the Escrowee; and thereupon the purchaser and the Developer shall no longer be obligated under the Purchase Agreement.

Further, the executed Escrow Agreement and the Purchase Agreement provide in part what sums of money, if any, the purchaser is entitled to as refunds if the purchaser is in default in any payment when required or fails to perform any other obligation required of the purchaser.

It is incumbent upon the purchaser and the prospective purchaser that he reads with care the Purchase Agreement and the executed Escrow Agreement.

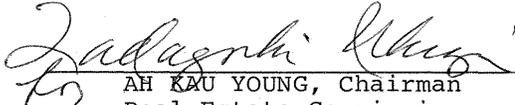
MANAGEMENT AND OPERATION: Section 3 of Article III of the Bylaws of the Association of Apartment Owners states that the Board of Directors of the Association shall at all times employ a responsible managing agent to manage and control all of the project subject at all times to direction by the Board of Directors. The Developer has contracted with Aaron M. Chaney, Inc., a Hawaii corporation, on behalf of the Association of Apartment Owners for Wailea Alanui Village I, to act as the manager of the project.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that construction contracts have not been finalized and no construction has begun. Further, it estimates construction of the Project will begin in July 1980 (site-work to start January 15, 1980) and estimated completion of the last dwelling is September 1981.

A purchaser should be cognizant of the fact that this Preliminary Public Report represents information disclosed by the Developer in the required Notice of Intention submitted on December 11, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1213, filed with the Commission on December 11, 1979.

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


AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

Distribution:
Department of Taxation
Planning Department, County of Maui
Escrow Agent
Federal Housing Administration
Bureau of Conveyances

Registration No. 1213

December 24, 1979