

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

ON

PUU MAIKA
Kaluakoi, Molokai, Hawaii

REGISTRATION NO. 1390

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: March 23, 1981
Expires: April 23, 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 2, 1981 AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 13, 1981. 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. PUU MAIKA is a proposed fee simple condominium project containing ninety (90) apartments in eight (8) three (3) story buildings and two (2) two (2) story buildings, together with one hundred seventeen (117) parking stalls, two (2) tennis courts, a swimming pool, jacuzzi, recreational pavilion, three (3) gas barbecue grills, an office, and a resident manager's apartment.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the proposed Declaration of Horizontal Property Regime, the Proposed By-Laws and the Proposed Condominium Map will be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii immediately prior to the application for a Final Public Report.
4. No advertising or promotional material has 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 Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, March 23, 1981, unless a Final or a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is made a part of the registration of the PUU MAIKA condominium project. 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 prospective purchasers and securing a signed copy of the receipt therefor.

NAME OF PROJECT: PUU MAIKA

LOCATION: The project is located at Kaluakoi on the Island of Molokai, County of Maui, State of Hawaii, and consists of approximately 8.018 acres of land.

TAX KEY: 5-1-03-10, Second Taxation Division

ZONING: A-2

DEVELOPER: The developer of the project is KAHA KAI DEVELOPMENT, a Hawaii general partnership, with its principal place of business and post office address at P. O. Box 116, Maunaloa, Molokai, Hawaii 96770.

The general partners are:

| | |
|-----------------------------|---|
| William I. Wilson, III | 70 Church Street Wailuku, Hawaii 96793 |
| Randolph Cabanilla | 70 Church Street Wailuku, Hawaii 96793 |
| Andrew Badoyen | 70 Church Street Wailuku, Hawaii 96793 |
| Tegon Hawaii, Ltd. | P. O. Box 116 Maunaloa, Hawaii 96770 |
| Chartwell Development Corp. | 2401 San Felipe Houston, Texas 77019 |

ATTORNEY REPRESENTING DEVELOPER: Romanchak & McNish
(Attention: Douglas S. McNish), 33 Lono Avenue, Suite 380,
Kahului, Maui, Hawaii 96732, Telephone: 877-2441.

DESCRIPTION OF PROJECT: The Project consists of ninety (90) residential apartments contained in ten (10) buildings, A through J, inclusive. Buildings B and I are identical to each other; Buildings D, E and G are identical to each other, and Buildings F and H are identical to each other. Buildings A, B, C, D, E, G, I and J are three (3) story buildings and Buildings F and H are two (2) story buildings. The Project will be on one (1) parcel of land. Buildings A, B and C are situate on the northwest of said parcel; Buildings D, E, F, G and H are situate on the south of said parcel; and Buildings I and J are situate on the northeast of said parcel.

The apartment buildings are principally of wood frame construction with wood siding exteriors and shake roofs. All buildings except Buildings F and H have concrete slab ground floors with wood frame upper floors. Buildings F and H are entirely wood frame. The windows and doors are of anodized aluminum. The buildings are either two (2) or three (3) stories high containing various combinations of the ten (10) basic unit types described below. Each apartment will have a separate electrical meter.

There are a total of six (6) Type "A" and "Ar" apartments in the Project. Of the six (6), there are three (3) Type "A" apartments and three (3) Type "Ar" apartments. The Type "A" apartments are two (2) story, three (3) bedroom and two and one-half (2 1/2) bath apartments, including a living/dining room, kitchen and lanai. The Type "Ar" apartments are identical to the Type "A" apartments except that the Type "Ar" apartments are in a reverse configuration from Type "A" apartments. One (1) Type "A" apartment and one (1) Type "Ar" apartment are located in Building D; one (1) Type "A" apartment and one (1) Type "Ar" apartment are located in Building E; and one (1) Type "A" apartment and one (1) Type "Ar" apartment are located in Building G.

There are a total of four (4) Type "Al" and "Alr" apartments in the Project. Of the four (4), there are two (2) Type "Al" apartments and two (2) Type "Alr" apartments. The Type "Al" apartments are two (2) story, three-bedroom and two and one-half bath apartments with open beam ceiling, including a living/dining room, kitchen and lanai. The Type "Alr" apartments are identical to the Type "Al" apartments except that the Type "Alr" apartments are in a reverse configuration from Type "Al" apartments. One (1) Type "Al" apartment and one (1) Type "Alr" apartment are located in Building F, and one (1) Type "Al" apartment and one (1) Type "Alr" apartment are located in Building H.

There are a total of six (6) Type "B" and "Br" apartments in the Project. Of the six (6), there are three (3) Type "B" apartments and three (3) Type "Br" apartments. The Types "B" and "Br" apartments are one (1) story with loft, containing two (2) bedrooms and two and one-half (2 1/2) baths, and including a living/dining room, kitchen and lanai. The Type "Br" apartments are identical to the Type "B" apartments except that the Type "Br" apartments are in a reverse configuration from Type "B" apartments. One (1) Type "B" apartment and one (1) Type "Br" apartment are located in Building D; one (1) Type "B" apartment and one (1) Type "Br" apartment are located in Building E; and one (1) Type "B" apartment and one (1) Type "Br" apartment are located in Building G.

There are a total of six (6) Type "C" and "Cr" apartments in the Project. Of the six (6), there are three (3) Type "C" apartments and three (3) Type "Cr" apartments. The Type "C" and "Cr" apartments are two (2) story, one (1) bedroom and one and one-half (1 1/2) bath apartments, including a living/dining room, kitchen and lanai. The Type "Cr" apartments are identical to the Type "C" apartments except that the Type "Cr" apartments are in a reverse configuration from Type "C" apartments. One (1) Type "C" apartment and one (1) Type "Cr" apartment are located in Building D; one (1) Type "C" apartment and one (1) Type "Cr" apartment are located in Building E; and one (1) Type "C" apartment and one (1) Type "Cr" apartment are located in Building G.

There are a total of six (6) Type "Cl" and "Clr" apartments in the Project. Of the six (6), there are three (3) Type "Cl" apartments and three (3) Type "Clr" apartments. The Type "Cl" and "Clr" apartments are one (1) story with loft, containing one (1) bedroom and one and one-half (1 1/2) baths with open beam ceiling, and including a living/dining room, kitchen and lanai. The Type "Clr" apartments are identical to the Type "Cl" apartments except that the Type "Clr" apartments are in a reverse configuration from Type "Cl" apartments. One (1) Type "Cl" apartment and one (1) Type "Clr" apartment are located in Building D; one (1) Type "Cl" apartment and one (1) Type "Clr" apartment are located in Building E; and one (1) Type "Cl" apartment and one (1) Type "Clr" apartment are located in Building G.

There are a total of twenty (20) Type "D" and "Dr" apartments in the Project. Of the twenty (20), there are ten (10) Type "D" apartments and ten (10) Type "Dr" apartments. The Type "D"

apartments are one (1) story, two (2) bedroom and two (2) bath apartments, including a living/dining room, kitchen and lanai. The Type "Dr" apartments are identical to the Type "D" apartments except that the Type "Dr" apartments are in a reverse configuration from Type "D" apartments. Two (2) Type "D" apartments and two (2) Type "Dr" apartments are located in Building A; two (2) Type "D" apartments and two (2) Type "Dr" apartments are located in Building B; two (2) Type "D" apartments and two (2) Type "Dr" apartments are located in Building C; two (2) Type "D" apartments and two (2) Type "Dr" apartments are located in Building I; and two (2) Type "D" apartments and two (2) Type "Dr" apartments are located in Building J.

There are a total of five (5) Type "E" and "Er" apartments in the Project. Of the five (5), there are two (2) Type "E" apartments and three (3) Type "Er" apartments. The Type "E" apartments are one (1) story, two (2) bedroom and two (2) bath apartments, including a living/dining room, kitchen and lanai. The Type "Er" apartments are identical to the Type "E" apartments except that the Type "Er" apartments are in a reverse configuration from the Type "E" apartments. One (1) Type "E" apartment is located in Building A; one (1) Type "E" apartment is located in Building C; one (1) Type "Er" apartment is located in Building B; one (1) Type "Er" apartment is located in Building I; and one (1) Type "Er" apartment is located in Building J.

There are a total of twenty-eight (28) Type "F" and "Fr" apartments in the Project. Of the twenty-eight (28), there are fourteen (14) Type "F" apartments and fourteen (14) Type "Fr" apartments. The Type "F" apartments are one (1) story, one (1) bedroom and one (1) bath apartments, including a living/dining room, kitchen and lanai. The Type "Fr" apartments are identical to the Type "F" apartments except that the Type "Fr" apartments are in a reverse configuration from Type "F" apartments. Two (2) Type "F" apartments and two (2) Type "Fr" apartments are located in Building A; two (2) Type "F" apartments and two (2) Type "Fr" apartments are located in Building B; four (4) Type "F" apartments and four (4) Type "Fr" apartments are located in Building C; two (2) Type "F" apartments and two (2) Type "Fr" apartments are located in Building I; and four (4) Type "F" apartments and four (4) Type "Fr" apartments are located in Building J.

There are a total of four (4) Type "Fl" and "Flr" apartments in the Project. Of the four (4), there are two (2) Type "Fl" apartments and two (2) Type "Flr" apartments. The Type "Fl" apartments are one (1) story, one (1) bedroom and one (1) bath apartments with open beam ceiling, including a living/dining room, kitchen and lanai. The Type "Flr" apartments are identical to the Type "Fl" apartments except that the Type "Flr" apartments are in a reverse configuration from Type "Fl" apartments. One (1) Type "Fl" apartment and one (1) Type "Flr" apartment are located in Building C; and one (1) Type "Fl" apartment and one (1) Type "Flr" apartment are located in Building J.

There are a total of five (5) Type "G" and "Gr" apartments in the Project. Of the five (5), there are two (2) Type "G" apartments and three (3) Type "Gr" apartments. The Type "G" apartments are one (1) story, two (2) bedroom and two (2) bath apartments, including a living/dining room, kitchen and lanai. The Type "Gr" apartments are identical to the Type "G" apartments except that the Type "Gr" apartments are in a reverse configuration from the Type "G" apartments. One (1) Type "G" apartment is located in Building A; one (1) Type "G" apartment is located in Building C; one (1) Type "Gr" apartment is located in Building B; one (1) Type "Gr" apartment is located in Building I; and one (1) Type "Gr" apartment is located in Building J.

Each residential apartment has a range and oven combination, refrigerator/freezer, disposal, dishwasher, solar water heater, washer and dryer, and trash compactor. Each residential apartment also has drapes, sheet vinyl flooring in the kitchen and bathroom(s), and carpeting in the living/dining room and bedroom(s).

The apartment numbers, apartment types, approximate interior floor areas, approximate lanai areas, approximate gross apartment areas, and percentage of common interest appurtenant to each apartment are hereafter listed. The first letter in each apartment number designates the building in which the apartment is located. The first digit following the letter indicates the vertical location of the apartment within the building, "1" indicating the bottom most unit, "2" indicating one (1) apartment beneath it, and "3" indicating two (2) apartments beneath it. The next two digits indicate the apartment number. An "r" designation in the apartment types indicates a reverse floor plan.

Because of the slope upon which the project is built, the entry to no apartment is more than one (1) flight of stairs up or down from the ground level.

The Project contains driveways, walkways, and parking areas containing a total of one hundred seventeen (117) parking stalls. There are thirty-eight (38) parking stalls located on the northwest of said parcel near Buildings A, B and C; there are thirty-two (32) parking stalls located on the southwest of said parcel between Buildings B and C and Building E and F; there are ten (10) parking stalls located on the southeast of said parcel between Buildings G and I; there are twenty-one (21) parking stalls located on the north of said parcel near Building I; and there are sixteen (16) parking stalls located on the far northeast of said parcel. There are two (2) adjoining lighted tennis courts measuring 55 feet by 120 feet each, located on the northeast of said parcel between Building I and the parking area near it, and Building J and the parking area near it. There is one (1) swimming pool measuring 20 feet by 60 feet and one (1) 6 foot jacuzzi, with appurtenant pool structures located toward the southwest of said parcel between Buildings B and D. There is a recreational pavilion next to the swimming pool. The recreational pavilion is a one (1) story building containing approximately 360 enclosed square feet and 240 covered square feet. Three (3) gas barbecue

grills are provided in the recreational area. Next to the recreational pavilion there is an office and residence for the resident manager of the Project. The manager's office and residence contains approximately 1,174 square feet and is located in a two (2) story building. There is a storage area within the building in which the manager's office and residence are located, which contains approximately 288 square feet. There is an equipment and emergency generator building containing 517 square feet. The Project also has four (4) trash enclosures, one (1) near the manager's unit and Buildings D, E and F; one (1) near Buildings G and H; one (1) on the northeast side of the parking area consisting of 38 stalls near Buildings A, B and C; and one (1) between the tennis courts and the parking area consisting of 21 stalls near Buildings I and J. Each apartment has immediate access to the grounds of the Project or to a stairway leading to the grounds of the Project.

The respective apartments shall not be deemed to include any pipes, wires, conduits or other utility lines running through the apartment which are utilized for or serve more than one (1) apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include the adjacent lanai as shown on the Condominium Map, all the walls and partitions which are not load bearing within its perimeter walls, the inner surfaces of all common walls to the center line of said walls, exterior walls to the outside face of the exterior studs, the inner decorated of finished floors and ceilings, doors and door frames, windows and window frames, and the built-in fixtures.

The apartment types, approximate interior floor areas, approximate lanai areas, approximate gross apartment areas and percentage of common interests appurtenant to each apartment are as follows:

APARTMENT DATA SCHEDULE

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Approximate Interior Floor Area in Sq. Ft.</u> | <u>Approximate Lanai Area in Sq. Ft.</u> | <u>Approximate Gross Apt. Area in Sq. Ft.</u> | <u>Common Element Percentage Interest</u> |
|-----------------|------------------|---|--|---|---|
| A101 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| A102 | Fr | 767 | 181 | 948 | 0.7583 |
| A103 | F | 767 | 181 | 948 | 0.7583 |
| A104 | D | 1,224 | 354 | 1,578 | 1.2622 |
| A201 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| A202 | Fr | 767 | 181 | 948 | 0.7583 |
| A203 | F | 767 | 181 | 948 | 0.7583 |
| A204 | D | 1,224 | 354 | 1,578 | 1.2622 |
| A301 | G | 1,468 | 276 | 1,744 | 1.3951 |
| A304 | E | 1,474 | 273 | 1,747 | 1.3975 |
| B101 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| B102 | Fr | 767 | 181 | 948 | .7583 |
| B103 | F | 767 | 181 | 948 | .7583 |
| B104 | D | 1,224 | 354 | 1,578 | 1.2622 |

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Approximate Interior Floor Area in Sq. Ft.</u> | <u>Approximate Lanai Area in Sq. Ft.</u> | <u>Approximate Gross Apt. Area in Sq. Ft.</u> | <u>Common Element Percentage Interest</u> |
|-----------------|------------------|---|--|---|---|
| B201 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| B202 | Fr | 767 | 181 | 948 | .7583 |
| B203 | F | 767 | 181 | 948 | .7583 |
| B204 | D | 1,224 | 354 | 1,578 | 1.2622 |
| B301 | Gr | 1,468 | 276 | 1,744 | 1.3951 |
| B304 | Er | 1,474 | 273 | 1,747 | 1.3975 |
| C101 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| C102 | Fr | 767 | 181 | 948 | .7583 |
| C103 | F | 767 | 181 | 948 | .7583 |
| C104 | Fr | 767 | 181 | 948 | .7583 |
| C105 | F | 767 | 181 | 948 | .7583 |
| C106 | D | 1,224 | 354 | 1,578 | 1.2622 |
| C201 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| C202 | Fr | 767 | 181 | 948 | .7583 |
| C203 | F | 767 | 181 | 948 | .7583 |
| C204 | Fr | 767 | 181 | 948 | .7583 |
| C205 | F | 767 | 181 | 948 | .7583 |
| C206 | D | 1,224 | 354 | 1,578 | 1.2622 |
| C301 | E | 1,474 | 273 | 1,747 | 1.3975 |
| C302 | Fl | 767 | 181 | 948 | .7583 |
| C303 | Flr | 767 | 181 | 948 | .7583 |
| C304 | G | 1,468 | 276 | 1,744 | 1.3951 |
| D101 | Ar | 1,684 | 390 | 2,074 | 1.6590 |
| D102 | Cr | 1,014 | 215 | 1,229 | .9831 |
| D103 | C | 1,014 | 215 | 1,229 | .9831 |
| D104 | A | 1,684 | 390 | 2,074 | 1.6590 |
| D201 | Br | 1,563 | 328 | 1,891 | 1.5127 |
| D202 | Clr | 855 | 179 | 1,034 | .8271 |
| D203 | Cl | 855 | 179 | 1,034 | .8271 |
| D204 | B | 1,563 | 328 | 1,891 | 1.5127 |
| E101 | Ar | 1,684 | 390 | 2,074 | 1.6590 |
| E102 | Cr | 1,014 | 215 | 1,229 | .9831 |
| E103 | C | 1,014 | 215 | 1,229 | .9831 |
| E104 | A | 1,684 | 390 | 2,074 | 1.6590 |
| E201 | Br | 1,563 | 328 | 1,891 | 1.5127 |
| E202 | Clr | 855 | 179 | 1,034 | .8271 |
| E203 | Cl | 855 | 179 | 1,034 | .8271 |
| E204 | B | 1,563 | 328 | 1,891 | 1.5127 |
| F101 | Alr | 1,684 | 390 | 2,074 | 1.6590 |
| F102 | Al | 1,684 | 390 | 2,074 | 1.6590 |
| G101 | Ar | 1,684 | 390 | 2,074 | 1.6590 |
| G102 | Cr | 1,014 | 215 | 1,229 | .9831 |
| G103 | C | 1,014 | 215 | 1,229 | .9831 |
| G104 | A | 1,684 | 390 | 2,074 | 1.6590 |
| G201 | Br | 1,563 | 328 | 1,891 | 1.5127 |
| G202 | Clr | 855 | 179 | 1,034 | .8271 |
| G203 | Cl | 855 | 179 | 1,034 | .8271 |
| G204 | B | 1,563 | 328 | 1,891 | 1.5127 |
| H101 | Alr | 1,684 | 390 | 2,074 | 1.6590 |
| H102 | Al | 1,684 | 390 | 2,074 | 1.6590 |
| I101 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| I102 | Fr | 767 | 181 | 948 | .7583 |
| I103 | F | 767 | 181 | 948 | .7583 |
| I104 | D | 1,224 | 354 | 1,578 | 1.2622 |

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Approximate Interior Floor Area in Sq. Ft.</u> | <u>Approximate Lanai Area in Sq. Ft.</u> | <u>Approximate Gross Apt. Area in Sq. Ft.</u> | <u>Common Element Percentage Interest</u> |
|-----------------|------------------|---|--|---|---|
| I201 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| I202 | Fr | 767 | 181 | 948 | .7583 |
| I203 | F | 767 | 181 | 948 | .7583 |
| I204 | D | 1,224 | 354 | 1,578 | 1.2622 |
| I301 | Gr | 1,468 | 276 | 1,744 | 1.3951 |
| I304 | Er | 1,474 | 273 | 1,747 | 1.3975 |
| J101 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| J102 | Fr | 767 | 181 | 948 | .7583 |
| J103 | F | 767 | 181 | 948 | .7583 |
| J104 | Fr | 767 | 181 | 948 | .7583 |
| J105 | F | 767 | 181 | 948 | .7583 |
| J106 | D | 1,224 | 354 | 1,578 | 1.2622 |
| J201 | Dr | 1,224 | 354 | 1,578 | 1.2622 |
| J202 | Fr | 767 | 181 | 948 | .7583 |
| J203 | F | 767 | 181 | 948 | .7583 |
| J204 | Fr | 767 | 181 | 948 | .7583 |
| J205 | F | 767 | 181 | 948 | .7583 |
| J206 | D | 1,224 | 354 | 1,578 | 1.2622 |
| J301 | Gr | 1,468 | 276 | 1,744 | 1.3951 |
| J302 | Fl | 767 | 181 | 948 | .7583 |
| J305 | Flr | 767 | 181 | 948 | .7583 |
| J306 | Er | 1,474 | 273 | 1,747 | 1.3975 |

COMMON ELEMENTS: The common elements will include the real property and all improvements on the real property other than the apartments, and all common elements mentioned in Chapter 514A, Hawaii Revised Statutes, which are actually constructed on the real property, and specifically shall include, but shall not be limited to:

- (a) The real property in fee simple;
- (b) All foundations, columns, girders, supports and load bearing walls;
- (c) All the landscaped perimeter, plantings, planting boxes, retaining walls, planting areas and similar items;
- (d) All parking stalls;
- (e) All roads, driveway areas, fences and exterior ground level walkways;
- (f) The exterior stairways, exterior storage lockers, all ducts, electrical equipments, wiring and other central and appurtenant installations for services including power, light, cold and hot water, refuse and telephone;
- (g) The swimming pool, jacuzzi bath and recreational pavilion;
- (h) The two (2) bedroom, two (2) bath manager's apartment, manager's office and storage area;

(i) The two (2) tennis courts;

(j) All other devices or other installations upon the real property existing for or rationally of common use to all the owners of apartments within the Project.

LIMITED COMMON ELEMENTS: The solar collector panels serving each apartment are limited common elements for the exclusive use of the apartment served by the particular collector panel(s).

EASEMENTS: The apartments and common elements shall also have and be subject to the following easements:

(a) Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of such apartment; in the other common elements for use according to their respective purposes; and in all other apartments of the building for support;

(b) If any part of the common elements now or hereafter encroaches upon any apartment or if any apartment now or hereafter encroaches upon any other apartment or upon any portion of the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event the apartment building shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements upon any apartment or of any apartment upon any other apartment or upon any portion of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist;

(c) The Association of Apartment Owners (hereinafter referred to as "Association") shall have the right, to be exercised by its Board or the Resident Manager, to enter each apartment from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein necessary to prevent damage to any apartment or common elements;

(d) Each apartment owner shall have an easement in common with the owners of all other apartments to use all exterior stairways, pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other apartments and serving his apartment. Each apartment shall be subject to an easement in favor of the owners of all other apartments for access to any common elements located in such apartment.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The apartments hereinabove described shall at all times be used only as a private dwelling for the owner, his family, tenants and social guests, and for such other purposes which are compatible with the applicable zoning ordinances. The owners of the respective apartments may rent or lease their apartments on any long-term or short-term (including daily) basis for such residential use. The apartments shall not be used as an office or for any other commercial purpose.

INTEREST TO BE CONVEYED TO PURCHASERS: The percentage of undivided interest in the common elements appertaining to each apartment is shown on the Apartment Data Schedule, under Common Element Percentage Interest column, Description of Project topical heading. The interests in the common elements of the Project are allocated among the apartments approximately on the basis of their gross apartment areas (including interior floor and lanai areas). The voting rights 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. The undivided interest in the common areas and facilities of each apartment owner will be in and covers all of the common elements of the Project. The Developer covenants and agrees 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 interest.

OWNERSHIP OF TITLE: A Preliminary Title Report dated January 28, 1981, prepared by Title Guaranty of Hawaii, Incorporated, certifies that the title to the land committed to this regime is vested in Kaha Kai Development, a Hawaii general partnership, the Developer of the Project.

ENCUMBRANCES: The Preliminary Title Report prepared by Title Guaranty of Hawaii, Incorporated states that as of the date of the search, title to the land is subject to the following:

1. "Excepting and reserving to the Hawaiian Government, all mineral or metallic mines of every description."
2. Water Grant dated May 18, 1979 and filed as Land Court Document No. 941169, re water right easement across Lot 63 appurtenant to Lot 20 in favor of Molokai Public Utilities Inc.
3. Covenants as contained in Declaration dated October 1, 1976 and filed as Land Court Document No. 784612, and annexing the within premises to West Molokai by instrument dated March 20, 1979, filed as Document No. 928497.
4. Reservation and covenants as set forth in Deed dated May 4, 1979, filed as Document No. 941170.
5. Mortgage made by Andrew (NMN) Badoyen, husband of Norma Ann Badoyen, William Iverson Wilson, III, husband of Ann Martin Wilson, and Randolph Romaldo Cabanilla, husband of Sandra Marie Cabanilla, as Mortgagor, and Kalua Koi Corporation, a Hawaii corporation, as Mortgagee, dated May 4, 1979, and filed as Land Court Document No. 941171.

6. Second Mortgage made by Kaha Kai Development, as Mortgagor, and Andrew Badoyen, husband of Norma Ann Badoyen, William Iverson Wilson, III, husband of Anne Martin Wilson, and Randolph Romaldo Cabanilla, husband of Sandra Marie Cabanilla, as Mortgagee, dated January 19, 1981, and filed as Land Court Document No. 1052760.

7. For real property taxes due and owing, reference is made to the Office of the Tax Assessor, Second Division, County of Maui.

NOTE: There is an unrecorded Reciprocal License and Right to Obtain Easement Agreement dated August 21, 1979, wherein the property is subject to a license in favor of Kalua Koi Corporation for the purpose of completing a primary road fronting the property. The license does not exceed 36 feet at the widest point. It expired October 15, 1980, but Kalua Koi Corporation has a continuing right of access across the licensed area to maintain the road.

PURCHASE MONEY HANDLING: A copy of the specimen Purchase Agreement and the Escrow Agreement have been submitted as part of the registration. The Escrow Agreement dated January 30, 1981, identifies Title Guaranty Escrow Services, Inc. as the escrow agent. Upon examination, the specimen Purchase Agreement and the executed Escrow Agreement 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 and Escrow Agreement 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.

Among other provisions, the specimen Purchase Agreement provides that the purchasers should be aware that the Seller's mortgage loan (interim, renewals and extensions) used for the construction of the project shall be and remain at all times a superior lien on the project, and purchasers intentionally waive and subordinate the priority of lien under the Purchase Agreement in favor of the mortgage loan.

The specimen Purchase Agreement further provides that if the purchasers who have agreed to obtain mortgage loans have not secured commitments therefor satisfactory to the Developer, the Developer may cancel the Purchase Agreement and refund all monies paid by the purchasers without interest. All Buyer's funds shall be paid to the Escrowee. All such Buyer's funds received may, from time to time, be used to pay for construction and other costs of the Project subject to the terms of the Escrow Agreement. Developer has agreed to pay five and one-fourth percent (5 1/4%) simple interest on Buyer's funds if the escrow closes. The Escrow Agreement states in part:

1. Escrowee shall once a week deposit all funds it receives in a special account or accounts with a federally insured savings and loan institution and held in accordance with the terms thereof. Seller agrees, pursuant to paragraph 3 of the Purchase Agreement, to pay Buyer interest on such funds at the rate of five and one-fourth percent (5 1/4%) simple interest until closing and such amount of interest earned shall be paid to the respective Buyers within ten (10) days after closing and further, in the event that such funds shall be disbursed before closing, as provided for in paragraph 8 thereof, the respective Buyers shall be credited with and be paid the amount of interest at the rate of five and one-fourth percent (5 1/4%) simple interest they would have earned had such funds not been disbursed prior to closing. Notwithstanding the foregoing, in the event the Purchase Agreement is terminated and/or cancelled for any reason by either Buyer or Seller, any and all interest earned on such Buyer's funds paid to Escrowee shall be credited to the account of and be paid to Seller within ten (10) days after Escrowee receives notification from Seller of such termination and/or cancellation.

2. A Purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such Purchaser, without any interest and less the cancellation fee imposed by Escrow, after request for return by Purchaser if any one of the following has occurred:

(a) Seller, pursuant to paragraph 8(b) of the Purchase Agreement, has instructed Escrow in writing to return to Purchaser the funds of Purchaser then being held hereunder by Escrow; or

(b) Purchaser's funds were obtained prior to issuance of a Final Public Report for the Project and either (i) such Final Public Report differs in any material respect from the Preliminary Public Report for the Project, or (ii) 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 issuance of permits for construction of buildings, unless in any such case the Purchaser has given written approval or acceptance of the specific differences and/or changes by acceptance of these differences and/or changes; or

(c) Construction of Purchaser'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

(d) Final Public Report for the Project is not issued within one (1) year from the date of issuance of the Preliminary Public Report for the Project, unless after the one (1) year period either (i) such Final Report is accepted by Purchaser, or (ii) Purchaser, within thirty (30) days of the date of delivery of such Final Public Report, does not exercise his right to cancel the Purchase Agreement, after having been notified in writing of such right to cancel and the waiver of such right if he failed to act within the thirty (30) day period.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Purchase Agreement and the executed Escrow Agreement dated January 30, 1981. The Escrow Agreement establishes how the proceeds from the sale of the condominium units are placed in trust, as well as the retention and disbursement of said funds.

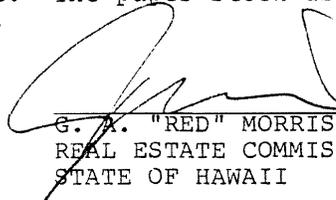
MANAGEMENT AND OPERATION: Article III, Section 3 of the By-Laws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property subject at all times to direction by the Board of Directors. The initial managing agent has not yet been selected.

STATUS OF PROJECT: The Developer states in its Notice of Intention that construction of the project will commence on June 1, 1981, and is estimated to be completed on February 1, 1983.

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 February 2, 1981, and information subsequently filed as of March 13, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1390 filed with the Commission on February 2, 1981.

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


G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, COUNTY OF MAUI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 1390

March 23, 1981