REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
1010 Richards Street - P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

LAHAINA INDUSTRIAL CENTER
277 Wili Ko Place
Lahaina, Maui, Hawaii 96761

Registration No. 2007 (Partial Conversion)

Issued: May 19, 1989
Expires: June 19, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 23, ,19 89 , and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

_____ **PRELIMINARY:** *(yellow)* The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.

_X_ **FINAL:** *(white)* The developer has legally created a condominium and has filed complete information with the Commission.
[ ] No prior reports have been issued
[ ] Supersedes all prior public reports
[ ] Must be read together with _____

_____ **SUPPLEMENTARY:** *(pink)* Updates information contained in the
[ ] Prelim. Public Report dated _____
[ ] Final Public Report dated _____
[ ] Supp. Public Report dated _____

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____

[ ] This report reactivates the _____
public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required [x] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

NO PRIOR REPORTS HAVE BEEN ISSUED BY THE COMMISSION

SPECIAL ATTENTION

The developer has disclosed the following:

1. The units will be conveyed in fee simple, however the underlying land is in leasehold interest (see page 9).

2. Building B encroaches on the adjacent property in two places. There is a license agreement that the building will be permitted to occupy the area as long as it exists. Should Building B be destroyed however, it may be necessary to relocate the building within the boundaries of the project land (see page 18).

The prospective purchaser is cautioned to carefully review the documents for further information with regard to the foregoing.

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EXHIBIT A: Summary of the Condominium Conveyance Document
EXHIBIT B: Description of Common Elements
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EXHIBIT D: Encumbrances Against the Title
EXHIBIT E: Estimate of Initial Maintenance Fees & Maintenance Fee Disbursements
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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's *"Condominium Property Act"* (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

[ ] Fee simple interest in an apartment and an undivided feehold interest in the common elements.
[ ] Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
[x] Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. [ ] New Building(s) [ ] Conversion
   [x] Both New Building(s) and Conversion

2. [ ] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [x] Other Light industrial uses

3. [ ] High Rise (5 stories or more) [x] Low Rise

4. [ ] Single or [x] Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
See Exhibit "H"				

Total Apartments: 60

Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls cubic times the average interior ceiling height of the apartment.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	
Guest Stalls	
Unassigned Stalls	34
Extra Stalls Available for Purchase	
Other:	
Total Parking Stalls	34

7. Recreational amenities:

None.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: NORMAN E. KAY, TRUSTEE
Name
Phone: (808) 661-4564 (Business)
277 Wili Ko Place "A"
Business Address
Lahaina, HI 96761

Names of officers or general partners of developers who are corporations or partnerships:
Not applicable

Real Estate Sales Agent: NORMAN KAY, REALTOR
Name
Phone: (808) 667-9338 (Business)
277 Wili Ko Place "A"
Business Address
Lahaina, HI 96761

Escrow: FIRST AMERICAN TITLE CO. OF HAWAII INC.
Name
Phone: (808) 871-9502 (Business)
33 Lono Avenue, Suite 285
Business Address
Kahului, HI 96732

Managing Agent: NORMAN KAY*, REALTOR
Name
Phone: (808) 667-9338 (Business)
277 Wili Ko Place "A"
Business Address
Lahaina, HI 96761

*Norman Kay is not a licensed condominium managing agent (CMA) and does not have the required bond as specified under Chapter 514A, HRS. Mr. Kay will not be able to operate as a CMA until he is properly bonded and registered with the Real Estate Commission.

Attorney for Developer: CASE & LYNCH (ROBERT E. ROWLAND)
Name
33 Lono Avenue, Suite 470
Business Address
Kahului, HI 96732

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

[ ] Proposed
[x] Recorded - Bureau of Conveyances - Book 22483 Page 71
[ ] Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[x] Recorded - Bureau of Conveyance Condo Map No. 1161
[ ] Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[x] Recorded - Bureau of Conveyances - Book 22483 Page 92
[ ] Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [x] Adopted

[ ] Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	---	---

The percentages for individual condominium projects may be more than the minimum set by law.

2. Developer: The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

At any time prior to the closing of the first sale, the Developer has the right to make any changes to the project documents as may be required by law, any title insurance company, institutional mortgage lender or governmental agency, provided only that such changes will not substantially impair the prospective use and enjoyment of the apartment, substantially reduce the useable space within the apartment, render unenforceable the buyer's mortgage loan commitment, increase the buyer's share of common expenses or increase the purchase price.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[ ] Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[x] Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners - tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit A contains further explanations.

Lease Term Expires: February 21, 2043
Rent Renegotiation Date(s): Every three years beginning May 1, 1992

Lease Rent Payable: [x] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit A contains a schedule of the lease rent for each apartment per
[x] Month [ ] Year.

[ ] Other:

For Subleaseholds:

[ ] Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
[ ] Cancelled [ ] Foreclosed

[x] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. **Underlying Land:**

Address: 277 Wili Ko Place
Lahaina, Maui, Hawaii 96761

Tax Map Key: (TMK) 4-5-07-32(2)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 24,641 [x] square feet [ ] acre(s) Zoning: M-1, Light Industrial

Fee Owner: NORMAN E. KAY, Trustee under Trust Agreement dated June 20, 1981, and ALMA MARGIE KAY, Trustee under Trust Agreement dated June 30, 1981
Name

95 Halelo Street
Address
Lahaina, Maui, Hawaii 96761

Sublessor: _____
Name

Address

C **Buildings and Other Improvements:**

1. [ ] New Building(s) [ ] Conversion of Existing Building(s)
   [x] Both New Building(s) and Conversion

2. Buildings: 3 Floors Per Building 1,2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [x] Hollow Tile [x] Wood

   [ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	60
[ ] Residential		[ ] Agricultural	
[ ] Timeshare/Hotel		[ ] Recreational	
[ ] Other: _____			

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

[x] Pets None

[ ] Number of Occupants: Not applicable

[x] Other: No residential use. Only uses permitted by law, including County of Maui Zoning Ordinances.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers): - See Exhibit "H"

Total Apartments 60

Elevators None Stairways 4 Trash Chutes None

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)

*Net ~~Living~~ cubic Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls., times the average interior ceiling height of the unit.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

Each apartment includes, but is not limited to all walls and partitions which are not load bearing within the apartment's perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings; the doors and door frames, vents and vent frames along the perimeters, and all fixtures originally installed in the apartment. The apartments shall not include the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floors and ceiling surrounding each apartment or any pipes, shafts, wires, conduits or other utility or service lines running through an apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided.

PERMITTED ALTERATIONS TO APARTMENTS:

Subject to the provisions of the Act and the Declaration, an owner of an apartment shall not, without prior written consent of the board, make any structural alterations in or additions to his apartment or make any alterations in or additions to the exterior of his apartment.

7. Parking Stalls:

Total Parking Stalls: 34

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)							
Guest							
Unassigned							34
Extra Available for Purchase							
Other:							
Total Covered & Open	34						

Each apartment will have the exclusive use of at least no parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities.

[ ] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[x] Other: 4 restrooms

9. Present Condition of Improvements
(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

Not applicable

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

Not applicable

10. Conformance to Present Zoning Code

a. [x] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	x		
Structures	x		
Lot	x		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. **Common Elements, Limited Common Elements, Common Interest:**

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

   [X] Exhibit B describes the common elements.

   [ ] As follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

   [X] There are no limited common elements in this project.

   [ ] The limited common elements and the apartments which may use them are:

   [ ] described in Exhibit _____

   [ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

   [X] Exhibit C describes the common interests for each apartment.

   [ ] As follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit D describes the encumbrances against the title contained in the title report dated January 6, 1989 and issued by _____.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[x] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
First Mortgage to Bank of Hawaii	Lien shall be released prior to close of Buyer's purchase of interest. If default or foreclosure occurs prior to close of escrow, Buyer's interest will be terminated and Buyer will receive refund.

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[x] the Developer or the Developer's affiliate.

[ ] self-managed by the Association of Apartment Owners.

[ ] other _____

G. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit E contains a schedule of maintenance fees and maintenance fee disbursements.

H. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[ ] Electricity

[ ] Gas

[ ] Other _____

[ ] Not applicable

[ ] Television Cable

[x] Water & Sewer

I. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

No warranties of any kind are made.

2. Appliances:

No warranties of any kind are made.

J. **Status of Construction and Estimated Completion Date:**

Building A was completed approximately 20 years ago.

Buildings B and C were completed in March, 1988.

K. **Project Phases:**

The developer [ ] has [x] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

None.

L. **Sales Documents Filed With the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

[x] Notice to Owner Occupants

[x] Specimen Sales Contract

Exhibit F contains a summary of the pertinent provisions of the sales contract.

[x] Escrow Agreement dated September 22, 1988

Exhibit G contains a summary of the pertinent provisions of the escrow contract.

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

A. Rebuilding on Destruction of Building

Portions of Building B were constructed over the boundary of the land and into the lot adjoining the project on the north side in two spots. In one place, the building occupies an area of two square feet and in the other place the building occupies an area of 71 square feet of the adjoining lot. By the terms of a license agreement dated September 6, 1985, the building is permitted to occupy such areas as long as the building exists. However, if Building B were to be destroyed, it might be necessary to relocate the building within the boundaries of the land comprising part of the project.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
   a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
   AND
   b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
   a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other Condominium Conveyance Document

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 2007 filed with the Real Estate Commission on December 13, 1988.

Reproduction of Report. When reproduced, this report must be on:

[ ] yellow paper stock [X] white paper stock [ ] pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, County of Maui
Planning Department, County of Maui
Federal Housing Administration
Escrow Agent

Exhibit "A"

Summary of the Condominium Conveyance Document

The Condominium Conveyance Document deeds the apartment, exclusive of the land, to the purchaser in fee simple and with a lease of an undivided interest in the land. The lease portion of the Conveyance document also sets out the rent and other terms and conditions under which an apartment owner will occupy the land on which the building and improvements of the project are located. Among other things, it says that:

(a) The purchaser will have to pay monthly rent to the Lessor. The monthly rent for each model of apartment is as follows:

Model	Monthly Rent	Hawaii Excise Tax	Total
A	$65.00	$2.71	$67.71
B	60.00	2.50	62.50
C	60.00	2.50	62.50
D	60.00	2.50	62.50
E	60.00	2.50	62.50
F	60.00	2.50	62.50
G	60.00	2.50	62.50
H	60.00	2.50	62.50
I	60.00	2.50	62.50
J	60.00	2.50	62.50

(b) On May 1, 1992, the rent will be increased by the percentage increase, if any, in the Consumer Price Index for all Urban Consumers (Base Year 1967 = 100) since May 1, 1989. Each three years thereafter, the rent will be increased by the percentage change in the Consumer Price Index. For example, if the Consumer Index on 5/1/89 = 325.3 and on 5/1/92 = 338, the increase in rent is computed as follows:

$$\frac{338}{325.3} - 1.00 \times 100 = 3.9\%$$

(c) At the end of the term, on February 21, 2043, the owners can remove the buildings but they must repair any damages to the land caused by removal. If the owners do not remove the buildings, the Lessor will buy them for $300.00. Each owner would receive a share of this amount in proportion to the common interest of his apartment.

(d) The apartment owner must pay his own taxes and assessments, utilities and similar charges in addition to the condominium maintenance fees or special assessments.

(e) The apartment owner must pay the conveyance tax on his Conveyance Document. In addition, the apartment owner must pay the Hawaii General Excise Tax payable by the Lessor on the rent or other amounts paid to or on behalf of the Lessor.

(f) The land cannot be used except as provided in the Declaration, Bylaws and Conveyance Document.

(g) The owners must cause the Association to carry liability and property insurance and name the Lessor as an additional insured.

(h) The Lessor's consent to assignment is required. An owner may mortgage his apartment to a bank, savings and loan association or other recognized lending institution without consent.

(i) If the apartment owner fails to pay the lease rent and other amounts when due or if he fails to perform the other promises contained in the Conveyance Document, the Lessor may terminate the lease and become the owner of the apartment or may exercise other remedies set out in the Conveyance Document.

The Conveyance Document contains various other provisions with which the purchaser should become acquainted.

Exhibit "B"

Description of Common Elements

The common elements include the Land and all other portions of the property other than apartments, including:

(1) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls and roofs, stairways and walkways;

(2) All yards, landscaping, fences, the office/restrooms (with its facilities);

(3) Electrical panels;

(4) All driveways, parking areas, loading areas and walkways;

(5) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under or across the property which serve the common elements and more than one apartment for services such as utilities, sewage and drainage;

(6) Any apparatus and installations existing for common use.

(7) All other parts of the property necessary or convenient to its existence, maintenance and safety or normally in common use.

Exhibit "C"

Description of Location, Approximate Area and Common Interest

The location of each apartment its model type, approximate interior area and percentage of common interest is as follows:

Apt. No.	Building No.	Model Type	Approximate Interior Volume (length x width x height)	Percentage of Common Interest
1	A	B	2520	1.8548
2	A	D	2472	1.8194
3	A	D	2472	1.8194
4	A	D	2472	1.8194
5	A	D	2472	1.8194
6	A	D	2472	1.8194
7	A	C	2484	1.8283
8	A	A	2760	2.0315
9	A	A	2760	2.0315
10	A	A	2760	2.0315
11	A	A	2760	2.0315
12	A	A	2760	2.0315
13	A	A	2760	2.0315
14	A	C	2484	1.8283
15	A	D	2472	1.8194
16	A	D	2472	1.8194
17	A	D	2472	1.8194
18	A	D	2472	1.8194
19	A	D	2472	1.8194
20	A	B	2520	1.8548
21	B	B	2520	1.8548
22	B	D	2472	1.8194
23	B	D	2472	1.8194
24	B	D	2472	1.8194
25	B	D	2472	1.8194
26	B	C	2484	1.8283
27	B	C	2484	1.8283
28	B	D	2472	1.8194
29	B	D	2472	1.8194
30	B	D	2472	1.8194
31	B	B	2520	1.8548
32	B	D	2472	1.8194
33	C	B	2520	1.8548
34	C	D	2472	1.8194
35	C	D	2472	1.8194
36	C	D	2472	1.8194
37	C	D	2472	1.8194
38	C	D	2472	1.8194
39	C	D	2472	1.8194
40	C	B	2520	1.8548

221	C	G	1724	1.2689
222	C	G	1724	1.2689
223	C	G	1724	1.2689
224	C	J	1563	1.1504
225	C	F	1811	1.3330
226	C	E	1873	1.3785
227	C	I	1600	1.1778
228	C	E	1873	1.3785
229	B	J	1563	1.1504
230	B	E	1873	1.3785
231	B	J	1563	1.1504
232	B	E	1873	1.3785
233	B	E	1873	1.3785
234	B	H	1687	1.2417
235	B	H	1687	1.2417
236	B	H	1687	1.2417
237	B	E	1873	1.3785
238	B	F	1811	1.3330
239	B	G	1724	1.2689
240	B	F	1811	1.3330
			136,982	100.0000

The apartment numbers and locations are shown on the Condominium File Plan. The common interest of each apartment is based roughly on the approximate interior cubic area. The common interests shown are final, whether or not the calculations are accurate or mathematically correct.

EXHIBIT "D"

Encumbrances Against Title

1. Real property taxes, if any, which may be due and owing. (Refer to County of Maui, Real Property Tax Division.)

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Covenants, conditions and restrictions set forth in Deed dated September 17, 1970, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7227 on Page 314.

4. The reservation and exception contained in Deed dated November 6, 1969, recorded in the said Bureau of Conveyances in Liber 6780 on Page 285.

5. That certain Agreement dated September 6, 1985, recorded in the said Bureau of Conveyances in Liber 18921 on Page 653, made by and between Hawaii Omori Corporation, a Hawaii corporation, "Licensor", and Lahaina Storage Depot, a registered Hawaii general partnership, "Licensee", re: license agreement.

6. That certain Mortgage, Security Agreement and Financing Statement made in favor of Bank of Hawaii, a Hawaii corporation, dated April 9, 1986, recorded in the said Bureau of Conveyances in Liber 19476 on Page 382.

7. That certain Absolute Assignment of Rentals and Lessor's Interest in Leases dated April 9, 1986, recorded in the said Bureau of Conveyances in Liber 19476 on Page 405, Norman E. Kay, Trustee under the Norman E. Kay Living Trust dated June 30, 1981, and Alma Margie Kay, Trustee under the Alma Margie Kay Living Trust dated June 30, 1981, assigned to Bank of Hawaii, a Hawaii corporation, all right, title and interest of Assignor, either (a) in its own name as said Trustees or (b) doing business as the "Lahaina Storage Center", or (c) doing business as "Lahaina Storage Depot", in and to any and all leases and any and all short forms thereof, covering portion of the premises described hereto, including but not limited to the Leases described thereto, and all rentals and other sums payable by the lessees under the Leases, etc., as security for that certain Promissory Note of even date herewith in the principal sum of $600,000.00. Consent given by Hawaii Omori Corporation, a Hawaii corporation, by instrument dated April 25, 1986, recorded in Liber 19476 on Page 415.

8. Unrecorded Lease dated February 22, 1988, by and between Alma Margie Kay, Trustee under the Alma Margie Kay Living Trust dated June 30, 1981, and Norman E. Kay, Trustee under the Norman K. Kay Living Trust dated June 30, 1981, of which a short form Lease is dated February 22, 1988, recorded in the said Bureau of Conveyances in Liber 22198 on Page 595.

9. Provisions of the Alma Margie Kay Living Trust dated June 30, 1981, a Memo of which is recorded in the said Bureau of Conveyances in Liber 18953 on Page 204.

10. Reversion in favor of the Grantor, which reversion shall commence and take effect on February 21, 2043, or on any earlier date on which the Ground Lease shall be terminated, as set forth in Building D, recorded in the said Bureau of Conveyances in Liber 22198 on Page 603.

11. Covenants and conditions in Building D, recorded in the said Bureau of Conveyances in Liber 22198 on Page 603.

12. Provisions of the Norman E. Kay Living Trust dated June 30, 1981, a Memo of which is recorded in the said Bureau of Conveyances in Liber 18953 on Page 201.

13. The covenants, agreements, obligations, conditions, easements and other provisions as contained in Declaration of Horizontal Property Regime of Lahaina Industrial Center, dated January 27, 1988, recorded in the said Bureau of Conveyances in Liber 22483 on Page 71.

14. The terms and provisions contained in the Bylaws of the Association of Apartment Owners of Lahaina Industrial Center, dated January 27, 1988, recorded in the said Bureau of Conveyances in Liber 22483 on Page 93.

END OF EXHIBIT "D"

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months =	Yearly Total
A	63.38	760.56
B	57.87	694.44
C	57.04	684.48
D	56.77	681.24
E	43.00	516.00
F	41.59	499.08
G	39.59	475.08
H	38.74	464.88
I	36.75	441.00
J	35.89	430.68

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

	Monthly x 12 months =	Yearly Total
Utilities and Services		
Air Conditioning		
Electricity	585	7020
[ ] common elements only		
[ ] common elements and apartments		
Gas		
Refuse Collection	190	2280
Telephone	30	360
Water and Sewer	30	360
Maintenance, Repairs and Supplies	235	2820
Custodial (baths & grounds)	350	4200
Building		
Grounds		
Management	400	4800
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	425	5100
Reserves	650	7800
Taxes and Government Assessments	200	2400
Audit Fees		
Other		
Legal & accounting	25	300
	3120	37440

TOTAL

I/We, NORMAN KAY, as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Norman E. Kay

Date: May 12, 1989

Exhibit "F"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(b) That a purchaser may receive interest on deposits made under the Sales Contract.

(c) That the apartment will be subject to various other legal documents which the purchaser should examine.

(f) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(g) That the project will be subject to ongoing sales activities which may result in certain annoyances to purchaser.

(h) That Developer makes no rental representations in connection with the sale of units.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

Exhibit "G"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

(a) Escrow will let purchasers know when payments are due.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.

(d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

Exhibit "H"

Apartment Description and Interior Cubic Area

Apt. Type	Quantity	BR/Bath	Net Cubic Area	Lanai/Bath
A	6	N/A	2760	N/A
B	6	N/A	2520	N/A
C	4	N/A	2484	N/A
D	24	N/A	2472	N/A
E	6	N/A	1873	N/A
F	3	N/A	1811	N/A
G	4	N/A	1724	N/A
H	3	N/A	1687	N/A
I	1	N/A	1600	N/A
J	3	N/A	1563	N/A

Exhibit "I"

Schedule of Lease Rents for the Initial Term

The monthly lease rent for the initial term (to April 30, 1992) for each apartment is as follows:

Apt. No.	Building No.	Model Type	Approximate Interior Volume (length x width x height)	Initial Monthly Lease Rent
1	A	B	2520	$60.00
2	A	D	2472	60.00
3	A	D	2472	60.00
4	A	D	2472	60.00
5	A	D	2472	60.00
6	A	D	2472	60.00
7	A	C	2484	60.00
8	A	A	2760	65.00
9	A	A	2760	65.00
10	A	A	2760	65.00
11	A	A	2760	65.00
12	A	A	2760	65.00
13	A	A	2760	65.00
14	A	C	2484	60.00
15	A	D	2472	60.00
16	A	D	2472	60.00
17	A	D	2472	60.00
18	A	D	2472	60.00
19	A	D	2472	60.00
20	A	B	2520	60.00
21	B	B	2520	60.00
22	B	D	2472	60.00
23	B	D	2472	60.00
24	B	D	2472	60.00
25	B	D	2472	60.00
26	B	C	2484	60.00
27	B	C	2484	60.00
28	B	D	2472	60.00
29	B	D	2472	60.00
30	B	D	2472	60.00
31	B	B	2520	60.00
32	B	D	2472	60.00
33	C	B	2520	60.00
34	C	D	2472	60.00
35	C	D	2472	60.00
36	C	D	2472	60.00
37	C	D	2472	60.00
38	C	D	2472	60.00
39	C	D	2472	60.00
40	C	B	2520	60.00

221	C	G	1724	$60.00
222	C	G	1724	60.00
223	C	G	1724	60.00
224	C	J	1563	60.00
225	C	F	1811	60.00
226	C	E	1873	60.00
227	C	I	1600	60.00
228	C	E	1873	60.00
229	B	J	1563	60.00
230	B	E	1873	60.00
231	B	J	1563	60.00
232	B	E	1873	60.00
233	B	E	1873	60.00
234	B	H	1687	60.00
235	B	H	1687	60.00
236	B	H	1687	60.00
237	B	E	1873	60.00
238	B	F	1811	60.00
239	B	G	1724	60.00
240	B	F	1811	60.00
			135,861	

The apartment numbers and locations are shown on the Condominium File Plan.