



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

LOKAHI

642 Wainee Street
 Lahaina, Maui, Hawaii

Registration No. 2099

Issued: December 7, 1989
 Expires: January 7, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 27, 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: The developer may not as yet have created the condominium but has filed with the
(yellow) 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:** The developer has legally created a condominium and has filed complete information
(white) with the Commission.
 No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____

 SUPPLEMENTARY: Updates information contained in the
(pink) 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 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.

Changes made are as follows:

* * * * *

SPECIAL ATTENTION

The developer has disclosed the following:

1. The Association Bylaws at Article 6, Section 6.1(f) provide that, upon the sale of an apartment by an owner, the owner shall contribute to the Association from the net proceeds of the sale one percent (1%) of the sales price to be administered and applied by the Board of Directors of the Association to either the operating reserve fund or a capital improvement reserve fund. If the amount is not paid, the Association may sue the owner for the amount, together with simple interest at the rate of twelve percent (12%) per annum from the date of closing of the sale together with the Association's costs and reasonable attorneys' fees incurred in pursuing such action. The aforesaid amount of one percent (1%) of the sales price is payable by the owner to the Association whether or not the owner is in actual receipt of any net proceeds upon the closing of the sale of the apartment (see page 16).

2. Pioneer Mill Company, Limited holds a perpetual right and easement over and upon the project land to discharge, emit, or transmit surface water run-off, noise, smoke, soot, dust, lights, vapors, odors and other substances and phenomena of every description created by and resulting from the reasonable operations of Pioneer Mill Company, Limited in burning sugar cane and bagasse, milling, generating power, trucking, hauling and all other activities incidental to the operation of a sugar cane plantation. The purchasers of Apartments at the project, their heirs, executors, administrators and assigns, by purchasing an apartment at the project waive any and all claims which thereafter might arise from such activities incidental to the operation of a sugar cane plantation by Pioneer Mill Company, Limited or any claims under any law whatsoever (see Exhibit "D").

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

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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.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
A	2	3/2-1/2	1382	0
B	4	3/2-1/2	1388	0

Total Apartments: 6

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

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:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>12</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>12</u>

7. Recreational amenities:

None.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Bruce W. Curtis and Anne G. Curtis Phone: 667-1200
Name (Business)
100 Nohea Kai Drive, P. O. Box 10541
Business Address
Lahaina, Hawaii 96761

Names of officers or general partners of developers who are corporations or partnerships:

Four horizontal lines for listing names of officers or general partners.

Real Estate Sales Agent: Edwin L. Nelson dba Sky Nelson & Associates, Realtors Phone: 669-6456
Name (Business)
3877 Mahinahina Street, P.O. Box 5288
Business Address
Lahaina, Hawaii 96761

Escrow: Standard Title and Escrow, Inc. Phone: 661-4891
Name (Business)
930 Wainee Street
Business Address
Lahaina, Hawaii 96761

Managing Agent: Edwin L. Nelson* dba Sky Nelson & Associates, Realtors Phone: 669-6456
Name (Business)
3877 Mahinahina Street, P.O. Box 5288
Business Address
Lahaina, Hawaii 96761

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

Attorney for Developer: Robert E. Rowland, Esq. Case & Lynch
Name
Suite 470, 33 Lono Avenue
Business Address
Kahului, Hawaii 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
 Recorded - Bureau of Conveyances - Book 23293 Page 689
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

First Amendment of Declaration of Condominium Property Regime of Lokahi, dated September 25, 1989, recorded in Book 23681, at Page 44.

- 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
 Recorded - Bureau of Conveyance Condo Map No. 1219
 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
 Recorded - Bureau of Conveyances - Book 23293 Page 709
 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 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:

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

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.

B. Underlying Land:

Address: 642 Wainee Street Tax Map Key: (2) 4-6-11-6
Lahaina, Hawaii 96761 (TMK)

Address TMK is expected to change because _____

Land Area: 0.552 square feet acre(s) Zoning: A-1

Fee Owner: Bruce W. Curtis and Anne G. Curtis
Name

5160 Lower Honoapiilani Highway, P.O. Box 10541
Address

Lahaina, Hawaii 96761

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 3 Floors Per Building 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>6</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> 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 Guide dogs for the visually impaired are permitted. Small dogs, cats, fish and small birds may be kept on the premises, but only with the prior written consent of the Board. (See G. of Project Rules)

[x] Number of Occupants: An apartment may not be rented or leased to more than five (5) occupants without prior written Board approval.

[x] Other: Each apartment may only be occupied as a permanent or temporary residence. No time-sharing, and no rental of any apartment for a period of less than eight (8) consecutive months.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 6

Elevators none

Stairways _____

Trash Chutes none

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>2</u>	<u>3/2-1/2</u>	<u>1,382</u>	<u>0</u>
<u>B</u>	<u>4</u>	<u>3/2-1/2</u>	<u>1,388</u>	<u>0</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

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, glass jalousies and their frames and windows and window frames along the perimeters, skylights and skylight frames, air-conditioning units and attendant apparatus, 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

*continued below

Permitted Alterations to Apartments: Subject to the provisions of the Act and the Declaration, an owner of an apartment shall not, without the 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.

* 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.

7. Parking Stalls:

Total Parking Stalls: 6

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>6</u>	<u> </u>	<u>6</u>				
Guest Unassigned	<u> </u>						
Extra Available for Purchase	<u> </u>						
Other:	<u> </u>						
Total Covered & Open	<u> </u>						

Each apartment will have the exclusive use of at least 1 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 B 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

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: One trash enclosure

9. Present Condition of Improvements (not applicable)
 (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
- b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

10. Conformance to Present Zoning Code

- a. 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.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

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.

Exhibit A 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.

There are no limited common elements in this project.

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

described in Exhibit B

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.

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 June 26, 1989 and issued by First Hawaii Title Corporation.

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.
- 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
First mortgage in favor of Honolulu Federal Savings and Loan Association	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.
- 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.
***See Note Below.

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 Television Cable
- Gas Water & Sewer
- Other _____
- Not applicable

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:

Developer makes no warranties, express or implied. However, Developer, to the extent assignable, will make available to the Association and apartment owners any warranty given by the contractor for the project to the Developer.

2. Appliances: Developer makes no warranties, express or implied. However, Developer, to the extent assignable, will make available to the apartment owners any warranty given by the appliance manufacturer to the Developer.

***NOTE: The Bylaws provide that, upon the sale of an apartment by an owner, the owner shall contribute to the Association from the net proceeds of the sale one percent (1%) of the sales price to be administered and applied by the Board to either the operating reserve fund or a capital improvement reserve fund. If the amount is not paid, the Association may sue for the amount, together with simple interest at the rate of twelve percent (12%) per annum from the date of closing of the sale and costs and attorney's fees. The aforesaid amount of one percent (1%) of the sales price is payable by the owner to the Association whether or not the owner is in actual receipt of any net proceeds upon the closing of the sale of the apartment.

J. Status of Construction and Estimated Completion Date:

Construction has been completed. Notice of Completion was filed by the developer and published in The Maui News on April 26 and May 3, 1989.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated June 16, 1989

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Pioneer Mill Company, Limited holds a perpetual right and easement over and upon the project land to discharge, emit, or transmit surface water run-off, noise, smoke, soot, dust, lights, vapors, odors and other substances and phenomena of every description created by and resulting from the reasonable operations of Pioneer Mill Company, Limited in burning sugar cane and bagasse, milling, generating power, trucking, hauling and all other activities incidental to the operation of a sugar cane plantation. The purchasers of Apartments at the project, their heirs, executors, administrators and assigns, by purchasing an apartment at the project waive any and all claims which thereafter might arise from such activities incidental to the operation of a sugar cane plantation by Pioneer Mill Company, Limited or any claims under any law whatsoever (see Exhibit "D").

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 Apartment Deed

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

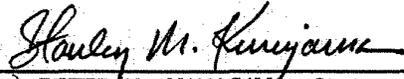
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107)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

This Public Report is a part of Registration No. 2099 filed with the Real Estate Commission on
June 30, 1989

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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.



(for) PETER N. YANAGAWA, 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"

List 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, fence gates, electrical gates, rock walls, and trash enclosure;

(3) Electrical panels;

(4) All driveways, parking areas, and carports;

(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 "B"

List of Limited Common Elements

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

- (a) Exterior staircases, landings and entrance-ways shall be limited common elements for the exclusive use of the apartments they serve.
- (b) Each fenced privacy area accessed from and adjacent to an apartment shall be a limited common element for the exclusive use of that apartment.
- (c) The six (6) carports, one attached to each apartment, shall be limited common elements, for the exclusive use of the apartment to which it is attached.
- (d) Mailboxes for all apartments will be located in the vicinity of the front gate to the project, and each mailbox shall be a limited common element for the exclusive use of the apartment having the same number as such mailbox.

Exhibit "C"

Percentage of Common Interest

<u>Apt. No.</u>	<u>Building No.</u>	<u>Percentage of Common Interest</u>
1	A	16.66
2	A	16.66
3	B	16.67
4	B	16.67
5	C	16.67
6	C	16.67

2259R

Exhibit "D"

Encumbrances Against Title

(1) Reserving unto the State of Hawaii all mineral and metallic mines of every description.

(2) Lease of Right of Way in favor of Maui Electric Company, Limited, a Hawaii corporation, and Hawaiian Telephone Company, a Hawaii corporation, dated October 13, 1967, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5893, Page 226, granting: rights-of-way, each twenty-five (25) feet in width.

(3) Reservation unto Pioneer Mill Company, Limited, a Hawaii corporation, in Deed dated February 7, 1978, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12727, Page 133, to wit:

"Reserving and excepting to the Grantor, its successors and assigns forever, as appurtenant to the lands of the Grantor located on the Island of Maui, now owned and used or hereafter acquired and used by the Grantor in its sugar plantation operations, the perpetual right and easement over and upon the granted premises to discharge, emit, or transmit surface water runoff, noise, smoke, soot, dust, lights vapors, odors and other substances and phenomena of every description, created by and resulting from the reasonable operations of the Grantor in burning sugar cane and bagasse, milling, generating power, trucking, hauling and all other activities incidental to the operation of a sugar cane plantation; the Grantee, their assigns, the survivor of them, and the heirs, executors, administrators and assigns of the survivor of them, do hereby waive any and all claims under any law whatsoever against Grantor arising therefrom."

(4) Mortgage in favor of Honolulu Federal Savings and Loan Association, a federal savings and loan association, dated July 27, 1988 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22188, Page 380.

(5) Financing Statement in favor of Honolulu Federal Savings and Loan Association, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22188, Page 410.

(6) Agreement by and between Bruce W. Curtis and the County of Maui and its Department of Water Supply dated July 14, 1988, recorded September 26, 1988 in the Bureau of Conveyances of the State of Hawaii in Liber 22400, Page 142.

(7) Declaration of Horizontal Property Regime of "Lokahi", dated May 26, 1989 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23293, Page 689, as amended. Plans designated as Condominium Map No. 1219.

(8) Bylaws of the Association of Apartment Owners of Lokahi, dated May 26, 1989, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23293, Page 709.

2260R

EXHIBIT "E"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
1	\$259.00 x 12 = \$ 3,108.00
2	\$259.00 x 12 = 3,108.00
3	\$259.25 x 12 = 3,111.00
4	\$259.25 x 12 = 3,111.00
5	\$259.25 x 12 = 3,111.00
6	<u>\$259.25 x 12 = 3,111.00</u>
TOTAL	\$1,555.00 x 12 = \$18,660.00

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	N/A		
Electricity			
<input checked="" type="checkbox"/> common elements only	\$50.	X 12	= \$600.
<input type="checkbox"/> common elements and apartments			
Gas	N/A		
Refuse Collection	\$100.	X 12	= 1,200
Telephone	25.	X 12	= 300
Water and Sewer	125.	X 12	= 1,500

Maintenance, Repairs and Supplies

Building	75.	X 12	= 900
Grounds	25.	X 12	= 300

Management 100. X 12 = 1,200

Management Fee	N/A		
Payroll and Payroll Taxes	N/A		
Office Expenses	N/A		

Insurance 500. X 12 = 6,000

Reserves 100. X 12 = 1,200

Taxes and Government Assessments 5. X 12 = 60

Audit Fees 100. X 12 = 1,200

Other outside landscape service 350. X 12 = 4,200

Total \$1,555. X 12 = \$18,660

TOTAL

EDWIN L. NELSON, dba

Wm. & Sky Nelson & Associates, Realtors, 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.

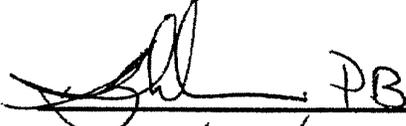

Date: 5/27/89

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.

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

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

(f) 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.