

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

MAUNA LANI TERRACE

Kalahuipua'a and Anaehoomalu
South Kohala, Hawaii
Registration No. 1506

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: July 26, 1982
Expires: August 26, 1983

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON June 25, 1982, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF July 20, 1982. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. MAUNA LANI TERRACE is a proposed fee simple condominium project consisting of eighty (80) residential apartment units located in eleven (11) buildings, and one manager's office and residence. The project will contain one hundred twenty seven (127) parking spaces, eighty-eight (88) of which are

appurtenant to the apartments in the project, four (4) stalls for use of the Manager's unit, and thirty five (35) of which are to be used for guest parking.

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 issuance of this Preliminary Public Report.
3. Advertising and promotional matter have been submitted pursuant to the Rules and Regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners, and a copy of the Condominium Map) have not been executed or filed in the Bureau of Conveyances of the State of Hawaii or with the Assistant Registrar of the Land Court of the State of Hawaii.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the registration of the Mauna Lani Terrace Condominium Project. The Developer shall be responsible for placing 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.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, July 26, 1982, unless a Supplementary or Final Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this Preliminary Public Report.

NAME OF PROJECT: MAUNA LANI TERRACE

LOCATION: The project consisting of 13.282 acres is located in Kalahuipua'a and Anaehoomalu, South Kohala, Island of Hawaii, State of Hawaii.

TAX KEY: 3rd Taxation District (portion of)
6-8-22:9 and 6-8-22:6

ZONING: RM; Urban

DEVELOPER: Mauna Lani Resort, Inc., a Hawaii corporation whose principal place of business is P. O. Box 4959,

Kawaihae, Hawaii 96743-4959, Telephone No. (808) 882-7244.
The current officers of Mauna Lani Resort, Inc. are:

Chairman of the Board	Noboru Gotoh	Tokyu Corporation 26-20, Sakuragaoka-Cho Shibuya-Ku, Tokyo, Japan 150
Vice Chairman of the Board	Hideo Matsuo	Tokyu Corporatin 26-20, Sakuragaoka-Cho Shibuya-Ku, Tokyo, Japan 150
President	Kenneth F. Brown	3715 Diamond Head Road Honolulu, Hawaii 96815
Executive Vice President	Masayuki Murakami	Tokyu Corporation 26-20, Sakuragaoka-Cho Shibuya-Ku, Tokyo, Japan 150
Senior Vice President	Nobuo Kitsuda	73-4325 Akaaka Place Kailua Kona, Hawaii 96740
Vice President	Koji Asakura	Tokyu Corporation 26-20, Sakuragaoka-Cho Shibuya-Ku, Tokyo, Japan 150
Vice President	Thomas H. Yamamoto	645 Kukuau Street Hilo, Hawaii 96720
Vice President & Treasurer	Tatsuaki Yamamoto	P. O. Box 1836 General Delivery, Kamuela, Hawaii 96743-1836
Secretary	Yuichi Suwa	P. O. Box 1836 General Delivery, Kamuela, Hawaii 96743-1836

ATTORNEY REPRESENTING DEVELOPER: Kobayashi, Watanabe, Sugita & Kawashima, 745 Fort Street, Suite 814, Honolulu, Hawaii 96813 (Attention: Alan M. Goda or Benjamin A. Kudo); Telephone No. (808) 524-5700

DESCRIPTION OF PROJECT:

A. Description of Buildings: The property shall contain eleven (11) separate apartment buildings designated as Buildings "A" through "H" and "J" through "L" and one (1) manager's office and residence building and one (1) recreational pavilion. The eleven (11) apartment buildings and manager's office and residence will be constructed principally of reinforced concrete, glass, wood, masonry block, gypsum board and appropriate trim. Buildings A and J shall contain ten (10) apartments each. Buildings B, C, E, F, G, K and L shall contain six (6) apartments each.

Buildings D and H shall contain nine (9) apartments each. All buildings contain three (3) stories and no building contains a basement area. The manager's building shall consist of two (2) stories and contains one (1) apartment and one (1) office area. The recreational pavilion consists of one (1) story and contains a storage area, pool equipment room and restroom facilities.

B. Description of the Apartments: Eighty (80) separate condominium apartments are designated in the spaces within the perimeter and party walls, windows, doors, floors and ceilings of each of the eighty (80) apartment units (specifically including the appurtenant lanais and wet bar areas) of the property, distributed among the eleven (11) apartment buildings and the property as described above, which spaces (including appurtenant lanai air spaces) are referred to herein as "Apartments", and are designated on said Condominium Map and described as follows:

(1) Apartment Numbers and Locations:

The apartments are numbered from 101 to 104 for apartments on the first floor of each building. Apartments located on the second floor of each building shall be numbered from 201 to 204, and from 301 to 303 for those apartments located on the third floor of each building. The apartment buildings are located such that nine (9) buildings (i.e., A, B, C, D, E, F, G, H and J) are situated along the edge of a lagoon along the northeast perimeter of the project, and the other two (2) buildings (i.e., K and L) are situated along the southern perimeter of the project. The buildings are designated as follows:

Buildings A through Building F are aligned from the northern portion of the property to the most eastern portion of the property. Buildings G, H and J proceed westerly from the eastern portion of the property to the west portion of the property. Buildings K and L run along the southern portion of the property. The numbering of the apartments in each building is such that the apartment number will be preceded by a letter, which letter will designate the particular building. Apartments on the upper levels of any particular building will receive a number corresponding to the floor level. The types of apartments and their location, number of rooms, and other data are more particularly described in Exhibit "A" attached hereto.

(2) Layout area of individual apartments:

The apartments are constructed according to fourteen (14) residential apartment types designated as Types A, B, C, CR, D, E, F, Fl, FR, Gl, G, GR, H, HR.

The description of each type of unit is as follows:

I. Type A apartment shall consist of two (2) bedrooms, two and one-half (2 1/2) bathrooms, living-dining

room, kitchen, storage room, lanai and wet bar area. Each such apartment shall have an approximate enclosed net floor area of 1,390 square feet, lanai area of approximately 295 square feet, wet bar area of 30 square feet combined with a total approximate floor area of 1,715 square feet. There are two (2) Type A apartments in the project.

II. Type B apartment shall consist of three (3) bedrooms, three and one-half (3 1/2) bathrooms, living room, dining room, kitchen, study room, storage room, lanai and wet bar area. Each such apartment shall have an approximate enclosed net floor area of 2,462 square feet, lanai area of approximately 417 square feet, wet bar area of 30 square feet, planter box area of 59 square feet combined, with a total approximate floor area of 2,968 square feet. There are two (2) Type B apartments in the project.

III. Type C apartment shall consist of one (1) bedroom, two (2) bathrooms, living-dining room, kitchen, storage room, lanai and wet bar area. Each such apartment shall have an approximate enclosed net floor area of 1,150 square feet, lanai area of approximately 288 square feet and wet bar area of 29 square feet combined, with a total approximate floor area of 1,467 square feet; provided, however, that some of the Type C apartments will contain planter box areas which would increase the total floor area of the unit by 13 square feet. There are six (6) Type C apartments in the project.

IV. Type CR apartment is a mirror image of a Type C apartment and shall consist of the same number of rooms, floor area, and percentage interest in all common elements as a Type C apartment. There are six (6) Type CR apartments in the project.

V. Type D apartment shall consist of three (3) bedrooms, three (3) bathrooms, living room, dining room, kitchen, storage room, lanai, and wet bar area. Each such apartment shall have an approximate enclosed net floor area of 1,941 square feet, lanai area of approximately 407 square feet and wet bar area of 22 square feet combined, with a total approximate floor area of 2,370 square feet; provided, however, that some of the Type D apartments will contain planter box areas which would increase the total floor area of the unit by 24 square feet. There are six (6) Type D apartments in the project.

VI. Type E apartment shall consist of two (2) bedrooms, two and one-half (2 1/2) bathrooms, living dining room, kitchen, storage room, wet bar area and two lanais. Each such apartment shall have an approximate enclosed net floor area of 1,453 square feet, lanai area of approximately 300 square feet and wet bar area of 21 square feet combined, with a total approximate floor area of approximately 1,774 square feet; provided, however, that some of the Type E apartments will have lanai areas of 310 square feet, and other Type E apartments will have planter box areas of 18 square feet. The total floor area of any particular Type E

apartment may vary from 1,774 square feet to 1,802 square feet. There are ten (10) Type E apartments in the project.

VII. Type F apartment shall consist of two (2) bedrooms, two and one-half (2 1/2) bathrooms, living dining room, kitchen, storage room, wet bar area and two lanais. Each such apartment shall have an approximate enclosed net floor area of 1,407 square feet, lanai area of approximately 283 square feet and wet bar area of 21 square feet combined, with a total approximate floor area of approximately 1,711 square feet; provided, however, that some of the Type F apartments will have lanai areas of 291 square feet, and other Type F apartments will have planter box areas of 18 square feet. The total floor area of any particular Type F apartment may vary from 1,711 square feet to 1,737 square feet. There are nine (9) Type F apartments in the project.

VIII. Type FR apartment is a mirror image of Type F apartment and shall consist of the same number of rooms, and percentage interest in all common elements. The total floor area of the Type FR apartment is 1737 square feet. There are three (3) Type FR apartments in this project.

IX. Type F1 apartment has the same number of rooms, respective floor areas, and percentage interest in all common elements as a Type F apartment except that there is no window in the kitchen. There are six (6) Type F1 apartments in the project.

X. Type G apartment shall consist of two (2) bedrooms, two and one-half (2 1/2) bathrooms, living-dining room, kitchen, lanai and wet bar area. Each such apartment shall have an approximate enclosed net floor area of 1,481 square feet, a lanai area of approximately 376 square feet and wet bar area of 18 square feet combined, with a total approximate floor area of 1,875 square feet; provided, however, that some of the Type G apartments will contain planter box areas which would increase the total floor area of the unit by 24 square feet. There are eleven (11) Type G apartments in the project.

XI. Type GR apartment is a mirror image of Type G apartment and shall consist of the same number of rooms, respective floor areas and percentage interest in all common elements. There are twelve (12) Type GR apartments in the project.

XII. Type G1 apartment is specially designed to accommodate handicapped persons and has the same number of rooms, and percentage interest in all common areas as a Type G apartment. The total floor area of the Type G1 apartment is 1,899 square feet. There is one (1) Type G1 apartment in the project.

XIII. Type H apartment shall consist of one (1) bedroom, two (2) bathrooms, living-dining room, kitchen, lanai, storage room and wet bar area. Each such apartment shall have an approximate net floor area of 1,058 square

feet, lanai area of approximately 277 square feet and wet bar area of 24 square feet, planter box area of 13 square feet combined, with a total approximate floor area of 1,372 square feet. There are three (3) Type H apartments in the project.

XIV. Type HR apartment is a mirror image of a Type H apartment and shall consist of the same number of rooms, floor area, and percentage interest in all common areas. There are three (3) Type HR apartments in the project.

The square foot floor area of each apartment shown on the attached Exhibit "A" includes all the walls and partitions within the perimeter walls, including any glass windows, planter box areas, or panels along the perimeter and the outer edge of the floor slab. Each apartment shall include the entirety of the perimeter nonparty walls, and the interior half of the perimeter party walls, whether load bearing or nonload bearing; the inner decorated or finished surfaces of the floors and ceilings and any adjacent lanai and loft space shown on the Condominium Map.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, any doors, windows or panels along the perimeters and all fixtures originally installed therein. Each apartment shall also include the lanai or lanais and wet bar areas to which such apartment has direct, exclusive access.

COMMON ELEMENTS: One (1) free hold estate is designated in all of the remaining portions of the property, herein called the "Common Elements", including specifically but not limited to:

- (1) Said land in fee simple;
- (2) All structural components such as foundations, beams, supports, main walls, roofs, halls, corridors, lobbies, exterior stairs, stairways, and fire escapes, entrances, exits, floor slabs, unfinished perimeter party and load-bearing walls, awnings, and walkways of the buildings;
- (3) All driveways and walkways;
- (4) All yards, grounds, landscaping, historically significant artifacts and markings, retaining walls, planters, abutting common areas, recreational facilities, swimming pool and deck areas, lavatories and storage rooms, jacuzzi pool, equipment room and all refuse facilities;

(5) All ducts, electrical equipment, central water heating systems, wiring, pipes and other central and appurtenant transmission facilities and installations on, over, under and/or across the property which serve more than one apartment for services such as power, light, hot water, cold water, incineration, sewage, gas, telephone and television and radio signal distribution, if any;

(6) The manager's residence and office building located on the eastern perimeter of the property together with all rights of access to said office;

(7) Any apparatus and installation existing for common use such as tanks, pumps, motors, fans, compressors, ducts, vents and other installations and apparatus, except for rooftop mounted air conditioning units;

(8) A total of one hundred twenty seven (127) parking areas and spaces which include 88 parking stalls of which 80 stalls are covered spaces appurtenant to the apartments as described below, 35 spaces are provided for guest parking (Parking Stall Nos. 102, 106 - 130 and 135 - 143 are guest parking stalls) and four (4) stalls for the use of the Manager's unit, which are described in subparagraph (a) under the heading "Limited Common Elements", deck areas, loading areas and refuse facilities;

(9) Any and all facilities for distribution and storage of mail; and

(10) Any and all other apparatus and installation of common use and all other parts of the property necessary or convenient to its existence, maintenance, and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "Limited Common Elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) With respect to the apartments in Buildings A through H and J through L, one (1) or more parking stalls (including carport roof and supports for covered stalls) for each apartment all as designated on Exhibit "B" attached hereto shall be appurtenant to and be for the exclusive use of the designated apartment. Upon compliance with the provisions of Section 514A-14 of the Hawaii Revised Statutes, any parking stall may be transferred from apartment to apartment in the project and, except for the guest parking stalls mentioned in subparagraph (8) under the heading "Common Elements", shall always be appurtenant to one of the apartments in the project.

(b) The manager's residence and appurtenant parking stalls as designated in Exhibit "B" hereto shall be limited to the use and access by the manager.

(c) Air conditioning units for each apartment which are mounted on the rooftops of each respective building.

(d) All other common elements of the project which are rationally related to less than all of said apartments or buildings shall be limited to the use of such apartments or buildings.

EASEMENTS: The apartments and common elements, including limited common elements, shall have and be subject to the following easements:

(a) Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes as ingress to, egress from, utility services for and support, maintenance and repair of such apartment, and shall also have the right to use the other common elements (subject, however, to the exclusive or limited use of the limited common elements) in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other apartment owners.

(b) In the case of minor encroachments of common elements upon any apartment or limited common elements, or in the case of minor encroachments of limited common elements or any other apartment or limited common elements, a valid easement for such encroachment and maintenance thereof shall and does exist for so long as such encroachment continues. In the event any building of the property shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the property, minor encroachments upon any part of the common elements or apartments or limited common elements due to the same shall be permitted, and a valid easement for such encroachment and the maintenance thereof shall and does exist for so long as such encroachment continues.

(c) The Association of Apartment Owners shall have the irrevocable right, to be exercised by the Board of Directors or the managing agent, to have access to each apartment and any limited common element from time to time during reasonable hours as may be necessary for the operation of the property or at any time for making emergency repairs therein necessary to prevent damage to the common elements or to another apartment or apartments.

(d) The Developer shall have the right to conduct extensive sales activities on the property, including the use of model apartments, sales and management offices, and extensive sales displays and activities until the earlier to occur of (a) forty-eight (48) months from the date of the recording in the Bureau of Conveyances of the first condominium conveyance document or (b) the closing of the sale of the last unsold apartment in the project. In the event that the Developer is unable to sell all of the apartments within the forty-eight (48) month period, the Developer shall have the right to conduct sales activities on

the property until the closing of the sale of the last unsold apartment in the property provided that such sales activities are conducted in an unobstrusive manner which will not unreasonably interfere with the use, possession and aesthetic enjoyment of the property by the other apartment owners. In the event that the Developer's mortgage lender or any successor to or assignee of the Developer's mortgage lender shall acquire any portion of the property in the course of any foreclosure or other legal proceeding or by an assignment in lieu of foreclosure, such mortgage lender, its successors and assigns, shall have the right to conduct such extensive sales activities on the property until at least ninety-five percent (95%) of all of the apartments have been sold and recorded, notwithstanding the foregoing.

(e) The Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over and upon the property as may be reasonably necessary for the completion of improvements to and correction of defects in the property. Such easement shall terminate twenty-four (24) months after the later of (i) the date of the recording in the Bureau of Conveyances of the first condominium conveyance document, or (ii) "substantial completion" (as that term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the improvement to be completed or corrected.

(f) Each apartment owner shall have an easement in common with the owners of all other apartments to use all 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 to use and for access to the pipes, ducts, cables, wires, conduits, public utilities, and other common elements serving such other apartments and located in such units.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED TO PURCHASERS: Each apartment shall have appurtenant thereto an undivided percentage interest in the common elements of the project as shown opposite the number of each apartment in Exhibit "A" attached hereto and the same percentage share in all common profits and expenses of the common elements of the project, and for all other purposes, including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: A residential apartment shall at all times be occupied and used only for residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants, and social guest, and for no other purpose. The Association shall have the power to enact resolutions, rules and regulations, and have the power to amend and repeal the same from time to time, reasonably restricting and regulating the use of the apartments and the common elements; provided, that, any such resolutions, rules or regulations shall be consistent with the terms of the Declaration, the Bylaws and any amendments thereto, including the Declaration and the Bylaws of the Mauna Lani Resort Association.

The owners of the respective apartments shall have the absolute right to lease their interest in such apartment subject to all provisions of the Horizontal Property Act, the Declaration and the Bylaws attached thereto and the Declaration and the Bylaws of the Mauna Lani Resort Association; provided, however, that no apartment owner may lease less than the entire apartment.

No apartment owner in the Project shall enter into or offer to enter into any arrangement with any other apartment owner in the Project or its agent whereby any rental pool of Apartments or any other sharing of rental income of Apartments is established. This restriction shall terminate when all Apartments in the Project have been developed and sold by recordation of deeds by the Developer.

No apartment owner shall use his apartment or appurtenant limited common elements for any purpose which will injure the reputation of the property, or suffer anything to be done or kept in his apartment or elsewhere on the property which will (a) jeopardize the soundness of the property, or (b) interfere with or unreasonably disturb the rights of other owners and occupants, or (c) obstruct the access to quarters or stairways of the building, or (d) reduce the value of the property, or (e) increase the rates (unless such owner pays such increase) or result in the cancellation of fire insurance on the apartments or its contents thereof.

The house rules submitted to the Commission indicate in part that (1) pets must be registered, the Board of Directors may limit the number of pets allowed, and they may also require the immediate removal of pets that are a nuisance; (2) no open fires or open fire barbecuing will be permitted on any apartment lanai; and (3) no waterbeds shall be permitted.

OWNERSHIP OF TITLE: A Preliminary Title Report dated June 24, 1982, prepared by Title Guaranty of Hawaii, Inc. certifies that title to the land committed to this regime is vested in Mauna Lani Resort, Inc.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated June 24, 1982, prepared by Title Guaranty of Hawaii, Inc. states that as of the date of the search, title to the land is subject to the following encumbrances:

1. Real Property Taxes that are due and owing; reference is made to the Office of the Tax Assessor, Department of Finance.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. AS TO PARCEL FIRST ONLY (Lot 1-B):

Note: Said Lot 1-B will be subject to the following easements which are being processed through the Office of the

Assistant Registrar of the Land Court of the State of Hawaii
for approval.

- (A) Easement "1" for historic preserve purposes.
- (B) Easement "E-5" for electrical purposes.
- (C) Easement "U-13" for roadway and utility purposes.
- (D) Easement "U-22" for roadway and utility purposes.

No Land Court Order designating these easements has been issued to date.

4. AS TO PARCEL SECOND ONLY (Lot 7):

- (A) Trail affecting said lot, as shown on File Plan No. 1729.

On June 21, 1981, the State of Hawaii Board of Land and Natural Resources authorized the issuance of a Deed to Mauna Lani Resort, Inc. quitclaiming any and all interests which the State of Hawaii might have in the lands underlying the above-delineated trail. Notice of the quitclaim disposition must be published and the quitclaim must be submitted to the Legislature and is subject to disapproval by the Legislature by a two-thirds vote of either the Senate or the House of Representatives or by majority of both.

- (B) Easement "6" for historic preserve purposes.
- (C) Easement "U-12" for roadway and utility purposes.

5. Pending Civil Action No. 3400, Third Circuit Court, George Anthanasius Keeaumoku Wilcox, aka George N. Wilcox, et al., Plaintiffs, vs. Richard Smart, Defendant. (Note: Title insurance policy to be issued will specifically insure against loss as a result of said civil action).

6. Declaration of Covenants and Restrictions (Mauna Lani Resort Association) dated June 3, 1982, filed as Land Court Document No. 1120889, recorded in Liber 16424 at Page 203.

Note:

1. Land Court Order No. 39393, filed March 19, 1974 sets forth the change of name of ORCHID ISLAND RESORTS CORPORATION to MAUNA LOA LAND, INC. Said name change is dated February 12, 1974 and recorded in the Bureau of Conveyances in Liber 9736 at Page 363 on February 14, 1974.

2. Land Court Order No. 57774, filed September 24, 1980, sets forth the change of name of MAUNA LOA LAND, INC. to

MAUNA LANI RESORT, INC. Said name change is dated July 8, 1980 and recorded in the Bureau of Conveyances in Liber 16000 at Page 715 on November 25, 1981.

PURCHASE MONEY HANDLING: A specimen Condominium Sales Contract and Deposit Receipt, (hereinafter called the "Sales Contract and Deposit Receipt") and the executed Escrow Agreement have been submitted to the Real Estate Commission as part of the registration. The Escrow Agreement dated December 22, 1981 identified Title Guaranty Escrow Services, Inc. as the escrow agent. Upon examination, the specimen Sales Contract and Deposit Receipt and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Section 514A-40, 514A-39, and 514A-63 through 514A-66. Among other provisions, the Escrow Agreement provides that the Escrow Agent shall refund to purchaser all of purchaser's funds, without interest, less a cancellation fee of \$25.00, if purchaser shall request refund of his funds and any one of the following shall have occurred:

(a) Developer has requested Escrow Agent in writing to return to purchaser the funds of purchaser then held under the Escrow Agreement by Escrow Agent; or

(b) Developer has notified Escrow Agent of Developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Owner; or

(c) Developer has notified Escrow Agent that there is a material change in the condominium building plans for purchaser's apartment or the common elements of the Project subsequent to the execution of the sales contract requiring approval of a county officer having jurisdiction over issuance of permits for construction of buildings, unless in either case the purchaser has given written approval or acceptance of the specific change; or

(d) The Final Report differs in a material respect from the Preliminary Report and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived or has not been deemed to have waived his right to a refund.

The specimen Sales Contract and Deposit Receipt provides in part:

(1) That if the purchasers who have agreed to obtain mortgage loans have not secured commitment therefor within forty-five (45) days after application for the same satisfactory to the Developer, the Developer may elect to terminate at Developer's option, the Sales Contract upon

written notice to the purchaser and, upon such termination all monies paid by the purchaser shall be refunded without interest less the cost of any credit report, escrow cancellation fees, if any, and other costs actually incurred by the Developer or lending institution in processing such loan application; provided, however, that if the Developer ascertains that the purchaser has failed to qualify for the mortgage loan due to the failure to use his best efforts to obtain such mortgage loan in good faith or to do or perform all acts necessary to obtain such loan, then such factor shall constitute a default by the purchaser entitling Developer to retain all sums paid as liquidated damages;

(2) That if the purchaser who shall not require financing has not submitted an acceptable financial statement to the Developer within ten (10) days from the execution of the Sales Contract and Deposit Receipt, Developer shall have thirty (30) days to terminate the Sales Contract and cause to be refunded to purchaser the amounts already paid without interest, less the cost of any credit report, escrow cancellation fees and other costs actually incurred in reviewing such financial statements;

(3) Prospective purchaser should be aware that the Developer's mortgage loans (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 Sales Contract or reservation agreement in favor of such mortgage loan and waives any claims which they may have against Developer for breach of the Sales Contract or reservation agreement in the event that said mortgage loans are foreclosed;

(4) That the Sales Contract constitutes only a reservation agreement until such time as the Developer deposits in the U.S. mails a notice addressed to the purchaser stating that the Developer has determined that the project can go forward, after which time the Sales Contract becomes binding. Prior to that time, either the Developer or the purchaser has an unconditional right to cancel the contract by written notice to the other;

(5) Additionally, the Sales Contract provides that seller makes no warranties, expressed or implied, with respect to the apartments or any common elements or anything installed therein. Seller shall assign to buyers any and all warranties given seller by the general contractor of the project together with any guaranties against faulty material or workmanship. Buyer shall receive direct warranties given by dealers or manufacturers on appliances installed in apartments and common elements.

(6) All expenses in connection with the sale are to be payable by Purchaser, including, but not limited to, the cost of drafting the Apartment Deed and the cost of the acknowledgments in respect thereof the State of Hawaii

conveyance tax (Note: In connection with the conveyance tax, the Developer and Purchaser will appoint Escrow Agent as their agent for the purpose of filing the affidavit in respect thereto); the escrow fee; the cost of obtaining financing or a financing commitment for any portion of the purchase price and all expenses incident thereto; the expense of credit reports; the drafting of mortgages, etc. (which costs shall be paid directly to Purchaser's mortgagee and shall in no event be reimbursed by Developer); acknowledgments of the Purchaser on all instruments; recording fees; and any costs incurred for title insurance.

(7) If (i) the development and construction of the Project is delayed due to governmental restrictions or regulations, or if said delay is caused by fire, earthquake, tidal wave, acts of God, the elements, war or civil disturbances, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or material, or any other event, matters or conditions including any litigation or threat of litigation concerning the Project, and Developer determines in its sole discretion that increases in development and construction costs have or will occur, or (ii) Developer cannot obtain a construction loan or loans for the Project, except at an interest rate higher than acceptable to Developer, as determined by Developer in its sole discretion, and Developer determines, in its sole discretion, that increases in development and construction costs will occur because of much higher interest rate, then and in any such event, Developer may increase the total Purchase Price for the Property by an amount not in excess of the Property's proportionate share (approximately based on the percentage common interest specified above) of the total amount of such increases in development and construction and/or interest costs.

(8) The Developer has made no representations with respect to the possibility or probability of rental or other income from the apartment or other economical benefit to be derived from the rental of the apartment, including but not limited to, any representations to the effect that seller or the managing agent of the project by a third party will provide services relating to the rental or sale of the apartment nor representations as to the possible advantages from the rental of the apartment under Federal and State tax laws. If purchaser wishes to rent the apartment to third persons, purchaser must make his own arrangements. Purchaser further agrees and acknowledges that in the event that the offer to sell and the purchase of the apartment or the activities of purchaser with respect to the apartment are determined to be or alleged to give rise to any violation of any Federal or State securities laws or regulations, Developer may obtain an injunction enjoining such acts of the purchaser and Developer may, in addition, pursue any other remedies and purchaser shall pay the Developer's costs and attorneys' fees in connection therewith. In the event that the purchaser or anyone claiming by or through him alleges that the offer to sell or the purchase of the apartment gives rise to any violation of any Federal or State disclosure laws

or regulations, the purchaser covenants not to sue for any remedy other than to sue for refund of the purchase price and actual closing cost plus interest at eight percent (8%) per annum from the date of closing to the date of repayment. That purchaser agrees to absorb any additional charges incurred with respect to the apartment as the reasonable use value of the apartment. The terms of this paragraph shall survive the closing, occupancy and delivery of the condominium conveyance document to the purchaser. The purchaser will pay all closing costs, including but not limited to, one half of the escrow fee, conveyance taxes, all acknowledgement fees, all appraisal fees, all recording costs, charges for purchaser's credit report, the cost for the drafting of the apartment deeds and any notes and any assignment thereof and the cost of any title insurance. All applicable mortgage costs shall be paid by the purchaser, and purchaser shall pay the refundable start up fee for commencement of the operation of the project by the managing agent and the association of Apartment Owners. Real property taxes, maintenance costs and other proration shall be made, and risk of loss or transfer from Developer to purchaser on the scheduled closing date as defined in the specimen Reservation and Sales Agreement except that real property taxes and maintenance fees shall in no event be assessed to the purchaser prior to the issuance of a temporary or permanent certificate of occupancy. Purchaser shall execute all documents necessary for closing and deposit with escrow all funds other than proceeds of purchaser's first mortgage loan within ten (10) days after receiving written notice to preclose. Preclosing may commence at any time after the effective date of the Reservation and Sales Agreement and may commence substantially prior to the issuance of a temporary or permanent certificate of occupancy.

IT IS INCUMBENT UPON THE PURCHASER AND PROSPECTIVE PURCHASER THAT THEY READ WITH CARE THE SPECIMEN RESERVATION AND SALES AGREEMENT AND THE EXECUTED ESCROW AGREEMENT. THE ESCROW AGREEMENT ESTABLISHES HOW THE PROCEEDS FROM THE SALES OF THE CONDOMINIUM UNITS ARE PLACED IN TRUST AS WELL AS THE RETENTION AND DISBURSEMENT OF FUNDS.

MAUNA LANI RESORT ASSOCIATION: The Association of Apartment Owners of Mauna Lani Terrace is a member of the Mauna Lani Resort Association. In addition each owner of a Mauna Lani Terrace condominium unit will be a member of the Mauna Lani Resort Association and shall be liable for his proportionate share of the general and special maintenance assessments and the assessments for capital contributions, such assessments to be fixed, allocated and collected from time to time as provided within that certain Declaration of Covenants and Restrictions (Mauna Lani Resort Association) dated June 3, 1982, filed as Land Court Document No. 1120889, recorded in Liber 16424 at Page 203 in the Bureau of Conveyances, State of Hawaii.

MANAGEMENT AND OPERATION: The proposed Bylaws provide that the operation of the project shall be conducted for the Association of Apartment Owners by a responsible corporate

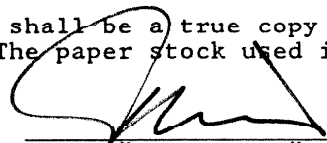
managing agent. The managing agent shall be appointed by the Association, in accordance with the Bylaws, except that the managing agent for the initial period following the date of the organization of the Association of Apartment Owners may be appointed by the Developer. The initial managing agent has not yet been finally selected, but the Developer has indicated that it is likely that CHANEY, BROOKS & CO. will be the initial managing agent of the project.

STATUS OF THE PROJECT: The Developer advises that construction of the project will commence on or about June 1, 1982 and completion is scheduled for November 30, 1983.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the Notice of Intention submitted on June 25, 1982 and information subsequently filed as of July 20, 1982.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1506 filed with the Commission on June 25, 1982.

This 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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Registration No. 1506

DATED: July 26, 1982.

MAINA LARI TERRACE APARTMENT LIST

Name of Bidder	Unit Number	Name of Type	Bed-room	Bath-room	Living Area	Approximate			Floor Area	Area (Sq. Ft.)	Total	Common Interest
						Tanat	Met Bar	Planter Box				
A	A-101	E	2	2½	1,453	300	21	--	321	1,774	1,264,600	
A	A-102	F1	2	2½	1,407	283	21	--	304	1,711	1,224,565	
A	A-103	D	3	3	1,941	407	22	--	429	2,370	1,689,324	
A	A-104	A	2	2½	1,390	295	30	--	325	1,715	1,209,769	
A	A-201	E	2	2½	1,453	300	21	18	339	1,792	1,264,600	
A	A-202	F1	2	2½	1,407	283	21	18	322	1,729	1,224,565	
A	A-203	D	3	3	1,941	407	22	24	453	2,394	1,689,324	
A	A-204	B	3	3½	2,462	417	30	59	506	2,968	2,142,770	
A	A-302	F1	2	2½	1,407	283	21	18	322	1,729	1,224,565	
A	A-303	D	3	3	1,941	407	22	24	453	2,394	1,689,324	
B	B-101	G	2	2½	1,481	376	18	24	418	1,899	1,288,969	
B	B-102	GR	2	2½	1,481	376	18	24	418	1,899	1,288,969	
B	B-201	G	2	2½	1,481	376	18	24	418	1,899	1,288,969	
B	B-202	GR	2	2½	1,481	376	18	24	418	1,899	1,288,969	
B	B-301	G	2	2½	1,481	376	18	24	418	1,899	1,288,969	
B	B-302	GR	2	2½	1,481	376	18	24	418	1,899	1,288,969	
C	C-101	E	2	2½	1,453	310	21	18	349	1,802	1,264,600	
C	C-102	F	2	2½	1,407	291	21	18	330	1,737	1,224,565	
C	C-201	E	2	2½	1,453	310	21	18	349	1,802	1,264,600	
C	C-202	F	2	2½	1,407	291	21	18	330	1,737	1,224,565	
C	C-301	E	2	2½	1,453	310	21	18	349	1,802	1,264,600	
C	C-302	F	2	2½	1,407	291	21	18	330	1,737	1,224,565	
D	D-101	FR	2	2½	1,407	376	18	24	418	1,899	1,288,969	
D	D-102	G	2	2½	1,481	376	18	24	418	1,899	1,288,969	
D	D-103	GR	2	2½	1,481	376	18	24	418	1,899	1,288,969	
D	D-201	FR	2	2½	1,407	291	21	18	330	1,737	1,224,565	

373 33-61 (35x32)

MAUNA LANI TERRACE APARTMENT LIST

Name of Bidder	Unit Number	Name of Type	Bed room	Bath room	Lying Area	Approximate Floor Area (Sq. Ft.)				Total	Common Interest	
						Lanai	Wet Bar	Area	Planter Box			Sub Total
D	D-202	G	2	2½	1,481	376	18	24	24	418	1,899	1.288969
D	D-203	GR	2	2½	1,481	376	18	24	24	418	1,899	1.288969
D	D-301	FR	2	2½	1,407	291	21	18.	18.	330	1,737	1.224565
D	D-302	G	2	2½	1,481	376	18	24	24	418	1,899	1.288969
D	D-303	GR	2	2½	1,481	376	18	24	24	418	1,899	1.288969
E	E-101	H	1	2	1,058	277	24	13	13	314	1,372	0.920816
E	E-102	HR	1	2	1,058	277	24	13	13	314	1,372	0.920816
E	E-201	H	1	2	1,058	277	24	13	13	314	1,372	0.920816
E	E-202	HR	1	2	1,058	277	24	13	13	314	1,372	0.920816
E	E-301	H	1	2	1,058	277	24	13	13	314	1,372	0.920816
E	E-302	HR	1	2	1,058	277	24	13	13	314	1,372	0.920816
F	F-101	G	2	2½	1,481	376	18	24	24	418	1,899	1.288969
F	F-102	GR	2	2½	1,481	376	18	24	24	418	1,899	1.288969
F	F-201	G1	2	2½	1,481	376	18	24	24	418	1,899	1.288969
F	F-202	GR	2	2½	1,481	376	18	24	24	418	1,899	1.288969
F	F-301	G	2	2½	1,481	376	18	24	24	418	1,899	1.288969
F	F-302	GR	2	2½	1,481	376	18	24	24	418	1,899	1.288969
G	G-101	C	1	2	1,150	288	29	13	13	330	1,480	1.000888
G	G-102	CR	1	2	1,150	288	29	13	13	330	1,480	1.000888
G	G-201	C	1	2	1,150	288	29	13	13	330	1,480	1.000888
G	G-202	CR	1	2	1,150	288	29	13	13	330	1,480	1.000888
G	G-301	C	1	2	1,150	288	29	13	13	330	1,480	1.000888
G	G-302	CR	1	2	1,150	288	29	13	13	330	1,480	1.000888
H	H-101	G	2	2½	1,481	376	18	18	---	394	1,875	1.288969
H	H-102	GR	2	2½	1,481	376	18	18	---	394	1,875	1.288969
H	H-103	F	2	2½	1,407	283	21	---	---	304	1,711	1.224565

373 373-68 (19x12)

MAUNA LANI TERRACE APARTMENT LIST

Name of Rldr.	Unit Number	Name of Type	Type		Living Area	Approximate Floor Area (Sq. Ft.)			Total	Common Interest	
			Bed-room	Bath-room		Lanai	Wet Bar	Area			
H	H-201	G	2	2½	1,481	376	18	24	418	1,899	1,288,969
H	H-202	GR	2	2½	1,481	376	18	24	418	1,899	1,288,969
H	H-203	F	2	2½	1,407	283	21	18	322	1,729	1,224,565
H	H-301	G	2	2½	1,481	376	18	24	418	1,899	1,288,969
H	H-302	GR	2	2½	1,481	376	18	24	418	1,899	1,288,969
H	H-303	F	2	2½	1,407	283	21	18	322	1,729	1,224,565
J	J-101	E	2	2½	1,453	300	21	--	321	1,774	1,264,600
J	J-102	F1	2	2½	1,407	283	21	--	304	1,711	1,224,565
J	J-103	D	3	3	1,941	407	22	--	429	2,370	1,689,324
J	J-104	A	2	2½	1,390	295	30	--	325	1,715	1,209,769
J	J-201	E	2	2½	1,453	300	21	18	339	1,792	1,264,600
J	J-202	F1	2	2½	1,407	283	21	18	322	1,729	1,224,565
J	J-203	D	3	3	1,941	407	22	24	453	2,394	1,689,324
J	J-204	B	3	3½	2,462	417	30	59	506	2,968	2,142,770
J	J-302	F1	2	2½	1,407	283	21	18	322	1,729	1,224,565
J	J-303	D	3	3	1,941	407	22	24	453	2,394	1,689,324
K	K-101	C	1	2	1,150	288	29	--	317	1,467	1,000,888
K	K-102	CR	1	2	1,150	288	29	--	317	1,467	1,000,888
K	K-201	C	1	2	1,150	288	29	13	330	1,480	1,000,888
K	K-202	CR	1	2	1,150	288	29	13	330	1,480	1,000,888
K	K-301	C	1	2	1,150	288	29	13	330	1,480	1,000,888
K	K-302	CR	1	2	1,150	288	29	13	330	1,480	1,000,888
L	L-101	E	2	2½	1,453	310	21	--	331	1,784	1,264,600
L	L-102	F	2	2½	1,407	291	21	--	312	1,719	1,224,565
L	L-201	E	2	2½	1,453	310	21	18	349	1,802	1,264,600
L	L-202	F	2	2½	1,407	291	21	18	330	1,737	1,224,565

273 130-65 (13x13)

MAUNA LANI TERRACE APARTMENT LIST

Name of Unit	Number of Unit	Name of Type	Bed-room		Bath-room	Living Area	Approximate Floor Area (Sq. Ft.)			Total	Common Interest	
			room	room			Lanal	Wet Bar	Area Planter Box			Sub Total
L	L-301	E	2	2 $\frac{1}{2}$	2 $\frac{1}{2}$	1,453	310	21	18	349	1,802	1,264,600
L	L-302	F	2	2 $\frac{1}{2}$	2 $\frac{1}{2}$	1,407	291	21	18	330	1,737	1,224,565

573 70-41 (13/43)

EXHIBIT "A"

MAUNA LANI TERRACE
CONDOMINIUM PARKING STALL PLAN

Eighty-eight (88) parking stalls have been designated as "Limited Common Elements" within the Declaration of Horizontal Property Regime of MAUNA LANI TERRACE, and have been set aside and reserved for the exclusive use of certain apartments as listed below. Only Parking Stall Nos. 1 through 80 are covered stalls.

<u>BUILDING</u>	<u>APARTMENT NUMBER</u>	<u>APARTMENT TYPE</u>	<u>PARKING STALL NO.</u>
A	A 101	E	1
A	A 102	F1	2
A	A 103	D	3, 103
A	A 104	A	6
A	A 201	E	8
A	A 202	F1	9
A	A 203	D	4, 104
A	A 204	A	7, 101
A	A 302	F1	10
A	A 303	D	5, 105
B	B 101	G	13
B	B 102	GR	14
B	B 201	G	12
B	B 202	GR	15
B	B 301	G	11
B	B 302	GR	16
C	C 101	E	19
C	C 102	F	20
C	C 201	E	18
C	C 202	F	21
C	C 301	E	17
C	C 302	F	22
D	D 101	FR	25
D	D 102	G	26
D	D 103	GR	29
D	D 201	FR	24
D	D 202	G	27
D	D 203	GR	30
D	D 301	FR	23
D	D 302	G	28
D	D 303	GR	31
E	E 101	H	37
E	E 102	HR	36
E	E 201	H	35
E	E 202	HR	34
E	E 301	H	33
E	E 302	HR	32
F	F 101	G	40
F	F 102	GR	41
F	F 201	G1	39
F	F 202	GR	42
F	F 301	G	38
F	F 302	GR	43
G	G 101	C	46
G	G 102	CR	47
G	G 201	C	45

EXHIBIT "B"

G	G 202	CR	48
G	G 301	C	44
G	G 302	CR	49
H	H 101	G	55
H	H 102	GR	54
H	H 103	F	56
H	H 201	G	53
H	H 202	GR	52
H	H 203	F	57
H	H 301	G	51
H	H 302	GR	50
H	H 303	F	58
J	J 101	E	59
J	J 102	F1	65
J	J 103	D	66, 131
J	J 104	A	61
J	J 201	E	60
J	J 202	F1	64
J	J 203	D	67, 132
J	J 204	A	62, 134
J	J 302	F1	63
J	J 303	D	68, 133
K	K 101	C	69
K	K 102	CR	70
K	K 201	C	71
K	K 202	CR	72
K	K 301	C	73
K	K 302	CR	74
L	L 101	E	75
L	L 102	F	76
L	L 201	E	77
L	L 202	F	78
L	L 301	E	79
L	L 302	F	80
Manager's Residence			81
Manager's Office			82
Manager's Office			83
Manager's Office			84

NOTE: Parking Stall Nos. 102, 106 - 130 and 135 - 143 are guest parking stalls.

EXHIBIT "B"