CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer HAWAII OMORI CORPORATION
Address 1221 Honoapiilani Highway, Lahaina, Maui, Hawaii 96761

Project Name(*): MAHINAHINA BEACH
Address: 4007 Lower Honoapiilani Road, Lahaina, Maui, Hawaii 96761

Registration No. 1047

Effective date: March 31, 1997
Expiration date: April 30, 1998

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

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 by the developer when complete information is filed.

___ **FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
- [ ] No prior reports have been issued.
- [ ] This report supersedes all prior public reports.
- [ ] This report must be read together with _____

__X__ **SUPPLEMENTARY:** (pink) This report updates information contained in the:
- [X] Preliminary Public Report dated: December 19, 1978
- [X] Final Public Report dated: September 7, 1979
- [ ] Supplementary Public Report dated: _____

And
- [X] Supersedes all prior public reports.
- [ ] Must be read together with _____
- [ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [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 developer.

[X] Changes made are as follows: See pages 2A and 2B

Supplementary Public Report
Mahinahina Beach

Summary of Changes from Earlier Public Reports

The Mahinahina Beach condominium project was substantially completed on December 15, 1979. The Developer offered but did not sell all of the apartments at that time, and has since retained ownership of a number of them. Upon issuance of this Supplementary Public Report, the Developer owns 15 apartments in the Project, and the Developer's parent company, Shonan Kanko Kaihatsu Co., Ltd., a Japan corporation, owns 1 apartment in the Project. **All information contained and all documents described in this Supplementary Public Report apply to the 15 apartments owned by the Developer as well as the 1 apartment owned by its parent company.** See Exhibit G for list of apartments regarding this registration.

This Supplementary Public Report completely supersedes the previous Preliminary and Final Public Reports. Since those Public Reports were issued, a number of changes have occurred which affect the Project:

1. The Developer previously conveyed to Buyers individual apartments in fee simple, with the common elements, including the underlying land, in leasehold. However, at this time, the Developer has decided to offer the individual apartments as well as the common elements, including the underlying land, for sale in fee simple only. In connection with such sales, a new form of sales contract and conveyance document will be used by both the Developer and its parent company (see Exhibits A and J).

2. In addition, the apartments and common elements will be sold in "AS IS" condition "WITH ALL FAULTS", and the Developer and its parent company will make no warranties with respect to the Project, any apartment or anything installed or contained therein (see Exhibit I).

3. In connection with the resumption of sales, new escrow agreements will be used (see Exhibit K).

4. The common elements of the project originally included a putting green, water treatment plant and sewage treatment plant. The planned putting green was not installed, but was replaced by astroturf, which was subsequently eliminated at the request of the Association of Apartment Owners. The water treatment plant and sewage treatment plant have been bypassed and the project is currently hooked up to the Maui County water and sewer systems.

5. Some amendments have been made to the Project Declaration and By-Laws, and Preliminary Reports dated January 20, 1997 for the 16 apartments covered by this Public Report, are being submitted to the Real Estate Commission (the "Commission") with this Public Report.

6. The estimates of current maintenance fees and disbursements have changed (see Exhibit One). The Developer discloses that a reserve study was done in accordance with Hawaii Revised Statutes Section 514A-83.6 and the Hawaii Administrative Rules, Chapter 107, in arriving at the estimate of reserve funds necessary to maintain the Project, which is contained in Exhibit One. In addition, the House Rules have been revised and a copy of the current House Rules is being submitted to the Commission with this Public Report.

7. Due to the passage of time, the terms of some documents may become inapplicable in the normal course of events, and some persons originally connected with the Project may have moved or disposed of records, or may be unavailable.

8. The Hawaii Real Estate Commission has completely revised the public report format and content.

PROSPECTIVE BUYERS ARE ENCOURAGED TO READ CAREFULLY AND UNDERSTAND THE MATTERS COVERED IN THIS PUBLIC REPORT AND THE DOCUMENTS DESCRIBED IN IT, INCLUDING NOT ONLY THE CONTENT OF STATEMENTS MADE, BUT ALSO THE DOCUMENTS AND SOURCES OF INFORMATION TO WHICH REFERENCE IS MADE. PROSPECTIVE BUYERS ARE ALSO ENCOURAGED TO VISIT THE PROJECT AND INSPECT ANY OF THE APARTMENTS THAT ARE FOR SALE AND THE COMMON ELEMENTS OF THE PROJECT, AND TO OBTAIN ANSWERS TO ANY QUESTIONS THAT BUYERS MAY HAVE ABOUT THE PROJECT AND ITS OPERATION. THE PROJECT MANAGING AGENT MAY HAVE DOCUMENTS OR OTHER INFORMATION IN WHICH PROSPECTIVE BUYERS WOULD BE INTERESTED, INCLUDING MINUTES OF ASSOCIATION AND BOARD MEETINGS. PROSPECTIVE BUYERS SHOULD LOOK AT THE PROJECT AS ONE HAVING A NUMBER OF YEARS OF OPERATION SINCE IT WAS CONSTRUCTED.

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EXHIBIT ONE: Estimate of Current Maintenance Fees

EXHIBIT A: Interest to be Conveyed to Buyer
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EXHIBIT J: Summary of Pertinent Sales Contract Provisions
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EXHIBIT L: Additional Information Not Covered Above

General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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.

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 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 project's 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.

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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer:

Hawaii Omori Corporation — **Phone:** (808) 667-6872
Name (Business)
P. O. Box 1570
Business Address
Lahaina, Maui, Hawaii 96767-1570

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

Shigemitsu Omori - Pres & CEO;Treas.	Yoneko Omori - VP
Shinichi Ishizuka - Exec. VP till 2/27/97	Susumu Nitadori from 2/28/97
Akio Hinohara - VP	Lloyd Ginoza - VP; Ass. Treas.
Walter Shimoda - Secretary	Harold Mizomi - Ass. Secretary

Real Estate Broker:

Monte D. Fitts, Realtors — **Phone:** (808) 661-8863
Name Whaler's Village, Suite A-1 (Business)
2435 Kaanapali Parkway
Business Address
Lahaina, Maui, Hawaii 96761

Escrow:

Title Guaranty Escrow Services, Inc. — **Phone:** (808) 661-8715
Name Lahaina Branch (Business)
505 Front Street, #201
Business Address
Lahaina, Maui, Hawaii 96761

General Contractor:

F&M Contractors, Incorporated — **Phone:** (808) 877-2777
Name (Business)
230 Hana Highway
Business Address
Kahului, Maui, Hawaii 96732

Condominium Managing Agent:

Management Consultants of Hawaii, Inc. — **Phone:** (808) 661-8795
Name (Business)
P. O. Box 10039
Business Address
Lahaina, Maui, Hawaii 96761-0039

Attorney for Developer:

Edward R. Brooks
Brooks Tom Miller & Porter — **Phone:** (808) 526-3011
Name (Business)
737 Bishop Street, Suite 2700
Business Address
Honolulu, Hawaii 96813

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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

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: Document No._____ Book 13923 Page 720
[ ] Filed - Land Court: Document No._____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment dated August 23, 1979, recorded in Book 13939 at Page 791; Second Amendment dated August 31, 1979, recorded in Book 13966 at Page 543; Third Amendment dated December 26, 1979, recorded in Book 14366 at Page 91; and Fourth Amendment dated February 5, 1980, recorded in Book 14471 at Page 313.

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 Conveyances Condo Map No. 634
[ ] Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: Fourth Amendment to Declaration dated February 5, 1980, recorded in Book 14471 at Page 313

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 manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No._____ Book 13923 Page 720 (attached to Declaration)
[ ] Filed - Land Court: Document No._____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: Restated Bylaws dated May 11, 1993 recorded as Document No. 93-082934; and Amendment of By-Laws dated April 25, 1996, recorded as Document No. 96-060118.

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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	---	Board of Directors

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

[X] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

[ ] Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple. See Exhibit A

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

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/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 regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

For Subleaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] 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 canceled or foreclosed.

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

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 at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. **Underlying Land:**

Address: 4007 Lower Honoapiilani Road Lahaina, Maui, Hawaii 96761 Tax Map Key (TMK): (2) 4-3-008-004

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

Land Area: 1.780 [ ] square feet [X] acre(s) Zoning: A-1

Fee Owner : Hawaii Omori Corporation
Name
P. O. Box 1570
Address
Lahaina, Maui, Hawaii 96767-1570

Sublessor: N/A
Name

Address

C. Buildings and Other Improvements:

see Exhibit B

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

2. Number of Buildings: 6 (A through F) Floors Per Building A through E - 2 stories / F - 1 story

[X] Exhibit B contains further explanations.

3. Principal Construction Material:

[X] Concrete [X] Hollow Tile [X] Wood

[X] Other see Exhibit B

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning			No. of Apts.	Use Determined By Zoning
[X] Residential	32	[X] Yes	[ ] No	[ ] Ohana	____	[ ] Yes [ ] No
[ ] Commercial	____	[ ] Yes	[ ] No	[ ] Industrial	____	[ ] Yes [ ] No
[ ] Mix Res/Comm	____	[ ] Yes	[ ] No	[ ] Agricultural	____	[ ] Yes [ ] No
[ ] Hotel	____	[ ] Yes	[ ] No	[ ] Recreational	____	[ ] Yes [ ] No
[ ] Timeshare	____	[ ] Yes	[ ] No	[ ] Other:_____	____	[ ] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No

5. Special Use Restrictions:

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

[ ] Pets:_____

[ ] Number of Occupants:_____

[X] Other: see Exhibit C

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 14 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
A	4	2/2	1,159	366	lanai
A	4	2/2	1,159	206	lanai
A	8	2/2	1,159	247	lanai/storage*
B	2	1/1.5	859	160	lanai
B	8	1/1.5	859	189	lanai/storage*
B	6	1/1.5	859	128	lanai

Total Number of Apartments: 32

*trellis/planter

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

*see Exhibit D

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: see Exhibit D

Permitted Alterations to Apartments: see Exhibit D

7. Parking Stalls:

Total Parking Stalls: 53

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each unit)	28	4	0	0	0	0	32
Guest	0	21	0	0	0	0	21
Unassigned	0	0	0	0	0	0	0
Extra for Purchase	0	0	0	0	0	0	0
Other: _____	0	0	0	0	0	0	0
Total Covered & Open:	53		0		0		53

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.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[X] Swimming pool [X] Storage Area [X] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosure(s)

[X] Other: whirlpool

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below: [ ] Violations will be cured by _____ (Date).

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

N/A

11. 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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[X] described in Exhibit F.

[ ] 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.

[X] The limited common elements and the apartments which use them, as described in the Declaration, are:

[X] described in Exhibit F.

[ ] 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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

[X] described in Exhibit G.

[ ] as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit H describes the encumbrances against the title contained in the title ~~report~~ reports dated January 20, 1997 and issued by Title Guaranty of Hawaii, Inc. revised March 11, 1997.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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.

[X] 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

F. 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: see Exhibit I

2. Appliances: see Exhibit I

G. Status of Construction and Date of Completion or Estimated Date of Completion:

The Project was completed on December 15, 1979.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. **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 condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

[X] not affiliated with the Developer [ ] the Developer or the Developer's affiliate.
[ ] self-managed by the Association of Apartment Owners [ ] Other: _____

B. **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, a lien may be placed on your apartment and the apartment may be 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.

Exhibit ONE contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **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:

[ ] None [X] Electricity (__X__ Common Elements only _____ Common Elements & Apartments)
[ ] Gas (_____ Common Elements only _____ Common Elements & Apartments)
[X] Water [X] Sewer [X] Television Cable
[ ] Other _____

V. MISCELLANEOUS

A. 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

[X] Specimen Sales Contract
Exhibit J contains a summary of the pertinent provisions of the sales contract.

[X] Escrow ~~Agreement~~ Agreements dated January 16, 1997
Exhibit K contains a summary of the pertinent provisions of the escrow ~~agreement~~ agreements.

[ ] Other_____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales 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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

   A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
   B) Declaration of Condominium Property Regime, as amended.
   C) Bylaws of the Association of Apartment Owners, as amended.
   D) House Rules, if any.
   E) Condominium Map, as amended.
   F) Escrow Agreement.
   G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
   H) Other _____

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 1047 filed with the Real Estate Commission on 10/17/78.

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

[ ] YELLOW paper stock [ ] WHITE paper stock [X] PINK paper stock

C. **Additional Information Not Covered Above**

see Exhibit L

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

HAWAII OMORI CORPORATION

Name of Developer *

By: _____ 3/10/97

Duly Authorized Signatory — Date

Akio Hinohara, Vice President of Hawaii Omori Corporation

print name & title of person signing above

*Developer is signing this Public Report on behalf of itself and its parent company, Shonan Kanko Kaihatsu Co., Ltd.

Distribution:

Department of Finance, County of Maui
Planning Department, County of Maui
Federal Housing Administration

EXHIBIT ONE

MAHINAHINA BEACH
(32 Units)

ESTIMATE OF CURRENT MAINTENANCE FEES
and
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Current Maintenance Fees:

		MONTHLY FEE x 12 months	YEARLY TOTAL
	Apartments (32 units)		
2.66044%	102,103,104,105,202,203,204,205 108,109,208,209,114,115,214,215	$439.86	$5,278.32
3.58956%	101,106,201,206,107,110,207,210 111,112,211,212,113,116,213,216	$592.54	$7,110.48

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

Association of Apartment Owners of Mahinahina Beach
1996-97 Budget

	Monthly Budget	Annual Budget
Maintenance Fees	16,518	198,221
Maintenance Fees - rounding difference	41	490
Interest Income	59	708
Prior Year Excess Assessments	1,250	15,000
TOTAL REVENUE	17,868	214,419
Utilities		
Electricity	930	11,160
TV Cable	575	6,900
Water	630	7,560
Sewer	620	7,440
Gas	8	96
Telephone	75	900
Maintenance		
Buildings	425	5,100
Grounds	525	6,300
Lighting	425	5,100
Sewer	100	1,200
Roof Vent Replacement	1,066	12,792
Pool	125	1,500
Pest Control	110	1,320
Refuse	425	5,100
Others	15	180
Administration		
Office & Administration	110	1,320
Outside Services	88	1,056
Meetings	9	110
Management Fee	792	9,504
Legal & Professional	100	1,200
Year End Accounting	40	480
Dues & Subscriptions	12	144
Payroll & Benefits		
Manager & Grounds Payroll	3,620	43,440
Payroll Taxes & Benefits	673	8,076
Payroll Taxes	448	5,376
Manager's Housing	1,000	12,000

Association of Apartment Owners of Mahina Beach
1996-97

	Monthly Budget	Annual Budget
Insurance Expenses	2,648	31,776
Interest	50	600
Other Expenses	5	60
Transfer to Reserves		
Reserve Assessment	2,160	25,921
Interest Income	59	708
TOTAL EXPENSES	17,868	214,419
OPERATING REVENUE & EXPENSES	-	-

We, Management Consultants of Hawaii, Inc., as managing agent for the condominium, hereby certify that the above estimates of current maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles. The information contained herein is based on the data available to us at this time.

MANAGEMENT CONSULTANTS OF HAWAII, INC.

Tanya Every

Tanya Every, PCAM
Association Manager

September 24, 1996
Date

EXHIBIT A
to
Supplementary Condominium Public Report
Mahinahina Beach

INTEREST TO BE CONVEYED TO BUYERS

All of the apartments being sold under this Public Report are covered by Condominium Conveyance Documents ("CCDs") which have been issued to the Developer or its parent company. The Developer or its parent company (as the case may be) will be cancelling the CCDs and issuing Limited Warranty Apartment Deeds to each Buyer. The Limited Warranty Apartment Deed will convey an apartment, together with an undivided percentage interest in the common elements, including the underlying land, in fee simple.

A specimen form of the Limited Warranty Apartment Deed has been filed with the Commission together with this Public Report.

EXHIBIT B
to
Supplementary Condominium Public Report
Mahinahina Beach

BUILDINGS AND OTHER IMPROVEMENTS

Construction of the Project was substantially completed on December 15, 1979. Therefore, the buildings in the Project are not newly constructed as of the date of this Public Report, nor are they being converted to a condominium at this time.

The Project consists of six (6) buildings, designated A through F, containing a total of thirty-two (32) residential apartments. Building A is a two-story structure containing twelve (12) apartments. Building B is a two-story structure containing eight (8) apartments. Building C is a two-story structure containing four (4) apartments. Building D is a two-story structure containing eight (8) apartments. Buildings C and D are constructed above and are integrated with a partially sub-grade parking structure (Building F), which connects the two buildings. Building F contains twenty-eight (28) parking stalls, an electrical room, a storage room, a restroom with shower and thirty-two (32) individual storage lockers. The roof of Building F is utilized as an open recreational deck. Building E is a two-story structure attached to Building F by a concrete bridge and stairway. Building E serves as a combination pool cabana and manager's office, and contains a reception area, pool and mechanical equipment rooms, shower and restroom facilities, the manager's office and a storage area for maintenance personnel.

Each of the Buildings is constructed primarily of concrete plank and topping roof and floor construction of plastered concrete block bearing walls, wood shake decor on the second floor level, and incorporates glass, aluminum, gypsum board and allied building materials. None of the buildings contains a basement.

EXHIBIT C
to
Supplementary Condominium Public Report
Mahinahina Beach

SPECIAL USE RESTRICTIONS

The following provisions in the Declaration, By-Laws and House Rules, as indicated, contain restrictions on the use of the apartments and the common elements of the Project:

I. DECLARATION

Pursuant to paragraph J of the Declaration, the apartments are to be used and occupied only as private dwellings by the respective owners, their tenants, families, domestic servants and social guests, and may be utilized for long-term or transient rentals. Subject to the foregoing limitations, the owners have the right to rent or lease the apartments subject to the limitations, restrictions, covenants and conditions in the Declaration.

II. BY-LAWS

Article VIII, Section 1 of the By-Laws lists a variety of restrictions affecting the use of the apartments and common elements, including, without limitation, restrictions as to the posting of advertisements, posters or other signs on or about the Project; noise; disposal of garbage; uses which may cause an increase in the ordinary premium rates or cancellation or invalidation of any insurance maintained by or for the Association; unlawful or offensive activities; the storage of furniture, packages or other objects which could obstruct transit through the common elements; the construction or placement in the Project of any building or structure; the alteration of any common elements of the Project; and the installation or maintenance of any television or other antennas in the Project.

III. HOUSE RULES

Section A of the House Rules lists restrictions affecting the apartments, including, without limitation, restrictions regarding signs; noise; deliveries; lanais; disposal of rubbish; the conduct of guests; and air conditioning units.

Section B of the House Rules lists restrictions affecting the common and limited common elements of the Project, including, without limitation, restrictions as to soliciting; storage of surfboards and bicycles; moving; alteration or removal of furniture made available in the common areas; obstructing access in the Project; litter; and the Project landscaping.

Section C of the House Rules lists general restrictions affecting the Project, including, without limitation, restrictions as to the creation of any hazards in the Project and the renting of apartments.

Section D of the House Rules lists restrictions affecting vehicles in the Project, including, without limitation, restrictions as to the movement of vehicles while in the Project; parking which may impede or prevent ready access to any entrance or to any exit from the Project by another vehicle; and nuisances.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF CERTAIN USE PROVISIONS STATED IN THE DECLARATION, BY-LAWS AND HOUSE RULES. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE USE RELATED PROVISIONS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT D
to
Supplementary Condominium Public Report
Mahinahina Beach

APARTMENT MEASUREMENTS, BOUNDARIES AND ALTERATIONS

When the Project was created and the living areas were measured for purposes of describing them in the Declaration, the measurements were taken from the outside faces of exterior walls and the centerline of interior party walls, without reduction for things such as interior walls, ducts, vent shafts and the like. Subsequently, Hawaii condominium regulations were adopted which require that measurements be made from the interior surfaces of perimeter walls. **THE ORIGINAL MEASUREMENTS OF THE APARTMENTS WOULD BE DIFFERENT FROM MEASUREMENTS MADE UNDER THE CURRENT REGULATIONS. THEREFORE, PROSPECTIVE BUYERS ARE URGED TO VISIT THE PROJECT AND THE APARTMENTS, AND HAVE THEIR OWN MEASUREMENTS TAKEN.**

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment, any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as provided in the Declaration. Subject to the foregoing, each apartment shall be deemed to include all of the walls and partitions which are not load-bearing within its perimeter or party walls, any glass windows or panels, window frames, doors and door frames within its perimeter, the inner decorated or finished surfaces of all walls, floors and ceilings, all adjacent lanai/storage areas and trellises/planters adjacent to the lanais, and any fixtures and appliances originally installed therein.

Buyers must acknowledge and understand that (i) the Declaration provides that all of the apartments in the project include the adjacent lanai/storage areas and any trellises/planters adjacent to the lanais, and (ii) the percentage common interests appurtenant to all apartments in the project were computed based on the interior living areas, excluding the lanai/storage areas and trellises/planters. As a result, all 2-bedroom (Type A) apartments have a percentage common interest of 3.58956 and an interior living area of approximately 1,159 square feet, but the lanai area of the first floor apartments being offered for sale is approximately 366 square feet, and the lanai/storage area of the second floor apartments being offered for sale is approximately 174 square feet with an adjacent trellis/planter of approximately 73 square feet. Similarly, all 1-bedroom (Type B) apartments have a percentage common interest of 2.66044 and an interior living area of approximately 859 square feet, but the lanai area of the first floor apartments being offered for sale is approximately 128 or

160 square feet, and the lanai/storage area of the second floor apartments being offered for sale is approximately 137 square feet with an adjacent trellis/planter of approximately 52 square feet. Buyers must understand and accept that, because the percentage common interests were computed in the manner described above, each Buyer's voting rights, maintenance fee obligations and other rights and obligations based on each Buyer's percentage common interest may be different than what they would have been had the percentage common interests been computed in another manner. Buyers must release, protect and hold Seller harmless from any claims arising out of the computation of the percentage common interest appurtenant to their apartments.

Article XIII, Section 5 of the By-Laws prohibits any owner from making any addition or alteration to his apartment which may affect the common elements or change the exterior appearance of the Buildings, without the prior written consent of the Board.

EXHIBIT E
to
Supplementary Condominium Public Report
Mahinahina Beach

PARKING

Each of the thirty-two (32) apartments in the Project has appurtenant to such apartment as a limited common element the parking space designated in Exhibit E-1 and incorporated herein by reference. In addition, there are twenty-one (21) guest parking stalls.

The Condominium Property Act (Chapter 514A, Hawaii Revised Statutes) provides that owners shall have the right to change the designation of parking stalls which are appurtenant to their respective apartments by amendment of the Declaration and the respective apartment deeds or condominium conveyance documents involved, which said amendment need only be signed and approved by the owners of the apartments whose parking stalls are being changed, their respective mortgagees, if any, and the condominium conveyance document lessor, if applicable.

The House Rules contain specific provisions concerning vehicles and parking, which owners should thoroughly understand. The provisions cover restrictions relating to, without limitation, vehicle registration by residents with the Board of Directors, speeding; storage of personal items in parking stalls, and avoidance of access problems caused by vehicles. Nuisances created by repairs, maintenance, noise and improper or unsafe vehicle operating conditions are prohibited. Owners will be held responsible for violations of parking rules by their families, renters and guests.

EXHIBIT E-1
to
Supplementary Condominium Public Report
Mahinahina Beach

PARKING STALL ASSIGNMENTS

	Apartment Number	Parking Stall
Building A	101	24
	103	10
	104	9
	105	8
	106	7
	201	1
	203	3
	205	5
Building B	107	12
	108	13
	109	14
	209	18
	210	19
Building D	114	34*
	115	36*
	215	37*

Guest Stalls: 29 through 33; and 38 through 53

*uncovered

EXHIBIT F
to
Supplementary Condominium Public Report
Mahinahina Beach

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

I. COMMON ELEMENTS

Paragraph E of the Declaration describes the common elements as all portions of the land and improvements (other than the apartments), the land on which the building is located and all common elements mentioned in the Condominium Property Act which are actually constructed on the land. The common elements include, but are not limited to, the following:

1. The land described in Exhibit "A" to the Declaration.

2. All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surfaces within each apartment), roofs, stairways, walkways, entrances and exits of the buildings.

3. Buildings E and F and all furniture, fixtures and equipment located within each of those buildings.

4. All yards, grounds (including, without limitation, the putting green*), walkways, ramps and bridges as shown on the Condominium File Plan, landscaping, trellises and storage areas other than those adjacent to apartment lanais, refuse facilities, the swimming pool and its filtration equipment, the whirlpool and its equipment room, and all other recreational facilities and appurtenances.

5. All driveways and parking areas (excluding individual parking stalls which are limited common elements);

6. Twenty-one (21) guest parking stalls as designated on said Condominium File Plan as 29 through 33, and 38 through 53.

7. All ducts, sewer lines, sewage treatment plant*, water treatment plant*, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas air conditioning, refuse, telephone and radio and television signal reception and distribution; and

8. Any and all other apparatus and installations of common use and all other parts of the property necessary or

convenient to its existence, maintenance and safety, and normally in common use.

*** NOTE: The planned putting green was not installed, but was replaced by astroturf, which was subsequently eliminated at the request of the Association of Apartment Owners. The water treatment plant and sewage treatment plant have been bypassed and the project is currently hooked up to the Maui County water and sewer systems.**

II. LIMITED COMMON ELEMENTS

Paragraph F of the Declaration describes the limited common elements as certain parts of the common elements which are set aside and reserved for the exclusive use of certain apartments, which apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside for each apartment are as follows:

1. The stairway(s) serving each apartment above the ground floor of the Project will be for the exclusive use of the apartments served thereby

2. One (1) parking stall designated for each of the thirty-two (32) apartments in the Project.

3. One (1) storage locker and one (1) mailbox as shown on the Condominium File Plan and as designated by the Association or its authorized representative.

EXHIBIT G
to
Supplementary Condominium Public Report
Mahinahina Beach

COMMON INTEREST

	Apartment Number	Common Interest
Building A	101	3.58956
	103	2.66044
	104	2.66044
	105	2.66044
	106	3.58956
	201	3.58956
	203	2.66044
	205	2.66044
Building B	107	3.58956
	108	2.66044
	109	2.66044
	209	2.66044
	210	3.58956
Building D	114	2.66044
	115	2.66044
	215	2.66044

EXHIBIT H
to
Supplementary Condominium Public Report
Mahinahina Beach

ENCUMBRANCES AGAINST TITLE

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

2. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the premises described herein.

3. Grant in favor of Maui Electric Company, Limited, dated January 30, 1979, recorded in Liber 13481 at Page 29; granting a perpetual nonexclusive right and easement (10 feet wide) to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., over, under, upon, across and through the lands described herein.

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Covenants dated August 14, 1979, recorded in Liber 13923 at Page 714.

5. The terms and provisions, including the failure to comply with the covenants, conditions and reservations contained in the Declaration of Horizontal Property Regime of Mahinahina Beach, and the By-Laws attached thereto dated August 14, 1979, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13923 at Page 720, as amended by instruments dated August 23, 1979, recorded in Liber 13939 at Page 791, dated August 31, 1979, recorded in Liber 13966 at Page 543, dated December 26, 1979, recorded in Liber 14366 at Page 91, and dated February 5, 1980, recorded in Liber 14471 at Page 313, as the same may be further amended from time to time in accordance with law. Restated By-Laws of the Association of Apartment Owners of Mahinahina Beach dated May 11, 1993, recorded as Document No. 93-082934, and Amendment of By-Laws dated April 25, 1996, recorded as Document No. 96-060118, as may be further amended by law. (Project covered by Condominium Map No. 634 and any amendments thereto.)

6. Section VII(c) Agreement for West Maui Areas dated May 3, 1983, recorded in Liber 17392 at Page 359, made by and between the Association of Apartment Owners of Mahinahina Beach, and the County of Maui, Department of Water Supply.

7. The terms, easements, restrictions, agreements, reservations, covenants, conditions and provisions contained in the Condominium Conveyance Documents covering the individual

apartments. (However, as previously noted, the Condominium Conveyance Document covering an apartment will be cancelled by the Developer or its parent company, as the case may be, immediately prior to the conveyance of such apartment to a buyer.)

8. Any unrecorded tenant leases.

9. For real property taxes due and payable, refer to Director of Finance, County of Maui.

EXHIBIT I
to
Supplementary Condominium Public Report
Mahinahina Beach

CONSTRUCTION WARRANTIES

The warranties covering the original construction of the Project and the appliances installed in the apartments, may no longer be in effect. Prospective Buyers who are interested in determining whether such warranties have expired or are limited, should review the applicable documents or have them reviewed by an expert of Buyer's choice (at Buyer's cost).

For information regarding any subsequent work of repair or improvement in the Project, and any applicable warranties, prospective Buyers should inquire with the Managing Agent.

Neither the Developer nor its parent company has evaluated any of the warranties which are applicable to the Project, nor any of the laws relating to such warranties, such as statutes of limitation. The effect of such laws and the evaluation of such warranties are complex and subject to interpretation and court rulings. The statements in this Exhibit are made solely for informational purposes and do not represent any legal position or conclusion of the Developer or its parent company.

Paragraph 7 of the Deposit Receipt and Sales Contract used in connection with the Project provides that the Apartment and the Project are now being sold in "AS IS" condition with "ALL FAULTS". This means that the Seller will not correct any defects in the Project, the Apartment or anything installed or contained therein. The existence of any defect in the Project, the Apartment or anything installed or contained therein shall not excuse Buyer's obligation to perform all of Buyer's obligations under the Contract.

Paragraph 8 of the Contract provides that the Seller is disclaiming any warranties, either express or implied, including any implied warranties of habitability, merchantability or fitness for a particular purpose, with respect to the Project, the Apartment or anything installed or contained therein. Each apartment will be deemed to be sold "AS IS" with "ALL FAULTS", and the Seller will not be liable to the Buyer for any construction or other defects, including any latent or hidden defects in the Project, the Apartment or anything installed or contained therein. This means that Buyer will not have the right to file any lawsuit for damages against Seller for any defects later discovered by Buyer. Paragraph 8 also provides that the Seller has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive

materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of hazardous materials laws. The Buyer acknowledges that in light of the age of the buildings in the Project, there may be asbestos or other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of asbestos and other hazardous substances, Buyer should have the apartment and the Project inspected to determine the extent of such contamination and any necessary remedial action. Seller will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases Seller from any liability to Buyer if any hazardous materials are discovered.

THIS EXHIBIT CONTAINS ONLY A SUMMARY OF CERTAIN PERTINENT PROVISIONS CONTAINED IN THE SALES CONTRACT DESCRIBED HEREIN. BUYERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS IN THEIR ENTIRETY CONTAINED IN THE SALES CONTRACT.

EXHIBIT J
to
Supplementary Condominium Public Report
Mahinahina Beach

SUMMARY OF PERTINENT SALES CONTRACT PROVISIONS

The Developer has filed a specimen Mahinahina Beach Deposit Receipt and Sales Contract (Fee Simple) with the Commission together with this Public Report. The same specimen Contract will be used by the Developer's parent company. The pertinent provisions are summarized below (all capitalized terms are defined in said Contract):

Seller's Cancellation Rights. Paragraph 5 provides that in addition to any other rights of cancellation reserved to Seller, if Buyer's deposit check is returned for insufficient funds, Seller reserves the right to return Buyer's check or payments, without interest and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses incurred by reason of Buyer's execution of the Contract. Until then the Contract remains in full force and effect. If Buyer should die or become incapacitated, bankrupt or insolvent prior to closing, then either Buyer or Seller shall have the right to cancel the Contract, whereupon Seller will return Buyer's check or payments, without interest and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses incurred by reason of Buyer's execution of the Contract. Until either party chooses to cancel the Contract under those terms, it remains in full force and effect.

Condominium Documents. Paragraph 6 provides that the Buyer will examine (or waive such examination) and will approve prior to closing, the form of the Limited Warranty Apartment Deed, Declaration, By-Laws, Seller's Disclosure Abstract, House Rules, Condominium Escrow Agreement, all Public Reports, and all amendments to such documents, together with the current and/or proposed Association budget, the approved minutes of the last annual meeting of the Association, the Association's current financial statement, the approved minutes of the last three (3) Board of Directors' meetings, all approved minutes issued between the date the Contract is signed and the Closing Date (if any), and a copy of all pending litigation complaints (if any) filed by or against the Association and/or its directors that are currently unresolved. The foregoing documents will be sent to Buyer or will be made available for Buyer's examination prior to closing, and the foregoing acknowledgment and agreement by Buyer will be contained in the Apartment Deed. In addition, the Limited Warranty Apartment Deed will also contain

limited warranties by the Seller that it has good right to sell the Apartment to the Buyer and that the Seller has not allowed any encumbrances to be placed against the Apartment other than those encumbrances described in therein.

Apartment Being Sold "AS IS" With "ALL FAULTS". Paragraph 7 provides that the Apartment and the Project are now being sold in "AS IS" condition with "ALL FAULTS". This means that the Seller will not correct any defects in the Project, the Apartment or anything installed or contained therein. The existence of any defect in the Project, the Apartment or anything installed or contained therein shall not excuse Buyer's obligation to perform all of Buyer's obligations under the Contract.

Seller's Disclaimer of Warranties. Paragraph 8 provides that the Seller is disclaiming any warranties, either express or implied, including any implied warranties of habitability, merchantability or fitness for a particular purpose, with respect to the Project, the Apartment or anything installed or contained therein. Each apartment will be deemed to be sold "AS IS" with "ALL FAULTS", and the Seller will not be liable to the Buyer for any construction or other defects, including any latent or hidden defects in the Project, the Apartment or anything installed or contained therein. This means that Buyer will not have the right to file any lawsuit for damages against Seller for any defects later discovered by Buyer. Paragraph 8 also provides that the Seller has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of hazardous materials laws. The Buyer acknowledges that in light of the age of the buildings in the Project, there may be asbestos or other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of asbestos and other hazardous substances, Buyer should have the apartment and the Project inspected to determine the extent of such contamination and any necessary remedial action. Seller will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases Seller from any liability to Buyer if any hazardous materials are

discovered.

Buyer's Right to Rescind. Paragraph 17 provides that if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Apartment or (2) those amenities of the Project available for Buyer's use, Buyer will have the right to rescind the sale and to receive a refund of any monies paid. Buyer's right of rescission, however, will be waived upon satisfaction of certain conditions contained in paragraph 17.

Default. Paragraph 18 provides in part that if Buyer defaults in any payment when required or fails to perform any other obligations required of Buyer and fails to cure such default within ten (10) days after receipt of written notice thereof from Seller, then Seller may, at Seller's option, terminate the Contract, and the sums paid by Buyer prior to such default shall belong to Seller as liquidated damages. In addition, Buyer shall pay all fees for the preparation of documents in connection with Buyer's proposed purchase of the Apartment.

Paragraph 18 also provides that if Seller defaults in the performance of any of Seller's obligations, then Buyer will be entitled to specific performance of the Contract or Buyer will have the right to cancel the Contract. In the event of such cancellation, the Seller must repay to Buyer all sums paid by Buyer to Seller or Escrow Agent, and, in addition, Seller must pay Buyer $100.00 as liquidated damages for Seller's default.

Pre-paid Items. Paragraph 20 provides that Buyer will be required to prepay: (a) maintenance fees for a period of two (2) months, which amount shall constitute a contribution to the maintenance fund for the Project pursuant to the Declaration, (b) real property taxes for a period up to six (6) months, and (c) insurance premiums to the extent required by any first mortgage lender. Real property taxes and maintenance expenses shall be prorated as of the Closing Date or the date of actual possession, whichever sooner occurs. Buyer understands and agrees that all of the foregoing amounts to be paid by Buyer are in addition to, and are not part of the total purchase price for the Apartment, and are nonrefundable, nontransferable and nonreimbursable to Buyer.

THIS EXHIBIT CONTAINS ONLY A SUMMARY OF CERTAIN PERTINENT PROVISIONS CONTAINED IN THE SALES CONTRACT DESCRIBED HEREIN. BUYERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS IN THEIR ENTIRETY CONTAINED IN THE SALES CONTRACT.

EXHIBIT K
to
Supplementary Condominium Public Report
Mahinahina Beach

SUMMARY OF PERTINENT ESCROW AGREEMENT PROVISIONS

The Condominium Escrow Agreements dated January 16, 1997 (the "Escrow Agreements"), executed by and between Title Guaranty Escrow Services, Inc., as Escrow, and Hawaii Omori Corporation, as Owner, and Shonan Kanko Kaihatsu Co., Ltd., as Owner, respectively, provide that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Owner and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held by Escrow; or

(b) Owner shall have notified Escrow of Owner's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Owner; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised the purchaser's right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) The purchaser has exercised the purchaser's right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended; or

(e) Owner and purchaser shall have requested Escrow in writing and any one of the following events has occurred, as it relates to the owner-occupant provisions of Hawaii Revised Statutes Section 514A, Part VI:

(i) no sales contract has been offered to the purchaser who has been placed on the Owner's reservation list of owner-occupant applicants; or

(ii) purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within thirty (30) calendar days following the end of the ten (10) calendar day period during which the Owner is limited to selling to owner-occupants; or

(iii) the purchaser desires to cancel the contract on account of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

No disbursement of purchasers' funds held in escrow shall be made unless and until the apartment deed relating to the disbursements has been recorded.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE ESCROW AGREEMENTS. PROSPECTIVE BUYERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS CONTAINED IN THE ESCROW AGREEMENT WHICH COVERS BUYER'S APARTMENT.

EXHIBIT L
to
Supplementary Condominium Public Report
Mahinahina Beach

ADDITIONAL INFORMATION NOT COVERED ABOVE

1. Developer and Parent Company are Unit Owners. As of the date of issuance of this Supplementary Public Report, the Developer owns 15 apartments in the Project representing an aggregate of 43.62308% out of the total Project common interest of one hundred percent (100%). Such percentage will decrease as the Developer sells apartments and may be less than the stated percentage when a Buyer purchases an apartment. The votes attributable to the Developer's unsold apartments may be exercised by the Developer. In addition, the Developer's parent company, Shonan Kanko Kaihatsu Co., Ltd., a Japan corporation, owns 1 apartment in the Project representing 3.58956% out of the total Project common interest of one hundred percent (100%).

PROSPECTIVE BUYERS SHOULD NOTE THAT THE DEVELOPER TURNED OVER THE PROJECT TO THE ASSOCIATION A NUMBER OF YEARS BEFORE ISSUANCE OF THIS PUBLIC REPORT. ALTHOUGH THE DEVELOPER HAS A SUBSTANTIAL VOTE IN THE ASSOCIATION DUE TO THE DEVELOPER-OWNED APARTMENTS, THE ASSOCIATION HAS OPERATED ON ITS OWN FOR A NUMBER OF YEARS AND THE DEVELOPER'S FUNCTION IN THE ASSOCIATION IS THAT OF ANY OWNER OF APARTMENTS. PROSPECTIVE BUYERS MAY INQUIRE OF THE ASSOCIATION AS TO THE BUYERS' SPECIFIC QUESTIONS RELATED TO THE ASSOCIATION. THE DEVELOPER AND ITS PARENT COMPANY ENCOURAGE ALL SUCH APPROPRIATE INQUIRIES AND REFERS PROSPECTIVE BUYERS TO THE ASSOCIATION MANAGING AGENT. HOWEVER, NEITHER THE DEVELOPER NOR ITS PARENT COMPANY CAN TAKE RESPONSIBILITY FOR INFORMATION PROVIDED TO PROSPECTIVE BUYERS BY ANY ASSOCIATION REPRESENTATIVES.

2. Reserves. Effective January 1, 1993, Hawaii law requires condominium associations to meet certain financial reserve requirements. The law aims to help ensure availability of funds for a condominium association's upkeep, repair, or replacement of parts of the Project property the association is obligated to maintain, such as roofs, walls, decks, paving, and equipment. These requirements are stated in the condominium act, Chapter 514A Hawaii Revised Statutes. The actual amount of the Mahinahina Beach reserves may be obtained from the Managing Agent. Each apartment owner has an undivided interest equal to the owner's percentage common interest in the Project's reserve fund. Apartment owners do not receive any reimbursement for their shares of the reserves upon selling of otherwise disposing of their Mahinahina Beach apartments, and such reserves remain in the Association's name and account.

3. Flood Elevation. Seaward portions of the Project land at or below 12 feet elevation (MSL, 1929 NGVD), if any, are

within Zone V24 areas of 100-year coastal flood with velocity (wave action); base flood elevations and flood hazard factors determined according to Panel 150003 0151B, dated June 1, 1981, of the Flood Insurance Rate Maps prepared by the U.S. Department of Housing and Urban Development, Federal Insurance Administration. The lowest finished floor elevation for the Project buildings is 18.1 feet (MSL, 1929 NGVD).

4. State and County Agreements. With respect to the water system in the Project, the State of Hawaii required as a condition to approving the system, that the Developer agree to indemnify the State of Hawaii, its offices and subdivisions, and the agents, officers and employees of any of them, from loss, damage, liability, claims or demands in connection with State's approval of the system. The County of Maui also required a similar agreement from the Association in connection with the County's approval of a larger water meter. These agreements are identified in Exhibit H as "Declaration of Covenants" and "Section VII(c) Agreement for West Maui Areas", respectively. The agreements by the Developer and the Association are binding on all subsequent owners, including condominium unit owners.

5. SMA Permit. The work of original Project construction within the County of Maui shoreline Special Management Area was done pursuant to a permit by the County, which stated that it was good for ten (10) years and was extendable for good cause where no changes have been made or will be made in the original Project plans as specified to the County. The 10-year period of the permit has expired.

6. Seawall. Pursuant to permission by the County of Maui, the Developer constructed a seawall after the filing of the Condominium Map.

7. Disabilities Laws. There are both federal and Hawaii laws aimed at protecting persons with "handicapped status". Federal laws include the "Americans with Disabilities Act" and portions of the "Fair Housing Act". The Hawaii law is in Section 515-3 of the Hawaii Revised Statutes. Neither the Developer nor its parent company makes any representation or warranty about whether the Project or apartments for sale are affected by or comply with such laws. PROSPECTIVE BUYERS SHOULD CONSULT WITH THEIR OWN ADVISERS TO DETERMINE IF THE PROJECT OR ANY PARTICULAR UNIT IS SUITABLE FOR THE BUYER.