

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII  
1010 RICHARDS STREET

P. O. BOX 3469  
HONOLULU, HAWAII 96801

THIRD

## SUPPLEMENTARY

## HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)

## PUBLIC REPORT

on

SANDPIPER VILLAGE I

Princeville, Hanalei, Kauai, Hawaii

(Registration for Apartments 105, 107, 108, 112, 113, 115,  
117, 122, 123, 124, 127, 128, 129, 131, 132, 134, 135,  
136, 137, 215, 216, 217, 218, 224, 229, 232, and 234 only)

REGISTRATION NO. 1166

### **This Report Is Not an Approval or Disapproval of This Condominium Project**

It was prepared as a supplement to an earlier Report dated September 28, 1979, January 25, 1980, October 27, 1980 & April 21, 1983 issued by the Real Estate Commission on the above 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 until

- (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: August 18, 1983

Expires: May 27, 1984

### SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 30, 1979 AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 5, 1983. SANDPIPER PROPERTIES, INC., BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND REPORTING CHANGES IN THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report dated September 28, 1979, the First Supplementary Public Report dated January 25, 1980, Final Public Report dated October 27, 1980, and Second Supplementary Public Report of April 21, 1983, on SANDPIPER VILLAGE I, Registration No. 1166, the Commission has been informed that Sandpiper Properties, Inc. has obtained title to twenty-seven (27) condominium units in the Project, being units 105, 107, 108, 112, 113, 115, 117, 122, 123, 124, 127, 128, 129, 131, 132, 134, 135, 136, 137, 215, 216, 217, 218, 224, 229, 232 and 234, and wishes to sell undivided one-sixth (1/6) interests in such units, together with the exclusive right to use such units for sixty (60) day periods, to the public. Additionally, the Commission has been informed that an Amendment to the Declaration of Horizontal Property Regime has been recorded to further clarify the use restrictions contained in the original Declaration of Horizontal Property Regime. Accordingly, Sandpiper Properties, Inc., as the Owner/Developer for such twenty-seven (27) units, reports that changes have been made in the plan or set-up as represented in the August 30, 1979 Notice of Intention.

The changes made are determined to be a material revision to the information disclosed earlier. This Third Supplementary Public Report (pink paper stock) amends the Preliminary Public Report (yellow paper stock), Final Public Report (white paper stock), Supplementary Public Report (pink paper stock) and Second Supplementary Public Report (pink paper stock), becoming a part of Registration No. 1166. Sandpiper Properties, Inc. is responsible for placing a true copy of this Third Supplementary Public Report (pink paper stock) and attached Disclosure Abstract in the hands of all purchasers or prospective purchasers, along with copies of the Preliminary, Final and previous Supplementary Public Reports. It is also the responsibility of Sandpiper Properties, Inc. to obtain the required receipts therefor from each such person.

2. Sandpiper Properties, Inc. has submitted to the Commission for examination all documents deemed necessary for registration of the Project and the updating of information disclosed therein.

3. A First Amendment to Declaration of Horizontal Property Regime of Sandpiper Village I, dated October 21, 1980, has been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15083 at Page 386.

4. A Second Amendment to Declaration of Horizontal Property Regime of Sandpiper Village I, dated April 15, 1981, has been recorded as aforesaid in Liber 15490 at Page 666.

5. A Third Amendment to Declaration of Horizontal Property Regime of Sandpiper Village I, dated July 25, 1983, has been recorded as aforesaid in Liber 17230 at Page 263.

6. Sandpiper Properties, Inc. has filed all advertising or promotional material prior to distribution to the public, as required by the rules and regulations promulgated by the Commission.

7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the rules and regulations promulgated thereunder which relate to horizontal property regimes.

8. This Third Supplementary Public Report automatically expires on May 27, 1984, unless another Supplementary Public Report is issued, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

Except for the topical headings which follow, the information contained in the Preliminary Public Report dated September 28, 1979, Supplementary Public Report of January 25, 1980, Final Public Report of October 27, 1980, and Second Supplementary Public Report of April 21, 1983, has not been disturbed.

OWNER/DEVELOPER: The Commission has been advised that the Owner/Developer with respect to the Units is Sandpiper Properties, Inc., a Hawaii corporation, whose principal place of business and post office address is at 745 Fort Street, Suite 2118, Honolulu, Hawaii 96813, Telephone number: (808) 524-0900; Officers: President - Dennis Conway, Vice-President/Secretary - James Vrechek.

ATTORNEY REPRESENTING OWNER/DEVELOPER: Mukai, Ichiki, Raffetto & MacMillan (Attention: Wesley Y. S. Chang, Esq.), 345 Queen Street, Suite 800, Honolulu, Hawaii, is representing Sandpiper Properties, Inc. with respect to the twenty-seven (27) units. Telephone number: (808) 531-6277.

INTEREST TO BE CONVEYED TO PURCHASERS: The Owner/Developer has informed the Commission that upon receipt of the full payment of the purchase price for the same, the Owner/Developer will, by means of an Apartment Deed, convey to the purchaser an Interval Ownership Interest consisting of an undivided one-sixth (1/6th) interest in the Unit and the furnishings located therein and in the undivided percentage interest in the common elements of the

Project appurtenant thereto, together with an exclusive right to occupy the Unit for a period designated in the Apartment Deed and in the Declaration of Covenants, Conditions and Restrictions applicable to the Unit.

RESTRICTIONS AS TO USE: The Commission has been informed that the Third Amendment to Declaration of Horizontal Property Regime of Sandpiper Village I dated July 25, 1983 revised the restrictions as to use applicable to the Project.

A. Declaration of Horizontal Property Regime.

The Declaration, as amended, states that the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests and may be utilized for interval ownership plans in which the use, occupancy or possession of an apartment circulates among various persons for a period of sixty (60) days or more in any year for any occupant, or for long-term or transient rentals, including vacation rentals, BUT SPECIFICALLY EXCLUDING TIME SHARE PLANS. Subject to the foregoing limitations and to the Supplemental Declaration of Rules for Interval Ownership Programs, the owners of the respective apartments are given the absolute right to sell, rent or lease their apartments subject to the limitations, restrictions, covenants and conditions of the Declaration.

The amended Declaration defines the term "Time Share Plan" to mean any plan or program in which the use, occupancy, or possession of one or more time share units circulates among various persons for less than a sixty (60) day period in any year, for any occupant. The term "Time Share Plan" includes both time share ownership plans and time share use plans, as follows:

(a) "Time Share Ownership Plan" means any arrangement whether by tenancy in common, sale, deed or by other means, whereby the purchaser receives an ownership interest and the right to use the property for a specific or discernible period by temporal division.

(b) "Time Share Use Plan" means any arrangement, excluding normal hotel operations, whether by membership agreement, lease, rental agreement, license, use agreement, security or other means, whereby the purchaser receives a right to use accommodations or facilities, or both, in a time share unit for a specific or discernible period by temporal division, but does not receive an ownership interest.

B. Supplemental Declaration of Rules for Interval Ownership Programs.

The Supplemental Declaration of Rules imposes certain restrictions and other requirements on developers who wish to offer, sell, transfer, or otherwise dispose of Interval Ownership Interests. Sandpiper Properties, Inc. has informed the Commission that it intends to comply with such requirements.

The Supplemental Declaration of Rules also provides that all common expenses assessed against an apartment shall constitute a lien against all Interval Ownership Interests therein, and all

Owners of Interval Ownership Interests in an apartment shall be jointly and severally liable for such common expenses. The lien for common expenses shall be prior to all other liens other than (a) liens for taxes and assessments lawfully imposed by governmental authority against the apartment and (b) all sums unpaid on a recorded mortgage of an apartment or Interval Ownership Interest, and costs and expenses, including attorneys' fees, provided in such mortgage, provided that a foreclosure of a mortgage of an Interval Ownership Interest or a sale pursuant to a power of sale contained in such mortgage shall affect the lien for common expenses against only the Interval Ownership Interest so mortgaged and foreclosed or sold, and shall not affect the liens for common expenses against any other Interval Ownership Interests in the apartment. Where the mortgagee of record or other purchaser of an Interval Ownership Interest obtains title to the Interval Ownership Interest as a result of foreclosure of the mortgage, or exercise of the power of sale, the acquirer of title, his successors and assigns shall not be liable to the Association for the common expenses chargeable to the apartment which become due prior to the acquisition of title to the Interval Ownership Interest by the acquirer, except to the extent such common expenses may be deemed to be common expenses collectible from all of the apartment owners, including the acquirer, his successors and assigns, as provided in the Declaration of Horizontal Property Regime for the Project.

Additionally, if, as a result of the institution of an Interval Ownership Program, an insurer charges higher rates for insurance carried by the Association, the increased costs shall be borne by the Owners of the Interval Ownership Interests.

C. Declaration of Covenants, Conditions and Restrictions.

Sandpiper Properties, Inc. also reports that a Declaration of Covenants, Conditions and Restrictions will be filed of record on each of the Units prior to or simultaneously with the first conveyance of an Interval Ownership Interest on the Unit in question.

Among other things, the Declaration of Covenants, Conditions and Restrictions provides that the owners will not be involved in the day-to-day management of the Unit and that the physical management of the Unit is to be handled through a Property Manager. The Declaration of Covenants, Conditions and Restrictions further provides that a decision of the owners of not less than sixty-six percent (66%) of the ownership interests in the Unit shall be required and binding with respect to the following:

(a) Making any capital expenditures upon the Unit after the date of the Declaration of Covenants, Conditions and Restrictions.

(b) Making improvements to the Unit.

(c) Determining whether and when to sell or dispose of the Unit and the terms of the sale or disposition.

(d) Determining whether extraordinary expenses relating to the Unit shall be assessed to and paid by the owners according to their respective undivided interests in the Unit.

(e) Determining whether the Property Management Agreement with the Property Manager should be terminated and the terms and conditions of any new Property Management Agreement.

Each owner's vote for purposes of the Declaration of Covenants, Conditions and Restrictions is in proportion to the owner's undivided interest in the Unit, and voting rights and other rights under the Declaration of Covenants, Conditions and Restrictions are transferred automatically with any owner's transfer of the owner's interest in the Unit and cannot be sold or transferred separately from such ownership.

The Declaration of Covenants, Conditions and Restrictions further provides that use rights to the Unit are to be handled in accordance with the following procedures:

1. Each year will consist of six (6) consecutive Use Periods each having sixty (60) consecutive days. No changes in such Use Periods shall be made without the written consent of all of the owners of the Unit, and in no event will such Use Periods be changed so as to require the administration and use of the Unit to be registered as a time-sharing plan under Section 514E of the Hawaii Revised Statutes.

2. Each owner shall have the exclusive right to occupy and use the Unit and furniture, furnishings and appliances therein, for the Use Period designated to such owner in the owner's deed for his undivided interest in the Unit and in accordance with the schedule set forth in Exhibit "A" attached hereto and hereby made a part hereof for all purposes. Any owner may exchange Use Periods with other owners. Each owner shall have the obligation in common with other owners to maintain and repair the Unit during the maintenance period(s), which shall be used solely for cleaning, maintenance, and repair of the Unit. No other person shall occupy or use the Unit during any Use Period unless authorized by the owner having the right to the Unit for that period. All persons occupying or using the Unit shall keep the Unit and all furnishings, furniture and appliances therein clean and in good condition and repair, and shall vacate the Unit on or before the expiration of the Use Period in question.

3. Any owner may permit the Unit to be occupied during such owner's Use Period by tenants, members of such owner's immediate family and guests. However, no owner shall directly or indirectly establish any plan or program in which the use, possession or occupancy of such owner's Use Period circulates among others for less than a sixty-day period for any occupant or any other plan or program which would establish a "Time Share Plan" as defined in Section 514E-1(14) of the Hawaii Revised Statutes without causing the Declaration of Horizontal Property Regime for the Project to be amended, by vote of one hundred percent (100%) of the owners, to specifically permit time share plans and without complying, at such owner's sole cost and expense, with the registration and all other requirements of the Hawaii Time Sharing Law (Chapter 514E of the Hawaii Revised Statutes, as amended) and the requirements of all other applicable laws. Each owner agrees to indemnify and save the other owners harmless from and against any violation of the requirements of Chapter 514E of the Hawaii Revised Statutes and the requirements

of other applicable laws and from and against any and all losses, liabilities, damages, costs and expenses (including, without limitation, court costs and reasonable attorneys' fees), suffered or incurred by the other owners by reason of the violation of the foregoing restriction.

4. If any owner or other occupant of the Unit fails to vacate the Unit at the end of such owner's or occupant's Use Period or otherwise uses or occupies the Unit other than during such owner's Use Period(s) without the right or express permission to do so, or prevents another owner or rightful occupant from using or occupying the Unit during such other owner's or occupant's Use Period, the detaining owner or occupant shall (a) be subject to immediate removal from the Unit, (b) be deemed to have waived any notice required by law with respect to such removal, and (c) will reimburse the owner otherwise entitled to use the Unit for all costs and expenses incurred by such owner or occupant as a result of such conduct, including, without limitation, the cost of substitute lodging and transportation.

5. If an owner wishes to rent the Unit for any period during such owner's Use Period, instead of occupying or otherwise personally using the Unit, such owner shall make such owner's own rental arrangements. Any rental arrangement shall be subject to the Property Manager's review on behalf of all the other owners and shall be subject and subordinate to the terms, restrictions and limitations contained in the Declaration of Covenants, Conditions and Restrictions, including without limitation, the provisions of paragraph 3. hereinabove and shall contain the following provision:

"This Agreement is fully subject to the Declaration of Covenants, Conditions and Restrictions for Apartment No. \_\_\_\_\_ in the Sandpiper Village I Condominium Project and dated \_\_\_\_\_, and if there is any conflict between this Rental Agreement and said Declaration of Covenants, Conditions and Restrictions, it is understood that the Declaration of Covenants, Conditions and Restrictions for Apartment No. \_\_\_\_\_ in the Sandpiper Village I Condominium Project will prevail."

6. The Property Manager for the Unit is responsible for collecting a security deposit from each owner at or prior to the commencement date for such owner's Use Period. The Property Manager is responsible for deciding the amount of and conditions for refund or retention of all or a portion of the security deposit.

7. Each owner or other occupant is responsible for complying with and holding such owner's interest in the Unit subject to the terms of the Declaration of Covenants, Conditions and Restrictions, and to all other applicable covenants, conditions, restrictions, encumbrances, rules and regulations affecting the Unit. No owner or other occupant can construct, improve, alter, modify, remove or replace any part of the Unit without the prior written consent of the percentage of owners whose consent is required by the Declaration of Covenants, Conditions and Restrictions, and, if required, of the Association of Apartment Owners of the Sandpiper Village I Condominium Project. No animals of any kind shall be kept in or upon the Unit.

8. Any owner may borrow money on such owner's undivided interest in the Unit only upon the following terms and conditions:

(a) The amount of the loan shall be no more than eighty percent (80%) of the value of such owner's undivided interest in the Unit; provided, however, that for purposes of this subparagraph, the amount of any purchase money loan made by Sandpiper Properties, Inc. shall be excluded.

(b) The hypothecation of such owner's undivided interest in the Unit, whether in the form of a mortgage or pledge, shall not prohibit prepayment of the loan.

(c) The owner's proportionate share of the proceeds of the sale of the Unit may be applied towards the payment of the loan made by such owner, and any such proceeds may be paid directly to the lender.

(d) The lender shall agree that in the event that there is any default in such mortgage or pledge, the lender, lender's successors, heirs, legal representatives and assigns, shall give written notice of such default to the Property Manager prior to the lender's exercise of any option to accelerate the maturity date of the loan, the lender's exercise of any power of sale or the institution of any foreclosure or other legal proceedings by the lender.

9. No owner shall permit such owner's interest in the Unit or the furnishings, fixtures, or appliances therein, to be subject to any lien, claim or charge, (other than the liens of current nondelinquent real property taxes and a mortgage permitted under paragraph 8. hereinabove), the enforcement of which may result in a sale of the Unit, or interfere in the use or enjoyment thereof by any other owner. If such a sale is threatened, any one or more owners may, but shall not be required to, pay or compromise the lien, claim or charge without inquiry into the proper amount or validity thereof and, in such event, the owner whose interest was threatened to be subjected to such lien, claim or charge shall reimburse the owner(s) who paid or compromised the lien, claim or charge, together with reasonable attorneys' fees and related costs incurred. No owner shall permit such owner's interest in any funds held by Agent or in the owners' trust account to be subjected to any attachment, lien, claim or charge, and each owner shall promptly restore any such funds depleted by such attachment, lien, claim or charge and shall reimburse the other owners for all reasonable attorneys' fees and other costs incurred in respect thereof.

The Declaration of Covenants, Conditions and Restrictions further provides that each owner or other person occupying or making use of the Unit during any Use Period is to pay for the cost of long distance telephone charges, cleaning or other special services allocable to the Unit during the Use Period and for the cost to repair any damage to the Unit or to repair or replace any furnishings, furniture, or appliances in the Unit on account of loss or damage occurring during such Use Period when such cost or expense is necessitated by the intentional or negligent act or omission of such Owner or occupant during such Use Period, except to the extent the same is covered by insurance, together with any

other expense attributable to the Use Period. In addition to said charges, each owner is to pay a share of the cost and expenses equal to the owner's undivided percentage interest in the Unit, including maintenance fee assessments, real property taxes and special property assessments, insurance premiums, compensation for the managing agent for the Unit, amounts for reserves for the Unit, and any other costs and expenses attributable to the Unit. Finally, each owner is to pay for his share of the following costs and expenses to the extent not covered by maintenance fee assessments, which share shall be based on the ratio that the number of Use Periods for which each owner has rights bears to the total number of Use Periods to which all owners have rights:

1. Basic utility charges;
2. The cost of ordinary repair, maintenance and painting of the Unit;
3. Premiums for liability insurance; and
4. Reserves established for the foregoing items.

The Declaration of Covenants, Conditions and Restrictions provides for the following restrictions on transfers of interests in the Unit:

The Declaration of Covenants, Conditions and Restrictions provides that each owner shall have the right to sell, transfer or assign his interest in the Unit and such owner's Use Period only by means of an instrument in which the purchaser, transferee or assignee shall execute a written undertaking in which such purchaser, transferee or assignee shall agree to observe, perform and abide by all of the terms and provisions of the Declaration of Covenants, Conditions and Restrictions; provided, further, that the seller, transferor or assignor shall deliver a true copy of the instrument of sale, transfer or assignment together with the written undertaking of the purchaser, transferee or assignee to the Property Manager. The Declaration also provides that no owner shall further divide or fragmentize his interest in the Property, whether by way of sale, transfer, assignment or otherwise, in a manner which will result in the establishment of a time share plan for the Unit, without causing the Declaration of Horizontal Property Regime for the Project to be amended by vote of one hundred percent (100%) of the owners to specifically permit time share plans and without complying with the registration and other requirements of Chapter 514E of the Hawaii Revised Statutes and all other applicable laws, and no owner shall sell, transfer or assign such owner's Use Period separately from such owner's interest in the Unit.

The Declaration of Covenants, Conditions and Restrictions provides that such Declaration of Covenants, Conditions and Restrictions may be cancelled and made inapplicable by an agreement agreed to by all of the owners and consented to by the holders of any mortgages on the owners' interests in the Unit. Amendments, however, can be effected by a vote of the owners of sixty-six percent (66%) of the interests in the Unit, except for the provisions relating to the use rights in the Unit and the restrictions on transfer of interests in the Unit, which require the vote of all of the owners.

OWNERSHIP OF TITLE: The twenty-seven (27) Units were conveyed to Sandpiper Properties, Inc. by Deed dated October 29, 1982, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16665 at Page 766.

NOTATION: The Verified Statement of Owner/Developer Regarding Status of Project reflects that the original Developer, SPVI Limited Partnership has conveyed the remaining 47 units in the Project as follows:

1. UNITS 204, and 206 were conveyed to State Savings and Loan Association, in lieu of foreclosure of the interim construction loan for the Project, by Deed dated September 28, 1982, recorded in Liber 16629 at Page 81.

2. UNITS 109, 111, 114, 116, 118, 126, 130, 201, 202, 207, 209, 211, 213, 214, 219, 222, 223, 227, 231, 235, 236 and 237 were conveyed to Seafirst Mortgage Corporation by Warranty Deed dated September 28, 1982 recorded in Liber 16629, Page 73.

3. UNIT 228 was conveyed to Seafirst Mortgage Corporation, as to an undivided 10% interest, and to State Savings and Loan Association, as to an undivided 90% interest, together as tenants in common, by Warranty Deed dated September 28, 1982, recorded in Liber 16629 at Page 89.

4. UNITS 104, 106, 110, 203, 221, 133 and 233 were conveyed by SPVI Limited Partnership to Syncap, Incorporated by the following Deeds:

<u>Apt. No.</u>	<u>Date</u>	<u>Recorded</u>	
		<u>Liber</u>	<u>Page</u>
104	August 27, 1981	15785,	199
106	August 27, 1981	15785,	559
110	June 15, 1981	15715,	208
203	September 23, 1981	15855,	258
221	June 15, 1981	15725,	40
133	September 23, 1981	16004,	498
233	September 23, 1981	16004,	565

5. UNITS 101, 102, 103, 119, 120, 121, 125, 205, 208, 210, 212, 220, 225, 226 and 230 were conveyed by SPVI Limited Partnership to bona fide third-party purchasers.

ENCUMBRANCES AGAINST TITLE: A Preliminary Title Report, dated June 9, 1983, issued by Hawaii Escrow & Title Inc. reports that title to the twenty-seven (27) Units owned by Sandpiper Properties, Inc. is subject to the following:

AS TO ALL APARTMENTS:

1. Assessments or charges levied by municipal or governmental authority or imposed by any other lawfully constituted body authorized by statute to assess, levy and collect the same, if any.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration dated March 1, 1971, recorded on March 12, 1971, in the Bureau of Conveyances of the State of Hawaii in Liber 7444 at Page 93. Said Declaration was amended by instrument recorded on September 28, 1978 as aforesaid in Liber 13167 at Page 37.

4. Easement "D-18" (10 feet wide) for purposes of drainage situate along the northerly and westerly boundaries of Lot 15 as shown on File Plan No. 1360.

5. Easement "E-18" (10 feet wide) for electrical purposes situate along the easterly boundary of said Lot 15 as shown on said File Plan No. 1360.

6. a. A Lien, between Eagle County Development Corporation, a Colorado corporation, and Kauai County Public Improvement Corporation, dated April 7, 1971, recorded on April 12, 1971 in Liber 7486 at Page 292.

b. A Supplemental Lien between Eagle County Development Corporation, a Colorado corporation, and Kauai County Public Improvement Corporation, dated March 27, 1972, recorded on April 3, 1972 in Liber 8222 at Page 388.

Said Lien was amended by instruments dated November 13, 1972, October 9, 1973 and December 16, 1974, recorded November 20, 1972, November 7, 1973 and April 22, 1975, in Liber 8743 at Page 1, in Liber 9583 at Page 521 and in Liber 10584 at Page 326, respectively.

7. Reservations in favor of Consolidated Oil and Gas, Inc., a Colorado corporation, as contained in Deed dated September 28, 1978, recorded as aforesaid in Liber 13167 at Page 40.

8. Matters as shown on Condominium File Plan No. 744, filed in the Bureau of Conveyances.

9. Right-of-Entry in favor of Hawaiian Telephone Company, a Hawaii corporation, and Citizens Utilities Company, a Delaware corporation authorized to do business in the State of Hawaii, dated May 2, 1980, recorded on June 16, 1980, in Liber 14790 at Page 285 re (1) granting a right of entry and temporary easement for construction and maintenance of power and communication lines; (2) this right of entry shall automatically terminate upon recordation of a formal grant of easement with the Bureau of Conveyances.

10. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Horizontal Property Regime dated July 3, 1980 and recorded on August 22, 1980 in Liber 14936 at Page 84. Said Declaration of Horizontal Property Regime was amended by instruments recorded on October 22, 1980 in Liber 15083 at Page 386, and April 21, 1981 in Liber 15490 at Page 666.

11. Any and all easements encumbering the apartments and/or the common interests appurtenant thereto, as created by or mentioned in said Declaration, as amended, and/or in said Warranty Deed, and/or as delineated on said Condominium File Plan.

12. That certain Mortgage dated October 29, 1982 made by Sandpiper Properties, Inc., a Hawaii corporation, as Mortgagor, in favor of State Savings and Loan Association, a Utah corporation, as Mortgagee, and recorded on October 29, 1982 in Liber 16665 at Page 773.

13. Taxes which may be due and owing; reference is made to the Director of Finance, County of Kauai.

AS TO APARTMENT 108:

1. That certain Mortgage dated July 27, 1981 made by Syncap, Incorporated, a Hawaii corporation, as Mortgagor, in favor of SPVI Limited Partnership, a Hawaii limited partnership, as Mortgagee, and recorded on July 28, 1981 in Liber 15715 at Page 138.

Said Mortgage was assigned as Collateral to Bank of Hawaii, a Hawaii banking corporation, by instrument dated September 14, 1981, and recorded on September 24, 1981 in Liber 15838 at Page 790.

Said Mortgage was further assigned as Collateral by SPVI Limited Partnership, a Hawaii limited partnership, to Financial and Affiliated Resources, Inc., a Hawaii corporation, by instrument dated January 12, 1982 and recorded on October 26, 1982 in Liber 16655 at Page 717.

Said Mortgage was reassigned by Bank of Hawaii, a Hawaii banking corporation, to SPVI Limited Partnership, a Hawaii limited partnership, by instrument dated October 28, 1982 and recorded on October 29, 1982 in Liber 16665 at Page 733.

The effect of that certain Release between SPVI Limited Partnership, a Hawaii limited partnership, and Syncap, Incorporated, a Hawaii corporation, by instrument dated October 12, 1982, and recorded on October 29, 1982 in Liber 16665 at Page 762.

AS TO APARTMENT 112:

1. That certain Mortgage dated July 27, 1981 made by Syncap, Incorporated, a Hawaii corporation, as Mortgagor, in favor of SPVI Limited Partnership, a Hawaii limited partnership, as Mortgagee, and recorded on July 28, 1981 in Liber 15715 at Page 182.

Said Mortgage was assigned as Collateral to Bank of Hawaii, a Hawaii banking corporation, by instrument dated September 14, 1981, and recorded on September 24, 1981 in Liber 15838 at Page 790.

Said Mortgage was further assigned as Collateral by SPVI Limited Partnership, a Hawaii limited partnership, to Financial and Affiliated Resources, Inc., a Hawaii corporation, by instrument dated January 12, 1982 and recorded on October 26, 1982 in Liber 16655 at Page 717.

Said Mortgage was reassigned by Bank of Hawaii, a Hawaii banking corporation, to SPVI Limited Partnership, a Hawaii limited partnership, by instrument dated October 28, 1982 and recorded on October 29, 1982 in Liber 16665 at Page 733.

The effect of that certain Release between SPVI Limited Partnership, a Hawaii limited partnership, and Syncap, Incorporated, a Hawaii corporation, by instrument dated October 12, 1982, and recorded on October 29, 1982 in Liber 16665 at Page 762.

AS TO APARTMENT 134:

1. That certain Mortgage dated July 27, 1981 made by Syncap, Incorporated, a Hawaii corporation, as Mortgagor, in favor of SPVI Limited Partnership, a Hawaii limited partnership, as Mortgagee, and recorded on July 28, 1981 in Liber 15715 at Page 270.

Said Mortgage was assigned as Collateral to Bank of Hawaii, a Hawaii banking corporation, by instrument dated September 14, 1981, and recorded on September 24, 1981 in Liber 15838 at Page 790.

Said Mortgage was further assigned as Collateral by SPVI Limited Partnership, a Hawaii limited partnership, to Financial and Affiliated Resources, Inc., a Hawaii corporation, by instrument dated January 12, 1982 and recorded on October 26, 1982 in Liber 16655 at Page 717.

Said Mortgage was reassigned by Bank of Hawaii, a Hawaii banking corporation, to SPVI Limited Partnership, a Hawaii limited partnership, by instrument dated October 28, 1982 and recorded on October 29, 1982 in Liber 16665 at Page 733.

The effect of that certain Release between SPVI Limited Partnership, a Hawaii limited partnership, and Syncap, Incorporated, a Hawaii corporation, by instrument dated October 12, 1982, and recorded on October 29, 1982 in Liber 16665 at Page 762.

AS TO APARTMENT 135:

1. That certain Mortgage dated July 27, 1981 made by Syncap, Incorporated, a Hawaii corporation, as Mortgagor, in favor of SPVI Limited Partnership, a Hawaii limited partnership, as Mortgagee, and recorded on July 28, 1981 in Liber 15715 at Page 314.

Said Mortgage was assigned as Collateral to Bank of Hawaii, a Hawaii banking corporation, by instrument dated September 14, 1981, and recorded on September 24, 1981 in Liber 15838 at Page 790.

Said Mortgage was further assigned as Collateral by SPVI Limited Partnership, a Hawaii limited partnership, to Financial and Affiliated Resources, Inc., a Hawaii corporation, by instrument dated January 12, 1982 and recorded on October 26, 1982 in Liber 16655 at Page 717.

Said Mortgage was reassigned by Bank of Hawaii, a Hawaii banking corporation, to SPVI Limited Partnership, a Hawaii limited partnership, by instrument dated October 28, 1982 and recorded on October 29, 1982 in Liber 16665 at Page 733.

The effect of that certain Release between SPVI Limited Partnership, a Hawaii limited partnership, and Syncap, Incorporated, a Hawaii corporation, by instrument dated October 12, 1982, and recorded on October 29, 1982 in Liber 16665 at Page 762.

AS TO APARTMENT 216:

1. That certain Mortgage dated July 29, 1981 made by Syncap, Incorporated, a Hawaii corporation, as Mortgagor, in favor of SPVI Limited Partnership, a Hawaii limited partnership, as Mortgagee, and recorded on July 30, 1981 in Liber 15724 at Page 771.

Said Mortgage was assigned as Collateral to Bank of Hawaii, a Hawaii banking corporation, by instrument dated September 14, 1981, and recorded on September 24, 1981 in Liber 15838 at Page 790.

Said Mortgage was further assigned as Collateral by SPVI Limited Partnership, a Hawaii limited partnership, to Financial and Affiliated Resources, Inc., a Hawaii corporation, by instrument dated January 12, 1982 and recorded on October 26, 1982 in Liber 16655 at Page 717.

Said Mortgage was reassigned by Bank of Hawaii, a Hawaii banking corporation, to SPVI Limited Partnership, a Hawaii limited partnership, by instrument dated October 28, 1982 and recorded on October 29, 1982 in Liber 16665 at Page 733.

The effect of that certain Release between SPVI Limited Partnership, a Hawaii limited partnership, and Syncap, Incorporated, a Hawaii corporation, by instrument dated October 12, 1982, and recorded on October 29, 1982 in Liber 16665 at Page 762.

AS TO APARTMENT 218:

1. That certain Mortgage dated July 29, 1981 made by Syncap, Incorporated, a Hawaii corporation, as Mortgagor, in favor of SPVI Limited Partnership, a Hawaii limited partnership, as Mortgagee, and recorded on July 30, 1981 in Liber 15725 at Page 18.

Said Mortgage was assigned as Collateral to Bank of Hawaii, a Hawaii banking corporation, by instrument dated September 14, 1981, and recorded on September 24, 1981 in Liber 15838 at Page 790.

Said Mortgage was further assigned as Collateral by SPVI Limited Partnership, a Hawaii limited partnership, to Financial and Affiliated Resources, Inc., a Hawaii corporation, by instrument dated January 12, 1982 and recorded on October 26, 1982 in Liber 16655 at Page 717.

Said Mortgage was reassigned by Bank of Hawaii, a Hawaii banking corporation, to SPVI Limited Partnership, a Hawaii limited partnership, by instrument dated October 28, 1982 and recorded on October 29, 1982 in Liber 16665 at Page 733.

The effect of that certain Release between SPVI Limited Partnership, a Hawaii limited partnership, and Syncap, Incorporated, a Hawaii corporation, by instrument dated October 12, 1982, and recorded on October 29, 1982 in Liber 16665 at Page 762.

AS TO APARTMENT 229:

1. That certain Mortgage dated July 29, 1981, made by Syncap, Incorporated, a Hawaii corporation, as Mortgagor, in favor of State Savings and Loan Association, a Utah corporation, as Mortgagee, and recorded on July 30, 1981 in Liber 15724 at Page 717.

The effect of that certain Release dated October 14, 1982 between State Savings and Loan Association, a Utah corporation, and Syncap, Incorporated, a Hawaii corporation, and recorded on October 29, 1982, in Liber 16665 at Page 756. Said Release refers to Mortgage dated July 29, 1981 and recorded on July 30, 1981 in Liber 15785 at Page 717.

2. That certain Mortgage dated July 29, 1981 made by Syncap, Incorporated, a Hawaii corporation, as Mortgagor, in favor of SPVI Limited Partnership, a Hawaii limited partnership, as Mortgagee, and recorded on July 30, 1981 in Liber 15724 at Page 727.

Said Mortgage was assigned as Collateral to Bank of Hawaii, a Hawaii banking corporation, by instrument dated September 14, 1981, and recorded on September 24, 1981 in Liber 15838 at Page 790.

Said Mortgage was further assigned as Collateral by SPVI Limited Partnership, a Hawaii limited partnership, to Financial and Affiliated Resources, Inc., a Hawaii corporation, by instrument dated January 12, 1982 and recorded on October 26, 1982 in Liber 16655 at Page 717.

Said Mortgage was reassigned by Bank of Hawaii, a Hawaii banking corporation, to SPVI Limited Partnership, a Hawaii limited partnership, by instrument dated October 28, 1982 and recorded on October 29, 1982 in Liber 16665 at Page 733.

The effect of that certain Release between SPVI Limited Partnership, a Hawaii limited partnership, and Syncap, Incorporated, a Hawaii corporation, by instrument dated October 12, 1982, and recorded on October 29, 1982 in Liber 16665 at Page 762.

AS TO APARTMENTS 108, 112,  
134, 135, 216, 218, 229:

1. An Action in the Circuit Court of the First Circuit, commenced November 30, 1982, entitled Financial and Affiliated Resources, Inc., a Hawaii corporation, (vs.) Richard Stephen Wall, also known as Richard S. Wall, also known as Rick Wall; Judith Wall; SPVI Limited Partnership, a Hawaii partnership; WRBS Sandpiper, Inc., a Hawaii corporation; KCP, Inc., a Hawaii corporation; Syncap, Inc., a Hawaii corporation; Capsync, Inc., a Hawaii corporation; Hartford Federal Savings and Loan Association;

Hawaii Central Federal Credit Union; Jerry Dean Oden; Sandra Summerall Oden; City Bank, a Hawaii corporation; United States of America; Jonathan William Sapp; Joyce Mary Sapp; Estate of David Morris Sapp, Deceased, Sandpiper Properties, Inc., a Hawaii corporation; Island Investments, a foreign corporation; State Savings and Loan Association, a Utah corporation; Alfred C. Lardizibal, Director of Finance, County of Kauai, John and Mary Does 1-20, and Doe Partnership, Corporation or other Entities 1-20.

Civil No. 74597.

Nature of Action: Foreclosure of Mortgages.

Notice of Pendency of said Action was recorded December 3, 1982 in Liber 16719 at Page 600.

Amended Notice of Pendency of Action was recorded December 15, 1982 in Liber 16740 at Page 599.

Sandpiper Properties, Inc. has informed the Commission that inasmuch as Units 108, 112, 134, 135, 216, 218 and 229 are currently the subject of existing legal proceedings, said Units will be offered for sale only after such proceedings are concluded or settled. Additionally, since Units 104 and 106 are subject to potential claims by limited partnerships, Sandpiper Properties, Inc. has further informed the Commission that said Units will also be offered for sale only after the potential claims of said partnerships have been resolved.

PURCHASE MONEY HANDLING: Sandpiper Properties, Inc. has entered into an Escrow Agreement dated April 4, 1983, with Hawaii Escrow & Title, Inc. The Escrow Agreement and Deposit Receipt and Sales Contract to be used by Sandpiper Properties, Inc. have been submitted to the Commission and have been found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. Among other provisions, the Escrow Agreement provides that a purchaser under a Deposit Receipt and Sales Contract shall be entitled to a return of his funds, without interest and less the \$36.40 escrow cancellation fee, after the purchaser has requested such return and if Escrow has received from Sandpiper Properties, Inc. a written notice that any one of the following has occurred:

(a) Sandpiper Properties, Inc. and the purchaser shall have requested Escrow to return to purchaser the funds of purchaser then being held thereunder by Escrow; or

(b) Sandpiper Properties, Inc. shall have notified Escrow of Sandpiper Properties, Inc.'s exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Sandpiper Properties, Inc.

Each purchaser and prospective purchaser should read and understand the Escrow Agreement and the Deposit Receipt and Sales Contract before executing the Deposit Receipt and Sales Contract, since the Escrow Agreement describes the procedure for receiving and disbursing the purchaser's funds, and the Deposit Receipt and Sales Contract specifically provides that the purchaser approves

the Escrow Agreement and assumes the benefits and obligations therein provided.

The Deposit Receipt and Sales Contract provides that if less than one hundred percent (100%) of the undivided interests in the Unit described in the Deposit Receipt and Sales Contract are sold prior to a specified date set forth in the Deposit Receipt and Sales Contract, Sandpiper Properties, Inc. has the right to cancel the contract by written notice to the purchaser. If such option is exercised, all monies paid to the purchaser would be refunded without interest, and Sandpiper Properties, Inc. would pay for any escrow cancellation fees. The Deposit Receipt and Sales Contract includes an acknowledgment by each purchaser that such purchaser shall not directly or indirectly establish any plan or program in which the use, possession or occupancy of such owner's Use Period circulates among others for less than a sixty-day period for any occupant or any other plan or program which would establish a "Time Share Plan" as defined in Section 514E-1(14) of the Hawaii Revised Statutes without causing the Declaration of Horizontal Property Regime for the Project to be amended, by vote of one hundred percent (100%) of all unit owners, to specifically allow time share plans and without complying, at such owner's sole cost and expense, with the registration and all other requirements of the Hawaii Time Sharing Law (Chapter 514E of the Hawaii Revised Statutes, as amended). Each purchaser agrees in the Deposit Receipt and Sales Contract to indemnify and save Sandpiper Properties, Inc. harmless from and against any violation of the requirements of Chapter 514E of the Hawaii Revised Statutes and from and against any and all losses, liabilities, damages, costs and expenses (including, without limitation, court costs and reasonable attorneys' fees), suffered or incurred by Sandpiper Properties, Inc. by reason of the violation of the foregoing restriction.

Purchasers are hereby also informed that the Deposit Receipt and Sales Contract provides that the sale of the Unit is "as is" and that Sandpiper Properties, Inc. makes no warranties, expressed or implied, with respect to the Project or the Unit being sold.

The Deposit Receipt and Sales Contract also provides that the Unit will be subject to a Declaration of Covenants, Conditions and Restrictions and that the purchaser has examined and approved of the form of the Declaration of Covenants, Conditions and Restrictions governing the Unit, together with the Declaration of Horizontal Property Regime, the Supplemental Declaration of Rules for Interval Ownership Programs, By-Laws of the Association of Apartment Owners and House Rules, Declaration of Covenants, Conditions and Restrictions and the Property Management Agreement applicable to the entire Sandpiper Village I Condominium Project and the public reports issued by the Real Estate Commission together with the condominium map for the Project.

PROPERTY MANAGEMENT AND OPERATIONS: The Commission has been informed that The Crozier Management Corporation, 4334 Rice Street, Suite 203C, Lihue, Kauai, Hawaii, Telephone: (808) 245-3668, will be the initial Property Manager appointed pursuant to the Declaration of Covenants, Conditions and Restrictions for each of the Units being sold by Sandpiper Properties, Inc.

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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 August 30, 1979 and additional information subsequently filed as late as August 5, 1983.

This Third Supplementary Public Report is made a part of Registration No. 1166 filed with the Commission August 30, 1979.

The Report, when produced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimilies must be pink in color.

  
G. A. "RED" MORRIS, Chairman  
Real Estate Commission  
State of Hawaii

Distribution:  
Department of Finance,  
County of Kauai  
Bureau of Conveyances  
Planning Department,  
County of Kauai  
Federal Building Administration  
Escrow Agent

Registration No. 1166

Dated: August 18, 1983

EXHIBIT "A"

USE PERIODS

The following table designates the Use Periods for the Property.

Period*				
Designation	Commencement Day/From	Termination Day/To	Duration (No. of Days)	Undivided Percentage Interest
A	December 30	February 27	60	16-2/3%
B	February 28**	April 28	60	16-2/3%
C	April 29	June 27	60	16-2/3%
D	June 28	August 26	60	16-2/3%
Maintenance Period	August 27	August 31	5	N/A
E	September 1	October 30	60	16-2/3%
F	October 31	December 29	60	16-2/3%

\* Each use period begins at noon immediately preceding the Commencement Day and ends at noon on the Termination Day, provided check-in and check-out times shall be as set forth by the Owners to allow for orderly transition, cleaning, repair and maintenance.

\*\* In the event of Leap Year, use period A shall still terminate at midnight on February 27, February 28 shall be a maintenance period, and use period B shall commence on February 29.

SANDPIPER VILLAGE I CONDOMINIUM PROJECT  
REGISTRATION NO. 1166  
DISCLOSURE ABSTRACT AS OF July 22, 1983

1. Name and Address of Project: SANDPIPER VILLAGE I, Princeville, Hanalei, Kauai, Hawaii.
2. Name, Address and Telephone Number of Developer: SANDPIPER PROPERTIES, INC., a Hawaii corporation, 745 Fort Street, Suite 2118, Honolulu, Hawaii, 96813, Telephone: 808/524-0900.
3. Managing Agent of Project: The Crozier Management Corporation, 190 South King Street, Suite 740, Honolulu, Hawaii 96813, Telephone: 808/523-3110.
4. Maintenance Fees: The breakdown of the annual maintenance fees and the monthly estimated costs for each apartment, representing the common expenses of the Project allocated to each apartment, which are hereby certified to be based on generally accepted accounting principles, are set forth in Exhibit "A" attached hereto and made a part hereof. The breakdown of the annual maintenance fees and the monthly estimated costs for each Interval Ownership Interest, representing the common expenses of the project allocated to each Interval Ownership Interest, which are also hereby certified to be based on generally accepted accounting principles, are set forth in Exhibit "B" attached hereto and made a part hereof. The Developer advises that the maintenance fees will tend to increase in an inflationary economy and as the improvements age. The estimated maintenance fees and monthly fees for each apartment and Interval Ownership Interest are based on the latest information available to the Developer and Managing Agent and are subject to revision based on actual costs for items enumerated. Maintenance fees can vary depending on services desired by apartment owners. Each Buyer should check the attached maintenance fee schedule to see what services are included therein.
5. Warranties: The Apartments will be sold in an "as is" condition. The Developer does not warrant the structural quality or integrity of the Buildings, or the mechanical soundness of any of the systems of the Buildings or the useful life thereof. DEVELOPER HAS MADE NO WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE BUILDINGS, THE PROJECT, OR ANY COMMON ELEMENTS OR ANYTHING INSTALLED THEREIN. When a purchaser buys an apartment in the Project, the purchaser accepts the same "as is" without warranties or representations as to the condition thereof and assumes all risks of defects known or unknown.
6. Use: The Project consists of seventy-four (74) units which shall be utilized for residential purposes only; provided that the dwelling owners may rent their units either on a long-term or transitory basis, excluding, however, time-share plans.
7. Extent of Non-Residential Development: The Declaration and By-Laws do not authorize any commercial or non-residential use of the Project.

DATED: Honolulu, Hawaii  
July 22, 1983.

SANDPIPER PROPERTIES, INC., a  
Hawaii corporation

By   
its  
PRESIDENT

EXHIBIT "A"

Monthly Estimated Cost for Each Apartment:

1. Total Estimated Monthly Cost  
(See Exhibit "A-1" attached) \$ 13,056.00
2. Total Estimated Annual  
Maintenance Fees \$ 13,056.00 x .12 = \$ 156,672.00
3. Estimated Monthly Cost per Apartment:

<u>Apartment Type</u>	<u>Percentage Common Interest</u>	<u>Estimated Monthly Maintenance Cost</u>
a or aa (except No. 137)	1.26017%	\$ 164.53
b or bb	1.44254%	\$ 188.34
Apartment No. 137	1.25990%	\$ 164.49

4. Estimated Monthly Cost per Apartment for the Apartments  
owned by Sandpiper Properties, Inc.:

<u>Apartment No.</u>	<u>Percentage Common Interest</u>	<u>Estimated Monthly Maintenance Cost</u>
105	1.26017%	\$164.53
107	1.26017%	\$164.53
108	1.26017%	\$164.53
112	1.26017%	\$164.53
113	1.26017%	\$164.53
115	1.26017%	\$164.53
117	1.26017%	\$164.53
122	1.26017%	\$164.53
123	1.26017%	\$164.53
124	1.26017%	\$164.53
127	1.26017%	\$164.53
128	1.26017%	\$164.53
129	1.26017%	\$164.53
131	1.26017%	\$164.53
132	1.26017%	\$164.53
134	1.26017%	\$164.53
135	1.26017%	\$164.53
136	1.26017%	\$164.53
137	1.25990%	\$164.49
215	1.44254%	\$188.34
216	1.44254%	\$188.34
217	1.44254%	\$188.34
218	1.44254%	\$188.34
224	1.44254%	\$188.34
229	1.44254%	\$188.34
232	1.44254%	\$188.34
234	1.44254%	\$188.34

CRÖZIER MANAGEMENT Cl P.  
 WINDPIPER VILLAGE  
 1983 ASSOCIATION BUDGET

EXHIBIT "A-1"

	1983 YEARLY BUDGET	1983 MONTHLY BUDGET
-----INCOME-----		
OWNER ASSESSMENTS	156672.00	13056.00
MISCELLANEOUS INCOME	0	0
LATE CHARGE INCOME	0	0
TOTAL INCOME	156672.00	13056.00
-----EXPENSES-----		
---PAYROLL---		
MANAGER	12000.00	1000.00
FRONT DESK	4620.00	385.00
GROUND S	24000.00	2000.00
SECURITY	0	0
TOTAL LABOR	40620.00	3385.00
EMPLOYER TAXES	8124.00	677.00
INSURANCE H.M.S.A.	3000.00	250.00
TOTAL PAYROLL	51744.00	4312.00
---PROPERTY OPERATIONS---		
ACCT'S. C.P.A. AUDIT	2400.00	200.00
ACCOUNTING	2664.00	222.00
AUTO	600.00	50.00
BANK CHARGES	240.00	20.00
BUILDING MAINTENANCE	1200.00	100.00
CABLE T.V.	0	0
DEPRECIATION EXPENSE	1800.00	150.00
EMPLOYEE RELATIONS	180.00	15.00
EQUIPMENT MAINTENANCE	1200.00	100.00
GROUNDS & LANDSCAPING	3000.00	250.00
INSURANCE GENERAL	15000.00	1250.00
LEGAL	1800.00	150.00
LICENSES & TAXES	0	0
MANAGEMENT FEE	8880.00	740.00
OPERATING SUPPLIES	348.00	29.00
OTHER OPERATING EXPENSE	300.00	25.00
PEST CONTROL	1200.00	100.00
POOL SUPPLIES	3000.00	250.00
POSTAGE & FREIGHT	300.00	25.00
PRINCEVILLE DUES	2976.00	248.00
PRINTING & STATIONERY	300.00	25.00
RENTAL EXPENSE	14400.00	1200.00
TELEPHONE	900.00	75.00
TREE MAINTENANCE	0	0
UNIFORMS	360.00	30.00
	2520.00	210.00
TOTAL PROPERTY OPERATION	65568.00	5464.00
---UTILITIES---		
ELECTRICITY	14400.00	1200.00
SEWAGE	11280.00	940.00
WATER	11280.00	940.00
TOTAL UTILITIES	36960.00	3080.00
TOTAL EXPENSES	154272.00	12856.00
SPECIAL ASSESSMENTS	0	0
SPECIAL RESERVE	2400.00	200.00
TOTAL OWNER ASSESSMENTS		

EXHIBIT "B"

Estimated Monthly Cost for Each Interval Ownership Interest  
for the Twenty-Seven (27) Apartments owned by Sandpiper  
Properties, Inc. (see Exhibit "B-1" attached):

<u>Apartment No.</u>	Estimated Monthly Cost (Equals one-sixth of Estimated Monthly Maintenance Cost from Exhibit "A" plus additional cost shown in Exhibit "B-1")
105	\$ 91.42
107	\$ 91.42
108	\$ 91.42
112	\$ 91.42
113	\$ 91.42
115	\$ 91.42
117	\$ 91.42
122	\$ 91.42
123	\$ 91.42
124	\$ 91.42
127	\$ 91.42
128	\$ 91.42
129	\$ 91.42
131	\$ 91.42
132	\$ 91.42
134	\$ 91.42
135	\$ 91.42
136	\$ 91.42
137	\$ 91.42
215	\$ 95.39
216	\$ 95.39
217	\$ 95.39
218	\$ 95.39
224	\$ 95.39
229	\$ 95.39
232	\$ 95.39
234	\$ 95.39

EXHIBIT "B-1"

Additional Monthly Costs  
Per Interval Ownership Interest  
Per Apartment

1.	Furniture Replacement Reserve	\$ 10.00
2.	Estimated Utility and Operating Expenses	\$ 27.00
3.	Interval Management Fee	\$ 5.00
4.	Real Property Taxes	\$ <u>22.00</u>
	TOTAL ADDITIONAL COSTS	\$ 64.00