

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

## FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on  
THE POLO BEACH CLUB  
20 Makena Road  
Kihei, Maui, Hawaii

REGISTRATION NO. 1279

### **IMPORTANT — Read This Report Before Buying**

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

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project 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: July 14, 1982  
Expires: August 14, 1983

#### SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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 ON MARCH 27, 1980, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JULY 9, 1982. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report of April 9, 1980 on THE POLO BEACH CLUB, Registration No. 1279, the Developer has submitted additional information and documents, including a First Amendment to Declaration of Horizontal

Property Regime and a Second Amendment to Declaration of Horizontal Property Regime. Most of the changes in this report reflect the material changes embodied in said Declaration amendments.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium project and issuance of this Final Public Report.

3. The Declaration of Horizontal Property Regime, together with the Bylaws of the Association of Apartment Owners attached thereto, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15549, Page 396. A First Amendment to the Declaration of Horizontal Property Regime was recorded in said Bureau in Liber 16219, Page 496, and a Second Amendment to the Declaration of Horizontal Property Regime was recorded in said Bureau in Liber 16367, Page 530. Approved floor plans have been recorded in said Bureau as Condominium Map No. 808.

4. Advertising and promotional matter have been submitted to the Real Estate Commission.

5. This Final Public Report is made a part of the registration on THE POLO BEACH CLUB. The Developer shall be responsible for placing this Final Public Report (white paper stock), the Preliminary Public Report (yellow paper stock), and the amended Disclosure Abstract dated June 29, 1982, in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

7. This Final Public Report automatically expires thirteen (13) months after date of issuance, July 14, 1982, unless a 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 information under the topical headings which follow, and the addition of a new topical heading entitled "Sewer Facilities and Agreements," the information in the Preliminary Public Report dated April 9, 1980, has not materially changed.

LOCATION: The project will be located on a parcel of land situate at the westerly intersection of Wailea Alanui and Keoneoio-Makena Road, County of Maui, State of Hawaii. Its post office address is 20 Makena Road, Kihei, Maui, HI 96753. A survey dated December 19, 1980, indicates that said parcel of land contains an area of 2.297 acres.

DEVELOPER: No change, except that the place of business of the Developer is now temporarily located in the sales office at the project site at 20 Makena Road, Kihei, Maui, HI. The Developer's post office address is still P. O. Box 434, Lahaina, Maui, HI 96753.

DESCRIPTION: The description of the other improvements set forth in paragraph 3 of the Preliminary Public Report is amended to read as follows:

"3. Other Improvements. - The project will also consist of other improvements, including an office building, a swimming pool, a jacuzzi, underground parking facility containing seventy-three (73) parking stalls, sixteen (16) uncovered surface parking stalls for compact cars, two (2) loading spaces and landscaping."

The description of the apartment spaces set forth in paragraph 4 is amended by adding a new subparagraph 4(b)(iv) to read as follows:

"(iv) The apartment space types and numbers are as follows:

<u>Apartment Type</u>	<u>Apartment Number</u>
A-1	101, 201, 301, 401, 501, 601, 701, 801
A-2	109, 209, 309, 409, 509, 609, 709, 809
B-1	102, 103, 202, 203, 302, 303, 402, 403, 502, 503, 602, 603, 702, 703, 802, 803
B-2	107, 108, 207, 208, 307, 308, 407, 408, 507, 508, 607, 608, 707, 708, 807, 808
C-1	104, 204, 304, 404, 504, 604, 704, 804
C-2	106, 206, 306, 406, 506, 606, 706, 806
D	205, 305, 405, 505, 605, 705, 805"

INTEREST TO BE CONVEYED PURCHASER: The interest to be conveyed to a purchaser will be a fee simple title in and to an apartment and an undivided interest in all common elements of the project. Each apartment shall have appurtenant thereto an undivided 1/71 fractional interest (an undivided 1.4084507+ percentage interest) in all common elements of the project and the same proportionate share of all common profits and expenses of the project and for all other purposes, including voting.

PURPOSE AND USE OF THE APARTMENTS: The purpose for which the apartments is intended and restricted as to use is residential as set forth in the Declaration, as amended. The Declaration, as amended, recites that the apartments shall be occupied and used only as residential dwellings, but such apartments may be leased or rented from time to time to transients and may also be used, leased, rented, or undivided interest therein may be conveyed in connection with any time sharing program. The Association of Apartment Owners shall have the power to enact resolutions, rules and regulations, and have the power to amend and repeal the same from time to time, reasonably restricting and regulating the use of the apartments and the common elements; provided, that any such resolutions, rules or regulations shall be consistent with the terms of the Declaration, as amended, and the Bylaws of the Association of Apartment Owners.

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

Notwithstanding anything provided in said Declaration to the contrary or otherwise, no apartment owner shall be allowed to create, implement and maintain a time sharing program unless said apartment owner submits no less than ten (10) apartments to any such program.

Pursuant to the Declaration, the developer has taken steps to create a time share program in the Polo Beach Club condominium. The time share program was registered with the Department of Commerce and Consumer Affairs of the State of Hawaii as Registration No. TD(N)-66. Many of the time share program documents are on file with the Commission. In addition, the complete time share program registration is on file with the Department of Commerce and Consumer Affairs, and available for inspection thereat.

OWNERSHIP OF TITLE: An ALTA title insurance policy issued by First American Title Company of Hawaii, Inc., dated December 22, 1980, with three Endorsements updating the same dated April 28, 1982, May 27, 1982 and July 14, 1982, respectively, show that the fee title to the land committed to the project is vested in DM Development Company, the Developer herein.

ENCUMBRANCES AGAINST TITLE: A comparison of the Commitment for Title Insurance issued by First American Title Company of Hawaii, Inc., dated March 18, 1980 (a copy of the foregoing having been submitted to the Commission in connection with the issuance of the Preliminary Public Report of April 9, 1980) with the aforesaid title policy and Endorsements indicates the following additional encumbrances:

1. The restrictions, covenants and conditions as contained in that certain Declaration of Covenants, Conditions and Restrictions (Flood Zone) dated December 16, 1980, recorded on February 2, 1981, in the Bureau of Conveyances of the State of Hawaii in Liber 15320, Page 89.

2. The restrictions, covenants and conditions as contained in that certain Declaration of Covenants, Conditions and Restrictions (Tsunami or Storm Wave District) dated December 16, 1980, recorded on February 2, 1981, in said Bureau of Conveyances in Liber 15320, Page 96.

3. Agreement made by and between the County of Maui, Department of Water Supply, "County," and DM Development Company, formerly Dallas Maui Development Company, a Texas limited partnership, qualified to do business in the State of Hawaii, "Applicant," dated July 29, 1980, recorded on August 8, 1980, in said Bureau of Conveyances in Liber 14909, Page 511.

4. Mortgage, Security Agreement and Financing Statement made by DM Development Company, as Mortgagor, and GECC Financial Corporation, a Hawaii corporation, as Mortgagee, dated December 17, 1980, recorded in said Bureau of Conveyances in Liber 15231, Page 352.

5. Security Agreement made by and between DM Development Company, and GECC Financial Corporation, a Hawaii corporation, dated December 17, 1980, and recorded in the Bureau of Conveyances in Liber 15231, Page 369.

6. Financing Statement made by and between DM Development Company, as Debtor, and GECC Financial Corporation, as Secured Party, recorded in the Bureau of Conveyances in Liber 15231, Page 399.

7. First Additional Charge Mortgage, Security Agreement and Financing Statement made by and between DM Development Company, a Texas limited partnership registered to do business in the State of Hawaii, as Mortgagor, and GECC Financial Corporation, a Hawaii corporation, as Mortgagee, dated April 28, 1982, and recorded in said Bureau of Conveyances in Liber 16315, Page 189.

8. First Amendment of Security Agreement made by and between DM Development Company, a Texas limited partnership registered to do business in the State of Hawaii, as Debtor, and GECC Financial Corporation, a Hawaii corporation, as Secured Party, dated April 28, 1982, and recorded in said Bureau of Conveyances in Liber 16315, Page 194.

9. Financing Statement by DM Development Company, as Debtor, to GECC Financial Corporation, as Secured Party, recorded in said Bureau of Conveyances on May 3, 1982, in Liber 16315, Page 198.

10. Declaration of Horizontal Property Regime of The Polo Beach Club ("Declaration") recorded in said Bureau of Conveyances in Liber 15549, Page 396; the plans thereof being recorded in said Bureau of Conveyances as Condominium Map No. 808. By First Amendment to Declaration of Horizontal Property Regime dated March 16, 1982, and recorded in said Bureau of Conveyances in Liber 16219, Page 496, the said Declaration was amended. By a Second Amendment to Declaration of Horizontal Property Regime recorded in said Bureau of Conveyances in Liber 16367, Page 530, the said Declaration was further amended.

11. Agreement made by and between the County of Maui, Department of Water Supply, and DM Development Company, dated May 22, 1981, recorded in said Bureau of Conveyances in Liber 15575, Page 99.

12. Grant in favor of Maui Electric Company, Limited, dated March 1, 1982, recorded in said Bureau of Conveyances in Liber 16203, Page 50, granting an easement for electrical and communication purposes.

13. The restrictions, covenants and conditions as contained in that certain Polo Beach Club Time Share Declaration and Bylaws dated June 10, 1982, recorded on July 14, 1982, in said Bureau of Conveyances in Liber 16462, Page 330, and Liber 16462, Page 406, respectively.

The Developer has advised the Commission that because the project site is within a tsunami and flood zone as designated by Maui County ordinance, the Developer was required to execute the two Declarations of Covenants, Conditions and Restrictions described in items 1 and 2 above, and was also required to execute the Section VI(c) Agreement for Central Maui Areas described in item 3 above. The two Declarations of Covenants, Conditions and Restrictions relating to flood zone and tsunami or storm wave district, respectively, provide, in essence and among other things, for the Developer to indemnify and defend the County of Maui against loss, damages, liability and claim for property damage and/or personal injury and death arising from or caused by the County of Maui's approval of the project or the issuance by the County of Maui of a building or other permit for the project, or caused by tsunami or storm wave or flooding of any kind or from any cause. Copies of both of the Declaration of Covenants, Conditions and Restrictions are on file with the Commission.

The Section VI(c) Agreement for Central Maui Areas described in item 3 above is a requirement under the rules and regulations of the County of Maui, Department of Water Supply and special rules applicable to the area wherein the project site is located, and provides, in essence, for the Developer indemnifying the County of Maui against all claims and demands for property damage, personal injury and death arising from the County's review and processing of Developer's building permit application and the assumption by the Developer of all risks arising from such review and processing of Developer's building permit application. A copy of the subject Agreement is on file with the Commission.

The Agreement dated May 22, 1981, between the Maui County, Department of Water Supply and DM Development Company, the Developer herein, described in item 8 above, relates to the issuance of a building permit by the County of Maui to the Developer for a temporary wood frame building to be used as the sales office for the project. Although the project will have water service for domestic use and fire protection, the sales office on the project site does not have water service at the present time. In the Agreement the Developer acknowledges the lack of water service and agrees to indemnify the County of Maui against any damages or loss arising from the issuance of such building permit for the sales office. It is the intention of the Developer to cause a cancellation of this Agreement upon demolition or removal of the sales office. A copy of the subject Agreement is on file with the Commission.

The Developer has further advised the Commission that, as stated under the new topical heading of SEWER FACILITIES AND AGREEMENT below, in the conveyance of apartments the Apartment Deeds will include the assignment of the easement rights under the sewer easement grants from Wailea Development Company to the purchasers

and the assumption by the purchasers of the obligation to perform and observe the conditions, covenants, restrictions and other provisions contained in such easement grants.

The Developer has also advised the Commission that the Second Amendment To Declaration of Horizontal Property Regime contains certain reservation of rights and easements. The Developer has reserved the right to conduct extensive sales activities for a period of ten (10) years from the date of recordation of the Second Amendment To Declaration of Horizontal Property Regime and has reserved an easement with respect to the office, the lobby and the registration area, for the purpose of maintaining sales and administrative offices, conducting extensive sales activities and providing services to buyers of apartments for a period of ten (10) years as aforesaid. The Developer has also reserved to itself for a similar period of ten (10) years, an exclusive easement to use the 16 uncovered surface parking stalls to provide parking for sales and administrative purposes. The Developer is required, however, to exercise the rights reserved in a reasonable manner so as not to unreasonably interfere with the use and possession of project by other apartment owners. Similar reservation of rights is made for the benefit of the Developer's mortgage lender in the event such mortgage lender becomes the owner of the project.

SEWER FACILITIES AND AGREEMENTS: The purchaser or prospective purchaser is advised that the Developer is in the process of constructing and installing a sewage lift station near the north-westerly corner of the project site. The lift station will be used to pump sewage from the project over and across lands owned by the County of Maui and Wailea Development Company to a sewer pumping station and to a sewer line owned by the County of Maui. The Wailea Development Company has entered into an agreement with the Developer, which agreement provides for, among other things, the grant to the Developer of non-exclusive easements for sewer purposes which would enable the Developer to transmit sewage from the project to the Maui County sewer line as aforesaid. The agreement further provides for the right of Wailea Development Company to increase the size of the pump installed in the Developer's sewage lift station or to modify the same to increase the pumping capacity thereof, provided, that if the size of the pump is increased or the pump modified as aforesaid, Wailea Development Company is required to share in the cost of maintenance, repair and replacement of said sewage lift station. The grants of the non-exclusive easements will be by two (2) separate instruments, each of which will contain certain conditions, covenants, restrictions and other provisions to be performed and observed by the Developer, such as, among others, (i) the restriction against the transfer of any rights under the grants of easement to any person or property owner other than Wailea Development Company (except that a transfer of the easement rights to the purchasers of apartments in the project, subject to such purchasers assuming the obligations of the Developer, is permitted), (ii) the obligation to bear a proportionate share of the costs of operation, repair and maintenance of the sewer line within the easement areas, (iii) indemnification of Wailea Development Company, and in the case of one of the easements the indemnification of the apartment owners of the Ekahi condominium project also, against loss or damage resulting from negligence of the Developer or the Developer's breach of its covenants, and (iv) the right of Wailea Development Company to cancel all of the grants of easements in

the event of default under any one of the easement grants. The Apartment Deeds to be executed and delivered to the purchasers of apartments in the project will include the assignment of the rights under the grants of easement to the purchasers and the assumption by the purchasers of the obligation to perform and observe the conditions, covenants, restrictions and other provisions contained in such grants of easement. A copy of the agreement between the Developer and Wailea Development Company and copies of the form of grants of easement hereinabove described are on file with the Commission.

In conjunction with the sewer agreement with Wailea Development Company, the Developer has entered into a letter agreement with the County of Maui dated September 10, 1981, which agreement approves said sewer agreement between Wailea Development Company and the Developer and also amends a prior letter agreement between the Developer and the County of Maui dated January 27, 1981. Copies of said letter agreements with the County of Maui dated January 27, 1981, and September 10, 1981, respectively, are on file with the Commission.

PURCHASE MONEY HANDLING: The information under the topical heading "Purchase Money Handling" contained in the Preliminary Public Report dated April 9, 1980 has not materially changed. However, those provisions do not apply to the sale of time share interests by the developer of the time share program. Buyers of time share interests should consult the Disclosure Statement for the Polo Beach Club Time Share Plan. A copy of the same will be given to each time share buyer at the time of his purchase. Paragraph 3(d) of the Escrow Agreement of May 13, 1980, concerning sales commissions was amended on February 17, 1981.

MANAGEMENT AND OPERATIONS: The Developer has executed a Condominium Management Agreement with The Great American Management Group of Hawaii, Inc., 1900 Waikiki Trade Center, 2255 Kuhio Avenue, Honolulu, Hawaii 96815, a copy of which Agreement dated March 8, 1982, is on file with the Commission.

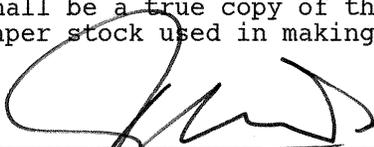
FINANCING OF PROJECT: The Developer has advised the Commission that it has obtained a construction loan and that funding of the same for construction has commenced. Copies of the Mortgage, Security Agreement and Financing Statement (and amendments thereto) evidencing the construction loan are on file with the Commission. The Developer has also submitted a copy of a permanent take-out loan commitment which the Developer has obtained from GECC Financial Corporation.

STATUS OF THE PROJECT: The construction of the project has been completed.

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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 on March 27, 1980, and information subsequently filed as of July 9, 1982.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1279 filed with the Commission on March 27, 1980.

This Report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be white.



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

Distribution:

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

Registration No. 1279

Dated: July 14, 1982

DISCLOSURE ABSTRACT

OF

THE POLO BEACH CLUB

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Project Name: THE POLO BEACH CLUB  
20 Makena Road  
Kihei, Maui, Hawaii 96753

Developer: DM DEVELOPMENT COMPANY  
20 Makena Road  
Kihei, Maui, Hawaii 96753

P. O. Box 434  
Lahaina, Maui, Hawaii 96761

Project Manager: THE GREAT AMERICAN MANAGEMENT GROUP  
OF HAWAII, INC.  
1900 Waikiki Trade Center  
2255 Kuhio Avenue  
Honolulu, Hawaii 96815

ESTIMATED MONTHLY AND ANNUAL MAINTENANCE COSTS AND ESTIMATED  
MONTHLY COSTS FOR EACH APARTMENT:

The Estimated Monthly And Annual Maintenance Costs and Estimated Monthly Costs For Each Apartment for the budget year 1982-1983 are attached hereto as Exhibit A. The estimates of maintenance costs stated therein are subject to revision based on actual cost for the items enumerated. Costs and expenses of maintenance and operation of a condominium project are difficult to estimate initially and even if such maintenance costs have been accurately estimated, such costs will tend to increase in an inflationary economy and as the improvements age. Thus, no assurances can be made regarding the estimated maintenance costs. Variables such as inflation, uninsured casualty loss or damages, increased or decreased services from those presently contemplated, apartment owner delinquencies and other factors may cause the actual maintenance costs to be greater or lesser than initially estimated. The breakdown of the estimated cost for each apartment contained herein does not include the buyer's obligation for the payment of real property taxes.

WARRANTIES:

- (a) Building Warranties. The building warranties are set forth in Exhibit B attached hereto. The Developer makes no warranty itself. To the extent assignable under the provisions of the construction contract, the Developer will assign all such building warranties to the Association of Apartment Owners of The Polo Beach Club ("Association") and will cooperate with the Association in enforcing or pursuing any remedy under such warranties.
- (b) Appliance and Furnishing Warranties: The appliance warranties are set forth in Exhibit B attached hereto. To the extent assignable the Developer will assign to purchasers the unexpired term, if any, of any manufacturer's or dealer's warranties covering any fixtures or appliances in the apartment. By such assignment the Developer will be merely passing through to purchasers any manufacturer's or dealer's warranties, and the Developer will not be adopting any such warranties or acting as co-warrantor.
- (c) THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OR MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

USE OF APARTMENTS:

The project is for residential use only. A time share program for the project has been created and registered with the Department of Commerce and Consumer Affairs of the State of Hawaii.

COMMON EXPENSES:

Each apartment owner shall not be obligated for the payment of his respective share of the common expenses until such time that the Developer files an Amended Disclosure Abstract with the Real Estate Commission which shall provide that after a certain date, each apartment owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his apartment.

THE POLO BEACH CLUB

ESTIMATED MONTHLY AND ANNUAL MAINTENANCE COSTS

(1982-83 BUDGET)

	<u>MONTHLY</u>	<u>ANNUAL</u>
<u>ADMINISTRATIVE &amp; GENERAL</u>		
Salaries & Wages	\$ 2,440	\$ 29,280
Vacation Pay	-0-	-0-
P/R Taxes & Emp. Benefits	488	5,856
Equipment Rental	75	900
Telephone	120	1,440
Office Expenses	75	900
Management Fee	781	9,372
Insurance	2,850	34,200
Bank Charges	15	180
Director Expenses	900	10,800
Other Expenses	25	300
<u>REPAIR &amp; MAINTENANCE</u>		
Salaries & Wages	2,150	25,800
P/R Taxes & Emp. Benefits	473	5,676
Uniforms	25	300
Equipment	25	300
Outdoor Signs	25	300
Building	100	1,200
Electrical & Mechanical Equipment	100	1,200
Painting & Decorating	50	600
Pest Control	175	2,100
Swimming Pool	325	3,900
Vehicle Expense	50	600
Plumbing & Heating	50	600
Grounds & Landscaping	100	1,200
Security	1,500	18,000
Elevator Maintenance	600	7,200
Other Expenses	50	600
<u>HEAT, LIGHT &amp; POWER</u>		
Electricity	1,050	12,600
Fuel	25	300
Electrical Bulbs & Supplies	75	900
Water	750	9,000
Rubbish Removal	95	1,140
Waste Removal	745	8,940
<u>CAPITAL EXPENSE</u>		
Finance Charge (Insurance)	125	1,500
<u>RESERVE</u>	<u>1,500</u>	<u>18,000</u>
TOTAL 1982-83 BUDGET	<u>\$17,932</u>	<u>\$215,184</u>

EXHIBIT A

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THE POLO BEACH CLUB

ESTIMATED MONTHLY MAINTENANCE FEES PER APARTMENT

<u>% Common Interest Per Apartment</u>	<u>Total Monthly Maintenance</u>	<u>Monthly Maintenance Per Apartment</u>
1.4084507(+) or 1/71 fractional interest	\$17,932	\$252.57

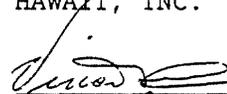
It is hereby certified that the foregoing estimate of the Monthly and Annual Common Expenses of the project and the monthly estimated cost per apartment have been based on generally accepted accounting principles.

Dated:

June 29, 1982

THE GREAT AMERICAN MANAGEMENT GROUP  
OF HAWAII, INC.

BY

  
Its Vice Pres/Controller

THE POLO BEACH CLUB

All Warranty periods stated herein will commence on June 1, 1982. All Warranties are limited to the repair or replacement of any defective material or workmanship and in certain cases, such as Termite Treatment, include re-treatment or redoing of the work.

BUILDING WARRANTIES:

Termite Treatment. 5-year Warranty against ground termite infestations.

Water Line Chlorination. Certified and submitted to owner.

Sewage Lift Station. 1-year Warranty against defects in material and workmanship.

Landscaping. 90-day maintenance period.

Waterproofing. 2-year Warranty on all membrane below grade waterproofing against defective material and workmanship.

Lanai Waterproofing. 3-year Warranty on Merrote waterproofing on all workmanship and materials.

Roofing Insulation and Membrane. 5-year Warranty against defective materials and workmanship.

Sheetmetal. 1-year Warranty against defective materials and workmanship.

Weathersealing and Caulking. 2-year Warranty against defects of material and application.

Hollow Metal Doors. 1-year Warranty on materials.

Interior Wood Millwork Doors. 1-year Warranty on materials.

Jalousies, Sliding Doors, Storefront and Glass, Mirrored Doors. 2-year Warranty on defective material and workmanship.

Aluminum Railing Warranty. 2-year Warranty on defective material and labor.

Simulated Acoustical Finish. 1-year Warranty against cracking, flaking, excessive dusting, peeling from substrate or otherwise failing in performance due to defective materials or workmanship.

Monier Tile Roofing. 2-year Warranty against leakage, or other failure of performance due to defective materials or workmanship.

Elevators. Guarantee that the materials and workmanship are first class and a one-year Warranty against defects not due to ordinary wear and tear.

Swimming Pool. 1-year Guarantee on defective materials and workmanship.

Plumbing Equipment and Accessories. 1-year Warranty against defects in material and workmanship for all equipment, accessories, and materials provided.

Ventilation Equipment. 1-year Warranty against all defects in material and workmanship for all equipment, accessories and materials provided.

Electrical. 1-year Warranty against any item of material, apparatus or construction supplied by Globe Electric.

Contractor's Warranty under Section 13.2.2 of the General Conditions of the Contract for Construction. "If, within one year after the date of substantial completion, or within such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Contract Documents, any of the work is found to be defective or not in accordance with the Contract Documents, the Contractor shall correct it promptly after receipt of a written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition."

APPLIANCE WARRANTIES:

The following appliances have a 1-year Warranty.

Model LC248J Frigidaire Laundry Center  
Model JSP28G G.E. Delux Self-Clean Slide-in Range  
Model JVM62 G.E. "Spacemaker" Micro-oven/hood  
Model GSO900 G.E. "Potsrubber" Built-in Dishwasher  
Model GFC510 Continuous Feed "Atanha" Disposal  
Model TFF24R G.E. 23.5 Cu. Ft. Dispenser Refrigerator/Freezer

FURNISHING WARRANTIES:

Drapery. 1-year Guarantee against defects as to tracks, installation and sewing workmanship.

Carpets. 1-year Guarantee against defects in installation.