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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages
in text of report)

Interest to be Conveyed to Buyer:

Fee simple interest in condominium unit together with undivided interest in common elements.

Type of Project: (see Section III.K.)

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

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
<u>1</u>	<u>2</u>	<u>Studio</u>	<u>482</u>	<u>72</u>
<u>2</u>	<u>8</u>	<u>1/2</u>	<u>672</u>	<u>139</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 10

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

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking: (see Section III.K.)

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>10</u>
Guest Stalls	_____
Unassigned Stalls	<u>32</u>
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>42</u>

7. Recreational amenities:

None (see Section III.K.)

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Kahili Joint Venture Phone: 808-874-3046
Name (Business)
2940 Kauhale Street
Business Address
Kihei, Maui, Hawaii 96753

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

Mt. Pleasant Development Co., Inc.
Kahili Limited Partners

Real Estate Sales Agent: ERA Maui Properties & Investments Phone: 808-879-0641
Name (Business)
2439 S. Kihei Road, #207A
Business Address
Kihei, Maui, Hawaii 96753

Escrow: Standard Title & Escrow, Inc. Phone: 808-879-1585
Name (Business)
1993 S. Kihei Road
Business Address
Kihei, Maui, Hawaii 96753

Managing Agent: Oihana Property Management & Sales, Inc. Phone: 808-244-7684
Name (Business)
840 Alua Street, #202
Business Address
Wailuku, Maui, Hawaii 96793-1442

Attorney for Developer: B. Martin Luna, Esq.
Name
2145 Wells Street, Suite 201
Business Address
Wailuku, Maui, Hawaii 96793

**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 Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. Declaration of Horizontal Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded — Bureau of Conveyances — Book 22768 Page 351
 Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded — Bureau of Conveyance Condo Map No. 1173
 Filed — Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded — Bureau of Conveyances — Book 22768 Page 422
 Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted

Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of apartment owners who must vote for or give written consent to changes:

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

The percentages for individual condominium projects may be more than the minimum set by law.

2. Developer: The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

The right, upon the exercise of developer's future development rights as more fully described in Section III.K., to amend said documents as appropriate to show the designation of additional improvements, the grant of limited common elements, the allocation to additional project purchasers of undivided interests in the project, the corresponding reduction of undivided interests for current owners, and other related items.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the underlying land will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (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.

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.

- Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

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

Exhibit _____ contains further explanations.

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:

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled 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 cancelled or foreclosed.

B. Underlying Land:

Address: 5500 Honoapiilani Highway Tax Map Key: 4-3-2-40 (2)
Napili, Maui, Hawaii 96761 (TMK)

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

Land Area: 1,380 [] square feet [X] acre(s) Zoning: H-1

Fee Owner: Mt. Pleasant Development Co., Inc.
name
2510 Stevens Creek Boulevard
address
San Jose, California 95128

Sublessor: _____
name

address

C. Buildings and Other Improvements:

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

2. Buildings: 1 Floors Per Building: 2

[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [X] Hollow Tile [] Wood

[] Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[X] Residential	<u>10</u>	[] Agricultural	_____
[] Timeshare/Hotel	_____	[] Recreational	_____
[] Other:	_____		_____

5. Special Use Restrictions:

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

Pets: none other than dogs "of a size suited to apartment living," cats and other household pets "in reasonable number"

Number of Occupants: _____

Other: residential use only

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 10

Elevators 0 Stairways 2 Trash Chutes 0

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>1</u>	<u>2</u>	<u>Studio</u>	<u>482</u>	<u>72</u>
<u>2</u>	<u>8</u>	<u>1/2</u>	<u>672</u>	<u>139</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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

Other documents and maps may give floor area figures which differ from those above because a different method of determining floor area may have been used.

Boundaries of Each Apartment:

See Exhibit A

Permitted Alterations to Apartments:

See Exhibit B

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

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

If a variance has been granted or if uses, improvements, or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit C describes the common elements.

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 may use them are:

[x] described in Exhibit D

[] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

[X] Exhibit E describes the common interests for each apartment.

[] as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit F describes the encumbrances against the title contained in the title report dated January 10, 1989

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage, Security Agreement and Financing Statement	Lender has a security interest in Buyer's sales contract with Developer and in associated amounts including deposits.

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[X] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

[] other _____

G. Estimate of Initial Maintenance Fees: (see Section III.K.)

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit G contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- Electricity
- Gas
- Other _____
- Television Cable
- Water & Sewer

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

Acceptance by any initial purchaser of any interest in the project constitutes a waiver of any claims by such purchaser and its successors-in-interest against Developer and/or contractor or others other than those arising from unsettled liens, faulty work or defective materials, as to which developer provides any such purchaser with a warranty up to and including the date that is one (1) year after said acceptance.

2. Appliances:

Manufacturer's warranties for appliances and furnishings are assigned to purchaser at closing. There are no developer's warranties with regard to the same.

NOTE (AS TO 1 & 2 ABOVE): EXCEPT AS PROVIDED ABOVE, DEVELOPER DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, WORKMANSHIP OR ANY OTHER EXPRESS OR IMPLIED WARRANTY WITH REGARD TO THE APARTMENTS, PROJECT OR COMMON ELEMENTS.

J. Status of Construction and Estimated Completion Date: (see Section III.K. below)

The project is complete. A Notice of Completion was published in the Maui News on July 28 and August 4, 1988.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

The Developer has reserved the right to develop and sell further improvements to this project including the following: (a) 42 uncovered parking stalls, with 34 assigned to individual condominium owners one each, 6 guest stalls, and 2 loading stalls; (b) three two-story buildings with a total of 24 condominiums; (c) landscaping inclusive of irrigation; and (d) a swimming pool. The Developer presently anticipates these additions to occur in the following time frame: (a) commence two of three buildings, parking, pool and irrigation system in early 1989 and complete by mid-1989; and (b) commence third building and remaining landscaping in mid-1989 and complete by end of 1989. Upon the completion of the parking lot in the first phase described above, the Developer anticipates the assignment of one (1) parking stall to each currently existing unit as more fully shown on the Condominium Map. Upon completion of each of the two phases described in the preceding sentence, the Developer anticipates the sale of fee simple condominiums and undivided interests and the corresponding reduction of current owners' undivided interests as set forth in Exhibit J below.

L. Sales Documents Filed with the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated October 11, 1988

Exhibit I contains a summary of the pertinent provisions of the escrow agreement.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

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

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

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

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

This Public Report is a part of Registration No. 1396 filed with the Real Estate Commission on February 8, 1989.

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

yellow paper stock white paper stock pink paper stock

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

Supplementary Public Reports expire on the expiration date given on the front of the report.

GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

BOUNDARIES OF APARTMENTS

The apartments consist of the spaces within the perimeter walls, floors and ceilings of each of the ten (10) residential apartment units of the Project. The residential apartments shall not be deemed to include: (i) the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, (ii) the unfinished floors and ceilings surrounding each apartment or of any lanai, or (iii) any pipes, wires, conduits or other utility lines running through any apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include (i) any adjacent lanai to which such apartment has direct, exclusive access, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) all doors, windows and perimeter glass, (iv) the inner decorated or finished surfaces of all walls, floors and ceilings, and (v) the built-in fixtures.

EXHIBIT A

PERMITTED ALTERATIONS TO APARTMENTS

Each owner of a residential apartment shall have the right, at the sole cost and expense of such owner and under the conditions set forth in the Declaration, to install, modify and remove partitions or mezzanines, to paint, paper, panel, plaster, tile, finish and do other such work on the interior surfaces of the ceilings, floors and walls of the unit, to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls, and to finish, alter or substitute any plumbing, electrical or other such fixtures attached to said ceilings, floors or walls, all of which shall be subject to the approval of the Board of Directors as may be required by the Condominium Property Act; provided, however, that this section shall not be construed as permitting interference with or damage to the structural integrity of any building or interference with the use and enjoyment of the common elements by other owners or violation of any building or fire codes, nor shall it be construed to limit the intent expressed in Paragraph 1 of Section E of the Declaration that the Project shall be used for residential use only.

EXHIBIT B

COMMON ELEMENTS

The common elements include, but are not limited to:

- a. The Land in fee simple, subject to the Developer's reservation of future development rights.
- b. All unfinished portions of all perimeter, party and load-bearing walls, all foundations, floor slabs, columns, girders, beams, supports, other structural members, and load-bearing walls and roofs.
- c. All yards, grounds, landscaping, planters, fences, mail boxes, trash enclosures, swimming pool and pool equipment as and when completed.
- d. All roads, sidewalks and driveways which are rationally of common use.
- e. All ducts, sewer lines, sewerage treatment facilities and equipment, electrical equipment, wiring, and other central and appurtenant installations for services including power, light, water, gas, refuse, telephone and radio and television signal distribution.
- f. Unimproved areas, maintenance and storage areas, and other similar areas which are not part of an apartment.
- g. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, and normally in common use.

EXHIBIT C

LIMITED COMMON ELEMENTS

The following parts of the common elements, called the "limited common elements", are set aside and reserved for the exclusive use of certain Apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as set forth herein:

a. Exterior stairways, landings and entranceways to the Apartments they serve.

b. All other Common Elements rationally related to less than all of the Apartments.

EXHIBIT D

PERCENT OF COMMON INTERESTS
TO EACH APARTMENT

<u>Apartment No.</u>	<u>Apartment Type</u>	<u>Percent of Common Interests</u>
5519	Studio	7.28
5520	1 bdrm/2 bath	10.68
5521	1 bdrm/2 bath	10.68
5522	1 bdrm/2 bath	10.68
5523	1 bdrm/2 bath	10.68
5524	1 bdrm/2 bath	10.68
5525	1 bdrm/2 bath	10.68
5526	1 bdrm/2 bath	10.68
5527	1 bdrm/2 bath	10.68
5528	Studio	7.28

EXHIBIT E

ENCUMBRANCES ON TITLE

1. Any and all Real Property Taxes that may be due and owing. Reference is made to the Director of Finance, County of Maui, Hawaii.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Section VII(c) Agreement for West Maui Areas dated March 10, 1982, recorded in Liber 16277 at Page 416, by and between Mt. Pleasant Development Co., Inc., a California corporation, and the County of Maui, Department of Water Supply; re water regulations affecting Lot 8-A-4-A.
4. GRANT

IN FAVOR OF: County of Maui

DATED: April 15, 1985
RECORDED: Liber 18986 Page 222
GRANTING: a perpetual easement to construct, reconstruct, install, maintain, operate, repair, remove and inspect, as part of a drainage system, through, over, under and across Easements 9, 10 and 11, being portions of the parcel of land commonly referred to as Lot 8-A-4-A of Allotment 8 of the Mailepai Hui Lands (also known as Lot 1 of the Kahili Subdivision) Tax Map Key 4-3-02:40 and more particularly described as per survey of Randall Sherman, Registered Professional Land Surveyor dated March 1, 1985, to-wit:

EXHIBIT F

EASEMENT 9
KAPALUA DEVELOPMENT SUBDIVISION

Construction easement affecting Lot 1 of the Kahili Subdivision in favor of the County of Maui.

Being Easement 9 (16 feet wide) for construction purposes under, over and across Lot 1 of the Kahili Subdivision and being also a portion of Royal Patent 1663 Apana 1, Land Commission Award 5524, Apana 1 to L. Konia.

Situated at Honokahua, Napili 2 & 3, Lahaina, Maui, Hawaii
TMK: 4-3-02:40

Beginning at a Northeasterly corner of this easement and being also a point on the Northerly boundary of and 275.94 feet from the Northwesterly corner of Lot 1 of the Kahili Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HAWEA" being 2,505.94 feet South and 922.80 feet East and running by azimuths measured clockwise from true South; thence,

1. 283° 03' 04'" 41.93 feet along Lot 2-A-1 of the Kapalua Development Subdivision; thence,
2. 80° 10' 14' 18.83 feet through Lot 1 of the Kahili Subdivision; thence,
3. Following through the same along a curve to the right with a radius of 665.00 feet, the chord azimuth and distance being:
81° 40' 02.5" 34.74 feet thence,
4. Following through the same along a curve to the right with a radius of 345.00 feet, the chord azimuth and distance being:
91° 36' 39" 101.35 feet; thence,
5. Following through the same along a curve to the right with a radius of 665.00 feet, the chord azimuth and distance being:
101° 33' 15.5" 34.74 feet; thence,

6. 103° 03' 04" 52.46 feet through the same; thence,
7. Following through the same along a curve to the left
with a radius of 575.00 feet,
the chord azimuth and distance
being:
98° 23' 04" 93.56 feet; thence,
8. 93° 43' 04" 1.69 feet through the same; thence,
9. 207° 08' 54" 17.41 feet along the Easterly side
of the Honoapiilani Highway;
thence,
10. Following through Lot 1 of the Kahili Subdivision along
a curve to the right with a
radius of 591.00 feet, the
chord azimuth and distance
being:
278° 38' 17" 90.95 feet; thence
11. 283° 03' 04" 52.46 feet through the same; thence,
12. Following through the same along a curve to the left
with a radius of 649.00 feet,
the chord azimuth and distance
being:
281° 33' 15.5" 33.91 feet; thence,
13. Following through the same along a curve to the left
with a radius of 329.00 feet,
the chord azimuth and distance
being:
271° 35' 39" 96.65 feet; thence,
14. Following through the same along a curve to the left
with a radius of 649.00 feet,
the chord azimuth and distance
being:
262° 32' 30.5" 14.10 feet to the point of beginning
and containing an area of
5,015 square feet, more or
less.

EASEMENT 10
KAPALUA DEVELOPMENT SUBDIVISION

Drainage easement affecting Lot 1 of the Kahili Subdivision
in favor of the County of Maui.

Being Easement 10 (10 feet wide) for drainage purposes
under, over and across Lot 1 of the Kahili Subdivision and
being also a portion of Royal Patent 1663 Apana 1, Land
Commission Award 5524, Apana 1 to L. Konia.

Situated at Honokahua, Napili 2 & 3, Lahaina, Maui, Hawaii
TMK: 4-3-02:40

Beginning at a Northeasterly corner of this easement and
being also a point on the Northerly boundary of and 215.36
feet from the Northwesterly corner of Lot 1 of the Kahili
Subdivision, the coordinates of said point of beginning
referred to Government Survey Triangulation Station "HAWEA"
being 2,492.04 feet South and 862.81 feet East and running
by azimuths measured clockwise from true South; thence,

1. 283° 03' 04" 61.58 feet along Lot 2-A-1 of the
Kapalua Subdivision; thence,
2. Following through Lot 1 of the Kahili Subdivision along
a curve to the right with a
radius of 649.00 feet, the
chord azimuth and distance
being:
82° 32' 30.5" 14.10 feet thence,
3. Following through the same along a curve to the right
with a radius of 329.00 feet,
the chord azimuth and distance
being:
91° 36' 39" 96.65 feet; thence,
4. Following through the same along a curve to the right
with a radius of 649.00 feet,
the chord azimuth and distance
being:
101° 33' 15.5" 33.91 feet; thence,

5. 103° 03' 04" 52.46 feet through the same; thence,
6. Following through the same along a curve to the left
with a radius of 591.00 feet,
the chord azimuth and distance
being:
98° 38' 17" 90.95 feet; thence,
7. 207° 08' 54" 19.49 feet along the Easterly side
of Honoapiilani Highway;
thence,
8. Following through Lot 1 of the Kahili Subdivision along
a curve to the right with a
radius of 609.00 feet, the
chord azimuth and distance
being:
278° 59' 42.5" 86.15 feet; thence
9. 283° 03' 04" 52.46 feet through the same; thence,
10. Following through the same along a curve to the left
with a radius of 631.00 feet,
the chord azimuth and distance
being:
281° 33' 15.5" 32,96 feet; thence,
11. Following through the same along a curve to the left
with a radius of 311.00 feet,
the chord azimuth and distance
being:
275° 39' 36" 47.69 feet to the point of beginning
and containing an area of
4,621 square feet, more or
less.

EASEMENT 11
KAPALUA DEVELOPMENT SUBDIVISION

Construction easement affecting Lot 1 of the Kahili
Subdivision in favor of the County of Maui.

Being Easement 11 (for construction purposes under, over and across Lot 1 of the Kahili Subdivision and being also a portion of Royal Patent 1663 Apana 1, Land Commission Award 5524, Apana 1 to L. Konia.

Situated at Honokahua, Napili 2 & 3, Lahaina, Maui, Hawaii
TMK: 4-3-02:40

Beginning at a Northeasterly corner of this easement and being also the Northwesterly corner of Lot 1 of the Kahili Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HAWEA" being 2,443.40 feet South and 653.01 feet East and running by azimuths measured clockwise from true South; thence,

1. 283° 03' 04" 215.36 feet along Lot 2-A-1 of the Kapalua Development Subdivision; thence,
2. Following through Lot 1 of the Kahili Subdivision along a curve to the right with a radius of 311.00 feet, the chord azimuth and distance being:
95° 39' 36" 47.69 feet thence,
3. Following through the same along a curve to the right with a radius of 631.00 feet, the chord azimuth and distance being:
101° 33' 15.5" 32.96 feet; thence,
4. 103° 03' 04" 52.46 feet through the same; thence,
5. Following through the same along a curve to the left with a radius of 609.00 feet, the chord azimuth and distance being:
98° 59' 42.5" 86.15 feet; thence,
6. 207° 08' 24" 13.50 feet along the Easterly side of the Honoapiilani Highway to the point of beginning and containing an area of 1,516 square feet, more or less.

5. That certain unrecorded Purchase Agreement dated July 1, 1986, and/or that certain Addendum thereto by and between MT. PLEASANT DEVELOPMENT CO., INC., a California corporation, and KAHILI MAUI CONDOMINIUM PARTNERSHIP, an Arizona general partnership, as mentioned in Civil No. 86-2864, filed in the Circuit Court of the First Circuit.

6. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : MT. PLEASANT DEVELOPMENT CO., INC., a
California corporation

MORTGAGEE : GECC FINANCIAL CORPORATION, a Hawaii
corporation

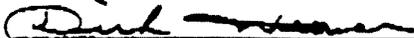
DATED : February 8, 1988
RECORDED : Liber 21616 Page 525
AMOUNT : \$455,000.00

**THE KAHILI CONDOMINIUM
10 UNITS
PROPOSED OPERATING BUDGET**

<u>DISBURSEMENTS</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
MANAGERS APARTMENT	\$1,000.	\$12,000.
MAINTENANCE/REPAIRS	20.	240.
SUPPLIES/EQUIPMENT	15.	180.
REFUSE	30.	360.
CABLE T. V.	60.	720.
TELEPHONE	25.	300.
ELECTRIC	150.	1,800.
WATER/SEWER	150.	1,800.
MANAGEMENT	200.	2,400.
SALARIES/WAGES	700.	8,400.
PAYROLL TAXES	70.	840.
TDI/WORKER'S COMP.	63.	756.
HEALTH INSURANCE	90.	1,080.
FIRE/LIABILITY INS.	89.	1,068.
FLOOD INSURANCE	23.	276.
TAX FILING/AUDIT	25.	300.
MISCELLANEOUS	35.	420.
TOTAL DISBURSEMENTS	\$2,745.	\$32,940.
<u>UNIT TYPE (#)</u>	<u>% OF INTEREST</u>	<u>MAINTENANCE FEE</u>
STUDIO (2)	7.28	\$199.84
1 BDRM - 1 BTH (8)	10.68	\$293.17

I Dick Weaver, CPM, President of Oihana Property Management & Sales, Inc., hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared by me in accordance with generally accepted accounting principles.

Prepared August 22, 1988



Dick Weaver, CPM

EXHIBIT G

SUMMARY OF SALES CONTRACT AND RECEIPT

The unexecuted Sales Contract, filed with the Commission, provides for, among other things, a description of the apartment to be sold, the purchase price, the time, manner and place of payment, the Purchaser's obligations regarding mortgage financing, Developer's warranties and disclaimers regarding the construction, fixtures and appliances, and the remedies of Developer and of Purchaser in the event of a default under the Contract.

Among other provisions, the specimen Sales Contract provides:

1. The Sales Contract contains restrictions on selling or assigning the Sales Contract.
2. Developer has made no representations and has not authorized any representations to be made by any sales agent concerning any services or arrangements relating to the rental or sale or management of the Purchaser's Apartment.
3. The Sales Contract is subject to the provisions of the Declaration of Condominium Property Regime, By-laws, and other condominium documents, including without limitation, provisions for Developer's reservation of future development rights and concurrent right to amend said documents accordingly.
4. The purchase of an apartment in the Project is subject to ongoing sales and construction activity by the Developer with respect to completing the sales of the Project and construction of the commercial apartment, which may result in noise, dust and other annoyance.

It is incumbent on the Purchaser that he read the full text of the Sales Contract.

EXHIBIT H

SUMMARY OF EXECUTED ESCROW AGREEMENT

A copy of the executed Escrow Agreement dated October 11, 1988 between Standard Title and Escrow, Inc., as Escrow, and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of Purchaser's funds pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement provides in part that any interest earned on money on deposit belongs to the Developer. In the event that the Sales Contract and HRS Chapter 514A entitle a Purchaser to a refund of Purchaser's deposits held by Escrow, then Escrow, upon instruction from Developer, will refund Purchaser's deposits, without interest earned and less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Chapter 514A, Hawaii Revised Statutes, as amended.

By law the total amount of such cancellation fees shall not exceed Two Hundred Fifty and No/100 Dollars (\$250.00). Under the Escrow Agreement no disbursement of funds can be made to the Developer until the Sales Contract becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.

EXHIBIT I

SUMMARY OF PROJECT PHASING AND RELATED
UNDIVIDED INTEREST ADJUSTMENTS

The Developer anticipates further improvements to the Project in two phases.

The first phase ("Phase One") would commence in early 1989 and be completed by mid-1989. Phase One would encompass the construction of two further Project buildings with a total of ten (10) additional Apartments, forty-two (42) uncovered parking stalls, some landscaping inclusive of irrigation, and a pool. At the completion of Phase One, the Declaration and related documents would be amended to adjust the percentage of common interests appurtenant to each of the then twenty (20) Project apartments, one (1) parking stall would be assigned as a limited common element to each of the existing Apartments, and certain further related changes would be made. Exhibit J-1 sets forth the currently estimated operating budget at the conclusion of that process together with the readjusted common interest percentage per Apartment and estimated maintenance fees, both of which would decrease proportionately.

The second phase ("Phase Two") would commence in mid-1989 and be completed by the end of 1989. Phase Two would encompass the construction of one further Project building with

EXHIBIT J

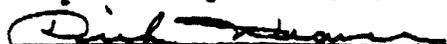
a total of fourteen (14) additional Apartments and remaining landscaping. A process similar to that described above with regard to Phase One would be undertaken. Following that process, thirty four (34) of the Project parking stalls would be assigned, one each, to each Apartment, with the remaining eight (8) allocated six (6) to guest stalls and two (2) to loading stalls. Exhibit J-2 sets forth the currently estimated operating budget at the conclusion of that process together with the readjusted common interest percentage per Apartment and estimated maintenance fees both of which again would decrease proportionately.

**THE KAHILI CONDOMINIUM
PHASE I - 20 UNITS
PROPOSED OPERATING BUDGET**

<u>DISBURSEMENTS</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
MANAGERS APARTMENT	\$1,000.	\$12,000.
MAINTENANCE/REPAIRS	40.	480.
SUPPLIES/EQUIPMENT	30.	360.
POOL SUPPLIES/MAINT.	125.	1,500.
REFUSE	60.	720.
CABLE T. V.	120.	1,440.
TELEPHONE	25.	300.
ELECTRIC	300.	3,600.
WATER/SEWER	300.	3,600.
MANAGEMENT	350.	4,200.
SALARIES/WAGES	900.	10,800.
PAYROLL TAXES	90.	1,080.
TDI/WORKER'S COMP.	81.	972.
HEALTH INSURANCE	90.	1,080.
FIRE/LIABILITY INS.	178.	2,136.
FLOOD INSURANCE	46.	552.
TAX FILING/AUDIT	25.	300.
OTHER PROFESSIONAL SER.	30.	360.
MISCELLANEOUS	20.	240.
TOTAL DISBURSEMENTS	\$3,810.	\$44,220.
<u>UNIT TYPE (#)</u>	<u>% OF INTEREST</u>	<u>MAINTENANCE FEE</u>
STUDIO (4)	3.64	\$138.68
1 BDRM - 1 BTH (2)	4.73	\$180.21
1 BDRM - 2 BTH (24)	5.32	\$202.69
1 BDRM - 2 BTH (2)	6.07	\$231.27

I Dick Weaver, CPM, President of Oihana Property Management & Sales, Inc., hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared by me in accordance with generally accepted accounting principles.

Prepared August 22, 1988



 Dick Weaver, CPM

**THE KAHILI CONDOMINIUM
PHASE II -34 UNITS
PROPOSED OPERATING BUDGET**

<u>DISBURSEMENTS</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
MANAGERS APARTMENT	\$1,000.	\$12,000.
AUTO ALLOWANCE	75.	900.
MAINTENANCE/REPAIRS	100.	1,200.
SUPPLIES/EQUIPMENT	85.	1,020.
POOL SUPPLIES/MAINT.	125.	1,500.
GROUNDS SUPPLIES	50.	600.
PEST CONTROL	80.	960.
REFUSE	100.	1,200.
CABLE T.V.	195.	2,340.
TELEPHONE	25.	300.
ELECTRIC	600.	7,200.
WATER/SEWER	700.	8,400.
MANAGEMENT	442.	5,304.
SALARIES/WAGES	1,200.	14,400.
PAYROLL TAXES	120.	1,440.
TDI/WORKER'S COMP.	108.	1,296.
HEALTH INSURANCE	90.	1,080.
FIRE/LIABILITY INS.	302.	3,624.
FLOOD INSURANCE	92.	1,104.
TAX FILING/AUDIT	75.	900.
OTHER PROFESSIONAL SER.	30.	360.
ASSOCIATION MEETING EXP.	25.	300.
CONTINGENCY RESERVE	550.	6,600.
MISCELLANEOUS	20.	240.
TOTAL DISBURSEMENTS	\$6,189.	\$74,268.

<u>UNIT TYPE (*)</u>	<u>% OF INTEREST</u>	<u>MAINTENANCE FEE</u>
STUDIO (6)	2.11	\$130.59
1 BDRM - 1 BTH (2)	2.75	\$170.20
1 BDRM - 2 BTH (24)	3.11	\$192.48
1 BDRM - 2 BTH (2)	3.60	\$222.80

I Dick Weaver, CPM, President of Oihana Property Management & Sales, Inc., hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared by me in accordance with generally accepted accounting principles.

Prepared August 22, 1988

Dick Weaver
Dick Weaver, CPM