



**REAL ESTATE COMMISSION**  
 STATE OF HAWAII  
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION  
 1010 Richards Street - P. O. Box 3469  
 Honolulu, Hawaii 96801

**CONDOMINIUM PUBLIC REPORT**

on

HOLUA AT MAUNA LOA VILLAGE  
 (formerly known as Mauna Loa Village)  
 Kaleopapa Road  
 Keauhou-Kona, Hawaii

Registration No. 1817

Issued: April 3, 1990  
 Expires: May 3, 1991

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 8, 1990, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

**Type of Report:**

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.  
 No prior reports have been issued  
 Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- SUPPLEMENTARY:** (pink) Updates information contained in the  
 Prelim. Public Report dated \_\_\_\_\_  
 Final Public Report dated \_\_\_\_\_  
 Supp. Public Report dated \_\_\_\_\_
- And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- This report reactivates the \_\_\_\_\_  
 public report(s) which expired on \_\_\_\_\_

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required       Not Required - disclosures covered in this report.

**Summary of Changes from Earlier Public Reports:**

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the Commission.

Changes made are as follows:

The name of the project has been changed from "MAUNA LOA VILLAGE" to "HOLUA AT MAUNA LOA VILLAGE".

The Developer of Holua at Mauna Loa Village has been changed to Pacific Rim Construction, a Hawaii Limited Partnership, the general partners of which are Benzo & Associates, Incorporated, a Hawaii corporation, and Pacific Montana Corp., a Hawaii corporation.

The Public Report has also been revised to reflect a change in the manner in which the Developer may construct the project in phases. Previously, the Developer planned on constructing the project on a subdivided portion of master leased property and in the future constructing additional units in subsequent phases which would ultimately be merged with each other. This Public Report, however, has been revised to reflect that the Developer may construct the project in phases on subdivided portions of the master leased property or instead construct the project on the master leased property as a whole, reserving the right to add additional units in phases and reserving the right to withdraw a portion of the master leased property in the future. This change in the development concept of the project has resulted in changes being made to the Declaration of Condominium Property Regime (previously known as the Declaration of Horizontal Property Regime) (see Paragraphs O, P, Q and R) and the Bylaws.

Also, the Developer has included a new provision in the Declaration of Condominium Property Regime (see Paragraph S) to allow the Developer to effect a future consolidation and resubdivision and/or subdivision of the land described in the Declaration to effectuate the placement of the Tennis Center described in Article M of the Declaration on a separate legally created parcel of land which the Developer will thereafter withdraw from the project as allowed and provided for in paragraph P of the Declaration, which will result in the area and configuration of the land described in the Declaration being different than presently described.

Also, the numbering of the apartments, total net floor areas of the apartments and the lease rent to be paid for each apartment have been changed.

Except as to the above described changes, there have been no other material changes in the Project since the Supplementary Preliminary Public Report issued on June 9, 1988. An updated title report has been submitted to note the most current liens and encumbrances on the project.

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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 "Condominium 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 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**

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

**Types of Project:**

- 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 (see Exhibit "J")

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 72

*\*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:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>72</u>
Guest Stalls	<u>18</u>
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: <u>Administration (7) and Laundry (4)</u>	<u>11</u>
<b>Total Parking Stalls</b>	<u>101</u>

7. Recreational amenities:

Four (4) swimming pools and related facilities.

## I. PEOPLE CONNECTED WITH THE PROJECT

Developer: PACIFIC RIM CONSTRUCTION Phone: (808) 322-2100  
Name (Business)  
P.O. Box 390992  
Business Address  
Kailua-Kona, Hawaii 96739

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

PACIFIC MONTANA CORP.: Darlene B. Fagg (President/Secretary); Russell C. Fagg (First Vice President/Treasurer); Sherrill Fagg Bunke (Second Vice President); Grantland M. Fagg (Third Vice President)  
BENZO & ASSOCIATES, INCORPORATED; Stanley D. Johnson (President); Clayton Tom (Vice President); Jun Shimizu (Treasurer); Asako Pennington (Secretary)

Real Estate Sales Agent: CENTURY 21 ASSOCIATED, KAILUA-KONA Phone: (808) 329-0021  
Name (Business)  
75-5909 Alii Drive  
Business Address  
Kailua-Kona, Hawaii 96740

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: (808) 521-0211  
Name (Business)  
235 Queen Street, First Floor  
Business Address  
Honolulu, Hawaii 96813

Managing Agent: (has not yet been selected) Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Attorney for Developer: GALLUP & VAN PERNIS, Attorneys at Law, a law corporation (WALLACE H. GALLUP, JR.)  
Name  
P.O. Box 1837  
Business Address  
Kailua-Kona, Hawaii 96745-1837

**II. CREATION OF THE CONDOMINIUM;  
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

Proposed  
 Recorded - Bureau of Conveyances - Book 23980 Page 401  
 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. 1270  
 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 23980 Page 448  
 Filed - Land Court - Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

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.

- 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 common interest which 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>See Article 12, Sec. 1, Bylaws</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: (See Exhibit "L")



**B. Underlying Land:**

Address: Kaleopapa Road Tax Map Key: (3)7-8-10:58 and 69  
Keauhou-Kona, Hawaii (TMK)

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_

Land Area: 6.602 and 32.607 [ ] square feet [X] acre(s) Zoning: RM-2

Fee Owner: KAMEHAMEHA INVESTMENT CORPORATION  
Name  
567 South King Street, Suite 102  
Address  
Honolulu, Hawaii 96813

Sublessor: N/A  
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: 13 Floors Per Building 12 buildings have 2 floors 1 building has 1 floor  
[X] Exhibit "B" contains further explanations.

3. Principal Construction Material:  
[X] Concrete [ ] Hollow Tile [X] Wood  
[X] Other masonry, plaster, steel, glass and related materials

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[ ] Commercial	_____	[ ] Industrial	_____
[X] Residential	<u>72</u>	[ ] Agricultural	_____
[ ] Timeshare/Hotel	_____	[ ] Recreational	_____
[X] Other: <u>Administration and laundry</u>	_____		_____

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 \_\_\_\_\_

[ ] Number of Occupants: \_\_\_\_\_

[X] Other: No water beds permitted.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers): (See Exhibit "J")

Total Apartments 72

Elevators 0

Stairways yes

Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</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 the floor area may have been used.*

**Boundaries of Each Apartment:**

(See Exhibit "M")

**Permitted Alterations to Apartments;**

(See Exhibit "M")

(Note: The Condominium File Plan reflects that there will be an additional 121 parking stalls located on Phase 1 which are assigned to the Tennis Center)

7. **Parking Stalls:**

Total Parking Stalls: 101

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)		<u>56</u>		<u>16</u>			<u>72</u>
Guest		<u>12</u>		<u>6</u>			<u>18</u>
Unassigned Extra Available for Purchase							
Other:		<u>11</u>					<u>11</u>
Total Covered & Open	<u>79</u>		<u>22</u>				<u>101</u>

Each apartment will have the exclusive use of at least one (1) parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit "C" contains additional information on parking stalls for this condominium project.

8. **Recreational and Other Common Facilities.**

There are no recreational or common facilities.

Swimming pool (4)

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: An Administration building is being provided by the Developer at the entrance to the project and also a laundry building located as shown on the Condominium File Plan.

9. Present Condition of Improvements

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

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

N/A

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

N/A

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 N/A

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	X		
Structures	X		
Lot	X		

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

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

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

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

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

Exhibit "D" describes the common elements.

As follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit \_\_\_\_\_

as follows:

Parking Stalls. Each apartment shall have appurtenant to it the exclusive and irrevocable right to use the parking stall designated in Exhibit "C" attached hereto, located in the parking area or facility as shown on the Condominium File Plan.

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.

Exhibit "E" describes the common interests for each apartment.

As follows: The common interest will change in the future if the Developer adds additional units to the project.

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 December 27, 1989 and issued by Title Guaranty of Hawaii, Inc.

**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.

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 assigned to Matsuzato Sogyo, a Japan corporation	None. Mortgage will be released as to each apartment upon conveyance to each buyer.
Lis Pendens	Developer has advised the Commission that the Lis Pendens will be removed at the time of each unit closing.

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:

not affiliated with the Developer. (but has not been selected yet)

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other \_\_\_\_\_

**G. Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, 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:

- |  |   |
|--|---|
| <input type="checkbox"/> Electricity               | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas                       | <input type="checkbox"/> Water & Sewer    |
| <input type="checkbox"/> Other _____               |   |
| <input checked="" type="checkbox"/> Not applicable |   |

**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:**

The developer shall require from the general contractor for the project a written warranty with respect to all defects in each apartment and the common elements due to faulty materials and/or workmanship which are discovered and reported within one (1) year from the "Date of Substantial Completion" as defined in the construction contract. The Developer makes no warranties itself; however, the Developer will assign to each apartment owner any and all warranties given the Developer by the general contractor for the project and by any subcontractors or materialmen, and the Developer will cooperate with each apartment owner during the effective period of any such warranties in asserting any claims based on such warranties.

**2. Appliances:**

Each apartment owner shall have the direct benefit of any Manufacturer's or dealer's warranties covering the appliances in his or her apartment. These warranties will expire at different times, depending on the date of installation of the appliances. The Developer does not adopt the manufacturer's or dealer's warranties, if any, but will assign and pass on to each apartment owner the benefit of such warranties.

**J. Status of Construction and Estimated Completion Date:**

The project is presently under construction and the Developer estimates that the completion date of the first Phase will be on or about April, 1990.

**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 plans to construct approximately 397 additional apartment units in one or more additional phase (6 additional phases are presently envisioned) and has reserved the right to add more apartment units to the land on which this Project is to be constructed. However, the Developer does not represent that any additional apartment units will be built.

See Paragraph O, P, Q and R of the Declaration for details of this phasing. Note also Sections F.5 through F.9 of the Declaration for easements reserved to the Developer with respect to the construction, maintenance and operation of subsequent phases.

The Condominium Map filed by the Developer show the Developer's development plan for the envisioned seven (7) phases of the project, including the approximate number of units and their location. The design and quality of the additional improvements will be substantially the same as the initial improvements. The Declaration provides that the Developer must complete all construction on or before the lapse of ten (10) years from the date of recordation of the Declaration.

**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 December 15, 1986, and amendments dated February 18, 1988 and August 1, 1989

Exhibit "I" contains a summary of the pertinent provisions of the escrow contract.

Other Specimen apartment lease

#### **IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

1. The Declaration of Condominium Property Regime states that the Developer is in the process of developing or has developed a tennis center located on the property initially submitted to the project, which tennis center may be owned and operated for profit by the Developer. The Association has the right and power, as set forth in the Declaration of Condominium Property Regime and Bylaws, to enter into a membership agreement, appurtenant to and for the benefit of each apartment in the Project, with the tennis center. Each apartment owner shall be liable for and pay a portion of the costs of such tennis center membership, which costs will be payable by each apartment owner as a portion of the maintenance fee. The Developer reserves the right, until an election of directors is held at the first annual meeting of the Association, to negotiate and enter into such a membership agreement on behalf of and at the expense of the Association upon such terms as the Developer deems to be in the best interest of the Project and the Association. While the Developer can make no assurances at this time regarding the tennis center membership or the costs, if any, of such membership to individual apartment owners, it is estimated that such costs would average approximately \$30.00 per month for each apartment. See Exhibit "K" for further details.

See Section M of the Declaration of Condominium Property Regime, Article 5, Section 3 of the Bylaws, and Article IV, Section C.4 of the Specimen Deposit Receipt and Sales Contract for additional information concerning the tennis center and the effect of the Association's anticipated membership in such tennis center.

2. The project site is adjacent to an existing golf course, and by virtue of such location may be subject to errant golf shots. Purchasers and users of apartment should be made cognizant of such potential hazards, particularly in the limited and common elements of the project.
3. The Condominium File Plan indicates that the Developer intends on constructing a two level parking structure within Phase 1 of the project as a part of Phases 2 and 3 of the project, at which time parking stalls assigned to the tennis center will be shifted from the first level of the parking structure to the second level. The Condominium File Plan also indicates that the Developer intends on constructing a two level parking structure within Phase 6 and also within Phase 7 of the project. Purchasers should review the Condominium File Plan to see what effect, if any, the multi-level parking structure will have on any particular apartment within the project.

## **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 Condominium 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 Declaration of Merger of Condominium Phases

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. 1817 filed with the Real Estate Commission on  
December 22, 1986.

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

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**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.

  
\_\_\_\_\_  
PETER N. YANAGAWA, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

**Distribution:**

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

EXHIBIT "A"

SCHEDULE OF LEASE RENTS  
(per apartment per month)

<u>Apt. Type</u>	<u>Apt. No.</u>	<u>First Five(5) Year Period</u>	<u>Next Ten(10) Year Period</u>	<u>Next Ten(10) Year Period</u>	<u>Next Ten(10) Year Period</u>
A	1,6,21,36 51,56,68	\$ 80.00	\$120.00	\$180.00	\$270.00
B	2,3,4,7,8 9,22,23,24 37,38,39, 52,53,54, 57,58,59, 69,70,71	80.00	120.00	180.00	270.00
C	5,10,25,40 55,60,72	80.00	120.00	180.00	270.00
D	11,19,26, 34,41,49, 61,66	80.00	120.00	180.00	270.00
E	12,20,27, 35,42,50, 62,67	80.00	120.00	180.00	270.00
F	63,65	80.00	120.00	180.00	270.00
G	64	80.00	120.00	180.00	270.00
H	13,17,28, 32,43,47	80.00	120.00	180.00	270.00
I	16,31,46	80.00	120.00	180.00	270.00
J	14,18,29, 33,44,48	80.00	120.00	180.00	270.00
K	15,30,45	80.00	120.00	180.00	270.00

Rent reserved under each apartment lease shall be redetermined for the ten (10) year period commencing at the end of the fixed rental period, the next ten (10) year period, and the final six (6) year period of the term of such apartment lease by mutual agreement of the Lessor and all apartment owners (acting by and through the Association) or, upon a failure to agree, by appraisal as provided in the apartment leases.

EXHIBIT "B"

DESCRIPTION OF BUILDINGS

The project shall contain eleven (11) two-story residential apartment buildings, one (1) two-story administration building and one (1) one-story laundry building. Seven (7) residential apartment buildings each contain five (5) residential apartments ("Paradise Complex"; Building Nos. 1, 2, 4, 6, 8, 9 and 11). Three (3) residential apartment buildings each contain ten (10) residential apartments ("Plumeria Complex"; Building Nos. 3, 5, 7). One (1) residential apartment building contains seven (7) residential apartments ("Polynesian Complex"; Building No. 10). All buildings will be constructed principally of concrete, masonry, plaster, steel, wood, glass and related materials. Each residential apartment building shall have a central courtyard through which access to each residential apartment in the building is provided.

## **EXHIBIT "C"**

### **PARKING STALLS**

Each apartment shall have appurtenant to it the exclusive right to use the parking stall bearing the same number as the apartment, located in the parking lot as shown on the Condominium File Plan. The Developer hereby reserves the right for itself, its successors and assigns, by way of an amendment to this declaration, to convey or otherwise designate any parking stall not specifically designated herein to be appurtenant to and for the exclusive use of any other apartment in the project or in a subsequent phase or increment to the project, or for the exclusive use of the tennis center referred to in paragraph M of the declaration.

The parking stall number for the respective apartments shall be the same number as the apartment unit, all as shown on the Condominium Map.

## **EXHIBIT "D"**

### **COMMON ELEMENTS**

The common elements of the project shall specifically include, but are not limited to, the following:

1. The land described in Exhibit "A" to the declaration, subject, however, to the provisions contained in paragraphs P and S of the declaration.
2. All structural components, such as foundations, girders, columns, beams, floor slabs, supports, perimeter walls, load-bearing walls, floors, ceilings (except the inner or decorated surfaces of the perimeter walls, load-bearing walls, floors and ceilings), roofs, stairs and stairways, sidewalks and curbs.
3. All yards, grounds, gardens, planters, plants, landscaping, waterfalls, fountains, courtyard areas, refuse facilities, roads, driveways, walkways and parking areas, including golf cart parking stalls as shown on the Condominium File Plan.
4. All recreational and related facilities, including swimming pools located as shown on the Condominium File Plan.
5. An administration building and a laundry building located as shown on the Condominium File Plan.
6. All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution, if any.
7. Any and all apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "E"  
COMMON INTERESTS  
MAUNA LOA VILLAGE

<u>Apartment Type</u>	<u>Apartment No.</u>	<u>Undivided Common Interest of Each Apartment</u>
Unit "A"	1, 6, 21, 36, 51, 56, 68	.2508%
Unit "B"	2, 3, 4, 7, 8, 9, 22, 23, 24, 37, 38, 39, 52, 53, 54, 57, 58, 59, 69, 70, 71	.2508%
Unit "C"	5, 10, 25, 40, 55, 60, 72	.2804%
Unit "D"	11, 19, 26, 34, 41, 49, 61, 66	.1490%
Unit "E"	12, 20, 27, 35, 42, 50, 62, 67	.1613%
Unit "F"	63, 65	.3512%
Unit "G"	64	.4224%
Unit "H"	13, 17, 28, 32 43, 47	.1703%
Unit "I"	16, 31, 46	.2408%
Unit "J"	14, 18, 29, 33 44, 48	.1580%
Unit "K"	15, 30, 45	.2250%

**\*Note: The Declaration in Section C.3 provides as follows:**

**"3. Prior to Completion of All Phases. Any provision in this declaration to the contrary notwithstanding, until the Developer has recorded an amendment to this declaration indicating the completion of the final phase in the project and amending the common interest pursuant to paragraph R, or 10 years from the date of recordation of this declaration, whichever shall first occur, the common interest appurtenant to the apartments in the undeveloped phases shall be subtracted from the total common interest in the project in calculating the proportionate share in all common profits, common expenses and for all other purposes, including voting, appurtenant to the apartments in the developed phase or phases."**

**EXHIBIT "F"**

**ENCUMBRANCES AGAINST TITLE**

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Grant dated December 5, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18611, Page 537, granting to Hawaiian Electric Light Company, Inc., and the Hawaiian Telephone Company a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate under ground lines and transformer vaults, etc., over, upon, across, through and under said parcel.
3. The reservations and covenant as set forth in Deed dated October 2, 1969, recorded in Liber 6755 at Page 49, to-wit:

“Reserving to the State of Hawaii, its successors and assigns the following:

1. All minerals as hereinafter defined, in, on or under the premises and right, on its own behalf or through persons authorized by it, to enter, sever, prospect for, mine and remove such minerals by deep mining, strip mining, drilling and any other means whatsoever, and to occupy and use so much of the surface of the ground as may be required therefor. ‘Minerals’, as used herein, shall mean any or all oil, gas, coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits, whether solid, gaseous or liquid, in, on, or under the premises; provided, that ‘minerals’ shall not include sand, gravel, rock or other material suitable for use and when used in road construction.

2. All surface and ground waters appurtenant to said premises and the right on its own behalf or through persons authorized by it, to capture, divert or impound the same and to occupy and use so much of said premises as may be required in the exercise of this reserved right.

Provided, however, that as a condition precedent to the exercise of the rights reserved in paragraphs 1 and 2, just compensation shall be paid to the Grantees for any of Grantees’ improvements taken.

The Grantees, for themselves, their successors and assigns, covenant that the use and enjoyment of the land herein conveyed shall not be in support of any policy which discriminates against anyone based upon race, creed, color or national origin.

It is further understood and agreed:

1. That the Grantees shall use or allow said premises to be used, whether in combination, consolidation or otherwise with other lands, only in accordance with the appropriate zoning and subdivision ordinances of the County of Hawaii.

4. Unrecorded Area 16 Apartment Development Lease dated August 1, 1983, by and between Kamehameha Investment Corporation, a Hawaii corporation, as Lessor, and Holua Associates, a joint venture formed under the laws of the State of Hawaii, composed of Tecon-Kona Corporation, a Nevada corporation, and Kona Post Corporation, a Hawaii corporation, a short form of which lease is recorded in Liber 17236, Page 679, as amended by Amendment of Area 16 Apartment Development Lease dated September 14, 1983, recorded in Liber 17324, Page 368, which lease, by mesne assignments, was assigned to Pacific Rim Construction, a duly registered Hawaii Limited Partnership, by instrument dated January 27, 1989, recorded in Liber 22837, Page 313, and which lease was thereafter further amended by instrument dated February 7, 1989, recorded in Liber 22837, Page 334.
5. Unrecorded Tennis Center Lease dated August 1, 1983, by and between Kamehameha Investment Corporation, a Hawaii corporation, as Lessor, and Holua Associates, a joint venture formed under the laws of the State of Hawaii, composed of Tecon-Kona Corporation, a Nevada corporation, and Kona Post Corporation, a Hawaii corporation, a short form of which lease is recorded in Liber 17236, Page 686, as amended by instrument dated September 14, 1983, recorded in Liber 17324, Page 435, which lease, by mesne assignments, was assigned to Pacific Rim Construction, a duly registered Hawaii Limited Partnership, by instrument dated January 26, 1989, recorded in Liber 22837, Page 324, and which lease was thereafter further amended by instrument dated February 7, 1989, recorded in Liber 22837, Page 344.
6. Mortgage, Security Agreement and Financing Statement dated February 6, 1989 by and between Pacific Rim Construction, a Hawaii Limited Partnership, as Mortgagor, and LBM, Inc., a Hawaii corporation, as Mortgagee, recorded in Liber 22837, Page 351, said Mortgage being assigned to Matsuzato Sogyo, a Japan corporation under instrument dated February 6, 1989 and recorded in Liber 22837, Page 387.
7. Notice of Lis Pendens recorded in Liber 22840 at Page 246.
8. Notice of Lis Pendens recorded in Liber 23687 at Page 709.
9. Notice of Lis Pendens recorded in Liber 23996 at Page 616.  
  
Note: Developer has represented to the Real Estate Commission that items 7, 8, and 9 above will be released as to each apartment as sales of each apartment are closed and recorded.
10. Easement in favor of Hawaiian Electric Company, Inc., recorded in Liber 18611, page 537.
11. Real property taxes due and payable, refer to Director of Finance, County of Hawaii.

**EXHIBIT "G"**

**ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

**Estimate of Initial Maintenance Fees:**

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
UNIT "A" (1, 6, 21, 36, 51, 56, 68)	\$302.72	\$3,632.64
UNIT "B" (2, 3, 4, 7, 8, 9, 22, 23, 24, 37, 38, 39, 52, 53, 54, 57, 58, 59, 69, 70, 71)	302.72	3,632.64
UNIT "C" (5, 10, 25, 40, 55, 60, 72)	338.45	4,061.40
UNIT "D" (11, 19, 26, 34, 41, 49, 61, 66)	179.86	2,158.32
UNIT "E" (12, 20, 27, 35, 42, 50, 62, 67)	194.72	2,336.64
UNIT "F" (63, 65)	423.96	5,087.52
UNIT "G" (64)	509.88	6,118.56
UNIT "H" (13, 17, 28, 32, 43, 47)	205.56	2,466.72
UNIT "I" (16, 31, 46)	290.67	3,488.04
UNIT "J" (14, 18, 29, 33, 44, 48)	190.70	2,288.40
UNIT "K" (15, 30, 45)	271.60	3,259.20

**Note:** The breakdown of the estimated fees for each apartment does not include the apartment owner's obligation for the payment of real property taxes and lease rents, and does not include the apartment owner's proportionate share of the costs of the Association's anticipated tennis center membership. See page 18 of this Public Report for an estimate of such tennis center membership costs.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

MONTHLY X 12 MONTHS = YEARLY TOTAL

**Payroll-General Operating**

General Manager	\$1,000.00	\$12,000.00
Secretary	680.00	8,160.00
Maintenance	1,200.00	14,400.00
Grounds	1,387.00	16,644.00
Security	5,083.00	60,996.00
Accounting Service	150.00	1,800.00
Holiday/Sick	370.00	4,440.00
Vacation	380.00	4,560.00
-----		
Subtotal	10,450.00	125,400.00
-----		
Taxes/Benefits	1,234.00	14,808.00
Workers Compensation Insurance	199.00	2,388.00
IBMA Medical Insurance	853.00	10,236.00
-----		
Total Payroll-General Operating	12,736.00	152,832.00

**Operating Expenses-General Operating**

Audit Fee	315.00	3,780.00
Auto	100.00	1,200.00
Employee Relations	50.00	600.00
Postage	50.00	600.00
Printing/Stationary	50.00	600.00
Telephone	40.00	480.00
Travel	50.00	600.00
Uniforms	50.00	600.00
Maintenance Contracts	300.00	3,600.00
Building/Property Maintenance	500.00	6,000.00
Cable TV	30.00	360.00
Grounds/Landscaping	500.00	6,000.00
Equipment Maintenance/Rental	50.00	600.00
Small Furniture and Equipment	75.00	900.00
Pest Control	200.00	2,400.00
Pool Supplies/Services	800.00	9,600.00
Waste Removal (4)	200.00	2,400.00
Data Processing	150.00	1,800.00
Depreciation	300.00	3,600.00
Director Expenses	100.00	1,200.00
Insurance	2,000.00	24,000.00
Legal	75.00	900.00
License and Tax	162.00	1,944.00
Rental Expense	100.00	1,200.00
Management Fee	576.00	6,912.00
-----		
Total Operating Expenses-General Operating	6,823.00	81,876.00

**Utilities - General Operating**

Electricity	792.00	9,504.00
Gas	90.00	1,080.00
Sewage	1,534.00	18,408.00
Water	1,692.00	20,304.00
-----		
Total Utilities-General Operating	4,088.00	49,316.00

Total Expenses - General Operating	\$23,669.00	\$284,078.00
Less Rental Income and Utility Reimbursements	<u>(4,405.00)</u>	<u>(52,860.00)</u>
ADJUSTED TOTAL EXPENSES	\$19,264.00	\$231,218.00

I, DARLENE B. FAGO, as President of Pacific Montana Corp., a general partner of the Developer for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

*Darlene B. Fago*

Date: August 1, 1989

EXHIBIT "H"

SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

The Deposit Receipt and Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Deposit Receipt and Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.

(b) That the purchaser acknowledges having received and read a public report (either preliminary, supplemental, or final) for the Project prior to signing the Deposit Receipt and Sales Contract.

(c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

(d) That the Sales Contract may be subordinate to the lien of construction lender.

(e) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(f) Requirements relating to the purchaser's financing of the purchase of an apartment.

(g) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(h) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

(i) That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the purchaser.

(j) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(k) That the Association has the right and power, as set forth in the Declaration of Condominium Property Regime and the Bylaws, to enter into a membership agreement, appurtenant to and for the benefit of each apartment in the Project, with a tennis center which may be developed on property adjacent to the Project. Each apartment owner shall be liable for and pay a portion of the costs of any such tennis center membership, which costs will be apportioned among all apartment owners as a common expense of the Project, payable by each apartment owner as a portion of the maintenance fee. The

Developer has retained the right to enter into such a membership agreement on behalf of and at the expense of the Association.

(1) That the purchaser will not receive interest on deposits made under the Sales Contract.

The Deposit Receipt and Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Deposit Receipt and Sales Contract on file with the Real Estate Commission.

**EXHIBIT "I"**

**SUMMARY OF ESCROW AGREEMENT**

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT "J"  
DESCRIPTION OF APARTMENTS

Approximate Floor Area of Apartments:

<u>Apt. Type</u>	<u>Qty</u>	<u>Br/Bath</u>	<u>Net Living Area(sf)*</u>	<u>Lanai/Patio(sf)</u>
A	7	2/3	1326	182
B	21	2/3	1326	182
C	7	2/3	1504	182
D	8	1/1	780	116
E	8	1/1	780	190
F	2	2/3	1806	306
G	1	3/4	1980	560
H	6	1/2	834	190
I	3	2/3	1123	325
J	6	1/2	834	116
K	3	2/3	1123	230

\*NOTE: Net living area of each apartment as set forth above is measured from the interior surface of the apartment perimeter walls and includes all of the walls and partitions within its perimeter walls, whether load-bearing or non-load-bearing. 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. THE FLOOR AREAS ARE APPROXIMATE ONLY AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR APARTMENT.

## **EXHIBIT "K"**

### **PROPOSED TENNIS CENTER**

The Developer is in the process of developing or has developed a tennis center to be located on property adjacent to and south of the Project, which will be owned and operated for profit. Such tennis center will be privately owned and operated, separate and distinct from the proposed condominium project. The Developer will initially manage the facility but later will concession it to an outside management company.

To provide initial start-up membership for the tennis center, the Developer will offer to the Association the right and power, as set forth in the Declaration of Condominium Property Regime and Bylaws, to enter into a membership agreement, appurtenant to and for the benefit of each apartment in the Project, with the tennis center. Until an election of the board of directors for the Association is held at the first annual meeting of the Association, the Developer reserves the right to negotiate and enter into such a membership agreement on behalf of and at the expense of the Association upon such terms as the Developer deems to be in the best interest of the Project and the Association. Such membership agreement will give members of the Association full rights and privileges in the tennis center at a small fee. All members of the Association will be bound by the membership agreement and any non-payment shall constitute a Lien on the non-paying owner's apartment. Though the Developer can make no assurances at this time regarding the tennis center membership or the costs, if any, of such membership to individual apartment owners, it is estimated that such costs would average approximately \$30.00 per month for each apartment.

The Developer also intends to solicit membership from the general public. Members of the tennis center who are not members under the Association membership agreement will have full access to the tennis center facilities but will not have access to any of the Project's common elements.

## **EXHIBIT "L"**

### **DEVELOPER'S RESERVED RIGHTS**

During the sales period, the Developer has reserved the right to make any changes to the project documents and the Project as may be required by law, any title insurance company, any institutional lender, or any governmental agency, and, prior to the conveyance or transfer of the first apartment, for any reason and in any manner as the Developer deems necessary, provided that no such change shall substantially impair the prospective use and enjoyment of the apartment, substantially alter or reduce the usable space within the apartment, render unfavorable the Buyer's mortgage loan commitment, increase the Buyer's share of common expenses, or reduce the obligations of the Developer for common expenses on unsold apartments.

The Developer has also reserved the right to construct approximately 397 additional apartments on the land described in the Declaration in phases and also to withdraw a portion of the land from the Project. The Developer has reserved the right to effect the merger of additional condominium projects, developed on land previously withdrawn from the project, with this project. The Developer has also reserved the right to effect a consolidation and resubdivision and/or subdivision of the land described in the Declaration which will result in the area and configuration of the land described in the Declaration being different than presently described. The Developer has the right to execute and record amendments to the Declaration and other documents to effect such changes in accordance with the terms and provisions of the Declaration.

## **EXHIBIT "M"**

### **BOUNDARIES OF EACH APARTMENT:**

Each apartment includes, but is not limited to, all walls, columns and partitions which are not load-bearing within the apartment's perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, the doors and door frames, lanai railings, windows and window frames along the perimeters, the airspace within the perimeters, the lanai air space, and all fixtures originally installed in the apartment. The apartments shall not include the undecorated or unfinished surfaces of the perimeter party or non-party walls, the interior load-bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floors and ceiling surrounding each apartment or any pipes, shafts, wires, conduits or other utility or service lines running through an apartment which are utilized for or serve more than one apartment.

### **PERMITTED ALTERATIONS TO APARTMENTS:**

Alterations or additions within an apartment, within a limited common element appurtenant to and for the exclusive use of an apartment, or the exterior of an apartment (including painting, awnings, jalousies and screens), shall require the written consent of the owner's plans by the Board of Directors of the Association of Apartment Owners and the apartment owners directly affected by such alterations or additions, as determined by the Board. Any alteration or addition that is different in any material respect from the Condominium File Plan shall be commenced only pursuant to an amendment of the declaration. Any necessary amendment of the Declaration may be made by such owners and the Board and recorded with plans certified as built by a registered architect or professional engineer.

The owner of two or more apartments separated by a party wall, floor or ceiling may alter or remove the intervening wall if structural integrity and soundness of the project is not adversely affected. At the termination of the common ownership of adjacent apartments, the altered or removed walls shall be restored by the owner to substantially the same condition as existed prior to the alteration or removal.