



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

PHASE 2
HOLUA AT MAUNA LOA VILLAGE
 (formerly known as Mauna Loa Village)
 Kaleopapa Road
 Keauhou-Kona, Hawaii

Registration No. 1817

Issued: May 9, 1991
 Expires: June 9, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of March 20, 1991, 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 _____
- FIRST 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 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.

[X] 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 Declaration of Condominium Property Regime 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 First Supplementary Public Report on Phase 2 reflects 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.

Phase 2 of the project was previously registered under Registration No. 1896, however, now that the Developer will be adding apartments in phases to the master leased property rather than creating separate condominium property regimes on separate parcels of land and registrations and then merging the separate regimes, Phase 2 is being added to this Registration No. 1817. Registration No. 1896 which has expired will not be reactivated.

This First Supplementary Public Report on **HOLUA AT MAUNA LOA VILLAGE, PHASE 2**, supersedes all prior Public Reports issued on this project and the information herein contained is deemed complete in its entirety.

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer	
Real Estate Sales Agent	Managing Agent
Escrow Company	Attorney for Developer
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	7
D. House Rules	8
E. Changes to Condominium Documents	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements	15
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission	20
EXHIBIT A: Schedule of Lease Rent	
EXHIBIT B: Description of Buildings	
EXHIBIT C: Parking Stalls	
EXHIBIT D: Common Elements	
EXHIBIT E: Common Interests	
EXHIBIT F: Encumbrances Against Title	
EXHIBIT G: Estimate of Initial Maintenance Fees and Maintenance Fee Disbursement	
EXHIBIT H: Summary of Deposit Receipt and Sales Contract	
EXHIBIT I: Summary of Escrow Agreements	
EXHIBIT J: Description of Apartments	
EXHIBIT K: Description of Tennis Center	
EXHIBIT L: Developer's Reserved Rights	
EXHIBIT M: Boundaries of Each Apartment and Permitted Alterations to Apartments	

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 Resort purposes in accordance with applicable laws,
the Declaration and By-Laws
- 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: 69

*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: (Phase 1 and 2)		<u>Number of Stalls</u>
Assigned Stalls (Individual Units)		<u>72</u> (Phase 1)
Guest Stalls		<u>44</u>
Unassigned Stalls		<u>69</u> (Phase 2)
Extra Stalls Available for Purchase		_____
Other: <u>Administration (7) and Laundry (4) and Mechanical (1)</u>		<u>12</u>
Total Parking Stalls		<u>197</u>

7. Recreational amenities:

Four (4) swimming pools and related facilities in Phase 1 and four (4) more swimming pools and related facilities in Phase 2.

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 Burke (Second Vice President); Grantland M. Fagg

(Third Vice President) BENZO & ASSOCIATES, INCORPORATED: Stanley D. Johnson

(President); Clayton Tom (Vice President); Jun Shimizu (Treasurer); Asako Penninton (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: SECURITY TITLE CORPORATION, INC. Phone: (808) 329-4427
Name (Business)

75-170 Hualalai Road, Suite A-200
Business Address

Kailua-Kona, Hawaii 96740

Managing Agent: COLONY HOTEL & RESORTS, INC. Phone: (808) 526-3072
Name (Business)

841 Bishop Street, Suite 1010
Business Address

Honolulu, Hawaii 96813

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:

An Amendment to the Declaration has been recorded in the Bureau of Conveyances as Document No. 91-013505 adding the Phase 2 apartments and common area improvements to the project and reflecting a revision of the common interest allocated to each apartment.

- B. Condominium Map (File Plan) show 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 Conveyances Condo Map No. 1270
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

An Amendment to the Condominium File Plan has been recorded reflecting an increase in the size of the lanais on the D, F, G, J and K Type Apartments contained in Phase 2 and the future Phases 3 through 7 and consequent change in the exterior appearance of the buildings in which those Type Apartments are contained as shown in revised elevation drawings for those buildings.

- 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	---	See <u>Article 12, Sec. 1, Bylaws</u>

The percentage 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")

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements which includes the underlying land will be fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements which includes 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: September 30, 2050
Rent Renegotiation Date(s): First 35 years have fixed rental amounts; thereafter rent to be renegotiated for each of the next 10-year periods and the final six-year period.

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit "A" contains a schedule of the lease rent for each apartment per
 Month Year.

- Individual Apartments in Fee Simple Common Interest in the 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: UPON EXPIRATION OF THE LEASE TERM, ALL IMPROVEMENTS ON THE PREMISES, INCLUDING THE INDIVIDUAL APARTMENT UNIT, WILL REVERT TO THE LESSOR (FEE PROPERTY OWNER).

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: Kaleopapa Road
Keauhou-Kona, Hawaii

Tax Map Key: (3) 7-8-10:58 and 69
(TMK)

Address TMK is expected to change because _____

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

Fee Owner: TRUSTEES OF THE ESTATE OF BERNICE PAUAHI BISHOP
Name

Suite 200, Kawaihao Plaza, 567 South King Street
Address

Honolulu, Hawaii 96813

Sublessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Buildings: 10 Floors Per Building 2 Floors

Exhibit "B" contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other masonry, plaster, steel, glass and related materials

4. **Permitted Uses:**

	<u>No. of Apts.</u>		<u>No of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>69</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input checked="" type="checkbox"/> Other: <u>Administration and laundry (Built in Phase 1)</u>			

5. Special Use Restrictions:

apartments.

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

Pets _____

Number of Occupants: _____

Other: No water beds permitted.

There are no special use restrictions.

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

Total Apartments 69

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")

7. Parking Stalls: (Note: The Condominium File Plan reflects that there will be additional parking stalls located on Phase 1 and 2 which are assigned to the Tennis Center.)

Total Parking Stalls: 197 (Phase 1 and 2)

	<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> </u>	<u>16</u>	<u> </u>	<u> </u>	<u> </u>	<u>72</u>
Guest	<u>12</u>	<u> </u>	<u>32</u>	<u> </u>	<u> </u>	<u> </u>	<u>44</u>
Unassigned	<u>69</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>69</u>
Extra Available for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u>1</u>	<u>11</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>12</u>
Total Covered & Open	<u>149</u>	<u> </u>	<u>48</u>	<u> </u>	<u> </u>	<u> </u>	<u>197</u>

Each apartment in Phase 2 will have the exclusive use of one (1) unassigned parking stall. The numbers reflected on the Condominium File Plan for each parking stall do not mean that the stall belongs to the apartment bearing the same number, except as to Phase 1 apartments which have assigned parking stalls. Buyers are encouraged to find out which stall(s) will be available for their use.

[] Commercial parking garage permitted in condominium project.

[X] 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.

[X] Swimming pool (4 in Phase 2)

[] Storage Area

[] Recreation Area

[] Laundry Area

[] Tennis Court

[] Trash Chute

[X] 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 a 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 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 January 29, 1991 and issued by Founders Title & Escrow of Hawaii.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually release 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	None-will be released as to each apartment when escrow for each apartment is closed.

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: Colony Resorts, Inc.

not affiliated with the Developer.

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:**

Phase 2 of the project is presently under construction and the Developer estimates that the completion date of Phase 2 will be on or about April 15, 1991.

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 328 additional apartment units in one or more additional phase (5 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 shows 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 September 19, 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 cognizant of such potential hazards, particularly in the limited 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 in 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 the 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 a 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
Amendment to Condominium Property Regime

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
February 4, 1991.

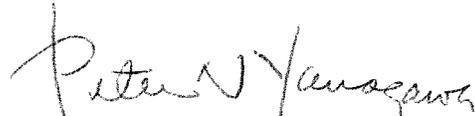
Reproduction of Report. When reproduced, this report must be on:

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.



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

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	83, 95, 107 122, 137	\$ 80.00	\$120.00	\$180.00	\$270.00
B	84, 85, 86, 96, 97, 98, 108, 109, 110, 123, 124, 125, 138, 139, 140	\$ 80.00	\$120.00	\$180.00	\$270.00
C	87, 99, 111, 126, 141	\$ 80.00	\$120.00	\$180.00	\$270.00
D	73, 81, 88, 93, 100, 105, 112, 120, 127, 135	\$ 80.00	\$120.00	\$180.00	\$270.00
E	74, 82, 89, 94, 101, 106, 113, 121, 128, 136	\$ 80.00	\$120.00	\$180.00	\$270.00
F	90, 92, 102, 104	\$ 80.00	\$120.00	\$180.00	\$270.00
G	91, 103	\$ 80.00	\$120.00	\$180.00	\$270.00
H	75, 79, 114, 118, 129, 133	\$ 80.00	\$120.00	\$180.00	\$270.00
I	78, 117, 132	\$ 80.00	\$120.00	\$180.00	\$270.00
J	76, 80, 115, 119, 130, 134	\$ 80.00	\$120.00	\$180.00	\$270.00
K	77, 116, 131	\$ 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

Phase 2 of the project shall contain TEN (10) two-story residential apartment buildings. FIVE (5) residential apartment buildings each contain FIVE (5) residential apartments ("Paradise Complex"; Building Nos. 13, 15, 17, 19 and 21). THREE (3) residential apartment building each contain TEN (10) residential apartments ("Plumeria Complex"; Building Nos. 12, 18 and 20). TWO (2) residential apartment buildings each contain SEVEN (7) residential apartments ("Polynesian Complex"; Building Nos. 14 and 16). 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 one unassigned parking stall 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 a particular apartment 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.

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
PHASE 2

<u>Apartment Type</u>	<u>Apartment No.</u>	<u>Undivided Common Interest of Each Apartment</u>
Unit "A"	83, 95, 107, 122, 137	.2457%
Unit "B"	84, 85, 86, 96, 97, 98, 108, 109, 110, 123, 124, 125, 138, 139, 140	.2457%
Unit "C"	87, 99, 111, 126, 141	.2747%
Unit "D"	73, 81, 88, 93, 100, 105, 112, 120, 127, 135	.1580%
Unit "E"	74, 82, 89, 94, 101, 106, 113, 121, 128, 136	.1580%
Unit "F"	90, 92, 102, 104	.3561%
Unit "G"	91, 103	.4294%
Unit "H"	75, 79, 114, 118, 129, 133	.1668%
Unit "I"	78, 117, 132	.2359%
Unit "J"	76, 80, 115, 119, 130, 134	.1668%
Unit "K"	77, 116, 131	.2359%

* NOTE: The Declaration in Section G.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. Rights of Native Tenants as reserved in Royal Patent No. 7844.
3. The reservations and covenant as set forth in that certain Deed dated October 2, 1969, recorded in the Bureau of Conveyances of the State of Hawaii in Book 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 the 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. AS TO LOT 1 ONLY:

a. The terms and provisions of that certain unrecorded Tennis Center Lease dated August 1, 1983, a Short Form Lease of which was recorded in said Bureau in Book 17236 Page 686, as amended, to which reference is hereby made.

5. AS TO LOT 2 ONLY:

a. The terms and provisions of that certain unrecorded Area 16 Apartment Development Lease dated August 1, 1983, a Short Form Lease of which was recorded in said Bureau in Book 17236 Page 679, as amended, to which reference is hereby made.

b. GRANT

In Favor of: Hawaii Electric Light Company, Inc., a Hawaii corporation, and Hawaii Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, also a Hawaii corporation
Dated: December 5, 1984
Book: 18611
Page: 537
Purpose: Easement for underground lines and transformer vault purposes over, under, across and through a portion of the land herein described, designated as Easement D, containing an area of 10,461 square feet, more or less.

6. CIVIL NO. 89-284K - THIRD CIRCUIT COURT

Plaintiff: Laith R. Reynolds
Defendant: Mauna Loa Village Corporation, a Montana corporation, Harrison G. Fagg, Darlene B. Fagg, Russell C. Fagg, Sherril Fagg Burke, Grantland M. Fagg, Pacific Montana Corp., a Hawaii corporation, Pacific Rim Construction, a Hawaii limited partnership, Benzo & Associates, Inc., a Hawaii corporation, LBM, Inc., a Hawaii corporation, Matsuzato Sogyo, Co. Ltd., a Japan corporation, Holua Seven, a Hawaii limited partnership, Land Master Co. Ltd., a Japan corporation, Benzo & Associates, Incorporated, a Japan corporation, Tsutomu Shimizu, Shuzo Kimura, Stanley Johnson, John Does 1-10, Jane Does 1-10, and Doe Corporations 1-10
PENDING

a. Plaintiff Reynold's Designation of Condominium Units Pursuant to Order Granting Defendants Mauna Loa Village Corporation, et al.'s Motion to Reconsider or Amend Order, Etc., Exhibit 1; Certificate of Service, dated July 9, 1990, recorded in said Bureau of Conveyances as Document No. 90-110594, under Civil No. 89-284K, filed in the Circuit Court of the Third Circuit, State of Hawaii.

b. NOTICE OF SECOND SUBSTITUTE LIS PENDENS - CIVIL NO. 89-284K -
THIRD CIRCUIT COURT - STATE OF HAWAII

Dated: August 14, 1990
Document No.: 90-132860

7. MORTGAGE

Mortgagor: Pacific Rim Construction, a Hawaii limited partnership
Mortgagee: LBM, Inc., a Hawaii corporation
Dated: February 6, 1989
Book: 22837
Page: 351
To Secure: \$12,500,000.00 and any additional advances and other amounts secured
thereby, all accounting to the terms of that certain promissory note of said
mortgagor(s) therein referred to

The foregoing mortgage was assigned by the following:

ASSIGNMENT OF MORTGAGE

Assignor: LBM, Inc., a Hawaii corporation
Assignee: Matsuzato Sogyo, a Japan corporation
Dated: February 6, 1989
Book: 22837
Page: 387

8. Restrictions, covenants and conditions as contained in:

DECLARATION OF MERGER OF CONDOMINIUM PHASES - HOLUA AT MAUNA
LOA VILLAGE

Dated: October 1, 1989
Book: 23980
Page: 392

9. The covenants, agreements, obligations, conditions, easements and other provisions as
contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "HOLUA AT
MAUNA LOA VILLAGE"

Dated: October 1, 1989
Book: 23980
Page: 401

Condominium Map No. 1270, to which reference is hereby made.

10. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF HOLUA AT MAUNA LOA VILLAGE

Dated: October 1, 1989
Book: 23980
Page: 448

11. NOTICE OF LIS PENDENS - UNITED STATES DISTRICT COURT FOR THE DISTRICT OF HAWAII COURT - CIVIL NO. 90-00106HMF

Plaintiff: Northwest Financing & Services, Inc. a Montana corporation
Defendant: Holua Seven, a Hawaii limited partnership, Benzo & Associates, Inc., a Hawaii corporation, Matsuzato Sogyo, Co. Ltd., a Japan corporation, Pacific Rim Construction, a Hawaii limited partnership, aka Pacific Rim Construction Limited Partnership, fka Pacific Rim Development, and Pacific Montana Corp., a Hawaii corporation
Dated: February 16, 1990
Document No.: 90-024677

12. NOTICE OF LIS PENDENS - THIRD CIRCUIT COURT - CIVIL NO. 90-178K

Plaintiff: Daniel Brady Cromwell, Kathryn Melani Cromwell, Richard Leo Cromwell and Elizabeth Cromwell
Defendant: Mauna Loa Village Corporation, a Montana corporation, Harrison G. Fagg, Darlene B. Fagg, Russell C. Fagg, Sherril Fagg Burke, Grantland M. Fagg, Pacific Montana Corp., a Hawaii corporation, Pacific Rim Construction, a Hawaii limited partnership, Benzo & Associates, Inc., a Hawaii corporation, LBM, Inc., a Hawaii corporation, Matsuzato Sogyo, Co. Ltd., a Japan corporation, Holua Seven, a Hawaii limited partnership, Land Master Co. Ltd., a Japan corporation, Benzo & Associates, Incorporated, a Japan corporation, Tsutomu Shimizu, Shuzo Kimura, Stanley Johnson, John Does 1-10, Jane Does 1-10, and Doe Corporations 1-10, Partnerships, Governmental Units or Other Entities 1-20
Dated: July 16, 1990
Document No.: 90-108155

13. GRANT

In Favor of: Hawaii Electric Light Company, Inc., a Hawaii corporation
Dated: March 7, 1990
Document No.: 90-051581
Purpose: Easement for underground lines and transformer vault purposes over, under, across and through a portion of the land herein described

NOTE: The Developer represents that it is actively defending against the civil actions described in Items No. 6, 11 and 12 above and that the Notice of Lis Pendens filed in the civil actions described in Items No. 11 and 12 have been cancelled by the court. Developer has also represented that a title insurance policy will be issued by the title insurer for the project insuring the apartment owner against the effect of any of these civil actions.
--

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 = Yearly Total</u>
Unit "A" (83, 95, 107, 122, 137)	\$254.11 \$3,049.52
Unit "B" (84, 85, 86, 96, 97, 98, 108, 109, 110, 123, 124, 125, 138, 139, 140)	254.11 \$3,049.52
Unit "C" (87, 99, 111, 126, 141)	284.11 3,409.32
Unit "D" (73, 81, 88, 93, 100, 105, 112, 120, 127, 135)	163.46 1,961.52
Unit "E" (74, 82, 89, 94, 101, 106, 113, 121, 128, 136)	163.46 1,961.52
Unit "F" (90, 92, 102, 104)	368.37 4,420.44
Unit "G" (91, 103)	444.20 5,330.40
Unit "H" (75, 79, 114, 118, 129, 133)	172.56 2,070.72
Unit "I" (78, 117, 132)	244.00 2,928.00
Unit "J" (76, 80, 115, 119, 130, 134)	172.56 2,070.72
Unit "K" (77, 116, 131)	244.00 2,928.00

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 Fee x 12 months = Yearly Total

Payroll-General Operating

General Manager	\$ 1,200.00	\$ 14,400.00
Secretary	915.00	10,980.00
Maintenance	2,587.00	31,044.00
Grounds	2,773.00	32,276.00
Security	5,083.00	60,996.00
Accounting Service	300.00	3,600.00
Holiday/Sick	772.00	9,264.00
Vacation	514.00	6,168.00

Subtotal	14,144.00	168,728.00
----------	-----------	------------

Taxes/Benefits	1,697.00	20,364.00
Workers Compensation Insurance	269.00	3,228.00
HMSA Medical Insurance	1,157.00	13,884.00

Total Payroll-General Operating	17,267.00	207,204.00
---------------------------------	-----------	------------

Operating Expenses-General Operating

Audit Fee	315.00	3,780.00
Auto	100.00	12,000.00
Employee Relations	50.00	600.00
Postage	50.00	600.00
Printing/Stationary	50.00	600.00
Telephone	60.00	720.00
Travel	50.00	600.00
Uniforms	100.00	1,200.00
Maintenance Contracts	500.00	6,000.00
Building Property Maintenance	700.00	8,400.00
Cable TV	30.00	360.00
Grounds/Landscaping	700.00	8,400.00
Equipment Maintenance/Rental	100.00	1,200.00
Small Furniture and Equipment	150.00	1,800.00
Pest Control	400.00	4,800.00
Pool Supplies/Services	1,600.00	19,200.00
Waste Removal (4)	400.00	4,800.00
Data Processing	200.00	2,400.00
Depreciation	300.00	3,600.00
Director Expenses	100.00	1,200.00
Insurance	4,000.00	48,000.00
Legal	75.00	900.00
License and Tax	203.00	2,436.00
Rental Expense	100.00	1,200.00
Management Fee	1,128.00	13,536.00

Total Operating Expenses-General Operating	11,261.00	135,132.00
--	-----------	------------

Estimate of Maintenance Fee Disbursements: Monthly Fee x 12 months = Yearly Total

Utilities

Electricity	1,551.00	18,612.00
Gas	100.00	1,200.00
Sewage	3,044.00	36,528.00
Water	3,313.00	39,756.00

Total Utilities-General Operating 8,008.00 96,096.00

Total Expenses-General Operating 36,536.00 438,432.00

Less Rental Income and Utility Reimbursements -0- -0-

ADJUSTED TOTAL EXPENSES 36,536.00 438,432.00

I, **DARLENE B. FAGG**, 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.



Date: December 1, 1990

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 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.

(l) That the purchaser will not receive 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.
- (d) The purchaser's fund in escrow will not be disbursed to pay for construction cost or any other expense of the condominium project until both the completion of the construction of the subject apartment to be conveyed and the closing of the sale.

The Escrow Agreement also establishes the procedure 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>	<u>Total Net Living Area (sf) plus Lanai/Patio (sf)</u>
A	5	2/3	1326	182	1508
B	15	2/3	1326	182	1508
C	5	2/3	1504	182	1686
D	10	1/1	780	190	970
E	10	1/1	780	190	970
F	4	2/3	1806	380	2186
G	2	3/4	1980	656	2636
H	6	1/2	834	190	1024
I	3	2/3	1123	325	1448
J	6	1/2	834	190	1024
K	3	2/3	1123	325	1448

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 328 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 merge 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.