REAL ESTATE COMMISSION
STATE OF HAWAII

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

LOKE HALE CONDOMINIUM
Iliili Road
Kihei, Hawaii

Registration No. 1904

Issued: September 14, 1988
Expires: October 14, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 29, 19 88 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:

X 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.
[ ] 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 [X] Not Required – disclosures covered in this report.

FORM: RECO–30 286/986–350W, 150Y, 50P, 1186-400W

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.

SPECIAL ATTENTION

The developer has disclosed information relating to the Board of Directors' authority to regulate matters on parking stalls. The buyer is cautioned to carefully review all documents regarding this condominium project for further information regarding the foregoing.

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GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages in text of report)

Interest to be Conveyed to Buyer:

Fee simple interest in an apartment and an undivided 25% interest in common elements, including the land (pg. 9)

Type of Project: (pg. 10)

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

2. [X] Residential (pg. 10) [ ] Commercial
   [ ] Mixed Residential and Commercial
   [ ] Other _____

3. [ ] High Rise (5 stories or more) [X] Low Rise (pg. 10)

4. [X] Single or [ ] Multiple Buildings (pg. 10)

5. Apartment Description (pg. 11)

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
	4	2/2	1,020	96

Total Apartments: 4

*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: (pg. 12)

	Number of Stalls
Assigned Stalls (Individual Units)	4 standard
Guest Stalls	
Unassigned Stalls	3 compact
Extra Stalls Available for Purchase	
Other: _____	
Total Parking Stalls	7

7. Recreational amenities: (pg. 12)

None.

.. PEOPLE CONNECTED WITH THE PROJECT

Developer: Y & M Investments, Ltd.
Name
1334 Center Street
Business Address
Honolulu, Hawaii 96816

Phone: 735-5607 (Business)

Names of officers or general partners of developers who are corporations or partnerships:
Yuji Abe - President
Shuhei Abe - Vice President
Michael J. Shimoko - Secretary, Treasurer

Real Estate Sales Agent: Estates International, Ltd.
Name
P. O. Box 567
Business Address
Kihei, HI 96753

Phone: 879-6144 (Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen Street
Business Address
Honolulu, HI 96813

Phone: 521-0211 (Business)

Managing Agent: Not selected
Name

Business Address

Phone: N/A (Business)

Attorney for Developer: Thomas A. Bodden Law Corp.
Name
P. O. Box 719
Business Address
Kihei, HI 96753

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[X] Proposed
[ ] Recorded — Bureau of Conveyances — Book _____ Page _____
[ ] Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

N/A

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:

[X] Proposed
[ ] Recorded — Bureau of Conveyance Condo Map No. _____
[ ] Filed — Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

N/A

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:

[X] Proposed
[ ] Recorded — Bureau of Conveyances — Book _____ Page _____
[ ] Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

N/A

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

[X] Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	–	N/A

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:

Amend Declaration upon filing of Architect's "as built" certificate as required by HRS Section 514A-12.

Modify the Declaration, By-Laws, Condominium Map and Plans and Specifications, to the extent required by law, any title insurance company or any institutional mortgagee, or by any administrative governmental agency as a condition precedent to marketing the Project prior to the conveyance of the first apartment, provided such modification shall not (a) increase Buyer's percentage of common expenses more than .005%; (b) increase purchase cost of apartment to Buyer; (c) require substantial physical change of apartment or building; (d) substantially impair any obligations given or undertaken by Seller/Developer; or (e) reduce the obligations of Seller/Developer for common expenses on unsold apartments.

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

III. THE CONDOMINIUM PROJE

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the underlying land will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi—Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year.

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

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners – tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi—Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year.

[ ] Other:

For Subleaseholds:

[ ] Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is [ ] Cancelled [ ] Foreclosed.

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: Iliili Road
Kihei, Maui, Hawaii

Tax Map Key: II-3-9-5:37
(TMK)

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

Land Area: 0.23 [ ] square feet [X] acre(s)

Zoning: A-1 Apartment

Fee Owner: Y & M Investments, Ltd.
name
1334 Center Street
address
Honolulu, HI 96816

Sublessor: _____
name
_____
address
_____

C. Buildings and Other Improvements:

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

2. Buildings: 1 Floors Per Building: 2

[X] Exhibit A contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other stucco exterior, lava rock

4. Permitted Uses:

		No. of Apts.			No. of Apts.
[ ]	Commercial		[ ]	Industrial	
[X]	Residential	4	[ ]	Agricultural	
[ ]	Timeshare/Hotel		[ ]	Recreational	
[ ]	Other:				

5. Special Use Restriction

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:

[X] Pets: domesticated animals and birds may be kept in any apartment subject to rules & regulations adopted by the Board of Directors

[ ] Number of Occupants: _____

[X] Other: no rentals with a term of less than 30 days. The Project By-Laws contain other use provisions in addition to the terms stated above. Every Owner should be aware of the use provisions in the By-Laws in addition to the other use terms.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 4

Elevators 0 Stairways no interior stairways 5 exterior Trash Chutes 0

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
	4	2/2	1020	96

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

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

Boundaries of Each Apartment:

Each apartment will consist of the space measured horizontally by the distances between the unfinished interior surfaces of its perimeter walls, windows and doors; and measured vertically by the distances between the unfinished interior surface of its floor and the unfinished interior surface of its ceiling, and will be deemed to include the portions of the building so described, and the space encompassed by any deck or lanai adjacent to an apartment, and measured to be the lanai-side or deck-side decorated or finished surfaces of the perimeter walls, floors and ceilings (if any) of the lanai or deck, and to the interior edge of any lanai railings or deck railings.

Permitted Alterations to Apartments:

The owner of each apartment with the consent of the mortgagee, if applicable, shall have the right to install, maintain, remove, and rearrange partitions and other non-structural improvements, and to paint, paper, panel, plaster, tile, finish and do such other work on the interior surfaces of the ceilings, floors and walls within such owner's apartment, and to finish, alter or substitute any plumbing, electrical or other fixtures attached to said ceilings, floors and walls as shall be appropriate for the utilization of such apartment by such owner or tenants.

7. Parking Stalls:

Total Parking Stalls: 7

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		4					4
Guest							
Unassigned				3			3
Extra Available for Purchase							
Other:							
Total Covered & Open	4		3				

Each apartment will have the exclusive use of at least 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.

[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.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[X] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[X] Other: Trash receptacle enclosure area, driveway, grass and landscape area

9. Present Condition of I ivements
(For conversions of resicential apartments in existence for five years): N/A

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. [x] No variances to zoning code have been granted.

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

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

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

	Conforming	Non-Conforming	Illegal
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 B describes the common elements.

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

   [ ] There are no limited common elements in this project.

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

   [X] described in Exhibit C

   [ ] as follows:

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

   [ ] Exhibit _____ describes the common interests for each apartment.

   [X] as follows: Each apartment will have an undivided 25% interest in all of the common elements.

E. Encumbrances Against Ti An encumbrance is a claim against or ility on the property.

Exhibit D describes the encumbrances against the title contained in the title ~~report~~ policy dated May 23, 1988, 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.

[X] 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.

Type of Lien	Effect on Buyer's Interest If Developer Defaults

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.

[ ] the Developer or the Developer's affiliate.

[X] other The Developer has made no provision for an initial managing agent.

G. Estimate of Initial Mainten . 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 E contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

[ ] Electricity [ ] Television Cable

[ ] Gas [X] Water & Sewer

[X] Other Refuse collection

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: Developer shall use its best efforts to cause the general contractor to remedy all defects in any apartment or in any common element due to faulty materials or workmanship which are discovered and communicated in writing to Developer within one (1) year from "the date of completion" of the building in which the apartment is located, as said term "date of completion" is defined in Section 507-43, HRS, as amended. DEVELOPER MAKES NO WARRANTIES ITSELF, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, QUALITY, MATERIALS OR WORKMANSHIP OF THE APARTMENT, THE PROPERTY, OR OF ANY OTHER PORTION OF THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS WHICH MAY BE INSTALLED OR WHICH ARE CONTAINED IN THE APARTMENT, ON THE PROPERTY OR THE PROJECT, NOR SHALL BUYER EXCEPT OR RELY UPON ANY SUCH WARRANTY.

2. Appliances:

Provided by manufacturers, usually one year from date of purchase.

J. Status of Construction and ıated Completion Date:

Construction commenced June 1, 1988.

Construction is scheduled to be completed by December 1, 1988.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

N/A

L. Sales Documents Filed with the Real Estate Commission:

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated December 1, 1987

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

[X] Other Specimen Apartment Deed and other documents as listed on the Notice of Intention dated November 28, 1987.

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The developer's attorney has informed the Commission that the front portion of the land containing approximately 800 square feet will be dedicated to the County of Maui for road widening purposes. This will reduce the size of the land from 10,000 square feet as reflected in the title policy to 9,200 square feet as shown on the proposed condominium map.

Each apartment shall have one (1) parking stall appurtenant to it, however, the Board of Directors has reserved the authority from time to time to regulate the usage and number of individual stalls, as deemed appropriate for security purposes or otherwise. This may include the reassignment of parking stalls upon the sale or conveyance of an apartment in the project.

Buyer's Right to Cancel Sale ıtract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

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

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

B. Rights Under the Sales Contract:

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

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

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. 1904 filed with the Real Estate Commission on June 9, 1988.

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

[X] yellow paper stock [ ] white paper stock [ ] pink paper stock

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

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

GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

EXHIBIT "A"

Building

The proposed Declaration of Horizontal Property Regime reflects that the Project will consist of one (1) two-story building with a basement and a total of four (4) units or apartments. The location of the building with respect to the Property is shown on the Condominium File Plan.

The principal materials to be used for the construction of the building will be poured concrete foundation, wood framing and stucco exterior, lava rock veneer around lower portion of building exterior, painted gypsum board interior surfaces, glass and aluminum window frames. The roof will be concrete tile or the equivalent.

EXHIBIT "B"

Common Elements

The proposed Declaration of Horizontal Property Regime reflects that the common elements shall include portions of the Project other than the apartments, and will include the following:

(a) The Land in fee simple;

(b) All roofs, foundations, floor slabs, columns, girders, beams and supports, perimeter, party and load-bearing walls (excluding non-load bearing interior walls and partitions of apartments, if any), floors and ceilings and all other structural elements of the building, excluding the unfinished interior surfaces of the perimeter walls, floors, ceilings, windows and doors of the apartments;

(c) All yards, grounds, gardens and landscaped areas, landscaping, planters, walls, fences, railings and gutters;

(d) All roads, driveways, walkways, easements, accessways, pavement and all unassigned parking spaces;

(e) All pipes, cables, conduits, ducts, electrical equipment, wiring 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, gas, water, sewer, telephone and television or other signal distribution, if any;

(f) All areas, structures or facilities of the project, within or outside of the building, which are for common use or which serve more than one apartment space, such as trash receptacle areas, electrical rooms, machine, mechanical and equipment rooms, stairways, entranceways and loading zones;

(g) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use, including the irrigation and sprinkler system, and outside and other lighting fixtures for lighting other than that inside the apartments; and

(h) All tangible personal property, vehicles, accounts, general intangibles, instruments and money held by or belonging to, and any apartment acquired and held by, the

Association, or its agents, for the administration, maintenance, safety and operation of the common elements of the Horizontal Property Regime, or for the common use and benefit of the apartment owners.

Designation of additional areas or items to be common elements or subject to common expenses after the recordation of this Declaration and the By-Laws in the Bureau of Conveyances shall require the approval of seventy-five percent (75%) of the apartment owners.

EXHIBIT "C"

Limited Common Elements

The proposed Declaration of Horizontal Property Regime reflects that certain parts of the common elements, herein called the "limited common elements," are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the exclusive use of such limited common elements as follows:

(a) Parking Stalls. Each apartment shall have one (1) parking stall appurtenant to it, as depicted on the Condominium File Plan. The apartment number and parking stall number assigned to each apartment are as follows:

Apartment	Appurtenant Parking Stall
101	No. 7
102	No. 3
201	No. 6
202	No. 2

Notwithstanding the fact that stalls are specifically assigned to particular apartments under the Declaration, the Board of Directors shall have the authority from time to time to regulate the usage and numbering of individual stalls, as deemed appropriate for security purposes or otherwise.

Notwithstanding any other provision in the Declaration, apartment owners shall have the right to change the designation of parking stalls which are appurtenant to their respective apartments by amendment of the Declaration and respective Apartment Deeds involved. The amendment need only be signed and approved by the owners (and their respective mortgagees if any) of the apartments whose parking stalls are being changed but must be delivered to the Board of Directors prior to recordation. The amendment shall be effective only upon the recording of the same in the Bureau of Conveyances.

All parking stalls not specifically indicated as limited common elements shall be subject to the control and regulation of the Board, which may designate some or all of such stalls for guest parking.

(b) Storage Rooms. Each apartment shall have one (1) storage room appurtenant to it, located in the basement of the building, as depicted on the Condominium File Plan. The apartment number and storage room number assigned to each apartment are as follows:

Apartment	Appurtenant Storage Room
101	No. 3
102	No. 2
201	No. 4
202	No. 1

Notwithstanding the fact that storage rooms are specifically assigned to particular apartments under the Declaration, the Board of Directors shall have the authority from time to time to regulate the usage and numbering of individual rooms, as deemed appropriate for security purposes or otherwise.

Notwithstanding any other provision in the Declaration, apartment owners shall have the right to change the designation of storage rooms which are appurtenant to their respective apartments by amendment of the Declaration and respective Apartment Deeds involved. The amendment need only be signed and approved by the owners (and their respective mortgagees if any) of the apartments whose storage rooms are being changed but must be delivered to the Board of Directors prior to recordation. The amendment shall be effective only upon the recording of the same in the Bureau of Conveyances.

(c) Certain Equipment. Any pump, motor, fan, compressor or duct, or any installation for power, light, telephone, gas, hot and cold water, heating, refrigeration, television, sewage disposal, air conditioning, or other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith, up to the point, if any, of connection of said pipes, etc. to the (common element) portion of such pipe, etc. which serves more than one apartment), regardless of whether located in a common element, designed to serve only one apartment (that is, not designed or existing for common use), shall be appurtenant to such apartment, as a limited common element, and the same shall be reserved for the exclusive use and benefit of such apartment, and all costs and expenses of every description pertaining thereto including but not limited to the cost of the maintenance, repair and replacement thereof, and the making of any additions and improvements thereto, shall be charged to the owner of such apartment.

EXHIBIT "D"

Encumbrances Against Title

1. Any real property taxes that may be due and owing and a lien on the land. Reference is made to the Property Tax Assessor's Office for the County of Maui.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the land.

EXHIBIT "E"

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months =	Yearly Total
101	$473.75	$5,680
102	473.75	5,680
201	473.75	5,680
202	473.75	5,680

Start-up Fee

Each new buyer shall be assessed a project start-up fee in the estimated amount of $947.50 for working capital and to pay initial expenses.

[ ] Revised on _____

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
Utilities and Services			
Air Conditioning			
Electricity			
[X] common elements only-----	$120		$ 1,440
[ ] common elements and apartments			
Gas			
Refuse Collection ----------	200		2,400
Telephone			
Water and Sewer ----------	300		3,600
Maintenance, Repairs and Supplies			
Building ----------	250		3,000
Grounds ----------	250		3,000
Management /Accounting--------	125		1,500
Management Fee			
Payroll and Payroll Taxes			
Office Expenses			
Insurance ----------	400		4,800
Reserves ----------	250		3,000
Taxes and Government Assessments ----	-		
Audit Fees			
Other ----------	-		
TOTAL	$1,895		$22,740

I/We, Michael J. Shimoko, Secretary/Treasurer of Y & M Investments, Ltd., as ~~managing agents~~ 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: May 29, 1988

EXHIBIT "F"

Sales Contract

The provisions of the Sales Contract, a specimen of which has been submitted with this registration, should be carefully read and understood. It provides, among other things, that:

1. SALES BASED ON PRELIMINARY REPORT. (a) If at the time of execution of the Sales Contract, a Final Public Report has not been issued by the Real Estate Commission with respect to the Project, and received and receipted for by Buyer, then the Sales Contract shall constitute a "reservation", not a binding contract, and the following limitations shall apply, notwithstanding anything else stated herein to the contrary.

The Contract shall not be binding upon Buyer (or Seller) until:

(i) A true copy of either the Real Estate Commission's Final Public Report thereon or the Supplementary Public Report which has superseded the Final Public Report and two copies of the Receipt and Notice of Right to Cancel form prescribed by the Horizontal Property Regimes Act have been delivered to Buyer, either personally or by registered or certified mail with return receipt requested, together with a true copy of all other public reports thereon, if any, issued prior to the date of such delivery and not previously delivered to Buyer, and the report has not been superseded;

(ii) Buyer has been given an opportunity to read the reports; and

(iii) Buyer (A) executes said Receipt and Notice of Right to Cancel; and (B) waives his right to cancel; provided that if Buyer does not execute and return the Receipt and Notice within thirty (30) days from the date of delivery of such reports, or if the Property is conveyed to the Buyer prior to the expiration of such thirty (30) day period, Buyer shall be deemed to have receipted for the reports and to have waived his right to cancel.

A RESERVATION MAY BE TERMINATED AT ANY TIME BEFORE IT IS RENDERED A BINDING CONTRACT, WITH OR WITHOUT CAUSE, AT THE OPTION OF EITHER PARTY, BY WRITTEN NOTICE OF SUCH TERMINATION TO THE OTHER PARTY. In the event of such termination by Seller, Seller shall cause Escrow to refund all payments previously made by Buyer and neither party shall have any other or further liability hereunder or with respect to the Project; provided that if Buyer terminates this reservation, then Escrow

shall deduct from the refund to Buyer the escrow cancellation fee and all costs incurred by Seller, Escrow, or any lending institution in processing the Contract or the loan application (up to a maximum of $250, or such higher amount as permitted by law); if Seller terminates this reservation, then Seller shall pay such fees and costs.

(b) If, at the time of the execution hereof, a Final Public Report has been issued, then the Contract shall be fully binding if:

(i) Seller has accepted the Contract;

(ii) A copy of the Final Public Report and all other reports issued by the Real Estate Commission of the State of Hawaii and two copies of the Receipt and Notice of Right to Cancel form prescribed by the Horizontal Property Regimes Act have been delivered to Buyer;

(iii) Buyer has been given an opportunity to read the reports; and

(iv) Buyer has executed the Receipt and Notice of Right to Cancel; provided that if Buyer does not execute and return the Receipt and Notice within thirty (30) days from the date of delivery of such reports, or if the Property is conveyed to Buyer prior to the expiration of such thirty (30) day period, Buyer shall be deemed to have receipted for the reports and to have waived his right to cancel.

If Buyer, within ten (10) days from the delivery by Seller of a copy of the Final Public Report, either personally or by registered or certified mail with return receipt requested, shall fail to acknowledge receipt thereof, which Buyer may choose to do without penalty, Seller at its option may terminate the Sales Contract upon ten (10) days' written notice to Buyer and upon such termination, Seller shall cause Escrow to refund to Buyer all payments previously made by Buyer, less Escrow's cancellation fees and other costs incurred by Seller or Escrow in processing the Sales Contract.

2. DEFAULT. Time is of the essence in the Sales Contract. If Buyer shall fail to make any payment when required, or fails to perform any other obligation required of Buyer under the Sales Contract, such failure shall constitute a default thereunder and Buyer shall be notified of the default by registered or certified mail, return receipt requested, and if the default is not cured within fifteen (15) days after the mailing of the notice, the Sales Contract may, at Seller's option, be cancelled, in which event all sums paid by Buyer, less Escrow's cancellation charge, shall belong absolutely to

Seller as liquidated damages; or Seller may, at its option, pursue any other remedy at law or in equity, for damages or otherwise, and all costs, including reasonable attorney's fees, incurred by reason of such default by Buyer shall be borne by Buyer. Similarly, if Seller shall be in default under the Sales Contract, and shall fail to cure the same within fifteen (15) days after Seller's receipt of written notice of such default from Buyer, Buyer shall have all remedies available at law or in equity by reason of such default, and all costs, including reasonable attorney's fees, incurred by reason of such default by Seller shall be borne by Seller.

If Buyer shall default in making any payment when due, a late charge of one percent (1%) per month (based on the amount of such payment) prorated on a daily basis, shall accrue from the due date until such payment, together with such late charge, are paid. At any time prior to the time that such payment and late charge is paid in full, Seller may, at its option and in lieu of collecting such late charge, terminate the Sales Contract.

3. NO ASSIGNMENT OR TRANSFER OF SALES CONTRACT. The Sales Contract is not assignable by Buyer. Buyer understands and agrees that Buyer may not and will not assign or transfer this Sales Contract or any of Buyer's rights hereunder, and that any assignment or transfer of this Sales Contract by Buyer without the express prior written consent of Seller shall be null and void and shall constitute a default of the Sales Contract by Buyer. Any sale, assignment, transfer, conveyance, pledge, exchange, or encumbrance of all or any portion of any partnership or other joint ownership interest in the Buyer (if Buyer is a corporation, partnership, joint venture or other entity), or any merger or consolidation of the Buyer with or into any other partnership, corporation or other entity, shall be deemed to be an assignment or transfer of the Sales Contract for purposes of this paragraph. Any sale, assignment, transfer, conveyance, pledge, exchange or encumbrance of all or any portion of the voting shares of the capital stock, or the issuance of any new voting shares of the capital stock of the Buyer shall also be deemed to be an assignment or transfer of the Sales Contract for purposes of this paragraph.

4. CONDOMINIUM DEED; CLOSING.

(a) Seller agrees to provide to Buyer, upon Buyer's payment to Seller of the full purchase price, a Residential Condominium Apartment Deed duly executed by Seller or Seller's assigns and substantially in the form filed with the Real Estate Commission.

(b) On the Pre-Closing Date, Buyer agrees to execute the Residential Condominium Deed and such other documents as are required to effect transfer of title and to complete financing arrangements, if any, including execution of any note and mortgage, and Buyer authorizes Seller, any mortgagee, and/or Escrow to date such documents as of the effective date thereof. Buyer further agrees to pay or cause to be paid to Escrow, at least ten (10) days prior to the estimated Closing Date: (i) any portion of the Total Purchase Price remaining unpaid, (ii) one-half the escrow fee, and all other closing costs including, but not limited to, notary and recording fees, costs of credit report, any loan fee, the cost of preparing any notes, mortgages or conveyance documents, conveyance tax, the cost of any title insurance and any closing costs imposed by Buyer's lender, if any; (iii) a capital start-up assessment equal to two (2) months' installments of Buyer's share of estimated common expenses under the Declaration, (which payment shall be a one-time assessment at sale, in addition to the normal monthly maintenance expenses, and shall be nontransferable and nonrefundable in the event of subsequent sale of the Apartment by Buyer); and (iv) such other prepayments as may be required by Buyer's lender, if any.

(c) Upon execution of said documents by Buyer and payment in full of all said amounts by Buyer, but not prior to the date designated by Seller in Seller's discretion as the Closing Date (the "Closing Date" or "Date of Closing"), Seller shall deliver the Residential Condominium Apartment Deed to Buyer, and risk of loss for the Property shall thereupon pass to Buyer.

(d) It is specifically agreed and understood that the Closing Date as established by Developer may be any time on or after the issuance of the Architect's Certificate of Substantial Completion and the County of Maui's issuance of a Certificate of Occupancy--both as to the Apartment--despite the fact that construction of other portions of the Project may not then be complete.

(e) At the time of the first conveyance of an apartment, every mortgage and other lien, except any improvement district or utility assessment, affecting both the apartment and any other apartment shall be paid and satisfied of record, or the apartment being conveyed and its common interest shall be released therefrom by partial release duly recorded.

5. OTHER CLOSING COSTS. In addition to payment of the amounts set forth in the Sales Contract, Buyer acknowledges that he shall be required to prepay the maintenance fees attributable to the calendar month (or portion thereof) in

which occupancy commences, and to pay real property taxes pro-rated as of the Closing Date. Buyer further agrees that all maintenance fees, insurance, taxes, assessments, interest on all financing, and other expenses shall be prorated between Seller and Buyer as of the Closing Date, regardless of whether the Residential Condominium Apartment Deed is actually recorded and/or Buyer takes possession before or after that date.

6. ACCEPTANCE BY BUYER. Buyer agrees to accept possession of the Apartment (subject to paragraph 7, below) on the Closing Date (i) despite the existence of defects or damage to the Apartment, which do not render the Apartment uninhabitable, so long as Seller or the Contractor guarantees correction or repair of such defects or damages within a reasonable time thereafter, and (ii) despite the fact that the Project is not yet completed, so long as there is reasonable access to such Apartment. Buyer agrees to indemnify Seller for any damages or losses, including interest and reasonable attorney's fees, resulting from any wrongful refusal to accept the Apartment upon presentation by Seller; any such refusal shall be a default under this Agreement.

7. WARRANTY. Seller shall use its best efforts to cause the general contractor of the Project to remedy all defects in any apartment or in any common element due to faulty materials or workmanship which are discovered and communicated in writing to Seller within one (1) year from "the date of completion" of the building in which the apartment is located, as said term "date of completion" is defined in Section 507-43 of the Hawaii Revised Statutes, as amended. SELLER MAKES NO WARRANTIES ITSELF, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, QUALITY, MATERIALS OR WORKMANSHIP OF THE APARTMENT, THE PROPERTY, OR OF ANY OTHER PORTION OF THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS WHICH MAY BE INSTALLED OR WHICH ARE CONTAINED IN THE APARTMENT, ON THE PROPERTY OR THE PROJECT, NOR SHALL BUYER EXPECT OR RELY UPON ANY SUCH WARRANTY. Both Seller and Buyer shall rely solely upon the general contractor who shall agree to remedy all defects due to faulty materials or workmanship which are so discovered and communicated within said one (1) year period, pursuant to terms of said construction contract. Seller shall give notice by certified mail at the appropriate time to all members of the Association and all members of the Board of Directors of the Association, at least ninety (90) days prior to the expiration of the one (1) year warranty period. The notice shall set forth specific methods which Apartment Owners may pursue in seeking remedies for defects, if any, prior to expiration. The term "defect" as used herein shall mean any defect in the workmanship, installation or materials in an apartment or the common elements which renders them uninhabitable or which adversely affects an Apartment Owner's reasonable enjoyment of the same, but shall not include insignificant or immaterial matters.

8. FURNISHINGS. The Property will include only the appliances and furnishings specified in this Agreement. Buyer acknowledges that NO WALLPAPER, MIRRORS, CHANDELIER OR OTHER FURNITURE, FURNISHINGS OR APPLIANCES (other than those specified in this Agreement) INCLUDED IN ANY MODEL APARTMENT OR ANY ARTIST'S RENDERINGS ARE INCLUDED IN THE "TOTAL PURCHASE PRICE" FOR THE PROPERTY.

9. ACCEPTANCE BY BUYER. Buyer agrees to accept possession of the Apartment (subject to paragraph 7, above) on the Closing Date (i) despite the existence of defects or damage to the Apartment, which do not render the Apartment uninhabitable, so long as Seller or the Contractor guarantees correction or repair of such defects or damages within a reasonable time thereafter, and (ii) despite the fact that the Project is not yet completed, so long as there is reasonable access to such Apartment. Buyer agrees to indemnify Seller for any damages or losses, including interest and reasonable attorney's fees, resulting from any wrongful refusal to accept the Apartment upon presentation by Seller; any such refusal shall be a default under this Agreement.

10. SUBORDINATION. The Sales Contract shall not be construed as a present transfer of any interest in the Property, but rather is an agreement to transfer in the future. Buyer agrees to subordinate his interest to the lien(s) of any interim mortgage(s) securing loans heretofore or hereafter obtained by Seller from any lender for the construction of the Project, to a revolving construction loan secured by a mortgage ("mortgage"), and to any and all advances, whether contractual or voluntary made pursuant to said mortgage, and to any and all sums which may become a lien pursuant to the terms of said mortgage or the construction loan agreement or any other agreement relating to said mortgage.

11. CHANGES IN DOCUMENTS AND APARTMENTS. Seller reserves the right to modify the Declaration, By-Laws, Condominium Map, Plans and Specifications, and the Condominium Apartment Deed, and any other documents, as and to the extent required by law, any title insurance company or any institutional mortgagee, or by an administrative agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to marketing the Project therein, or, prior to the conveyance of the first apartment, as Seller deems necessary; provided that such modification shall not (a) increase the Buyer's percentage of common expenses more than .005%; (b) increase the purchase cost of the Property to Buyer; (c) require a substantial physical change of the Apartment or of the building in which the Apartment is located; (d) substantially impair or modify any of the obligations given or undertaken by Seller; or (e) reduce the obligations of the Seller for common expenses on unsold Apartments.

Seller also specifically reserves the right to make minor changes that may, in the sole opinion of Seller, improve Buyer's Apartment and other apartments and in the common elements (including relocating walkways, parking and common facilities), but no changes shall be made which materially affect the physical location, size or design of the apartment covered hereby.

Under the terms of the Sales Contract, Buyer irrevocably appoints Seller as Buyer's attorney-in-fact, (which irrevocable power of attorney shall be deemed to be "given as security" and "coupled with an interest"), to execute any documents reasonably necessary or convenient to implement the foregoing provisions of this section and/or any requirements which may be imposed by any governmental authority in connection with the Project. Buyer is also deemed to have specifically consented to all such changes and agrees that, except to the extent specifically required by Chapter 514A, HRS, no such change shall modify or diminish Buyer's obligations under the Sales Contract.

12. CHANGES IN CIRCUMSTANCES. If, due to changes in market conditions, interest rates or construction costs, strike(s), changes in law or governmental regulation, or other circumstances outside of its reasonable control, Seller determines that it is impossible or impractical to proceed with development of the Project as planned, Seller shall have the right to cancel the Sales Contract upon written notice, and without further obligation, to Buyer. In the event of such cancellation, all monies deposited by Buyer, together with any interest specified, shall be promptly refunded by Escrow to Buyer. If, notwithstanding such circumstances and cancellation, Seller makes a determination within ninety (90) days after such cancellation to resume or proceed with the development of the Project, Buyer shall have the first right and option (which option must be exercised within fifteen (15) days of notice of same to Buyer, or shall automatically terminate) to purchase the Apartment upon the price and terms then offered by Seller.

13. INCREASES IN PURCHASE PRICE DUE TO UNEXPECTED EVENTS. In the event development and construction of the Project is delayed due to governmental restrictions or regulations enacted after the date of the Sales Contract, or by occurrence of a contingency, the nonoccurrence of which was a basic assumption upon which the Contract was made, and Seller determines that increases in development and construction costs because of such delay require increases in sales prices to maintain financial feasibility of the Project, then and in any such event, and provided the sale of the Property has not finally closed and the Apartment Deed has not been filed, and provided further

that a written consent has been obtained from the Lender, Seller may increase the Total Purchase Price stated in the Sales Contract only to the extent necessitated by said increases in development and construction costs, and Seller shall notify Buyer in writing of any such increase in the Total Purchase Price. After receipt of such notice, Buyer shall have fifteen (15) days within which to affirm or terminate the Contract. If, within said fifteen day period, Buyer does not notify Seller in writing that Buyer elects to terminate the Contract, Buyer shall be deemed to have affirmed the Contract at the increased purchase price. If Buyer elects to terminate the Contract, Seller shall cause Escrow to refund to Buyer all deposits made pursuant hereto, with simple interest as described above, and Seller may then offer said apartment to other prospective purchasers. Nothing in this paragraph shall be deemed to terminate, modify or qualify the obligations of the Seller to complete construction within the period prescribed in the Sales Contract if Buyer timely affirms the Contract at the increased purchase price.

14. BUILDING COMPLETION DATE. Notwithstanding anything to the contrary contained herein, Seller shall complete construction of the Project so as to permit normal occupancy within two (2) years from the date that this Agreement becomes a binding contract. However, Buyer agrees that Seller may in all events proceed as hereinbefore provided in establishing a Date of Closing. It is understood and agreed that, notwithstanding the foregoing, such two (2) year period for completion of construction of the Project or any of the improvements may be extended by Seller for any period of time during which acts of God, the elements, war or civil disturbances, strikes or other disturbances, Government legislation or controls, or economic or similar factors making it impossible or impractical to obtain the necessary labor or materials, or because of other matters or conditions beyond the control of Seller.

15. SALE OR ASSIGNMENT OF LAND/DEVELOPMENT RIGHTS/SALES CONTRACT. Buyer understands and agrees that Seller reserves the right, at Seller's sole discretion, to sell or assign Seller's development rights, option rights, rights under this sales contract and/or fee simple interest in the land to a third party. Buyer agrees that any such sale or assignment by Seller shall not release Buyer from any of Buyer's obligations under the Sales Contract, provided that, in the event of such sale or assignment, Seller or a corporation or other entity affiliated with Seller retains developmental rights necessary for construction and completion of the project and that Seller or said corporation or entity continues to act as a Developer of the project. In the event Seller elects to sell or assign any of its interest as aforesaid, Seller reserves the right to

modify the condominium documents of the project so as to reflect the change in ownership, and Buyer agrees, upon request by Seller, to promptly execute, deliver and accept any and all such condominium documents, as so modified, in lieu of the forms of such documents presently on file with the Real Estate Commission; provided, however, that it is understood and agreed that any such modifications to the condominium documents shall not materially alter or impair Buyer's rights under the Sales Contract.

16. NO RENTAL REPRESENTATION. BUYER ACKNOWLEDGES AND AGREES THAT NO REPRESENTATIONS OR STATEMENTS HAVE BEEN MADE TO BUYER BY SELLER OR ANY OF SELLER'S AGENTS, REPRESENTATIVES, BROKERS OR SALES STAFF, IN CONNECTION WITH THE SALE OF THE PROPERTY, AS TO THE RENTAL OR INVESTMENT POTENTIAL OF THE PROPERTY OR INCOME TO BE DERIVED THEREFROM OR ANY OTHER ECONOMIC BENEFIT, INCLUDING APPLICABILITY OF FEDERAL OR STATE TAX LAWS, THAT MAY BE DERIVED FROM OWNERSHIP OR RENTAL OF THE PROPERTY.

17. ONGOING CONSTRUCTION AND SALES ACTIVITIES. Buyer specifically acknowledges and agrees that (a) construction activity by Seller or other apartment owners may continue on the site after Buyer has occupied the Apartment and specifically until 24 months after the later of (i) the date of the recording in the Bureau of Conveyances of the State of Hawaii of the first conveyance of an apartment to a buyer, or (ii) "substantial completion" (as the term is used in Chapter 507, Part II, HRS) of the improvements to be completed or corrected, and that this activity may result in noise, dust and other annoyances to Buyer and may limit Buyer's access to portions of the Project; (b) Seller's sales activities, including the use of model apartment units, signs and sales displays and activities may continue in the Project until the sale of the last unsold apartment in the Project or thirty-six (36) months after recordation of the first conveyance of an apartment to a purchaser, whichever occurs first; (c) Seller also reserves the right, for itself, its sales representatives and prospective buyers to utilize parking spaces in the Project for parking for prospective purchasers until the sale of the last unsold apartment in the Project; and (d) Seller also reserves the right for itself, its sales representatives and prospective purchasers to utilize the common elements for ingress and egress to such parking spaces and to model apartments in order to show the common elements to prospective purchasers. Buyer hereby accepts the foregoing conditions set forth in this paragraph as well as any inconvenience or annoyance which Buyer, tenants, guests, and/or invitees may experience as a result of such conditions and hereby expressly waives any rights, claims or actions which he might otherwise have against Seller as a result of such circumstances. The terms of this paragraph shall survive the occupancy by Buyer and the delivery and recordation of the Residential Condominium Deed.

EXHIBIT "G"

Escrow Agreement

The Developer has entered into an Escrow Agreement covering the deposit, receipt, collection and disbursement of all funds to be paid by Buyer hereunder with Title Guaranty Escrow Services, Inc. ("Escrow"), dated June 6, 1988, a copy of which has been submitted to the Real Estate Commission as part of this registration.

The provisions of the Escrow Agreement should be carefully read and understood. It provides, among other things, that:

1. All payments provided for in the Sales Contract shall be paid by Buyer directly to Escrow pursuant to the Escrow Agreement, and that monies paid by Buyer to Escrow shall be deposited by Escrow in one or more special accounts with banks or savings and loan institutions in the State of Hawaii insured by an agency of the Government, at or above the then prevailing passbook interest rate and held in accordance with the terms of the Escrow Agreement, and that any interest paid thereon shall be payable to or as directed by Developer (subject to Buyer's right to receive interest on his deposits, as stated above).

2. A purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, less cancellation fee of not less than $25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, promptly after purchaser has requested such return if Escrow shall have received from Developer a written notice that any one of the following has occurred:

(a) Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held hereunder by Escrow; or

(b) Any one of the provisions contained in the Sales Contract permitting or causing cancellation of the Contract, including, but not limited to, proper exercise by purchaser of any right of rescission permitted under paragraph 21 of the Sales Contract (relating to sales based upon a Preliminary Public Report) or Chapter 514A, Hawaii Revised Statutes, as amended.

3. Escrow shall give each Buyer entitled to a return of his funds notice thereof by certified, registered, or regular mail, postage prepaid, addressed to such Buyer at his address or any address later made known in writing to Escrow by such

Buyer. IF BUYER SHALL NOT HAVE CLAIMED SUCH REFUND WITHIN SIXTY (60) DAYS, ESCROW SHALL DEPOSIT SUCH FUNDS INTO A SPECIAL ACCOUNT IN A BANK OR OTHER DEPOSITORY SELECTED BY ESCROW IN THE NAME OF DEVELOPER, AS TRUSTEE FOR THE BENEFIT OF BUYER. AFTER NOTIFYING BUYER OF ALL SUCH FACTS AT BUYER'S ADDRESS AS DESCRIBED HEREIN AND DELIVERING ALL PERTINENT DOCUMENTS TO DEVELOPER, Escrow shall thereupon be released from further liability with respect to such funds and such Buyer.