



**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

HALEAKALA GARDENS - PHASE I
KIHEI, MAUI, HAWAII 96753

Registration No. 1956

Issued: September 1, 1988
Expires: October 1, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of August 23, 1988 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.
 - Supersedes all prior public reports
 - Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated _____
 - Supp. Public Report dated _____

And Supersedes all prior public reports

Must be read together with _____

This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required -- disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

There were no prior public reports issued on this project.

* SPECIAL ATTENTION: *
* *
* Merger. The Developer has disclosed that this condo- *
* minium project may be merged with other phases. The *
* prospective purchaser is cautioned to carefully review *
* the documents for information with regard to the *
* foregoing. *
* *
* Flood Insurance. Buyer is advised that the Property is *
* located within the flood plain and that flood insurance *
* is required to be obtained by the Buyer for the common *
* elements through the Association of Apartment Owners, *
* and for the interior of a Buyer's apartment by way of an *
* individual flood insurance policy, at Buyer's expense, *
* as a condition of closing. *
* *

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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:

A fee simple interest in an apartment and an undivided common interest in the common elements.

Type of Project:

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

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: _____

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	88
Guest Stalls	16
Unassigned Stalls	_____
Extra Stalls Available for Purchase	75
Other: _____	_____
Total Parking Stalls	<u>179</u>

7. **Recreational amenities:** Recreation building.
(See Exhibit I for Developer's use for sales purposes)

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Blackfield Senior Hawaii Joint Venture Phone: 538-3841
Name (Business)
1221 Kapiolani Boulevard, Suite 700
Business Address
Honolulu, Hawaii 96814

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

Blackfield Hawaii Corporation
Senior Hawaii Corp.

Real Estate Sales Agent: Blackfield Hawaii Properties, Inc. Phone: 538-3841
Name (Business)
1221 Kapiolani Boulevard, Suite 700
Business Address
Honolulu, Hawaii 96814

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211
Name (Business)
235 Queen Street, 1st Floor
Business Address
Honolulu, Hawaii 96813

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

Attorney for Developer: Tanaka & Kawata, Attorneys At Law,
A Law Corporation
Name
333 Queen Street, Suite 600
Business Address
Honolulu, Hawaii 96813

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

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

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

The Declaration for this condominium is:

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

Amendment date(s) and recording/filing information:

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

The Condominium Map for this condominium project is:

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

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

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

Amendment date(s) and recording/filing information:

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

The House Rules for this condominium are:

Proposed Adopted

Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	-	<u>None*</u>

*House Rules amended by majority vote of Board of Directors.
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:

Developer reserves the right to amend the Declaration (including any Exhibits attached to the Declaration), the By-Laws and Condominium Map in any manner for any apartment which has not yet been conveyed. Developer also reserves the right to file the "as-built" certificate required by Section 514A-12, Hawaii Revised Statutes, including a verified statement of a registered architect or professional engineer and also to make any changes to the documents necessary in connection with the merger of this project as set forth in Exhibit H.

See also Section IV and Exhibit I for Developer's easements and reservations.

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Exhibit _____ contains further explanations.

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

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

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

Exhibit _____ contains further explanations.

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

Other:

For Subleaseholds:

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

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

B. Underlying Land:

(2) 3-9-001: por. 144 and

Address: 815 South Kihei Road
Waiohuli (Kihei), Maui, Hawaii 96753

Tax Map Key: (2) 3-9-001: 014
(TMK)

Address TMK is expected to change because _____

Land Area: 4.967 square feet acre(s)

Zoning: A-1

Fee Owner: Blackfield Senior Hawaii Joint Venture
name
1221 Kapiolani Boulevard, Suite 700
address
Honolulu, Hawaii 96814

Sublessor: _____
name

address

C. Buildings and Other Improvements:

- 1. New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion
11 (residential) 2 (residential buildings)
- 2. Buildings: 1 (recreation) Floors Per Building: 1 (recreation building)

Exhibit B contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
- Other glass, concrete, aluminum and gypsum board.

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	88	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	<u>Developer reserves the right to conduct extensive sales activities on the project, and has other special rights. See Section IV and Exhibit I.</u>		_____

5. Special Use Restrictions:

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

- Pets:** One dog (not to exceed 35 lbs. in weight), or one cat or one other household pet as allowed by the Board.
- Number of Occupants:** _____
- Other:** _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 88

Elevators None Stairways _____ Trash Chutes None

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	See Exhibit A	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*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: The respective apartments shall not be deemed to include the perimeter or party walls or the inside undecorated or unfinished surfaces thereof; or the exterior decorated or finished surfaces of all doors, door frames, windows and window frames; or the undecorated or unfinished surfaces of any interior load-bearing walls; or the floor and ceiling surrounding each apartment; or any pipes, wires, conduits or other utility or service lines which are utilized for or serve more than one apartment; all of the foregoing being common elements as provided in the Declaration. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls; the inner decorated or finished surfaces of all walls, floors and ceilings; all doors, door frames, windows and window frames, except the exterior decorated or finished surface thereof; the air space within any water heater space and any storage space serving the apartment; and all fixtures originally installed in the apartment.

Permitted Alterations to Apartments: Additions, alterations, repairs or improvements solely within an apartment or within a limited common element appurtenant to and for the exclusive use of the apartment may be made by the apartment owner with only the approval of the Board of Directors and the agencies or departments of the County of Maui and by the holders of liens affecting such apartment (if the lien holders require such approval), and any other apartment owner directly affected.

7. Parking Stalls:

Total Parking Stalls: 179

	<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)		88*					88*
Guest Unassigned		16					16
Extra Available for Purchase		48*					75
Other:		27					
Total Covered & Open		<u>179</u>					

*with trellis

Each apartment will have the exclusive use of at least one 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] Section IV 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

[] Storage Area

[x] Recreation Area

[] Laundry Area

[] Tennis Court

[] Trash Chute

[x] Other: Recreation building, trash areas, mail areas. See Exhibit I for Developer's use of recreation building for sales purposes.

9. Present Condition of Improvements
 (For conversions of residential apartments in existence for five years):

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	x	_____	_____
Structures	x	_____	_____
Lot	x	_____	_____

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

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

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

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

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

Exhibit C describes the common elements.

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

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

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

[x] described in Exhibit D (Parking Stall Assignments)

[x] as follows:

Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows: Each residential apartment shall have for its exclusive use (a) the parking stall or stalls designated on Exhibit D herein as appurtenant to such apartment and any "unassigned" parking stall that may later be assigned by Developer to such apartment; (b) the entry/landing area outside the entry door of such residential apartment; (c) each exterior stairway and the railings, providing access to a second-story residential apartment shall be a limited common element appurtenant to and for the exclusive use of that apartment; provided that those stairways and railings which lead to two second-story apartments (for example, typical apartments F and G) shall be a limited common element to both apartments; (d) the mailbox bearing the same number as such apartment, subject to the right of Developer in its discretion and at its expense, to relocate all mailboxes to another location;

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

[x] Exhibit D describes the common interests for each apartment.

[] as follows:

Upon merger of this project with Haleakala Gardens - Phase II, as more fully set forth in Exhibit H, the percentage common interest of all apartment owners shall be calculated and determined according to the ratio of each apartment's interior floor area, of all apartments in the project, as merged. All instruments of ownership, including mortgages, will have to be amended to reflect the new percentage common interests.

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

Exhibit E describes the encumbrances against the title contained in the title report dated August 8, 1988.

Blanket Liens:

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

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

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

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

Type of Lien

Effect on Buyer's Interest
If Developer Defaults

The Property is subject to an existing first mortgage in favor of First Hawaiian Bank securing a \$600,000 loan. The Seller will borrow over \$10 million from First Hawaiian Bank, which loan will be secured by a first mortgage to pay the existing \$600,000 loan, construction and marketing costs for Phase I, other site improvements in Phase II and site improvements and house construction costs in an adjoining single-family residential subdivision having 39 lots. The 39-lot residential subdivision will not be merged into this condominium project.

The documents for the over \$10 million loan provide that the lender will release an apartment from the lien of the lender's mortgage upon payment of an agreed upon release price, which release price is basically the sales price of the apartment less Seller's closing expenses. If an event of default occurs, such as failures to perform its obligations under the loan documents, then the lender may elect, in its discretion, to take over the Project and honor all sales agreements or cancel all sales agreements or any other remedy set forth in the loan documents.

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: Oihana Property Management & Sales, Inc.

[x] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

[] other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. Flood Insurance. Buyer is advised that the Property is located within the flood plain and that flood insurance is required to be obtained by the Buyer for the common elements through the Association of Apartment Owners, and for the interior of a Buyer's apartment by way of an individual flood insurance policy, at Buyer's expense, as a condition of closing.
2. Access Roads. The access road (Kulanihako'i Street) to the project from South Kihei Road may remain a private road, and if a private road, a portion of the road will be part of the common elements of the project and subject to maintenance and regulation by the Association of Apartment Owners of the project. The access road will also be used for access and utility purposes by the Developer's adjoining property (BMK 3-9-01: parcel 145) which is being subdivided into 39 single-family residential lots. The Developer will attempt to dedicate the road to the County of Maui but makes no representation or guarantee that the County will accept dedication of the access road.
3. Parking Stalls. There are 179 parking stalls in Phase I; 88 stalls have trellises over them and are appurtenant to an apartment; 16 open stalls are guest parking stalls; 75 stalls (48 with trellises and 27 open) are "unassigned" stalls which are appurtenant to Apartments 18B and 18C, respectively. The "unassigned" stalls are available for sale. If a Buyer of an apartment also purchases an "unassigned" parking stall, such Buyer shall receive a conveyance of the "unassigned" parking stall as part of the closing of the purchase of the apartment. Seller reserves the right to declare that any remaining "unassigned" parking stall owned by Seller to be a common element and not a limited common element. Thereafter such "unassigned" parking stall shall be controlled by the Board of Directors of the Association.
4. Rental Pool Prohibition. Any apartment owner must make his own arrangements to rent or lease his apartment without any participation from Seller or anyone related to or affiliated with Seller. Until the earlier to occur of either (a) December 31, 1994 or (b) the closing of sales of all the apartments in Phase I or in any other phase or phases, no apartment owner, his heirs, personal representatives, successors and assigns shall enter into a rental pool agreement or arrangement.

"Rental Pool", as defined in the Declaration, includes but is not limited to any arrangement or agreement under which an apartment owner may receive rental income or similar benefits from an aggregate of proceeds from apartments, and is distinguished from an agreement or arrangement under which an apartment owner is to receive rental proceeds or similar benefits from a non-aggregated, separate agreement or arrangement for an apartment owner's individual apartment.
5. Developer reserves the right to use the recreation building as a sales office or for sales purposes until all the residential apartments in Phase I and Developer's Adjoining Land (Phase II or more) are sold, but in no event later than two (2) years from the earlier to occur of either (i) the date of occupancy for residential purposes of any apartment in Phase I, or (ii) the date of recording of an apartment deed to any apartment in Phase I.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

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

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

B. Rights Under the Sales Contract:

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

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

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

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

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

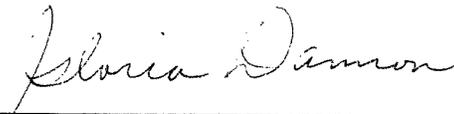
This Public Report is a part of Registration No. 1956 filed with the Real Estate Commission on July 14, 1988.

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

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

Apartment Description

There shall be two types of residential apartments in this Phase I, designated as Types "A" and "B". An "R" in the designation indicates the reverse of the apartment type designated by the letter preceding the "R".

<u>Apt.</u> <u>Type</u>	<u>Quantity</u>	<u>Bdrm/Bath</u>	<u>Net</u> <u>Living</u> <u>Area**</u> <u>(Sq. ft.)</u>
A	22	3/2	932
A-R	22	3/2	932
B	22	2/2	883
B-R	22	2/2	883

Total Apartments: 88

** In accordance with local architectural practice, the approximate net living area of each apartment as set forth above includes all of the inner decorated or finished surfaces of all perimeter walls, including any party walls, floors and ceilings, all doors, door frames, windows and window frames, except the exterior decorated or finished surface thereof, and the air space within any water heater space and any storage space serving the apartment. THE AREAS SHOWN ABOVE ARE APPROXIMATE ONLY, AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE AREAS OF ANY PARTICULAR APARTMENT.

DESCRIPTION OF APARTMENT TYPES:

Type "A"

Three-bedroom, two-bath apartment located on either the ground floor or second floor of a two-story building and consisting of a living room/dining room, a kitchen, three bedrooms, two bathrooms, and the air space within any water heater space and any storage space serving the apartment. All Type "A" apartments contain 932 square feet of NET LIVING AREA.

Type "B"

Two-bedroom, two-bath apartment located on either the ground floor or second floor of a two-story building and consisting of a living/dining room, a kitchen, two bedrooms, two bathrooms, and the air space within any water heater space and any storage space serving the apartment. All Type "B" apartments contain 883 square feet of NET LIVING AREA.

EXHIBIT B

Description of Buildings (Phase I)

Phase I of the project shall consist of eleven (11) separate two-story apartment buildings with no basements, designated as Buildings 10 through 20, inclusive, and a separate one-story recreation building. The construction of the twelve (12) buildings will be principally of wood, glass, concrete, aluminium, and gypsum board. Each residential apartment building shall contain eight (8) residential apartments, all as more fully described in the Declaration and as shown on the Condominium Map.

The residential apartment buildings are numbered clockwise from the entry road for Phase I on the west side of the Land as shown on the Condominium Map.

A recreation building with restrooms and kitchen facilities will be constructed south of Building 12. The recreation building shall be one story, without basement, with no residential apartment and shall be a common element.

The Developer reserves the right to use the recreation building temporarily for sales office and sales purposes as provided in Exhibit C below.

EXHIBIT C

Common Elements

One freehold estate is hereby designated in all of the remaining portions of the Property, herein called the "common elements", including specifically but not limited to:

(a) Said land in fee simple, which includes the road connecting the Property to South Kihei Road, subject to reservations and easements in favor of others as described in Exhibit "A" of the Declaration of Condominium Property Regime; provided that the Developer reserves the right to deed title to the road by way of a dedication deed to the County of Maui without joinder or consent of any apartment owner;

(b) All structural components, such as foundations, beams, supports, main walls, roofs, halls, corridors, exterior stairs and stairways, entrances, exits, floor slabs, unfinished perimeter, party and load-bearing walls and walkways of said buildings;

(c) All common spaces such as yards, gardens, planting areas, trash collection areas, all signs, all driveways and access lanes;

(d) All parking areas; provided that Developer reserves the exclusive right to declare that any "unassigned" parking stall that is appurtenant to an apartment owned by the Developer shall no longer be appurtenant to such apartment and shall be a common element and not a limited common element, by recording an amendment to the Declaration duly executed by Developer with the Bureau of Conveyances, and provided further that any "unassigned" parking stalls may be used by Developer as parking for employees, visitors, guests, or customers of Developer;

(e) The recreation building; provided that Developer reserves the right to use the recreation building as a sales office or for sales purposes until all the residential apartments in Phase I and Developer's Adjoining Land (Phase II or more) are sold, but in no event later than two (2) years from the earlier to occur of either (i) the date of occupancy for residential purposes of any apartment in Phase I, or (ii) the date of recording of an apartment deed to any apartment in Phase I;

(f) All common premises for the use of maintenance personnel or other persons employed for operation of the Property, if any;

(g) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, or across the Project which serve more than one apartment for services such as power, light, gas, hot water, cold water, sewage, telephone, radio and television signal distribution, if any; provided, however, that ownership of any common element by the Association shall start from but exclude any meter box or other measuring device that is installed or if no meter box or other measuring device is installed, then from the point of connection onto the trunk line serving more than one apartment or as provided in the laws, rules or regulations applicable to the company providing such services;

(h) Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents, and other such installations and apparatus;

(i) All other parts of the Property necessary or convenient to its existence, maintenance, and safety or normally in common use.

END OF EXHIBIT C

EXHIBIT D

Percentage of Common Interest and Parking Stall Assignment

<u>Apt. No.</u>	<u>Parking Stall No.</u>	<u>Percentage Common Interest</u>
10A	242T	1.1670
10B	239T	1.1057
10C	236T	1.1057
10D	233T	1.1670
10E	243T	1.1670
10F	238T	1.1057
10G	237T	1.1057
10H	232T	1.1682
11A	222T	1.1670
11B	225T	1.1057
11C	264T	1.1057
11D	267T	1.1670
11E	221T	1.1670
11F	226T	1.1057
11G	263T	1.1057
11H	268T	1.1670
12A	254T	1.1670
12B	251T	1.1057
12C	248T	1.1057
12D	245T	1.1670
12E	255T	1.1670
12F	250T	1.1057
12G	249T	1.1057
12H	244T	1.1670
13A	270T	1.1670
13B	273T	1.1057
13C	276T	1.1057
13D	279T	1.1670
13E	269T	1.1670
13F	274T	1.1057
13G	275T	1.1057
13H	280T	1.1670

A "T" next to the parking stall number indicates a trellised parking stall. An unassigned parking stall or stalls may later be assigned to a residential apartment.

<u>Apt. No.</u>	<u>Parking Stall No.</u>	<u>Percentage Common Interest</u>
14A	315T	1.1670
14B	312T	1.1057
14C	309T	1.1057
14D	306T	1.1670
14E	316T	1.1670
14F	311T	1.1057
14G	310T	1.1057
14H	305T	1.1670
15A	284T	1.1670
15B	287T	1.1057
15C	290T	1.1057
15D	291T	1.1670
15E	283T	1.1670
15F	288T	1.1057
15G	289T	1.1057
15H	292T	1.1670
16A	294T	1.1670
16B	297T	1.1057
16C	300T	1.1057
16D	303T	1.1670
16E	293T	1.1670
16F	298T	1.1057
16G	299T	1.1057
16H	304T	1.1670
17A	318T	1.1670
17B	321T	1.1057
17C	324T	1.1057
17D	327T	1.1670
17E	317T	1.1670
17F	322T	1.1057
17G	323T	1.1057
17H	328T	1.1670
18A	339T	1.1670
18B	336T	1.1057
18C	333T	1.1057
18D	330T	1.1670
18E	340T	1.1670
18F	335T	1.1057
18G	334T	1.1057
18H	329T	1.1670

A "T" next to the parking stall number indicates a trellised parking stall. An unassigned parking stall or stalls may later be assigned to a residential apartment.

EXHIBIT D

<u>Apt. No.</u>	<u>Parking Stall No.</u>	<u>Percentage Common Interest</u>
19A	342T	1.1670
19B	345T	1.1057
19C	348T	1.1057
19D	351T	1.1670
19E	341T	1.1670
19F	346T	1.1057
19G	347T	1.1057
19H	352T	1.1670
20A	364T	1.1670
20B	361T	1.1057
20C	358T	1.1057
20D	355T	1.1670
20E	365T	1.1670
20F	360T	1.1057
20G	359T	1.1057
20H	354T	<u>1.1670</u>
		100.0%

A "T" next to the parking stall number indicates a trellised parking stall. An unassigned parking stall or stalls may later be assigned to a residential apartment.

END OF EXHIBIT D

EXHIBIT E

Encumbrances Against Title

The Preliminary Report by Title Guaranty of Hawaii, Incorporated, dated June 20, 1988, reflects that fee simple title to the land is held by Senior Hawaii Corp., a Delaware corporation. By Deed dated June 13, 1988, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22048, Page 520, Senior Hawaii Corp. conveyed the land (besides other land) to Blackfield Senior Hawaii Joint Venture, a Hawaii joint venture.

Said Preliminary Report and Developer's report show title to the property to be subject to the following encumbrances:

1. As to Lot B-1 (TMK [2nd Div.] 3-9-001-144):
 - a. Portion of a 56-foot wide Master Plan roadway (of which 20 feet is situate within said lot), as shown on the map prepared by Robert T. Tanaka, Registered Professional Land Surveyor, dated September 6, 1977.
 - b. Agreement dated May 18, 1979, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13745, Page 617, made by and between the County of Maui, Department of Water Supply, "County", and the McCarthy Company, "Applicant".
 - c. Grant dated August 21, 1979, in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, recorded in said Bureau of Conveyances in Liber 13947, Page 28; granting an easement for utility purposes over, across, through and under EASEMENT "2" (9.50 feet wide) for electrical switch gear purposes affecting Lot B-1 of the "WAIHOLI-KEOKEA BEACH HOMESTEADS", and more particularly described in said Grant.
 - d. Grant dated September 11, 1981, in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, recorded in said Bureau of Conveyances in Liber 15925, Page 425; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate wire lines and underground power lines over, across, through and under a portion of said Lot C-1, besides other land.
 - e. Grant in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, recorded in said Bureau of Conveyances in Liber _____, Page _____; granting an easement for utility purposes over, across, through and under EASEMENT "2-A" (1.00 foot wide) for electric switch gear purposes affecting Lot B-1 of the "WAIHOLI-KEOKEA BEACH HOMESTEADS", and more particularly described in said Grant.

- f. Section 14.12.080 Agreement for Central Maui Areas dated September 25, 1986, recorded in said Bureau of Conveyances in Liber 19979, Page 580, by and between Senior Hawaii Corporation, a Delaware corporation, "Applicant", and the County of Maui and the Department of Water Supply, County of Maui, "County".
2. As to Lot E-1 (TMK [2nd Div.] 3-9-001-14):
- a. Grant in favor of Koa Resort Development Company, a Hawaii limited partnership, dated March 30, 1979, recorded in said Bureau of Conveyances in Liber 13593, Page 703; granting a perpetual non-exclusive road and utility easement appurtenant to, and for ingress and egress to and from, and to provide utility service to the land described in the Koa Resort Declaration of Horizontal Property Regime dated September 8, 1978, recorded in Liber 13224, Page 453, herein called the "dominant tenement", including the right to install, maintain, and repair such apparatus within Lot E-1, herein called the "servient tenement", as may be or become necessary to provide the dominant tenement with such utility service, over, under and across the servient tenement.
- b. Grant in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, dated August 21, 1979, recorded in said Bureau of Conveyances in Liber 13947, Page 28; granting an easement for utility purposes over, across, through and under a portion of said lot, said easement being more particularly described in said Grant.
- c. A perpetual and non-exclusive easement in favor of the Owner of LotC-1, Tax Map Key 3-9-001-145, for road and utility purposes, as set forth in that certain Easement dated December 16, 1980, recorded in said Bureau of Conveyances in Liber 15328, Page 387.
3. As to Lots B-1 and E-1 (besides other land), that certain Mortgage and Financing Statement dated July 15, 1988, in favor of First Hawaiian Bank, a Hawaii corporation, recorded in said Bureau of Conveyances in Liber 22145, Page 452.
4. For any real property taxes due and owing, reference is made to the Office of the Finance Director, County of Maui.

END OF EXHIBIT E

EXHIBIT F

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

Estimate of Initial Maintenance Fees:

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Percentage Common Interest</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
<u>BUILDING NO. 10</u>				
10A	A	1.1670	\$94.06	\$1,128.72
10B	B	1.1057	89.12	1,069.43
10C	B-R	1.1057	89.12	1,069.43
10D	A-R	1.1670	94.06	1,128.72
10E	A	1.1670	94.06	1,128.72
10F	B	1.1057	89.12	1,069.43
10G	B-R	1.1057	89.12	1,069.43
10H	A-R	1.1682	94.16	1,129.88
<u>BUILDING NO. 11</u>				
11A	A	1.1670	\$94.06	\$1,128.72
11B	B	1.1057	89.12	1,069.43
11C	B-R	1.1057	89.12	1,069.43
11D	A-R	1.1670	94.06	1,128.72
11E	A	1.1670	94.06	1,128.72
11F	B	1.1057	89.12	1,069.43
11G	B-R	1.1057	89.12	1,069.43
11H	A-R	1.1670	94.06	1,128.72
<u>BUILDING NO. 12</u>				
12A	A	1.1670	\$94.06	\$1,128.72
12B	B	1.1057	89.12	1,069.43
12C	B-R	1.1057	89.12	1,069.43
12D	A-R	1.1670	94.06	1,128.72
12E	A	1.1670	94.06	1,128.72
12F	B	1.1057	89.12	1,069.43
12G	B-R	1.1057	89.12	1,069.43
12H	A-R	1.1670	94.06	1,128.72

[] 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

HALEAKALA GARDENS
PHASE A
88 UNIT CONDOMINIUM
PROPOSED OPERATING BUDGET

<u>DISBURSEMENTS</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
AUTO ALLOWANCE	50.	600.
MAINTENANCE/REPAIRS	161.	1,932.
SUPPLIES/EQUIPMENT	147.	1,764.
GROUNDS MAINTENANCE	800.	9,600.
PEST CONTROL	79.	948.
REFUSE COLLECTION	264.	3,168.
T. V. CABLE	528.	6,336.
ASSOCIATION TELEPHONE	26.	312.
ELECTRIC	523.	6,276.
WATER/SEWER	1,797.	21,564.
MANAGEMENT	792.	9,504.
SALARIES & WAGES	1,250.	15,000.
PAYROLL TAXES	135.	1,620.
TDI/WORKMEN'S COMP.	110.	1,320.
HEALTH INSURANCE	75.	900.
FIRE/LIABILITY INS.	752.	9,024.
FLOOD INSURANCE	275.	3,300.
TAX FILING/AUDIT	80.	960.
OTHER PROF. SERVICES	40.	480.
CONTINGENCY RESERVE	126.	1,512.
MISCELLANEOUS	50.	600.
TOTAL DISBURSEMENTS	\$8,060.	\$96,720.

TOTAL

I/We, Dick Weaver, CPM President of Oihana Prop. Mgt., as managing agents 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: June 15, 1988

EXHIBIT F

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

Estimate of initial Maintenance Fees:

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Percentage Common Interest</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
<u>BUILDING NO. 13</u>				
13A	A	1.1670	\$94.06	\$1,128.72
13B	B	1.1057	89.12	1,069.43
13C	B-R	1.1057	89.12	1,069.43
13D	A-R	1.1670	94.06	1,128.72
13E	A	1.1670	94.06	1,128.72
13F	B	1.1057	89.12	1,069.43
13G	B-R	1.1057	89.12	1,069.43
13H	A-R	1.1670	94.06	1,128.72
<u>BUILDING NO. 14</u>				
14A	A	1.1670	\$94.06	\$1,128.72
14B	B	1.1057	89.12	1,069.43
14C	B-R	1.1057	89.12	1,069.43
14D	A-R	1.1670	94.06	1,128.72
14E	A	1.1670	94.06	1,128.72
14F	B	1.1057	89.12	1,069.43
14G	B-R	1.1057	89.12	1,069.43
14H	A-R	1.1670	94.06	1,128.72
<u>BUILDING NO. 15</u>				
15A	A	1.1670	\$94.06	\$1,128.72
15B	B	1.1057	89.12	1,069.43
15C	B-R	1.1057	89.12	1,069.43
15D	A-R	1.1670	94.06	1,128.72
15E	A	1.1670	94.06	1,128.72
15F	B	1.1057	89.12	1,069.43
15G	B-R	1.1057	89.12	1,069.43
15H	A-R	1.1670	94.06	1,128.72

[] 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

[] common elements only

[] common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

SEE PAGE ONE

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

Reserves

Taxes and Government Assessments

Audit Fees

Other

TOTAL

I/We, Dick Weaver, CPM President of Oihana Prop. Mgt., as managing agents 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.

Dick Weaver

Date: 6-16-88

EXHIBIT F

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

Estimate of initial Maintenance Fees:

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Percentage Common Interest</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
<u>BUILDING NO. 16</u>				
16A	A	1.1670	\$94.06	\$1,128.72
16B	B	1.1057	89.12	1,069.43
16C	B-R	1.1057	89.12	1,069.43
16D	A-R	1.1670	94.06	1,128.72
16E	A	1.1670	94.06	1,128.72
16F	B	1.1057	89.12	1,069.43
16G	B-R	1.1057	89.12	1,069.43
16H	A-R	1.1670	94.06	1,128.72
<u>BUILDING NO. 17</u>				
17A	A	1.1670	\$94.06	\$1,128.72
17B	B	1.1057	89.12	1,069.43
17C	B-R	1.1057	89.12	1,069.43
17D	A-R	1.1670	94.06	1,128.72
17E	A	1.1670	94.06	1,128.72
17F	B	1.1057	89.12	1,069.43
17G	B-R	1.1057	89.12	1,069.43
17H	A-R	1.1670	94.06	1,128.72
<u>BUILDING NO. 18</u>				
18A	A	1.1670	\$94.06	\$1,128.72
18B	B	1.1057	89.12	1,069.43
18C	B-R	1.1057	89.12	1,069.43
18D	A-R	1.1670	94.06	1,128.72
18E	A	1.1670	94.06	1,128.72
18F	B	1.1057	89.12	1,069.43
18G	B-R	1.1057	89.12	1,069.43
18H	A-R	1.1670	94.06	1,128.72

[] 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

[] common elements only

[] common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

SEE PAGE ONE

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

Reserves

Taxes and Government Assessments

Audit Fees

Other

TOTAL

I/We, Dick Weaver, CPM President of Oihana Prop. Mgt., as managing agents 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.

Dick Weaver

Date: 6-16-88

EXHIBIT F

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

Estimate of initial Maintenance Fees:

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Percentage Common Interest</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
<u>BUILDING NO. 19</u>				
19A	A	1.1670	\$94.06	\$1,128.72
19B	B	1.1057	89.12	1,069.43
19C	B-R	1.1057	89.12	1,069.43
19D	A-R	1.1670	94.06	1,128.72
19E	A	1.1670	94.06	1,128.72
19F	B	1.1057	89.12	1,069.43
19G	B-R	1.1057	89.12	1,069.43
19H	A-R	1.1670	94.06	1,128.72
<u>BUILDING NO. 20</u>				
20A	A	1.1670	\$94.06	\$1,128.72
20B	B	1.1057	89.12	1,069.43
20C	B-R	1.1057	89.12	1,069.43
20D	A-R	1.1670	94.06	1,128.72
20E	A	1.1670	94.06	1,128.72
20F	B	1.1057	89.12	1,069.43
20G	B-R	1.1057	89.12	1,069.43
20H	A-R	1.1670	94.06	1,128.72

[] 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

common elements only

common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

SEE PAGE ONE

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

Reserves

Taxes and Government Assessments

Audit Fees

Other

TOTAL

I/We, Dick Weaver, CPM President of Oihana Prop. Mgt., as managing agents 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.

Dick Weaver

Date: 6-16-88

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

HALEAKALA GARDENS
PHASE A
88 UNIT CONDOMINIUM
PROPOSED OPERATING BUDGET

<u>DISBURSEMENTS</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
AUTO ALLOWANCE	50.	600.
MAINTENANCE/REPAIRS	161.	1,932.
SUPPLIES/EQUIPMENT	147.	1,764.
GROUNDS MAINTENANCE	800.	9,600.
PEST CONTROL	79.	948.
REFUSE COLLECTION	264.	3,168.
T. V. CABLE	528.	6,336.
ASSOCIATION TELEPHONE	26.	312.
ELECTRIC	523.	6,276.
WATER/SEWER	1,797.	21,564.
MANAGEMENT	792.	9,504.
SALARIES & WAGES	1,250.	15,000.
PAYROLL TAXES	135.	1,620.
TDI/WORKMEN'S COMP.	110.	1,320.
HEALTH INSURANCE	75.	900.
FIRE/LIABILITY INS.	752.	9,024.
FLOOD INSURANCE	275.	3,300.
TAX FILING/AUDIT	80.	960.
OTHER PROF. SERVICES	40.	480.
CONTINGENCY RESERVE	126.	1,512.
MISCELLANEOUS	50.	600.
TOTAL DISBURSEMENTS	\$8,060.	\$96,720.

TOTAL

I/We, Dick Weaver, CPM President of Oihana Prop. Mgt., as managing agents 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: June 15, 1988

EXHIBIT G

Construction Warranties

Developer WARRANTS that the general contractor for the Project has issued a New Apartment Limited Warranty, a true copy of which is attached as Exhibit "A" to the Disclosure Abstract executed by the Developer.

Under the Sales Agreement Buyer acknowledges that he has had an opportunity to examine a copy of and approves the terms of the New Apartment Limited Warranty and accepts the terms and provisions thereof and assumes the benefits and obligations set forth therein.

THE ATTENTION OF THE BUYER IS DIRECTED TO SECTION 13 OF THE NEW APARTMENT LIMITED WARRANTY WHICH READS IN PART AS FOLLOWS:

13. This warranty applies to only the original buyer of each apartment and not to any subsequent purchaser.

Developer hereby agrees that if Buyer shall give Developer written notice of any defect or condition covered by the contractor's warranty promptly after discovery thereof during the unexpired term of such contractor's warranty, Developer shall forward such notice together with a written notice to the contractor to correct such condition.

The recordation of the apartment deed from Developer to Buyer shall constitute an assignment by Developer to Buyer of any manufacturer's or dealer's warranties (which may by their terms be so assigned) covering the apartment, any furnishings, fixtures, appliances and consumer products in the apartment. Buyer also acknowledges and agrees that Developer is not a co-warrantor, but is agreeing to pass through to Buyer the benefit of any such warranties. The terms of the manufacturer's or dealer's written warranties are available for the Buyer's examination at the Developer's sales office.

At Developer's or Developer's general contractor's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's apartment on a date and at a time specified in advance by Developer or the contractor and upon completion of such inspection, to sign an inspection sheet to be furnished by Developer or the contractor which shall list all defects or damages to the Property, if any. Buyer shall conclude the sale of the Property and accept possession of the apartment despite the existence of any defects or damages to the apartment unless it is uninhabitable. Buyer may designate another person as his agent to inspect the apartment so long as a copy of the written designation is given to Developer. Buyer shall be bound by the agent's inspection. Buyer agrees to indemnify Developer for any damages or losses, including interest and attorneys' fees, resulting from any refusal to conclude the sale of the Property or to accept possession of the Property as provided above; any such refusal shall be a default under the Sales Agreement. THE DEVELOPER MAKES

EXHIBIT H

Project Phases

DEVELOPER'S RIGHT TO MERGE PROPERTY WITH ANY OTHER PHASE OR PHASES: Haleakala Gardens - Phase 1, is the first phase of a proposed two-phase project. The location of the proposed second phase of Haleakala Gardens Condominium in the adjoining 3.918 acres of land owned by Developer is shown in Exhibit "B" attached to the Declaration of Condominium Property Regime of the project. Whether the second phase will be developed at all or in the manner proposed by Developer is not known. If any other phase is developed, the Developer reserves the right to alter and modify the boundaries of any phase or the improvements to be constructed in any phase, except that the floor plans and building elevations shall not be materially different from those in the Condominium Map, it being understood that changes in building elevations will occur when different floor plans are used. Developer has floor plans for three types of apartments. Developer also reserves the right, on or before December 31, 1994, to cause either legal merger of such phase or phases in accordance with Section 17 of the Declaration or to cause an administrative merger as provided in Section 18 of the Declaration. Developer also reserves all rights to develop any phase as a separate condominium project or other type of real estate project.

If a legal merger occurs, then the percentage common interest of all apartment owners shall be calculated and determined according to the ratio of each apartment's interior floor area, of all apartments in the project, as merged. All instruments of ownership, including mortgages will have to be amended to reflect the new percentage common interests.

If an administrative merger occurs, then all apartment owners shall share common expenses of the project, as merged, on the basis of the ratio of each apartment's interior floor, including lanai, compared to the total interior floor area, including lanai of all apartments in the project, as merged. Instruments of ownership, including mortgages, will not be amended.

The merged projects will be operated as one project with all owners being entitled to utilize all common areas of the merged project. Administration of the merged project will be under the direction and control of one Board of Directors elected by vote of the apartment owners in the merged project.

This is a summary of the legal and administrative merger provisions contained in Sections 17 and 18 of the Declaration. Interested persons are urged to read Sections 17 and 18 of the Declaration for complete information.

END OF EXHIBIT H

EXHIBIT I

Summary of Pertinent Provisions of Sales Agreement

The Sales Agreement sets forth the terms and conditions concerning the sale of an apartment in the project for the stated purchase price.

Some of the salient areas of the Sales Agreement are:

1. The purchase price may be increased due to unexpected events such as delays due to governmental actions or strike or labor disturbance, but the Buyer is given fifteen (15) days to affirm the price increase or terminate the Sales Agreement and receive a refund of all sums paid toward the purchase price.

2. Seller retains certain reserved rights:

a. Seller may cancel any Sales Agreement and refund Buyer's funds (without interest) if by December 31, 1988, or such later date as Seller shall select, not more than forty-four (44) apartments have been sold;

b. Seller may cancel the Sales Agreement of a Buyer who does not have the resources to pay the purchase price or who does not diligently follow through with an application to finance the purchase price.

c. (i) Construction activity by Seller or its contractor may continue in the Project after Buyer has occupied the apartment which construction activity may result in noise, dust and other annoyances to Buyer and may limit Buyer's access to portions of the Project; (ii) Seller's sales activities, including the use of model apartment units, signs and extensive sales displays and activities will continue in this Phase of the Project until the sale of the last unsold apartment in the Project (Phases I and II) or any other project in adjoining property owned by Seller that Seller proposes to merge with this Project; (iii) Seller also reserves the right to use the recreation building as a sales office or for sales purposes until all residential apartments in Phase I and Seller's Adjoining Land are sold, but in no event later than two (2) years from the earlier to occur of either (a) the date of occupancy for residential purposes of any apartment in Phase I, or (b) the date of recording of an apartment deed to any apartment in Phase I; (iv) Seller also reserves the right, for itself, its sales representatives and prospective buyers to utilize "unassigned" parking stalls in the Project for parking for its employees, visitors, guests or customers; (v) Seller also reserves the right for itself, its sales representatives and prospective buyers to utilize the common elements for ingress and egress to such parking spaces and to model apartments and the recreation building in order to sell Seller's real estate developments to prospective buyers.

3. Information concerning any contractor's warranties and dealer's or manufacturer's warranties.

4. The Seller, its employees or its sales agents, shall not (a) offer any rental service, (b) represent the feasibility of renting any apartment or (c) represent the economic benefits of owning or renting an apartment, including any tax benefits. Any Buyer must make his own arrangements to rent his apartment. Buyer must consult his own tax adviser concerning the tax impact of owning an apartment. Until the earlier of December 31, 1994 or the date the Seller closes the sales of all apartments in Phase I and any other Phase or Phases, any Buyer and his heirs, personal representatives, successors and assigns, shall not enter into any rental pool agreement.

5. The Property and Seller's interests in all Sales Agreements are subject to an existing first mortgage in favor of First Hawaiian Bank securing a loan which shall not exceed \$30 million nor have an interest rate more than 24% or have a term greater than three years. Buyer subordinates his rights and interest in the Sales Agreement to the first mortgage until the recording of the apartment deed. Buyer appoints Seller as Buyer's attorney-in-fact to execute an appropriate recordable subordination agreement. In the event the Bank forecloses upon its mortgage, Buyer appoints Title Guaranty Escrow Services, Inc. as its agent to accept service of summons and Buyer further agrees that Buyer need not be made a defendant in such foreclosure action.

The Buyer is requested to read and understand the terms and conditions of the Sales Agreement before executing the Sales Agreement.

END OF EXHIBIT I

EXHIBIT I

Page 2 of 2

EXHIBIT J

Summary of Pertinent Provisions of Escrow Agreement

The executed escrow agreement dated June 21, 1988, identifies Title Guaranty Escrow Services, Inc. as the "Escrow" and provides that a purchaser shall be entitled to a return of his funds, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to §514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to §514A-63, Hawaii Revised Statutes, as amended.

Upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

(e) Notwithstanding any other provision in the Escrow Agreement to the contrary, Escrow further agrees to make refunds to purchasers, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes, out of the funds then on deposit with Escrow, if the Developer and purchaser shall so request in writing and any one of the following events has occurred:

(i) no sales contract has been offered to the purchaser who has been placed on the Developer's reservation list of owner-occupant applicants; or

(ii) Purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within thirty (30) calendar days following the end of the ten (10) calendar day period during which the Developer is limited to selling to owner-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship such as those set forth in §514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

Except for cancellations under subparagraph (i) above, Escrow may deduct from any such refund made to a purchaser a cancellation fee and a reasonable amount representing expenses incurred by the Developer to process the sales contract.

END OF EXHIBIT J

EXHIBIT J

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