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

CONDOMINIUM PUBLIC REPORT

on

HALEAKALA GARDENS - PHASE II
Kihei, Maui, Hawaii 96753

Registration No. 2051

Issued: November 13, 1989
Expires: December 13, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 20, 19 89, 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.

_x_ **FINAL:** *(white)* The developer has legally created a condominium and has filed complete information with the Commission.

[ ] No prior reports have been issued
[x] 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.

Summary of Changes from Earlier Public Reports:

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

[ ] No prior reports have been issued by the Commission.

[x] Changes made are as follows:

The condominium documents have been recorded; House Rules have been adopted by the developer. Construction of the residential buildings commenced on June 1, 1989, and the estimated completion date is December 31, 1989.

****
* SPECIAL ATTENTION: *
*
* Merger. The Developer has disclosed that this condo- *
* minium project may be merged with Haleakala Gardens - *
* Phase I. The prospective purchaser is cautioned to *
* carefully review the documents for information with *
* regard to the foregoing. (See Exhibit H) *
*
* Flood Insurance. The prospective purchaser 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. *
* (See page 18) *
*
* Warranties. The Developer makes no warranties, expressed *
* or implied, with respect to the apartment, the Property *
* or consumer products or other things installed or con- *
* tained in the apartment, the Property or the project *
* including, but not limited to, warranties of merchant- *
* ability, habitability, workmanlike construction or *
* fitness for a particular use. (See Exhibit G) *
*
* The prospective purchaser is cautioned to carefully *
* review the document with regard to the information on *
* the foregoing. *
****

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Managing Agent
Attorney for Developer

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GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

[x] Fee simple interest in an apartment and an undivided feehold interest in the common elements.
[ ] Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
[ ] Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

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

2. [x] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [ ] Other _____

3. [ ] High Rise (5 stories or more) [x] Low Rise

4. [ ] Single or [x] Multiple Buildings

5. Apartment Description See attached Exhibit A.

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

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:

	Number of Stalls
Assigned Stalls (Individual Units)	76
Guest Stalls	16
Unassigned Stalls	
Extra Stalls Available for Purchase	71
Other: _____	
Total Parking Stalls	163

7. Recreational amenities: None; however, if Phases I and II are merged, then the recreation building in Phase I will be available for use after its use as sales office by Developer is terminated.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer:
Blackfield Senior Hawaii Joint Venture
Name
Phone: 538-3841 (Business)
1221 Kapiolani Blvd., 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:
ERA Chaney Brooks, Inc., Realtors
dba ERA Chaney Brooks, Realtors
Name
Phone: 544-1680 (Business)
606 Coral Street, First Floor
Business Address
Honolulu, Hawaii 96813

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

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

Attorney for Developer:
Tanaka & Kawata, Attorneys At Law
A Law Corporation
(Attention: Tamotsu Tanaka)
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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

[ ] Proposed
[x] Recorded - Bureau of Conveyances - Book 23567 Page 669.
[ ] Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

Amendment dated October 16, 1989, recorded in said Bureau of Conveyances in Liber 23776, Page 472. (recorded on October 18, 1989)

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
[x] Recorded - Bureau of Conveyance Condo Map No. 1236
[ ] Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

As amended on October 18, 1989 (recording date).

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
[x] Recorded - Bureau of Conveyances - Book 23567 Page 703.
[ ] Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

[ ] Proposed [x] Adopted

[ ] Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

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

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

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

*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.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[x] Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.

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

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

Exhibit _____ contains further explanations.

Lease Term Expires: _____
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 Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

Exhibit _____ contains further explanations.

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

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

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

[ ] Other:

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

Tax Map Key: (2) 3-9-001: por. 14 (TMK)

[ ] Address [x] TMK is expected to change because the property was recently subdivided and a new tax map key has not been issued as yet.

Land Area: 3.918 [ ] square feet [x] acre(s) Zoning: A-1

Fee Owner: Blackfield Senior Hawaii Joint Venture
Name

1221 Kapiolani Blvd., Suite 700
Address

Honolulu, Hawaii 96814

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: Nine (9) Floors Per Building 2 except Bldg. 7 is a one-story buildin

   [x] Exhibit B contains further explanations.
3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [x] Wood

   [x] Other glass, concrete, aluminum and gypsum board.
4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[x] Residential	76	[ ] Agricultural	
[ ] Timeshare/Hotel		[ ] Recreational	
[x] Other: Developer reserves the right to conduct extensive sales activities on the project, and has other special rights. See Section IV and Exhibit I.			

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:

[x] 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 76

Elevators None Stairways _____ Trash Chutes None

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
	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 the 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: 163

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)		76*					76*
Guest		16					16
Unassigned							
Extra Available for Purchase		31* 39		1			71
Other:							
Total Covered & Open	163						

*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] ~~Exhibit~~ 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

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[x] Other: trash areas, mailbox areas.

9. Present Condition of Improvements

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

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

N/A

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

N/A

10. Conformance to Present Zoning Code

a. [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.

[x] Exhibit C describes the common elements.

[ ] As follows:

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

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

[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 I, as more fully set forth in Exhibit H, the effective percentage common interest of all apartment owners shall be calculated and determined according to the ratio of each apartment's net living area, compared to the total net living area of all apartments in the project, as merged. However, the legal percentage common interest may remain the same or be revised depending on the type of merger procedure that is used. See Exhibit H.

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 28, 1989 and issued by Title Guaranty of Hawaii, Incorporated. as amended on October 20, 1989.

Blanket Liens:

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

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

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

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

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 loan for $4,456,000. The loan plus developer's equity funds will pay for the costs to construct, market and close the 76 apartments in Phase II.	The documents for the $4,456,000 loan provide that the lender will release an apartment from the lien of the lender's mortgages upon payment of an agreed upon release price, which release price is basically the sales price of the apartment less Developer's closing expenses. If an event of default occurs, such as a failure 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.

[ ] self-managed by the Association of Apartment Owners.

[ ] other _____

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

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

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

Exhibit F 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:

[x] Electricity (common area only)
[x] Television Cable*
[ ] Gas
[x] Water & Sewer
[x] Other trash removal
[ ] Not applicable

*for basic services, excluding specialty channels such as HBO, Disney or Playboy, which are billed separately.

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:

See Exhibit G

2. Appliances:

See Exhibit G

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

Construction of the residential apartments commenced on June 1, 1989, and the estimated completion date of the entire project is December 31, 1989.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

See Exhibit H.

L. **Sales Documents Filed With the Real Estate Commission:**

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

[ ] Notice to Owner Occupants

[x] Specimen Sales Contract

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

[x] Escrow Agreement dated March 13, 1989.

Exhibit J contains a summary of the pertinent provisions of the escrow contract.

[ ] 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 (Kulanihakoi Street) to the project from South Kihei Road may remain a private road, and if a private road, a portion of the road abutting the condominium property 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 (TMK 3-9-01: parcel 145) which has been subdivided into 39 single-family residential lots. The access road abutting the single-family residential lots will be maintained and regulated by the Homeowners' Association of the 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 163 parking stalls in Phase II; 76 stalls have trellises over them and are appurtenant to an apartment; 16 open stalls are guest parking stalls; 71 stalls (31 with trellises and 40 open) are "unassigned" stalls which are appurtenant to Apartment 3C. One of the 40 "unassigned" open (no trellis) parking stalls (Parking Stall No. 171UUC) is a "compact" stall, i.e., smaller than other stalls. 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. Developer reserves the right to declare that any remaining "unassigned" parking stall owned by Developer 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. The trellises in the parking areas are common elements.

4. Rental Pool Prohibition. Any apartment owner must make his own arrangements to rent or lease his apartment without any participation from Developer or anyone related to or affiliated with Developer. Until the earlier to occur of either (a) December 31, 1994 or (b) the closing of sales of all the apartments in Phases I and II, 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. Recreation Building/Sales Office/Sales Activities. The recreation building is located in Phase I - not Phase II. Only if Phases I and II are merged will buyers of apartments in Phase II be able to use the recreation building.

Developer shall use the recreation building in Phase I as a sales office or for sales purposes until all the residential apartments in Phases I and II 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.

Developer has the right to conduct extensive sales activities in the Property, including the use of any apartment(s) as model apartment(s), sales and management offices, and to place, put or locate extensive sales signs, displays and activities in the common areas and to use the common areas, including the parking areas, for sales purposes for the time period set forth above.

The Buyer should read and understand the terms of the Declaration pertaining to the details of the condominium project, including also reserved rights of the Developer, before he signs a Sales Agreement.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

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

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

B. Rights Under the Sales Contract:

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

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

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. 2051 filed with the Real Estate Commission on April 3, 1989.

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

[ ] yellow paper stock [x] white paper stock [ ] pink paper stock

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

Peter N. Yanagawa

PETER YANAGAWA, .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 three types of residential apartments in this Phase II, designated as Types "A", "B" and "C". The "C-1" designation indicates that the apartment is a handicap unit (grab bars/seat in bath are included). An "R" in the designation indicates the reverse of the apartment type designated by the letter preceding the "R".

Apt. Type		Quantity	Bdrm/Bath	Net Living Area** (Sq. ft.)
A	(The Ilima)	16	3/2	932
A_R	(The Ilima)	16	3/2	932
B	(The Maile)	16	2/2	883
B_R	(The Maile)	16	2/2	883
C	(The Vanda)	4	Studio	528
C_R	(The Vanda)	4	Studio	528
C-1	(The Vanda)	2	Studio	528
$C\text{-}1_R$	(The Vanda)	2	Studio	528
Total Apartments:		76		

** 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.

The Developer has named the three-bedroom apartment as "The Ilima", and will use such designation in the sales program, i.e., brochures, materials and model apartments, to refer to such apartment.

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.

The Developer has named the two-bedroom apartment as "The Maile", and will use such designation in the sales program, i.e., brochures, materials and model apartments, to refer to such apartment.

Type "C". Studio apartment located in a one-story building and consisting of a living/dining/kitchen area, one bathroom and the air space within any water heater space and any storage space serving the apartment. All Type "C" apartments contain 528 square feet of NET LIVING AREA.

The Developer has named the studio apartments as "The Vanda", and will use such designation in the sales program, i.e., brochures, materials and model apartments, to refer to such apartment.

END OF EXHIBIT A

EXHIBIT B

Description of Buildings (Phase II)

Phase II of the project shall consist of eight (8) separate two-story apartment buildings with no basements, designated as Buildings 1, 2, 3, 4, 5, 6, 8 and 9, and a separate one-story apartment building with no basement, designated as Building 7. The construction of the nine (9) buildings will be principally of wood, glass, concrete, aluminium, and gypsum board. Each residential apartment building shall contain eight (8) residential apartments except Building 7, which shall contain twelve (12) 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 II as shown on the Condominium Map.

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, together with an easement for road and utility purposes subject to reservations and easements in favor of others, all 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, including any trellises located thereon; 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 either (1) no longer be appurtenant to such apartment and shall be a common element and not a limited common element, or (2) be appurtenant to another apartment 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 or leased or rented to another apartment owner;

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

(f) 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;

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

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

(i) See also Exhibit H below summarizing the Developer's reserved rights to later merge Phases I and II.

END OF EXHIBIT C

EXHIBIT D

Percentage of Common Interest and Parking Stall Assignment

Apt. No.	Apt. Type	Parking Stall No.	Percentage Common Interest
1A	A	103AT	1.447
1B	B	106AT	1.371
1C	B_R	109AT	1.371
1D	A_R	112AT	1.447
1E	A	102AT	1.447
1F	B	107AT	1.371
1G	B_R	108AT	1.371
1H	A_R	113AT	1.447
2A	A	125AT	1.447
2B	B	122AT	1.371
2C	B_R	119AT	1.371
2D	A_R	116AT	1.447
2E	A	126AT	1.447
2F	B	121AT	1.371
2G	B_R	120AT	1.371
2H	A_R	115AT	1.447
3A	A	128AT	1.447
3B	B	131AT	1.371
3C	B_R	101UU, 104UT, 105UT, 110UT, 111UT, 114UU, 117UT, 118UT, 123UT, 124UT, 129UT, 130UT, 134AT, 135UT, 136UT, 141UT, 142UT, 147UT, 148UT, 153UT, 154UT, 159UT, 160UT, 165UT, 166UT, 169UU, 170UU, 171UUC, 172UU, 173UT, 174UT, 175UT, 176UT, 181UT, 182UT, 185UU, 186UU, 187UU, 188UU, 195UU, 210UT, 215UT, 216UT, 219UU, 220UU, 227UU, 228UU, 229UU, 230UU, 231UU, and 421UU through 442UU, inclusive	1.371
3D	A_R	137AT	1.447
3E	A	127AT	1.447
3F	B	132AT	1.371
3G	B_R	133AT	1.371
3H	A_R	138AT	1.447

A "T" in the parking stall number indicates a trellised parking stall. An unassigned or "U" parking stall or stalls may later be sold and assigned to a residential apartment. Parking Stall No. 171UUC is a compact stall.

Apt. No.	Apt. Type	Parking Stall No.	Percentage Common Interest
4A	A	149AT	1.447
4B	B	146AT	1.371
4C	B_R	143AT	1.371
4D	A_R	140AT	1.447
4E	A	150AT	1.447
4F	B	145AT	1.371
4G	B_R	144AT	1.371
4H	A_R	139AT	1.447
5A	A	152AT	1.447
5B	B	155AT	1.371
5C	B_R	180AT	1.371
5D	A_R	183AT	1.447
5E	A	151AT	1.447
5F	B	156AT	1.371
5G	B_R	179AT	1.371
5H	A_R	184AT	1.447
6A	A	167AT	1.447
6B	B	164AT	1.371
6C	B_R	161AT	1.371
6D	A_R	158AT	1.447
6E	A	168AT	1.447
6F	B	163AT	1.371
6G	B_R	162AT	1.371
6H	A_R	157AT	1.447
7A	C-1	196AT	.816
7B	$C\text{-}1_R$	197AT	.816
7C	C-1	198AT	.816
7D	$C\text{-}1_R$	199AT	.816
7E	C	177AT	.820
7F	C_R	178AT	.820
7G	C	189AT	.820
7H	C_R	190AT	.820
7I	C	191AT	.820
7J	C_R	192AT	.820
7K	C	193AT	.820
7L	C_R	194AT	.820

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

Apt. No.	Apt. Type	Parking Stall No.	Percentage Common Interest
8A	A	200AT	1.447
8B	B	202AT	1.371
8C	B_R	204AT	1.371
8D	A_R	206AT	1.447
8E	A	201AT	1.447
8F	B	203AT	1.371
8G	B_R	205AT	1.371
8H	A_R	207AT	1.447
9A	A	209AT	1.447
9B	B	211AT	1.371
9C	B_R	214AT	1.371
9D	A_R	217AT	1.447
9E	A	208AT	1.447
9F	B	212AT	1.371
9G	B_R	213AT	1.371
9H	A_R	218AT	1.447
			100.0%

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

END OF EXHIBIT D

EXHIBIT E

Encumbrances Against Title

The Status Title Report by Title Guaranty of Hawaii, Incorporated, dated August 28, 1989, reflects that fee simple title to the land is held by Blackfield Senior Hawaii Joint Venture, a Hawaii joint venture.

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

1. Any real property taxes due and owing.

2. Agreement dated May 18, 1979, recorded in said Bureau of Conveyances in Liber 13745, Page 617, by and between the County of Maui, Department of Water Supply, and the McCarthy Company, a California corporation.

3. 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 EASEMENT "2" (9.50 feet wide) for electric switch gear purposes affecting Lot B-1 of the "WAIOHULI-KEOKEA BEACH HOMESTEADS", and more particularly described in said Grant.

4. Grant in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, dated September 11, 1981, 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 the premises described herein, besides other land.

5. 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".

6. Grant in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, dated August 26, 1988, recorded in said Bureau of Conveyances in Liber 22353, Page 57; 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 "WAIOHULI-KEOKEA BEACH HOMESTEADS", and more particularly described in said Grant.

7. The obligation to repair and maintain, a non-exclusive easement over, under and across that portion of Lot 43 of File Plan 1938, adjacent to Lot B-1-A (subject to the rights of all other easement holders), as set forth in Declaration of Horizontal Property Regime dated August 23, 1989,

recorded in said Bureau of Conveyances in Liber 23567, Page 669, said easement area being more particularly described as follows:

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Land Patent Grant Number S-14,200 to Edward and Angeline Kenolio) situate, lying and being at Waiohuli (Kihei), Island and County of Maui, State of Hawaii, being also a portion of Lot 43 of File Plan 1938, Waiohuli-Keokea Beach Homesteads, being an easement, 20.00 feet wide, for access and utility purposes affecting Lot C-1, Waiohuli Keokea-Beach Homesteads and more particularly described as follows:

Beginning at the northwest corner of this strip of land, being also the northeast corner of Lot E-1 of Waiohuli-Keokea Beach Homesteads, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU-O-KALI" being 11,258.05 feet North and 23,829.16 feet West, thence running by azimuths measured clockwise from True South:

1. 263° 30' 50" 599.58 feet along Lot B-1, Waiohuli-Keokea Beach Homesteads;

2. 353° 30' 50" 20.00 feet along the remainder of Lot C-1, Waiohuli-Keokea Beach Homesteads;

3. 83° 30' 50" 599.58 feet along Grant 8767 to E. N. Wilcox;

4. 173° 30' 50" 20.00 feet along Lot E-1, Waiohuli-Keokea Beach Homesteads to the point of beginning and containing an area of 11,992 square feet;

Provided that such easement shall be automatically terminated and cancelled upon either the recordation of a deed conveying the fee simple title of this parcel to the County of Maui.

8. Easements for road, utility and other reasonable purposes in favor of Association of Apartment Owners of Haleakala Gardens - Phase I Condominium Project as more particularly described as follows; provided that such easements shall be cancelled and terminated upon the recording of a certificate of merger merging Phases I and II of the Haleakala Gardens Condominium Project:

a. Easement A-1 for access and utility purposes and more particularly described as follows:

Beginning at the southwest corner of this parcel of land, the direct azimuth and distance from the southwest corner of Haleakala Gardens being 263° 30' 50" 86.00 feet, thence running by azimuths measured clockwise from True South:

1.	173°	30'	50"	556.45	feet along the remainder of Lot B-1-B of Haleakala Gardens;
2.	275°	59'		86.45	feet along same;
3.	5°	59'		24.00	feet along same;
4.	95°	59'		56.56	feet along same;
5.	353°	30'	50"	228.25	feet along same;
6.	325°	12'	47"	29.53	feet along same;
7.	353°	30'	50"	116.33	feet along same;
8.	24°	50'	33"	26.93	feet along same;
9.	353°	30'	50"	132.98	feet along same;
10.	83°	30'	50"	24.00	feet along Lot 43 of Haleakala Village Subdivision (File Plan 1938) to the point of beginning and containing an area of 16,685 square feet.

b. Easement D-1, 10 feet wide, for drainage purposes and more particularly described as follows:

Beginning at the northeasterly corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU-O-KALI" being 11,784.77 feet North and 23,735.93 feet West, thence running by azimuths measured clockwise from True South:

1.	37°	14'	26.90	feet along the remainder of Lot B-1-B of Haleakala Gardens;
2.	95°	59'	11.70	feet along Lot B-1-A of Haleakala Gardens;
3.	217°	14'	26.90	feet along the remainder of Lot B-1-B of Haleakala Gardens;
4.	275°	59'	11.70	feet along the remainder of Lot B-1-B and Lot B-1-A of Haleakala Gardens to the point of beginning and containing an area of 269 square feet.

c. Easement D-2, 10 feet wide, for drainage purposes and more particularly described as follows:

Beginning at the southeasterly corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU-O-KALI" being 11,751.54 feet North and 23,761.19 feet West, thence running by azimuths measured clockwise from True South:

1.	37°	14'		48.15	feet along the remainder of Lot B-1-B of Haleakala Gardens;
2.	173°	30'	50"	14.47	feet along same;
3.	217°	14'		48.15	feet along same;
4.	353°	30'	50"	14.47	feet along Lot B-1-A of Haleakala Gardens to the point of beginning and containing an area of 482 square feet.

d. Easement W-1, 10 feet wide, for water purposes and more particularly described as follows:

Beginning at the southwest corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU-O-KALI" being 11,268.21 feet North and 23,739.74 feet West, thence running by azimuths measured clockwise from True South:

1.	173°	30'	50"	10.00	feet along the remainder of Lot B-1-B of Haleakala Gardens;
2.	263°	30'	50"	43.00	feet along same;
3.	353°	30'	50"	10.00	feet along same;
4.	83°	30'	50"	43.00	feet along Lot 43 of Haleakala Village Subdivision (File Plan 1938) to the point of beginning and containing an area of 430 square feet.

9. Grant in favor of Maui Electric Company, Limited and Hawaiian Telephone Company Incorporated, dated June 8, 1989, recorded in said Bureau of Conveyances in Liber 23401, Page 332; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and underground power lines, etc., for the transmission of electricity, etc.

10. Real Property Mortgage and Financing Statement dated August 9, 1989, in favor of First Hawaiian Bank, recorded in said Bureau of Conveyances in Liber 23505, Page 186.

11. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, ease-

ments and other provisions set forth in Declaration of Condominium Property Regime of Haleakala Gardens - Phase II, dated August 23, 1989, recorded in said Bureau of Conveyances in Liber 23567, Page 669, as the same may hereafter be amended in accordance with law or with said Declaration (Project covered by Condominium Map No. 1236). Said Declaration and Condominium Map No. 1236 were amended by First Amendment to Declaration of Condominium Property Regime dated October 16, 1989, recorded in said Bureau of Conveyances in Liber 23776, Page 472.

14. By-Laws of Association of Apartment Owners of Haleakala Gardens - Phase II, dated August 23, 1989, recorded in said Bureau of Conveyances in Liber 23567, Page 703, as the same may hereafter be amended.

END OF EXHIBIT E

OIHAI A PROPERTY MANAGE NT & SALES, INC.

Administration: (808) 244-7684
Accounting: 244-7491

840 Alua Street, Suite #202 • Wailuku, Hawaii 96793-1442

EXHIBIT F

HALEAKALA GARDENS
PHASE II
PROPOSED MONTHLY MAINTENANCE FEES

APT. TYPE	% OF COMMON INTEREST/UNIT	MONTHLY FEE/UNIT x 12 =	ANNUAL/UNIT
C-1, $C\text{-}1_R$	.816	$80.96	$971.52
C, C_R	.820	$81.35	$976.20
B, B_R	1.371	$136.02	$1,632.24
A, A_R	1.447	$143.57	$1,722.84

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

HALTAKALA GARDENS PHASE II
PROPOSED BUDGET

Estimate of Maintenance Fee Disbursements:

	Monthly x 12 months	= Yearly Total
Utilities and Services		
Air Conditioning		
Electricity	$ 455.00	$ 5,460.00
[x] common elements only		
[ ] common elements and apartments		
Gas		
Refuse Collection	$ 228.00	$ 2,736.00
Telephone	$ 26.00	$ 312.00
Water and Sewer	$1555.00	$18,660.00
Maintenance, Repairs and Supplies		
Building	$ 270.00	$ 3,240.00
Grounds	$ 690.00	$ 8,280.00
Management		
Management Fee	$ 684.00	$ 8,208.00
Payroll and Payroll Taxes	$1495.00	$17,940.00
Office Expenses		
Insurance	$2099.00	$25,188.00
Reserves	$ 110.00	$ 1,320.00
Taxes and Government Assessments		
Audit Fees	$ 80.00	$ 960.00
Other		
Professional Services	$ 40.00	$ 480.00
Resident Manager's Rent	$ 950.00	$11,400.00
T.V. Cable	$ 954.00	$11,448.00
Pest Control	$ 185.00	$ 2,220.00
Auto Allowance	$ 50.00	$ 600.00
Miscellaneous	$ 50.00	$ 600.00
TOTAL	$9921.00	$119052.00

I/We, Steve Morgan, CPM-Account Manager of Oihana Property Mgtas 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.

Steve Morgan

Date: June 6, 1989

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.

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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.

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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 NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY, THE PROJECT, OR CONSUMER PRODUCTS OR

OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

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THE ATTENTION OF THE BUYER IS DIRECTED TO EXHIBIT "1" OF THE RESERVATION, DEPOSIT RECEIPT AND SALES AGREEMENT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES BY THE DEVELOPER CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT, ESTIMATED MAINTENANCE FEES AND RENTAL OF THE APARTMENT.

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END OF EXHIBIT G

EXHIBIT H

Project Phases

DEVELOPER'S RIGHT TO MERGE PROPERTY WITH ANY OTHER PHASE OR PHASES: Haleakala Gardens - Phase II, is the second phase of a two-phase project. The location of Phase I of the Haleakala Gardens Condominium is shown in Exhibit "B" attached to the Declaration of Condominium Property Regime of the project. The first phase is currently under construction. 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 respective Condominium Maps, it being understood that changes in building elevations will occur when different floor plans are used. Developer has floor plans for two types of apartments in Phase I plus a third type of apartment in Phase II. Developer also reserves the right, on or before December 31, 1994, to merge Phase I with Phase II as provided in Section 17 (legal merger) or Section 18 (administrative merger) of the Declaration.

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 net living area, compared to the total net living 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 the net result is that all apartment owners shall share common expenses of the project, as merged, on the basis of the ratio of each apartment's net living area, compared to the total net living area, 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.

It is difficult to predict what effect a merger will have on the maintenance fee of an apartment. A variety of factors will impact upon the maintenance fees, e.g., area of land in each phase to be merged; the aggregate floor area in each phase to be merged, the extent of the common elements in each phase to be merged. However, the maintenance fee of an apartment after a legal or administrative merger is likely to increase rather than decrease.

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. Developer retains certain reserved rights:

a. Developer may cancel any Sales Agreement and refund Buyer's funds (without interest) if by June 30, 1990, or such later date as Developer shall select, not more than thirty-eight (38) apartments have been sold;

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

c. (i) Construction activity by Developer or its contractor may continue in the Project or in Phase I 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) Developer'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 Phases I or II; (iii) Developer also reserves the right to use the recreation building as a sales office or for sales purposes until all residential apartments in Phases I and II 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 II, or (b) the date of recording of an apartment deed to any apartment in Phase II; (iv) Developer also reserves the right, for itself, its sales representatives and visitors, guests or customers to utilize "unassigned" parking stalls in the Project for parking for its employees, visitors, guests or customers; (iv) Developer 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 the model apartments. Buyer waives any rights, claims or actions which he may otherwise have against Developer as a result of the above circumstances.

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

4. The Developer, 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 Developer closes the sales of all apartments in Phase II, any Buyer and his heirs, personal representatives, successors and assigns, shall not enter into any rental pool agreement.

5. The Property and Developer's interests in all Sales Agreements are subject to an existing first mortgage in favor of First Hawaiian Bank securing a loan for $4,456,000. Buyer subordinates his rights and interest in the Sales Agreement to any mortgage(s) given to secure such loans until the recording of the apartment deed. Buyer appoints Developer as Buyer's attorney-in-fact to execute an appropriate recordable subordination agreement. In the event the Bank forecloses upon its mortgage prior to the recording of an apartment deed to Buyer, Buyer's interest may be eliminated as a result of the foreclosure action. 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.

This is a summary of selected portions of the Sales Agreement and may be incomplete or inadvertently incorrect. 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 J

Summary of Pertinent Provisions of Escrow Agreement

The executed escrow agreement dated March 13, 1989, 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.

This is a summary of the escrow agreement and may be incomplete or inadvertently incorrect. The Buyer is requested to read and understand the terms of the escrow agreement before executing the Sales Agreement.

END OF EXHIBIT J