



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

MAUI KAMAOLE PHASE III
 2777 South Kihei Road
 Kihei, Maui, Hawaii

Registration No. 2061

Issued: July 3, 1990
Expires: August 3, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of June 12, 1990, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

Since the issuance of the Preliminary Public Report on June 23, 1989, the following changes have been made to the project:

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*****
* SUMMARY OF CHANGES:
*
* A. Project land area has been increased to a total of approximately
* 17.760 acres.
*
* B. The Developer has reserved the right to construct on the project
* land and add to the project up to an additional 160 apartments; the
* common interests of each apartment will be adjusted with the
* addition of such additional apartments.
*
* C. The Developer has reserved the right to subdivide and remove from
* the project a portion of the project land containing approximately
* 10.4 acres.
*
* D. The Developer has reserved the right to develop the project
* incrementally on a cluster-by-cluster basis.
*
* E. Exhibit G is an updated estimate of maintenance fees for the
* project.
*****

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A. INCREASED PROJECT LAND AREA.

The project land area has been increased from approximately 6 acres to a total of approximately 17.760 acres. The additional land constitutes the area designated "Future Development" on the Condominium File Plan.

B. DEVELOPER'S RIGHT TO ADD APARTMENTS.

The Developer has reserved the right, but is not obligated, to construct on the project land and add to the project up to an additional 160 apartments, in the area designated "Future Development" on the Condominium File Plan. At the Developer's

discretion, the additional apartments may be developed and added to the project on a cluster-by-cluster basis. The Declaration and the Condominium File Plan will be amended upon the development of additional apartments to reflect the addition of such additional apartments to the project. Each time additional apartments are added to the project, the common interest for each apartment in the project will be adjusted.

See paragraph N of the Declaration for details regarding the Developer's right to construct and add to the project the additional apartments.

C. DEVELOPER'S RIGHT TO SUBDIVIDE AND REMOVE LAND FROM THE PROJECT.

As an alternative to the construction of the additional apartments, the Developer has reserved the right, but is not obligated, to subdivide and remove from the project a portion of the project land containing approximately 10.4 acres. Such "Removable Land" is shown on the Condominium File Plan as the area designated "Future Development." The Declaration and the Condominium File Plan would be amended upon any such subdivision to remove the Removable Land from the project.

See paragraph O of the Declaration for details regarding the Developer's right to subdivide and remove from the project the Removable Land.

D. INCREMENTAL DEVELOPMENT OF THE PROJECT.

The project currently consists of three (3) buildings, or "clusters," containing a total of 88 apartments. The Developer has reserved the right, but is not obligated, to construct, sell and convey the apartments incrementally on a cluster-by-cluster basis. Upon the completion of each cluster, the Developer may obtain a certificate of occupancy for the apartments in such cluster and thereupon transfer ownership of these apartments to apartment purchasers.

See paragraph M of the Declaration for details regarding the Developer's right to develop the project in increments.

* SPECIAL ATTENTION should be given to the additional information on *
* pages 18 and 18a of this report. The developer has also disclosed that it *
* makes no warranties itself as to the materials and workmanship of the *
* buildings and improvements but will help the purchaser deal with the *
* subcontractors and materialmen in asserting any claims on the warranties *
* given by the subcontractors or materialmen. In addition, the developer *
* will assign and pass on any appliance warranties given by the manufacturer *
* or dealer to the purchaser (see page 16, paragraph I). The prospective *
* purchaser is cautioned to carefully review the documents for further *
* information with regard to the foregoing. *

26640/p. 2

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer	
Real Estate Sales Agent	Managing Agent
Escrow Company	Attorney for Developer
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	7
D. House Rules	8
E. Changes to Condominium Documents	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements	15
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
EXHIBIT A: DESCRIPTION OF BUILDINGS	
EXHIBIT B: PARKING STALLS	
EXHIBIT C: COMMON ELEMENTS	
EXHIBIT D: LIMITED COMMON ELEMENTS	
EXHIBIT E: COMMON INTERESTS	
EXHIBIT F: ENCUMBRANCES AGAINST TITLE	
EXHIBIT G: ESTIMATE OF INITIAL MAINTENANCE FEES	
EXHIBIT H: SUMMARY OF DEPOSIT RECEIPTS AND SALES CONTRACT	
EXHIBIT I: SUMMARY OF ESCROW AGREEMENT	
EXHIBIT J: RESERVED RIGHTS	

GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

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

Types of Project:

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

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
"A"	30	1/2	849	212
"B"	11	1/2	1039	248
"C"	3	1/2	1053	248
"E"	30	2/2	1052	227
"F"	8	2/2	1214	265
"G"	6	2/2	1244	395

Total Apartments: 88

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>88</u>
Guest Stalls	<u> </u>
Unassigned Stalls	<u>24</u>
Extra Stalls Available for Purchase	<u> </u>
Other: _____	<u> </u>
Total Parking Stalls	<u>112</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: MAUI KAMAOLE ENTERPRISES III,
a Hawaii limited partnership Phone: (808) 547-5400
Name (Business)
c/o Case & Lynch, Suite 2600, Mauka Tower
Business Address
737 Bishop Street, Honolulu, Hawaii 96813

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

2Gs Enterprises, Inc., a Hawaii corporation
4 Gs Enterprises, Inc., a Hawaii corporation
(Gordon F. Gibson, President)

Real Estate Sales Agent: Parker & Co. Phone: (808) 242-6401
Name (Business)
33 Market Street, Suite 200
Business Address
Wailuku, Maui, Hawaii 96793

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

Managing Agent: Oihana Property Management & Sales, Inc. Phone: (808) 244-7684
Name (Business)
840 Alua Street, #202
Business Address
Wailuku, Maui, Hawaii 96793

Attorney for Developer: Case & Lynch (James M. Cribley/Scott D. Radovich)
Name
737 Bishop Street, Suite 2600
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:

	Document		
<input type="checkbox"/>	Proposed	No.	
<input checked="" type="checkbox"/>	Recorded - Bureau of Conveyances	Book 90-046013	Page _____
<input type="checkbox"/>	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:

<input type="checkbox"/>	Proposed		
<input checked="" type="checkbox"/>	Recorded - Bureau of Conveyance Condo Map No.	1311	_____
<input type="checkbox"/>	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:

	Document		
<input type="checkbox"/>	Proposed	No.	
<input checked="" type="checkbox"/>	Recorded - Bureau of Conveyances	Book 90-046014	Page _____
<input type="checkbox"/>	Filed - Land Court	- Document Number	_____

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

- Proposed Adopted
- Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>See §12.1, Bylaws</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

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

B. Underlying Land:

Address: 2777 South Kihei Road Tax Map Key: (2)3-9-04:82
Kihei, Maui, Hawaii (TMK)

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

Land Area: 17.760 [] square feet [X] acre(s) Zoning: A-1

Fee Owner: MAUI KAMAOLE ENTERPRISES
Name

c/o Case & Lynch, Suites 2500 & 2600

Address

737 Bishop Street, Honolulu, Hawaii 96813

Sublessor: N/A
Name

Address

* Note: See Exhibit "J"
* regarding the Developer's
* right to construct and add
* to the project up to 160
* additional apartments or
* to subdivide and remove
* from the project a portion
* of the project land con-
* taining approximately 10.4
* acres.

C Buildings and Other Improvements:

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

2. Buildings: 3 (22 "modules") Floors Per Building 2 + loft

[X] Exhibit A contains further explanations.

3. Principal Construction Material:

[X] Concrete [] Hollow Tile [] Wood

[X] Other plaster, glass, masonry and related materials

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[X] Residential	<u>88</u>	[] Agricultural	_____
[] Timeshare/Hotel	_____	[] Recreational	_____
[] Other:	_____		_____

5. Special Use Restriction

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

Pets Only small dogs, cats, fish and small birds permitted, with prior written consent of the Board.

Number of Occupants: _____

Other: No waterbeds permitted.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 88

Elevators 0

Stairways Yes

Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>"A"</u>	<u>30</u>	<u>1/2</u>	<u>849</u>	<u>212</u>
<u>"B"</u>	<u>11</u>	<u>1/2</u>	<u>1039</u>	<u>248</u>
<u>"C"</u>	<u>3</u>	<u>1/2</u>	<u>1053</u>	<u>248</u>
<u>"E"</u>	<u>30</u>	<u>2/2</u>	<u>1052</u>	<u>227</u>
<u>"F"</u>	<u>8</u>	<u>2/2</u>	<u>1214</u>	<u>265</u>
<u>"G"</u>	<u>6</u>	<u>2/2</u>	<u>1244</u>	<u>395</u>

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

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

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

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

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

7. Parking Stalls:

Total Parking Stalls: 112

	<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 Extra Available		24					24
for Purchase		--					--
Other:		--					--
Total Covered & Open		112					

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

Commercial parking garage permitted in condominium project.

Exhibit B 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

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

9. Present Condition of Improvements

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

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

N/A

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

N/A

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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	<u>X</u>	<u> </u>	<u> </u>
Structures	<u>X</u>	<u> </u>	<u> </u>
Lot	<u>X</u>	<u> </u>	<u> </u>

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.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit D

as follows:

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

Exhibit E describes the common interests for each apartment.

As follows:

E. Encumbrances Against : An encumbrance is a claim against o ability on the property.

Exhibit F describes the encumbrances against the title contained in the title report dated April 2, 1990 and issued by Security Title Corporation.

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
1. Mortgage, Security Agreement and Financing Statement in favor of Maui Kamaole Enterprises (B.C.) Limited Partnership	Buyer's interest may be terminated and Buyer will receive a refund of all deposits.
2. Mortgage in favor of Spuraway Holdings, Ltd.	Buyer's interest may be terminated and Buyer will receive a refund of all deposits.

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:

- [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 G contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

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

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

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

2. Appliances:

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

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

Construction commenced in April, 1990, and the estimated dates of completion are as follows:

Cluster "G": September 30, 1990

Cluster "H": November 30, 1990

Cluster "I": January 31, 1991

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

A. Merger. The Developer and/or Fee Owner have completed construction of a total of 76 apartment units, together with related common elements located on approximately 5.559 acres of land adjacent to this project. The Developer and/or Fee Owner have reserved the right to merge such development with this project for the purposes of administration and use, and possibly for ownership purposes. However, the Developer and/or Fee Owner do not represent or warrant that such development will be merged with this project. See Declaration of Merger of Condominium Phases recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22185, Page 275, and also on file with the Real Estate Commission, for details of this phasing. Note also sections E.8 and E.9 of the Declaration of Condominium Property Regime for easements reserved to the Fee Owner and/or Developer with respect to the construction, maintenance and operation of phases. Merger for ownership purposes may include a legal consolidation of land covered by this project with any parcel(s) of land covered by the phase(s) to be merged.

B. Additional Apartments. The Developer has reserved the right and has plans to construct on the project land and add to the project up to an additional 160 apartments. However, the Developer does not represent or warrant that such additional apartments will be built. See Exhibit J for details of the rights reserved to the Developer and/or the Fee Owner in this regard.

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

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated June 8, 1989

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

Other Specimen Apartment Deed

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. Maui Kamaole Enterprises I ("MKE I"), a Hawaii limited partnership, and Maui Kamaole Enterprises II ("MKE II"), a Hawaii limited partnership, the general partners of the Fee Owner of the project, filed petitions under Chapter 11 of the Bankruptcy Code on July 10, 1987, commencing bankruptcy reorganization proceedings in the United States Bankruptcy Court, District of Hawaii (Bk. No. 87-00557 and Bk. No. 87-00558). Neither the Fee Owner nor the Developer of the project were Debtors in these Chapter 11 proceedings.

By Order Confirming Amended Joint Plan of Reorganization filed on December 23, 1987, the Bankruptcy Court confirmed an Amended Joint Plan of Reorganization filed by MKE I and MKE II, which was further modified by Modifications to Amended Joint Plan of Reorganization, by Order Granting Motion to Approve Modifications to Amended Joint Plan filed on January 13, 1989, by Order Granting Debtor's Motion to Approve Modifications to Amended Joint Plan of Reorganization filed on April 14, 1989, and by Order Granting Debtors' Motion to Approve Modifications to Amended Joint Plan of Reorganization filed on February 15, 1990 (the "Plan of Reorganization"). The Plan of Reorganization authorized and directed MKE I and MKE II to do such things as necessary to consummate the Plan of Reorganization, and closed the MKE I and MKE II Chapter 11 proceedings.

In part relevant to this project (referenced in the Plan of Reorganization as "Phase III" or "Clusters 1, 2 and 3"), the Plan of Reorganization provides for the development of the project as reflected in the project documents and as reported in this Public Report. Copies of the Amended Joint Plan of Reorganization, Modifications to Amended Joint Plan of Reorganization, Order confirming Amended Joint Plan of Reorganization, Order Granting Motion to Approve Modifications to Amended Joint Plan of Reorganization, Order Granting Debtor's Motion to Approve Modifications to Amended Joint Plan of Reorganization, and Order Granting Debtors' Motion to Approve Modification to Amended Joint Plan of Reorganization are on file at the Real Estate Commission and available for the purchaser's review. Specifically, the purchaser's attention is drawn to Article VI, Phase III, of the Modifications to Amended Joint Plan of Reorganization (pages 4-5), the Order Granting Motion to Approve Modifications to Amended Joint Plan of Reorganization (pages 7-9), the April 14, 1989 Order Granting Debtor's Motion to Approve Modifications to Amended Joint Plan of Reorganization (Exhibit A, pages 4-7), and the February 15, 1990 Order Granting Debtor's Motion to Approve Modifications to Amended Joint Plan of Reorganization (Exhibit A, pages 1-4) for provisions relevant to this project.

2. Legal access to the project land from Kihei Road is provided by means of Easement 1 across Lot 4-A adjacent to the project, and State of Hawaii Grant of Easement No. S-4439 across certain State-owned land adjacent to Lot 4-A and the project. An easement for access and utility purposes across Easement 1 is a common element of the project. Easement No. S-4439 grants to

the Fee Owner an easement and right-of-way for access and utility purposes across the State-owned land for a term of 55 years, up to and including June 23, 2023. The Fee Owner has assigned its interest in Easement S-4439 to American Trust Co. of Hawaii, Inc., as Trustee of Land Trust No. 90-02070. A portion of the beneficial interest in the Land Trust will be conveyed by the Fee Owner to the Association of Apartment Owners of Maui Kamaole Phase III, to be held by the Association as a common element of the project. Such beneficial interest will entitle all owners of units in the project to non-exclusive use and possession of Easement S-4439. The Fee Owner is currently processing and will continue to process State conversion of Easement S-4439 to a fee simple perpetual grant of easement. If converted, the fee simple interest in the grant of easement will be conveyed by the Fee Owner to the Land Trust. The State has indicated that it has no objections to and will consent to the conversion to a perpetual easement. Should the easement remain leasehold, the Association will need to request an extension to Grant of Easement No. S-4439 prior to its expiration in 2023. A copy of Grant of Easement No. S-4439 and the Land Trust Agreement creating Land Trust No. 90-02070 is on file at the Real Estate Commission and is available for the purchaser's review.

3. The estimate of maintenance fees set forth in Exhibit "G" attached hereto (dated April 18, 1990) relates to the maintenance and operation of the Maui Kamaole Phase III project, as described herein (including the area designated for "Future Development" on the Condominium File Plan). The Developer has reserved the right to construct and add to the project up to an additional 160 apartments, and in such event the common interests for each apartment will be adjusted and the common expenses of the project will be allocated in accordance with paragraph M of the Declaration. The Developer has also reserved the right to merge this project with additional phases (see section "K" herein) for administration, use, and ownership purposes, at which time the maintenance fees described in Exhibit "G" will be allocated pursuant to the Declaration of Merger of Condominium Phases recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22185, Page 275, and also on file with the Real Estate Commission. Merger for ownership purposes may also include a legal consolidation of the land covered by this project with any parcel(s) of land covered by the phase(s) to be merged.

4. Property Taxes. The estimate of maintenance fees set forth in Exhibit "G" attached hereto (dated June 4, 1990) does not include the purchaser's obligation for the payment of real property taxes. Property taxes will be payable by each purchaser based upon the assessed value of the lands comprising the Maui Kamaole Phase III project (including the area designated for "Future Development" on the Condominium File Plan), and the purchaser's percentage common interest in the common elements of the project. The Developer will subsidize the Association of Apartment Owners of Maui Kamaole Phase III by an amount equal to what the Developer determines is a fair allocation of property taxes paid by apartment owners but attributable to the portion of land reserved by the Developer for future development. Such an allocation will be determined by prorating the assessed value of the project lands between the apartment owners and the Developer based upon the area of the project lands and the area of any portion of the project lands remaining from time to time undeveloped and reserved by the Developer for future development. An initial estimate of the Developer's property tax subsidy (based on the property's 1989-1990 assessed values) is including as a credit in the Estimate of Maintenance Fee Disbursements set forth in Exhibit "G" attached hereto. The subsidy may change substantially as the assessed value of the project lands changes and as the Developer develops the area reserved for future development pursuant to the Declaration.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

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

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

B. Rights Under the Sales Contract:

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

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

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 2061 filed with the Real Estate Commission on
May 5, 1990.

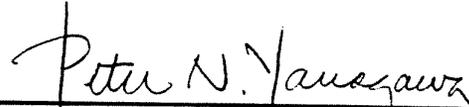
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the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



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

Distribution:

Bureau of Conveyances

Department of Finance, County of Maui

Planning Department, County of Maui

Federal Housing Administration

Escrow Agent

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The project shall contain three (3) clusters of three-level "modules," each grouped adjacent to a parking area. Cluster "G" (Ginger) shall contain seven (7) modules, Cluster "H" (Hibiscus) shall contain six (6) modules, and Cluster "I" (Ilima) shall contain nine (9) modules. Each module shall contain four residential apartments: two single-level apartments at ground level and two bi-level apartments above. The modules will be constructed principally of concrete, masonry, plaster, wood, glass and related materials, and connected by party walls or trellises to form the cluster.

EXHIBIT "B"

PARKING STALLS

Each apartment shall have appurtenant to it the exclusive right to use the parking stall(s) designated below, located in the parking area as shown on the Condominium File Plan. The Developer hereby reserves the right for itself, its successors and assigns, by way of an amendment to the Declaration of Condominium Property Regime, to convey or otherwise designate any parking stall not specifically designated herein to be appurtenant to and for the exclusive use of any other apartment in the project.

CLUSTER "G"CLUSTER "H"

<u>Apartment No.</u>	<u>Parking Stall No.</u>	<u>Apartment No.</u>	<u>Parking Stall No.</u>
G-101	G-29	H-101	H-30
G-102	G-27	H-102	H-28
G-103	G-25	H-103	H-26
G-104	G-23	H-104	H-24
G-105	G-21	H-105	H-22
G-106	G-30	H-106	H-02
G-107	G-32	H-107	H-04
G-108	G-34	H-108	H-06
G-109	G-36	H-109	H-20
G-110	G-18	H-110	H-18
G-111	G-16	H-111	H-16
G-112	G-14	H-112	H-14
G-114	G-12	H-201	H-29
G-115	G-10	H-202	H-27
G-201	G-28	H-203	H-25
G-202	G-26	H-204	H-23
G-203	G-24	H-205	H-01
G-204	G-22	H-206	H-03
G-205	G-20	H-207	H-05
G-206	G-31	H-208	H-07
G-207	G-33	H-209	H-19
G-208	G-35	H-210	H-17
G-209	G-37	H-211	H-15
G-210	G-17	H-212	H-13
G-211	G-15		
G-212	G-13		
G-214	G-11		
G-215	G-09		

CLUSTER "I"

<u>Apartment No.</u>	<u>Parking Stall No.</u>
I-101	I-45
I-102	I-43
I-103	I-41
I-104	I-39
I-105	I-37
I-106	I-21
I-107	I-19
I-108	I-17
I-109	I-35
I-110	I-22
I-111	I-24
I-112	I-26
I-114	I-15
I-115	I-13
I-116	I-11
I-117	I-09
I-118	I-07
I-119	I-05
I-201	I-44
I-202	I-42
I-203	I-40
I-204	I-38
I-205	I-36
I-206	I-20
I-207	I-18
I-208	I-16
I-209	I-34
I-210	I-23
I-211	I-25
I-212	I-27
I-214	I-14
I-215	I-12
I-216	I-10
I-217	I-08
I-218	I-06
I-219	I-04

EXHIBIT "C"

COMMON ELEMENTS

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

1. The land described in Exhibit "A" attached to the Declaration of Condominium Property Regime.

2. All structural components, such as foundations, girders, columns, beams, floor slabs, supports, perimeter walls, load-bearing walls, floors, ceilings (except the inner or decorated surfaces of the perimeter walls, load-bearing walls, floors and ceilings), roofs, stairs and stairways, and entrances and exits of the modules.

3. All yards, grounds, gardens, planters, plants, landscaping, refuse facilities, roads, driveways, walkways, parking areas and recreational facilities, if any.

4. All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution, if any.

5. The planter box areas adjacent to the lower floor of each of the two-bedroom apartments, as shown on the Condominium File Plan.

6. That portion of the Beneficial Interest in Land Trust No. 90-02070 to be transferred to the Association of Apartment of Owners of Maui Kamaole Phase III pursuant to unrecorded Land Trust Agreement regarding State of Hawaii Grant(s) of Easement for access purposes serving the project land.

7. Any and all apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Certain apartments shall have appurtenant thereto easements for the use of certain limited common elements as follows:

1. Courtyards. The walled, open-air courtyard adjacent to the bedroom of certain ground level apartments, as shown on the Condominium File Plan, shall be appurtenant to and for the exclusive use of each such apartment.

2. Atria. The atrium area adjacent to the lower floor of each of the two-bedroom apartments, as shown on the Condominium File Plan, shall be appurtenant to and for the exclusive use of each such apartment.

3. Parking Stalls. Each apartment shall have appurtenant to it the exclusive right to use the parking stall(s) designated in Exhibit "B" attached hereto, located in the parking area as shown on the Condominium File Plan.

EXHIBIT "E"

COMMON INTERESTS

<u>Apartment Type</u>	<u>Apartment No.</u>	<u>Undivided Common Interest of Each Apartment</u>
"A"	G-101; G-102; G-105; G-106; G-107; G-108; G-111; G-112; G-114; G-115; H-101; H-102; H-105; H-106; H-109; H-110; H-111; H-112; I-101; I-102; I-105; I-106; I-107; I-108; I-111; I-112; I-114; I-115; I-118; I-119	0.009654 (0.9654%)
"B"	G-103; G-104; G-109; H-103; H-104; H-108; I-103; I-104; I-110; I-116; I-117	0.011710 (1.1710%)
"C"	G-110; H-107; I-109	0.011830 (1.1830%)
"E"	G-201; G-202; G-205; G-206; G-207; G-208; G-211; G-212; G-214; G-215; H-201; H-202; H-205; H-206; H-209; H-210; H-211; H-212; I-201; I-202; I-205; I-206; I-207; I-208; I-211; I-212; I-214; I-215; I-218; I-219	0.011634 (1.1634%)
"F"	G-203; G-204; H-203; H-204; I-203; I-204; I-216; I-217	0.013450 (1.3450%)
"G"	G-209; G-210; H-207; H-208; I-209; I-210	0.014910 (1.4910%)

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. Real property taxes that may be due and owing and property tax liens that may be filed.

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

3. Easement (15 feet wide) for waterline purposes in favor of the Department of Water Supply over, under, across and through a portion of the land herein described, containing an area of 9,949 square feet, more or less, as per survey of Robert M. Tanaka, Registered Professional Surveyor, Certificate No. 1754, dated May 3, 1989.

4. Grant dated April 26, 1972, in favor of the Board of Water Supply of the County of Maui, a board duly created and existing under the laws of the State of Hawaii, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8292, Page 110, granting an easement for road and utility purposes over, under, across and through a portion of the land described herein.

5. The terms and provisions of that certain agreement dated May 2, 1979, between Maui County Department of Water Supply and Maui Kamaole Enterprises I and II recorded in Liber 13749, Page 728 (cancelled by Cancellation Agreement dated October 19, 1988, recorded in Liber 22557, Page 324).

6. Declaration of Merger of Condominium Phases Maui Kamaole dated June 1, 1988, recorded in Liber 22185, Page 275.

7. Easement 3 (15 feet wide) for drainage purposes in favor of Lot 3-A-2, over, under, across and through a portion of the land described herein, containing an area of 780 square feet, more or less, as per survey of Robert M. Tanaka, Registered Professional Surveyor, Certificate No. 1754, dated May 30, 1989.

8. The terms and provisions of that certain Agreement for the Installation of Water Meters dated July 5, 1989, made by and between Maui Kamaole Enterprises, a Hawaii general partnership, as "Developer", and The Department of Water Supply of the County of Maui, as "Department", recorded in Liber 23562, Page 213.

9. Declaration of Condominium Property Regime of Maui Kamaole Phase III dated March 30, 1990, recorded as Document No. 90-046013.

10. Bylaws of the Association of Apartment Owners of Maui Kamaole Phase III dated March 30, 1990, recorded as Document No. 90-046014.

11. Mortgage dated March 30, 1990, made by Maui Kamaole Enterprises, a Hawaii general partnership, as Mortgagor, in favor of Maui Kamaole Enterprises (B. C.) Limited Partnership, a limited partnership registered under the laws of British Columbia, as Mortgagee, recorded as Document No. 90-046015, which mortgage was assigned to Canadian Imperial Bank of Commerce, a bank chartered under the laws of the Canada, "Bank", by Assignment Acknowledgment and Agreement of MKE III Trustee's Endorsement dated March 30, 1990, recorded as Document No. 90-046023.

12. Financing Statement made by by Maui Kamaole Enterprises, a Hawaii general partnership, as Debtor, recorded on April 2, 1990 as Document No. 90-046016.

13. Assignment of Development Rights dated March 30, 1990, recorded as Document No. 90-046021, by and between Maui Kamaole Enterprises III ("MKE III"), a Hawaii limited partnership, and Maui Kamaole Enterprises ("MKE"), a Hawaii general partnership, as Assignor, and Maui Kamaole Enterprises (B.C.) Limited Partnership, a limited partnership registered under the laws of British Columbia, as Assignee.

14. Assignment of Sales Contracts, Escrow Deposits and Escrow Agreement dated March 30, 1990, recorded as Document No. 90-046022, by and between Maui Kamaole Enterprises III ("MKE III"), a Hawaii limited partnership, and Maui Kamaole Enterprises ("MKE"), a Hawaii general partnership, as Assignor, and Maui Kamaole Enterprises (B.C.) Limited Partnership, a limited partnership registered under the laws of British Columbia, as Assignee.

The foregoing Items 12 and 13 were assigned to Canadian Imperial Bank of Commerce, a bank chartered under the laws of Canada by Assignment Acknowledgment and Agreement of MKE III Trustee's Endorsement dated March 30, 1990, recorded as Document No. 90-046023.

15. Mortgage dated November 4, 1980, made by Maui Kamaole Enterprises II, a Hawaii registered limited partnership, as Mortgagor, in favor of Spuraway Holdings, Ltd., a British Columbia corporation, as Mortgagee, recorded in Liber 15357, Page 127. Consent given by Pearson Hui, a Hawaii limited partnership. The foregoing Mortgage was amended by Amend of Mortgage and Release and Reassignment of Purchaser's Interest in Sub-Agreement of Sale as Security, dated March 14, 1989, recorded in Liber 22980, Page 675.

Subordination Agreement dated March 30, 1990, recorded as Document No. 90-046020. Re: the foregoing mortgage is hereby subordinated to that certain mortgage shown as encumbrance no. 11.

16. Financing Statement made by Maui Kamaole Enterprises II, as Debtor, recorded on November 24, 1981 in Liber 15995, Page 691. Continuation of Financing Statement recorded on June 1, 1986 in Liber 19582, Page 711.

EXHIBIT G

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

MAUI KAMAOLE PHASE III
Estimate of Initial Maintenance Fees:

<u>Apartment</u> <u>(Apt. No.)</u>	<u>Common Interest</u> <u>(Per Apartment)</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
"A" (G-101; G-102; G-105; G-106; G-107; G-108; G-111; G-112; G-114; G-115; H-101; H-102; H-105; H-106; H-109; H-110; H-111; H-112) I-101; I-102; I-105; I-106; I-107; I-108; I-111; I-112; I-114; I-115; I-118; I-119)	0.009654	\$157.56 \$1,890.76
"B" (G-103; G-104; G-109; H-103; H-104; H-108; I-103; I-104; I-110; I-116; I-117)	0.011710	\$191.12 \$2,293.43
"C" (G-110; H-107; I-109)	0.011830	\$193.08 \$2,316.93
"E" (G-201; G-202; G-205; G-206; G-207; G-208; G-211; G-212; G-214; G-215; H-201; H-202; H-205; H-206; H-209; H-210; H-211; H-212; I-201; I-202; I-205; I-206; I-207; I-208; I-211; I-212; I-214; I-215; I-218; I-219)	0.011634	\$189.88 \$2,278.54
"F" (C-203; C-204; H-203; H-204; I-203; I-204; I-216; I-217)	0.013450	\$219.52 \$2,634.21
"G" (G-209; G-210; H-207; H-208; I-209; I-210)	0.014910	\$243.35 \$2,920.15

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:

MAUI KAMAOLE PHASE III

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning		
Electricity		
<input checked="" type="checkbox"/> common elements only	\$ 795.	\$ 9,540.
<input type="checkbox"/> common elements and apartments		
Gas	160.	1,920.
Refuse Collection	300.	3,600.
Telephone	25.	300.
Water and Sewer	1,876.	22,512.

Maintenance, Repairs and Supplies

Building	637.	7,644.
Grounds	4,200.	50,400.

Management

Management Fee	1,100.	13,200.
Payroll and Payroll Taxes	2,800.	33,600.
Office Expenses	50.	600.

Insurance

Fire/Liability/Bond	1,248.	14,976.
TDI/Worker's Comp.	150.	1,800.

Reserves

	926.	11,112.
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Taxes and Government Assessments

Real Property Tax Subsidy	200.	2,400.
Audit Fees	(1,374.)	(16,488.)
	100.	1,200.

Other

Manager's Apt. Expense	1,200.	14,400.
Pest Control	787.	9,444.
Cable T.V.	1,056.	12,672.
Auto Allowance	50.	600.
Miscellaneous	35.	420.

TOTAL	\$16,321.	\$195,852.
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We, OIHANA PROPERTY MANAGEMENT, 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.

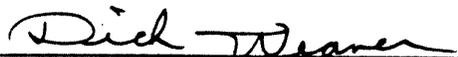

Dick Weaver, CPM - President
Date: June 4, 1990

EXHIBIT "H"

SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

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

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

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

EXHIBIT "J"

RESERVED RIGHTS

RESERVATION TO ADD APARTMENTS

The Developer and the Fee Owner have reserved the right, but are not obligated, to construct on the project land and add to the project up to an additional 160 apartments, in the area designated "Future Development" on the Condominium File Plan. At the Developer's discretion, the additional apartments may be developed and added to the project on a cluster-by-cluster basis. The Declaration and the Condominium File Plan will be amended upon the development of additional apartments to reflect the addition of such additional apartments to the project. Each time additional apartments are added to the project, the common interest for each apartment in the project will be adjusted. The percentage common interest of each apartment in the amended project will be determined by dividing the net floor area of each apartment in the amended project by the aggregate of the net floor areas of all apartments in the amended project. Upon recordation of the amendments to the Declaration and the Condominium File Plan, all of the apartments in the project, including the additional apartments, shall have the right to use the common elements of the project to the same extent and subject to the same limitations as are imposed upon an apartment as though the amended project had been developed initially as one project.

See paragraph N of the Declaration for details regarding the Developer's and the Fee Owner's right to construct and add to the project the additional apartments.

RESERVATION TO SUBDIVIDE AND REMOVE LAND FROM THE PROJECT

As an alternative to the construction of the additional apartments, the Developer and the Fee Owner have reserved the right, but are not obligated, to subdivide and remove from the project a portion of the project land containing approximately 10.4 acres. Such "Removable Land" is shown on the Condominium File Plan as the area designated "Future Development." The Declaration and the Condominium File Plan would be amended upon any such subdivision to remove the Removable Land from the project. Upon such subdivision and removal, title to the Removable Land will be vested solely in the Fee Owner and no apartment owner or apartment purchaser will have any legal or equitable interest in the Removable Land.

See paragraph O of the Declaration for details regarding the Developer's and the Fee Owner's right to subdivide and remove from the project the Removable Land.

RESERVATION TO DEVELOP INCREMENTALLY

The Developer has reserved the right, but is not obligated, to construct, sell and convey the apartments in the project incrementally on a cluster-by-cluster basis. Upon the completion of each cluster, the Developer may obtain a certificate of occupancy for the apartments in such cluster and thereupon transfer ownership of these apartments to apartment purchasers. In connection with this incremental development, the Developer has the right to enter upon the project premises with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing all increments to the project.

See paragraph M of the Declaration for details regarding the Developer's right to develop the project in increments.

RESERVATION TO MERGE PHASES

The Developer and the Fee Owner have reserved the right, but are not obligated, to effect the merger of additional condominium projects with this project. In the Developer's and/or the Fee Owner's discretion, any such merger shall be for administrative purposes only or for both administrative purposes and for purposes of allocating ownership of common element areas in the projects to be merged among all of the apartment owners of the merged project. In the event of merger for purposes of allocating ownership interests, each apartment owner's common interest appurtenant to his apartment will be recalculated and may be reduced to reflect that proportion which his apartment's floor area bears to the total floor area for the entire merged project. The Developer and the Fee Owner have the right to execute and record amendments to the Declaration and other documents to effect such a merger, including but not limited to a consolidation of the land covered by this project with any other parcel(s) of land in connection with a merger, in accordance with the terms and provisions of the Declaration of Merger of Condominium Phases, a copy of which is on file with the Commission.

EXHIBIT "J"
(Page 2 of 2)