



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

THE REGENCY AT POIPU KAI
 (Buildings 1, 2, 3, 4 and 5)
 Poipu Kai, Poipu
 Koloa, Kauai, Hawaii

Registration No. 2178

Issued: April 6, 1990
 Expires: May 6, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of March 14, 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:** 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.
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** Updates information contained in the
(pink)
- 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.

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 | Managing Agent |
| Real Estate Sales Agent | Attorney for Developer |
| Escrow Company | |
| | |
| 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: Common Elements | |
| EXHIBIT B: Limited Common Elements | |
| EXHIBIT C: Description of Condominium Apartments and Common Interest | |
| EXHIBIT D: Encumbrances Against Title | |
| EXHIBIT E: Estimate of Maintenance Fees | |
| EXHIBIT F: Summary of Sales Contract | |
| EXHIBIT G: Summary of Escrow Agreement | |
| EXHIBIT H: House Rules | |
| EXHIBIT I: Disclosure Statement | |
| EXHIBIT J: | |

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** If developed in two increments, Buildings 2, 2, 3, 4 and 5 will be in the first increment. Buildings 6, 7, 8 and 9 will be in the second increment.

| Apt. Type | Quantity | BR/Bath | Net Living Area (sf)* | Lanai/Patio (sf) |
|--------------------------|-----------|---------|--------------------------|------------------|
| A | 7 | 2/2 | 1,263 | 144 |
| A | 6 | 2/2 | 1,256 | 144 |
| A | 2 | 2/2 | 1,258 | 213 |
| AR | 13 | 2/2 | 1,258 | 144 |
| AR | 2 | 2/2 | 1,258 | 213 |
| B | 6 | 2/2 | 1,329 | 250 |
| AL | 13 | 3/2.5 | 1,438 | 144 |
| AL | 2 | 3/2.5 | 1,438 | 213 |
| ALR | 12 | 3/2.5 | 1,438 | 144 |
| ARL | 2 | 3/2.5 | 1,438 | 213 |
| ARL | 1 | 3/2.5 | 1,438 | 144 |
| BL | 6 | 3/2.5 | 1,554 | 250 |
| BS | 1 | 3/2.5 | 1,529 | 198 |
| Total Apartments: | <u>73</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.

6. Parking:

| | <u>Number of Stalls</u> |
|-------------------------------------|-------------------------|
| Assigned Stalls (Individual Units) | <u>73</u> |
| Guest Stalls | <u> </u> |
| Unassigned Stalls | <u>48</u> |
| Extra Stalls Available for Purchase | <u> </u> |
| Other: _____ | <u> </u> |
| Total Parking Stalls | <u>121</u> |

7. Recreational amenities: Swimming Pool

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: SILAGI/POIPU KAI Phone: (808) 742-6428
Name (Business)
2253 Poipu Road
Business Address
Koloa, Kauai, Hawaii 96756

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

MAKSIL CORP., General Partner
JACK D.W. SONG, Limited Partner

Real Estate Sales Agent: Pacific Ocean Properties, Inc. Phone: (808) 246-1170
Name (Business)
3501 Rice Street, Suite 116
Business Address
Lihue, Kauai, Hawaii 96766

Escrow: Security Title Corporation Phone: (808) 521-9511
Name Pacific Tower
Twelfth Floor, 1001 Bishop Street (Business)
Business Address
Honolulu, Hawaii 96813

Managing Agent: Colony Hotels, Inc. dba
Colony Hotels & Resorts Phone: (808) 523-0411
Name (Business)
841 Bishop Street, Suite 1010
Business Address
Honolulu, Hawaii 96813

Attorney for Developer: Hiroshi Sakai, Attorney at Law,
A Law Corporation
Name City Financial Tower
201 Merchant Street, Suite 902
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
- Recorded - Bureau of Conveyances - Book _____ Page _____
- Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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

The Condominium Map for this condominium project is:

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

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

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

Amendment date(s) and recording/filing information:

B. Underlying Land:

Address: Poipu Kai, Poipu, Koloa, Kauai, Hawaii Tax Map Key: 4th Division 2-8-27: 20
(TMK)

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

Land Area: 4.266 [] square feet [X] acre(s) Zoning: R-10

Fee Owner: SILAGI/POIPU KAI
Name
2253 Poipu Road
Address
Koloa, Kauai, Hawaii 96756

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: 0 Floors Per Building Two plus loft
[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [X] Hollow Tile [X] Wood
[X] Other Glass, aluminum frame

4. Permitted Uses:

| | <u>No. of Apts.</u> | | <u>No. of Apts.</u> |
|-----------------------|---------------------|------------------|---------------------|
| [] Commercial | _____ | [] Industrial | _____ |
| [X] Residential | <u>73</u> | [] Agricultural | _____ |
| [X] Timeshare/Hotel | <u>73</u> | [] Recreational | _____ |
| [] Other: | _____ | | _____ |

5. Special Use Restrictions:

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

[] Pets _____

[] Number of Occupants: _____

[X] Other: See House Rules attached as Exhibit "H" for restrictions.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 73 Buildings 1, 2, 3, 4 and 5 in first increment. Buildings 6, 7, 8 and 9 are in the second increment.

Elevators _____ 3 Stairways for Bldg. Type 1 Trash Chutes _____
 1 Stairway For Bldg. Type 2
 1 Stairway for Bldg. Type 3

| Apt. Type | Quantity | BR/Bath | Net Living Area (sf)* | Lanai/Patio (sf) |
|-----------|----------|---------|-----------------------|------------------|
| A | 7 | 2/2 | 1,263 | 144 |
| A | 6 | 2/2 | 1,256 | 144 |
| A | 2 | 2/2 | 1,258 | 213 |
| AR | 13 | 2/2 | 1,258 | 144 |
| AR | 2 | 2/2 | 1,258 | 213 |
| B | 6 | 2/2 | 1,329 | 250 |
| AL | 13 | 3/2.5 | 1,438 | 144 |
| AL | 2 | 3/2.5 | 1,438 | 213 |
| ALR | 12 | 3/2.5 | 1,438 | 144 |
| ARL | 2 | 3/2.5 | 1,438 | 213 |
| ARL | 1 | 3/2.5 | 1,438 | 144 |
| BL | 6 | 3/2.5 | 1,554 | 250 |
| BS | 1 | 3/2.5 | 1,529 | 198 |

*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 unit shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls. The floors and ceilings surrounding each of them or any pipes, wires, conduits or other utility lines running through them which are utilized for or serve more than one unit are deemed common elements as herein provided. Each unit shall be deemed to include all the walls and partitions, floors and ceilings which are not load bearing within its perimeter walls including paint, wallpaper, or the like, carpeting, floor covering and built-in fixtures. Additionally, the boundary lines of each apartment are the exteriors of doors, windows, and glass walls and the frames thereof and the handrail of the lanais.

Permitted Alterations to Apartments;

Except as specified in the Declaration, the common interest and easements appurtenant to each apartment shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected, expressed in an amendment to the Declaration and duly filed. The commercial apartments are loft spaces and the interiors within the apartments may be altered by the owner thereof in any manner that such apartment owner desires.

7. Parking Stalls:

Total Parking Stalls: 121

| | Regular | | Compact | | Tandem | | TOTAL |
|---------------------------------------|------------|------|---------|------|---------|------|-------|
| | covered | open | covered | open | covered | open | |
| Assigned (for individual units) | | 73 | | | | | |
| Guest | | | | | | | |
| Unassigned | | 48 | | | | | |
| Extra Available for Purchase | | | | | | | |
| Other: | | | | | | | |
| Total | | | | | | | |
| Covered & Open | <u>121</u> | | | | | | |

Each apartment is assigned a parking stall with the same number as the apartment on the Condominium Map.

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.
- Exhibit _____ 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
- Other: Trellis/Arbor
- Storage Area
- Laundry Area
- Trash ~~Chute~~ Enclosure

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 A 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 B

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 C describes the common interests for each apartment. Exhibit C also sets forth the redesignation of the common interest if the project is developed in two increments.

As follows:

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

Exhibit D describes the encumbrances against the title contained in the title report dated January 19, 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> |
|---------------------|--------------------------------------------------------------|
| Mortgage | To be released prior to conveyance of apartment to an owner. |

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 E contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

- | | |
|-------------------------------------------------|-------------------------------------------|
| <input checked="" type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input 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:
Exhibit I - Disclosure Statement attached contains warranties

2. Appliances:
See Exhibit I

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

None.

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.

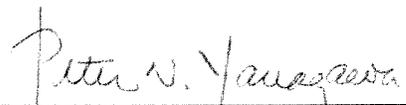
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107)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

This Public Report is a part of Registration No. 2178 filed with the Real Estate Commission on
January 25, 1990.

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

yellow paper stock white paper stock pink paper stock

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



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

Distribution:

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

EXHIBIT "A"

COMMON ELEMENTS

A. The land in fee simple.

B. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, entry landings, and stairways in the buildings not within any of the apartments.

C. The yards, landscaping, trash area, including the parking areas including any open parking stalls which may be used on a non-exclusive basis with the owners of the project adjacent to this Project, all of the landscaped yards and lawns.

D. The central and appurtenant installations for services use or necessary to the existence, maintenance and safety of the Project.

E. All licenses, leases, or contractual arrangements that the Association enters into with respect to the common elements.

F. Any limited common elements that by the terms thereof shall become common elements.

G. The driveway within the Project and the unassigned parking stalls. Any other improvements placed on the grounds.

EXHIBIT "B"

LIMITED COMMON ELEMENTS

The limited common elements of the Project are the parking stalls designated and set aside for the exclusive use of certain apartments. The parking stalls are numbered the same as the apartment number, the location more particularly outlined in the Condominium Map.

POIPU3
EX B P

EXHIBIT "C"

COMMON INTEREST

- A. INCREMENT ONE - 45 Apartments
Buildings 1 through 5, inclusive

- B. ENTIRE PROJECT - 73 Apartments
Buildings 1 through 9 inclusive

| <u>Number of Apartment</u> | <u>(A) % Interest</u> | <u>(B) % Interest</u> |
|--------------------------------|---------------------------|---------------------------|
| 110 | 2.0383% | 1.2542% |
| 111 | 2.0383% | 1.2542% |
| 112 | 2.2875% | 1.4076% |
| 113 | 2.0282% | 1.2480% |
| 114 | 2.0383% | 1.2542% |
| 120 | 2.2918% | 1.4102% |
| 121 | 2.2918% | 1.4102% |
| 122 | 2.6134% | 1.6081% |
| 123 | 2.2918% | 1.4102% |
| 124 | 2.2918% | 1.4102% |
| 210 | 2.0312% | 1.2499% |
| 211 | 2.0383% | 1.2542% |
| 212 | 2.5019% | 1.5396% |
| 220 | 2.2918% | 1.4102% |
| 221 | 2.2918% | 1.4102% |
| 310 | 2.0383% | 1.2542% |
| 311 | 2.0383% | 1.2542% |
| 312 | 2.2875% | 1.4076% |
| 313 | 2.0282% | 1.2480% |
| 314 | 2.0383% | 1.2542% |
| 320 | 2.2918% | 1.4102% |
| 321 | 2.2918% | 1.4102% |
| 322 | 2.6134% | 1.6081% |
| 323 | 2.2918% | 1.4102% |
| 324 | 2.2918% | 1.4102% |
| 410 | 2.0383% | 1.2542% |
| 411 | 2.0383% | 1.2542% |
| 412 | 2.2875% | 1.4076% |
| 413 | 2.0282% | 1.2480% |
| 414 | 2.0383% | 1.2542% |

| | | |
|-----|---------|---------|
| 420 | 2.2918% | 1.4102% |
| 421 | 2.2918% | 1.4102% |
| 422 | 2.6134% | 1.6081% |
| 423 | 2.2918% | 1.4102% |
| 424 | 2.2918% | 1.4102% |
| 510 | 2.0383% | 1.2542% |
| 511 | 2.0383% | 1.2542% |
| 512 | 2.2875% | 1.4076% |
| 513 | 2.0282% | 1.2480% |
| 514 | 2.0383% | 1.2542% |
| 520 | 2.2918% | 1.4102% |
| 521 | 2.2918% | 1.4102% |
| 522 | 2.6134% | 1.6081% |
| 523 | 2.2918% | 1.4102% |
| 524 | 2.2918% | 1.4102% |
| 610 | | 1.3113% |
| 611 | | 1.3113% |
| 620 | | 1.4717% |
| 621 | | 1.4717% |
| 710 | | 1.3113% |
| 711 | | 1.3113% |
| 720 | | 1.4717% |
| 721 | | 1.4717% |
| 810 | | 1.2542% |
| 811 | | 1.2542% |
| 812 | | 1.4076% |
| 813 | | 1.2480% |
| 814 | | 1.2542% |
| 820 | | 1.4102% |
| 821 | | 1.4102% |
| 822 | | 1.6081% |
| 823 | | 1.4102% |
| 824 | | 1.4102% |
| 910 | | 1.2542% |
| 911 | | 1.2542% |
| 912 | | 1.4076% |
| 913 | | 1.2480% |
| 914 | | 1.2542% |
| 920 | | 1.4102% |
| 921 | | 1.4102% |
| 922 | | 1.6081% |
| 923 | | 1.4102% |
| 924 | | 1.4102% |

The percentage interest was calculated by totaling the square footage of each apartment including the net living areas and the lanais. Then each apartment's total square footage was divided by the total square footage of all apartments to arrive at the percentage of the common interest.

NOTE: Column (A) reflects the percentage common interest for the apartment units for Increment One prior to merger.

Column (B) reflects the percentage common interest for the apartment units after merger when the entire project of two increments is completed.

POIPU4
EX C

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

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

2. Pedestrian Easement "A" (10-foot wide), as shown on Final Subdivision Map.

3. Restrictions, covenants and conditions as contained in the Declaration of Covenants and Restrictions dated January 8, 1979, recorded in the Bureau of Conveyances, State of Hawaii, in Book 13428, Page 440, to which reference is hereby made.

The foregoing Declaration was amended by the following:

| <u>Dated</u> | <u>Book</u> | <u>Page</u> |
|-----------------|-------------|-------------|
| October 3, 1980 | 15058 | 76 |
| April 7, 1988 | 21805 | 499 |

4. Restrictions, covenants and conditions as contained in First Supplemental Declaration of Covenants and Restrictions (Annexation) dated April 17, 1979, recorded in the Bureau of Conveyances, State of Hawaii, in Book 13622, Page 445, to which reference is hereby made.

5. Grant of Perpetual Nonexclusive Easement in favor of Poipu Kai Association, a Hawaii nonprofit corporation, dated August 1, 1979, recorded in the Bureau of Conveyances, State of Hawaii, in Book 13910, Page 298, for Easement "5" for pedestrian access purposes, situated within a portion of the land herein described.

The foregoing Grant was amended by the following:

| <u>Dated</u> | <u>Book</u> | <u>Page</u> |
|------------------|-------------|-------------|
| October 31, 1979 | 14234 | 331 |

6. Restrictions, covenants and conditions as contained in Declaration as to Merger of Increments in a Condominium project dated August 24, 1979, recorded in the Bureau of Conveyances, State of Hawaii, in Book 13993, Page 329, to which reference is hereby made.

7. Restrictions, covenants and conditions as contained in Kahala at Poipu Kai II Declaration of Time Share Plan dated February 28, 1983, recorded in the Bureau of Conveyances, State of Hawaii, in Book 19433, Page 317, to which reference is hereby made.

8. Mortgage dated October 27, 1989, in favor of Honvest Corp., a Hawaii corporation, in the amount of \$1,400,000.00, recorded in the Bureau of Conveyances, State of Hawaii, in Book 23816, Page 1.

9. Real Property Taxes as may be due and owing. Check with the Tax Assessor for further information.

POIPU3
EX D P

OLONY HOTELS & RESORTS

EXHIBIT "E"

THE REGENCY AT
POIPU KAI BUDGET
1ST INCR. - 45 UNITS

| | MONTHLY ----- | ANNUAL ----- |
|----------------------------------|------------------|-----------------|
| GENERAL OPERATION ASSESSMENT | 11,932 | 143,189 |
| | 0 | 0 |
| | ----- | ----- |
| TOTAL GENERAL ASSESSMENTS | 11,932 | 143,189 |
| | ----- | ----- |
| OTHER INCOME: | | |
| LAUNDRY | 0 | 0 |
| INTEREST | 5 | 60 |
| MISC/LATE | 5 | 60 |
| SPACE RENTAL | 0 | 0 |
| SPECIAL RESERVE | 0 | 0 |
| | ----- | ----- |
| TOTAL OTHER | 10 | 120 |
| | ----- | ----- |
| TOTAL INCOME: | 11,942 | 143,309 |
| | ----- | ----- |
| PAYROLL-GENERAL OPERATIONS | | |
| ----- | | |
| GENERAL MANAGER/ACCOUNTING | 378 | 4,536 |
| OTHER | 2,325 | 27,900 |
| MAINTENANCE | 1,115 | 13,374 |
| HOLIDAY/SICK | 114 | 1,372 |
| VACATION | 136 | 1,633 |
| | ----- | ----- |
| SUBTOTAL | 4,068 | 48,815 |
| TAXES/BENEFITS | 482 | 5,780 |
| WORKERS COMPENSATION | 279 | 3,342 |
| RETIREMENT & HUMAN RES DEV | 133 | 1,601 |
| MEDICAL INSURANCE | 542 | 6,507 |
| | ----- | ----- |
| TOTAL PAYROLL-GENERAL OPERATIONS | 5,504 | 66,044 |
| | ----- | ----- |

COLONY HOTELS & RESORTS

EXHIBIT "E"

THE REGENCY AT
POIPU KAI BUDGET
1ST INCR. - 45 UNITS

| | MONTHLY ----- | ANNUAL ----- |
|-------------------------------|------------------|-----------------|
| GENERAL OPERATING | | |
| ----- | | |
| BANK CHARGES | 0 | 0 |
| ACCOUNTING SERVICES | 250 | 3,000 |
| BUILDING/PROPERTY MAINTENANCE | 281 | 3,375 |
| CABLE T.V. | 0 | 0 |
| DATA/PAYROLL PROCESSING | 90 | 1,080 |
| BAD DEBT | 0 | 0 |
| DEPRECIATION | 0 | 0 |
| CONTRACT CLEANING | 85 | 1,020 |
| ELECTRICAL & MECHANICAL | 0 | 0 |
| ELEVATOR | 0 | 0 |
| EMPLOYEE RELATIONS | 22 | 264 |
| EQUIPMENT RENTAL | 172 | 2,064 |
| LIFT STATION MAINT | 0 | 0 |
| GROUNDS/LANDSCAPING | 214 | 2,565 |
| INSURANCE | 1,500 | 18,000 |
| LEGAL & OTHER PROFESSIONAL | 30 | 360 |
| LICENSE AND TAXES | 36 | 427 |
| MAINT CONTRACTS | 0 | 0 |
| OFFICE RENT | 90 | 1,080 |
| OTHER OPERATING EXP | 0 | 0 |
| PEST CONTROL | 188 | 2,250 |
| PLUMBING/HEATING | 0 | 0 |
| POOL FURNITURE | 0 | 0 |
| POOL SUPPLIES/SERVICE | 185 | 2,220 |
| POSTAGE | 47 | 558 |
| PRINTING/STATIONERY | 78 | 936 |
| RESERVE EXPENSE | 1,000 | 12,000 |
| SECURITY | 0 | 0 |
| SMALL FURNISHING/EQUIPMENT | 0 | 0 |
| TENNIS CLUB DUES | 0 | 0 |
| TRAVEL | 0 | 0 |
| TRAVEL ALLOWANCE - DIRECTORS | 25 | 300 |
| UNIFORMS | 17 | 209 |
| VENDING & SUNDRY SUPPLIES | 0 | 0 |
| WASTE REMOVAL | 420 | 5,040 |
| MANAGEMENT FEE | 135 | 1,620 |
| | ----- | ----- |
| TOTAL GENERAL OPERATING | 4,864 | 58,368 |
| | ----- | ----- |

COLONY HOTELS & RESORTS

EXHIBIT "E"

THE REGENCY AT
POIPU KAI BUDGET
1ST INCR. - 45 UNITS

| | MONTHLY ----- | ANNUAL ----- |
|-----------------------------------|------------------|-----------------|
| UTILITIES: | | |
| ----- | | |
| ELECTRICITY | 488 | 5,856 |
| HEATING OIL | 0 | 0 |
| GAS | 0 | 0 |
| SEPTIC | 41 | 492 |
| WATER | 1,031 | 12,372 |
| | ----- | ----- |
| TOTAL UTILITIES | 1,560 | 18,720 |
| | ----- | ----- |
| TELEPHONE | | |
| ----- | | |
| EQUIPMENT | 0 | 0 |
| SERVICE | 15 | 176 |
| COST OF SALES | 0 | 0 |
| | ----- | ----- |
| TOTAL TELEPHONE | 15 | 176 |
| | ----- | ----- |
| THE REGENCY AT POIPU KAI TOTAL EX | 11,942 | 143,309 |
| POIPU KAI ASSOCIATION FEES | | |
| DUES | 4,725 | 56,700 |
| CABLE TV | 468 | 5,616 |
| SEWER | 1,836 | 22,032 |
| TENNIS | 1,319 | 15,822 |
| | ----- | ----- |
| POIPU KAI'S FEES | 8,348 | 100,170 |
| | ----- | ----- |
| TOTAL EXPENSES | 20,290 | 243,479 |
| | ===== | ===== |

REGENCY AT POIPU KAI
 1st INCREMENT - (45 UNITS)

| NUMBER OF APARTMENT | % COMMON INTEREST | MONTHLY MAINT. FEES | ANNUAL MAINT. FEES |
|------------------------|----------------------|------------------------|-----------------------|
| 110 | 2.0383 | 428.71 | 5144.52 |
| 111 | 2.0383 | 428.71 | 5144.52 |
| 112 | 2.2875 | 458.44 | 5501.28 |
| 113 | 2.0282 | 427.50 | 5130.00 |
| 114 | 2.0383 | 428.71 | 5144.52 |
| 120 | 2.2918 | 458.96 | 5507.52 |
| 121 | 2.2918 | 458.96 | 5507.52 |
| 122 | 2.6134 | 497.33 | 5967.96 |
| 123 | 2.2918 | 458.96 | 5507.52 |
| 124 | 2.2918 | 458.96 | 5507.52 |
| 210 | 2.0312 | 427.86 | 5134.32 |
| 211 | 2.0383 | 428.71 | 5144.52 |
| 212 | 2.5019 | 484.02 | 5808.24 |
| 220 | 2.2918 | 458.96 | 5507.52 |
| 221 | 2.2918 | 458.96 | 5507.52 |
| 310 | 2.0383 | 428.71 | 5144.52 |
| 311 | 2.0383 | 428.71 | 5144.52 |
| 312 | 2.2875 | 458.44 | 5501.28 |
| 313 | 2.0282 | 427.50 | 5130.00 |
| 314 | 2.0383 | 428.71 | 5144.52 |
| 320 | 2.2918 | 458.96 | 5507.52 |
| 321 | 2.2918 | 458.96 | 5507.52 |
| 322 | 2.6134 | 497.33 | 5967.96 |
| 323 | 2.2918 | 458.96 | 5507.52 |
| 324 | 2.2918 | 458.96 | 5507.52 |
| 410 | 2.0383 | 428.71 | 5144.52 |
| 411 | 2.0383 | 428.71 | 5144.52 |
| 412 | 2.2875 | 458.44 | 5501.28 |
| 413 | 2.0282 | 427.50 | 5130.00 |
| 414 | 2.0383 | 428.71 | 5144.52 |
| 420 | 2.2918 | 458.96 | 5507.52 |
| 421 | 2.2918 | 458.96 | 5507.52 |
| 422 | 2.6134 | 497.33 | 5967.96 |
| 423 | 2.2918 | 458.96 | 5507.52 |
| 424 | 2.2918 | 458.96 | 5507.52 |
| 510 | 2.0383 | 428.71 | 5144.52 |
| 511 | 2.0383 | 428.71 | 5144.52 |
| 512 | 2.2875 | 458.44 | 5501.28 |
| 513 | 2.0282 | 427.50 | 5130.00 |
| 514 | 2.0383 | 428.71 | 5144.52 |
| 520 | 2.2918 | 458.96 | 5507.52 |
| 521 | 2.2918 | 458.96 | 5507.52 |
| 522 | 2.6134 | 497.33 | 5967.96 |
| 523 | 2.2918 | 458.96 | 5507.52 |
| 524 | 2.2918 | 458.96 | 5507.52 |
| | 99.9998 | 20279.47 | 243353.64 |

The undersigned does hereby certify that the foregoing breakdown of monthly maintenance fee for each apartment and the estimated monthly and annual disbursements is based upon the best judgment of data available to the undersigned at this time and the undersigned does not represent that any of the results set forth herein will be obtained. The estimated monthly and annual disbursements are calculated upon generally accepted accounting principles.

COLONY HOTELS, INC. dba
COLONY HOTELS & RESORTS

By Matthew F. Callahan
Its SR. VICE-PRES

Date 3-21-98

COLONY HOTELS & RESORTS

THE REGENCY AT
POIPU KAI BUDGET
(73 UNITS)

| | MONTHLY | ANNUAL |
|----------------------------------|---------|---------|
| | ----- | ----- |
| INCOME: | | |
| ----- | | |
| GENERAL ASSESSMENTS: | | |
| GENERAL OPERATION ASSESSMENT | 15,302 | 183,623 |
| | 0 | 0 |
| | ----- | ----- |
| TOTAL GENERAL ASSESSMENTS | 15,302 | 183,623 |
| | ----- | ----- |
| OTHER INCOME: | | |
| LAUNDRY | 0 | 0 |
| INTEREST | 5 | 60 |
| MISC/LATE | 5 | 60 |
| SPACE RENTAL | 0 | 0 |
| SPECIAL RESERVE | 0 | 0 |
| | ----- | ----- |
| TOTAL OTHER | 10 | 120 |
| | ----- | ----- |
| TOTAL INCOME: | 15,312 | 183,743 |
| | ----- | ----- |
| PAYROLL-GENERAL OPERATIONS | | |
| ----- | | |
| GENERAL MANAGER/ACCOUNTING | 504 | 6,048 |
| OTHER | 3,100 | 37,200 |
| MAINTENANCE | 1,486 | 17,832 |
| HOLIDAY/SICK | 152 | 1,829 |
| VACATION | 181 | 2,177 |
| | ----- | ----- |
| SUBTOTAL | 5,424 | 65,086 |
| TAXES/BENEFITS | 642 | 7,706 |
| WORKERS COMPENSATION | 371 | 4,456 |
| RETIREMENT & HUMAN RES DEV | 178 | 2,135 |
| MEDICAL INSURANCE | 723 | 8,676 |
| | ----- | ----- |
| TOTAL PAYROLL-GENERAL OPERATIONS | 7,338 | 88,059 |
| | ----- | ----- |

COLONY HOTELS & RESORTS

THE REGENCY AT
POIPU KAI BUDGET
(73 UNITS)

| | MONTHLY ----- | ANNUAL ----- |
|-------------------------------|------------------|-----------------|
| GENERAL OPERATING | | |
| ----- | | |
| BANK CHARGES | 0 | 0 |
| ACCOUNTING SERVICES | 250 | 3,000 |
| BUILDING/PROPERTY MAINTENANCE | 375 | 4,500 |
| CABLE T.V. | 0 | 0 |
| DATA/PAYROLL PROCESSING | 90 | 1,080 |
| BAD DEBT | 0 | 0 |
| DEPRECIATION | 0 | 0 |
| CONTRACT CLEANING | 85 | 1,020 |
| ELECTRICAL & MECHANICAL | 0 | 0 |
| ELEVATOR | 0 | 0 |
| EMPLOYEE RELATIONS | 22 | 264 |
| EQUIPMENT RENTAL | 172 | 2,064 |
| LIFT STATION MAINT | 0 | 0 |
| GROUNDS/LANDSCAPING | 285 | 3,420 |
| INSURANCE | 2,000 | 24,000 |
| LEGAL & OTHER PROFESSIONAL | 30 | 360 |
| LICENSE AND TAXES | 36 | 427 |
| MAINT CONTRACTS | 0 | 0 |
| OFFICE RENT | 120 | 1,440 |
| OTHER OPERATING EXP | 0 | 0 |
| PEST CONTROL | 250 | 3,000 |
| PLUMBING/HEATING | 0 | 0 |
| POOL FURNITURE | 0 | 0 |
| POOL SUPPLIES/SERVICE | 185 | 2,220 |
| POSTAGE | 62 | 744 |
| PRINTING/STATIONERY | 104 | 1,248 |
| RESERVE EXPENSE | 1,000 | 12,000 |
| SECURITY | 0 | 0 |
| SMALL FURNISHING/EQUIPMENT | 0 | 0 |
| TENNIS CLUB DUES | 0 | 0 |
| TRAVEL | 0 | 0 |
| TRAVEL ALLOWANCE - DIRECTORS | 25 | 300 |
| UNIFORMS | 17 | 209 |
| VENDING & SUNDRY SUPPLIES | 0 | 0 |
| WASTE REMOVAL | 560 | 6,720 |
| MANAGEMENT FEE | 219 | 2,628 |
| | ----- | ----- |
| TOTAL GENERAL OPERATING | 5,887 | 70,644 |
| | ----- | ----- |

COLONY HOTELS & RESORTS

THE REGENCY AT
POIPU KAI BUDGET
(73 UNITS)

| | MONTHLY ----- | ANNUAL ----- |
|--------------------------------|------------------|-----------------|
| UTILITIES: | | |
| ----- | | |
| ELECTRICITY | 650 | 7,800 |
| HEATING OIL | 0 | 0 |
| GAS | 0 | 0 |
| SEPTIC | 47 | 564 |
| WATER | 1,375 | 16,500 |
| | ----- | ----- |
| TOTAL UTILITIES | 2,072 | 24,864 |
| | ----- | ----- |
| TELEPHONE | | |
| ----- | | |
| EQUIPMENT | 0 | 0 |
| SERVICE | 15 | 176 |
| COST OF SALES | 0 | 0 |
| | ----- | ----- |
| TOTAL TELEPHONE | 15 | 176 |
| | ----- | ----- |
| REGENCY AT POIPU KAI TOTAL EXP | 15312 | 183743 |
| POIPU KAI ASSOCIATION FEES | | |
| DUES | 7300.00 | 87600.00 |
| CABLE TV | 759.20 | 9110.40 |
| SEWER | 2686.40 | 32236.80 |
| TENNIS | 1992.90 | 23914.80 |
| POIPU KAI'S FEES | 12738.50 | 152862.00 |
| TOTAL EXPENSES | 28049.50 | 336599.00 |

MAINTENANCE FEES

| <u>No. of Apartment</u> | <u>% Common Interest</u> | <u>Monthly Maintenance Fees</u> | <u>Annual Maintenance Fees</u> |
|-----------------------------|------------------------------|-------------------------------------|------------------------------------|
| 110 | 1.2542 | \$366.53 | \$4,398.36 |
| 111 | 1.2542 | 366.53 | 4,398.36 |
| 112 | 1.4076 | 390.01 | 4,680.12 |
| 113 | 1.2480 | 365.58 | 4,386.96 |
| 114 | 1.2542 | 366.53 | 4,398.36 |
| 120 | 1.4102 | 390.42 | 4,685.04 |
| 121 | 1.4102 | 390.42 | 4,685.04 |
| 122 | 1.6081 | 420.72 | 5,048.64 |
| 123 | 1.4102 | 390.42 | 4,685.04 |
| 124 | 1.4102 | 390.42 | 4,685.04 |
| 210 | 1.2499 | 366.87 | 4,402.44 |
| 211 | 1.2542 | 366.53 | 4,398.36 |
| 212 | 1.5396 | 410.23 | 4,922.76 |
| 220 | 1.4102 | 390.42 | 4,685.04 |
| 221 | 1.4102 | 390.42 | 4,685.04 |
| 310 | 1.2542 | 366.53 | 4,398.36 |
| 311 | 1.2542 | 366.53 | 4,398.36 |
| 312 | 1.4076 | 390.01 | 4,680.12 |
| 313 | 1.2480 | 365.58 | 4,386.96 |
| 314 | 1.2542 | 366.53 | 4,398.36 |
| 320 | 1.4102 | 390.42 | 4,685.04 |
| 321 | 1.4102 | 390.42 | 4,685.04 |
| 322 | 1.6081 | 420.72 | 5,048.64 |
| 323 | 1.4102 | 390.42 | 4,685.04 |
| 324 | 1.4102 | 390.42 | 4,685.04 |
| 410 | 1.2542 | 366.53 | 4,398.36 |
| 411 | 1.2542 | 366.53 | 4,398.36 |
| 412 | 1.4076 | 390.01 | 4,680.12 |
| 413 | 1.2480 | 365.58 | 4,386.96 |
| 414 | 1.2542 | 366.53 | 4,398.36 |
| 420 | 1.4102 | 390.42 | 4,685.04 |
| 421 | 1.4102 | 390.42 | 4,685.04 |
| 422 | 1.6081 | 420.72 | 5,048.64 |
| 423 | 1.4102 | 390.42 | 4,685.04 |
| 424 | 1.4102 | 390.42 | 4,685.04 |
| 510 | 1.2542 | 366.53 | 4,398.36 |
| 511 | 1.2542 | 366.53 | 4,398.36 |
| 512 | 1.4076 | 390.01 | 4,680.12 |

| | | | |
|-----|--------|--------|----------|
| 513 | 1.2480 | 365.58 | 4,386.96 |
| 514 | 1.2542 | 366.53 | 4,398.36 |
| 520 | 1.4102 | 390.42 | 4,685.04 |
| 521 | 1.4102 | 390.42 | 4,685.04 |
| 522 | 1.6081 | 420.72 | 5,048.64 |
| 523 | 1.4102 | 390.42 | 4,685.04 |
| 524 | 1.4102 | 390.42 | 4,685.04 |
| | | | |
| 610 | 1.3113 | 375.27 | 4,503.24 |
| 611 | 1.3113 | 375.27 | 4,503.24 |
| 620 | 1.4717 | 399.83 | 4,797.96 |
| 621 | 1.4717 | 399.83 | 4,797.96 |
| | | | |
| 710 | 1.3113 | 375.27 | 4,503.24 |
| 711 | 1.3113 | 375.27 | 4,503.24 |
| 720 | 1.4717 | 399.83 | 4,797.96 |
| 721 | 1.4717 | 399.83 | 4,797.96 |
| | | | |
| 810 | 1.2542 | 366.53 | 4,398.36 |
| 811 | 1.2542 | 366.53 | 4,398.36 |
| 812 | 1.4076 | 390.01 | 4,680.12 |
| 813 | 1.2480 | 365.58 | 4,386.96 |
| 814 | 1.2542 | 366.53 | 4,398.36 |
| 820 | 1.4102 | 390.42 | 4,685.04 |
| 821 | 1.4102 | 390.42 | 4,685.04 |
| 822 | 1.6081 | 420.72 | 5,048.64 |
| 823 | 1.4102 | 390.42 | 4,685.04 |
| 824 | 1.4102 | 390.42 | 4,685.04 |
| | | | |
| 910 | 1.2542 | 366.53 | 4,398.36 |
| 911 | 1.2542 | 366.53 | 4,398.36 |
| 912 | 1.4076 | 390.01 | 4,680.12 |
| 913 | 1.2480 | 365.58 | 4,386.96 |
| 914 | 1.2542 | 366.53 | 4,398.36 |
| 920 | 1.4102 | 390.42 | 4,685.04 |
| 921 | 1.4102 | 390.42 | 4,685.04 |
| 922 | 1.6081 | 420.72 | 5,048.64 |
| 923 | 1.4102 | 390.42 | 4,685.04 |
| 924 | 1.4102 | 390.42 | 4,685.04 |

The undersigned does hereby certify that the foregoing breakdown of monthly maintenance fee for each apartment and the estimated monthly and annual disbursements is based upon the best judgment of data available to the undersigned at this time and the undersigned does not represent that any of the results set forth herein will be obtained. The estimated monthly and annual disbursements are calculated upon generally accepted accounting principles.

COLONY HOTELS, INC. dba
COLONY HOTELS & RESORTS

By William K. Colwell
Its SR. VICE-PRES

Date 3-21-90

EXHIBIT "F"

Summary of Sales Contract

The 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 Sales Contract says:

(a) A buyer must obtain his own financing. Buyer acknowledges that this Sales Contract is contingent on any financing before the issuance of the final public report.

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

(c) That interest on deposits shall belong to the Seller so long as said funds are held in escrow.

(d) That the unit will be subject to various other legal documents which the buyer certifies that he has examined.

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

(f) The Seller has the right of first refusal to purchase the apartment that the Buyer purchases for a period of 30 days under the same terms and conditions. This agreement to survive for a period of 10 years after the sale is closed.

(g) If there are delays which causes increases in the construction costs, the Seller may increase the purchase price and give the Buyer 30 days to cancel the contract and have a return of sums paid less escrow cancellation fee. If Buyer does not notify Seller, then this shall constitute an affirmation of the sale at the new contract price.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT "G"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under 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 purchasers know when payments are due.
- (b) Escrow will arrange for purchasers to sign all necessary documents.
- (c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.
- (d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "H"

THE REGENCY AT POIPU KAI
HOUSE RULES

The purpose of these Rules and Regulations are to protect all occupants from annoyance and nuisance caused by improper use of the condominium apartments and to promote harmonious living and the maximum enjoyment of THE REGENCY AT POIPU KAI condominium. The responsibility for enforcement of these rules may be delegated to a managing agent by the Board of Directors of the Association of Apartment Owners. All occupants, tenants and their guests shall be bound by these rules and by standards of reasonable conduct whether covered by these rules or not.

I. OCCUPANCY

1. An apartment shall be used and occupied as an apartment, resort, residential or fractional interest use for any time period or periods, their tenants, families, domestic servants and social guests, subject to such limitation as may be contained in the Declaration, By Laws and the House Rules which may be adopted from time to time governing the use of the apartments.

2. Absentee apartment owners, should notify the Managing Agent as to the usage or nonusage of their apartment from time to time.

3. No livestock, poultry or other animals or pets whatsoever shall be allowed or kept in any part of the Project.

4. Apartment owners shall be responsible for the conduct of their children at all times, ensuring that there behavior is neither offensive to any occupant of the building nor damaging to any portion of the common elements. Children ten years of age and under shall not be permitted on the recreation deck and pool area unless accompanied by an adult. Children are not permitted to play in corridors, lobbies, elevators or the parking garage.

5. Subject to the By-Laws of the Association, apartment owners may lease their apartment or make it available to friends, but the person or persons leasing, renting or living in their apartment shall abide by the House Rules, and the owners shall assume responsibility for the occupants' conduct. The owners must notify the manager of the names and length of anticipated occupancy of lessees or guests and must deliver to

lessees or guests a copy of these House rules and, if required by the Board of Directors, must obtain prior approval of the Board of any such lessee or guest.

6. Upon request of the Board of Directors or Managing Agent, for good cause, apartment owners shall immediately abate and remove any lessee or guest from the Project premises, without compensation for lost rentals or any other damage resulting therefrom.

7. Owners shall be responsible for designating a local agent to represent their interest if their residence is outside of Hawaii or if they will be absent from their apartment for more than 30 days. Such owners shall file with the Manager their out-of-town address and telephone number and the telephone number of their local agent.

II. COMMON AREAS, AND ENTRANCES AND LANAIS

1. The sidewalks, passages, lobbies, stairways and corridors must not be obstructed or used for any purpose other than ingress and egress.

2. No shoes, sandals, dry cleaning, etc., shall be allowed to remain in view at front entrances.

3. The throwing of firecrackers and the explosion of any fireworks anywhere on the Project building grounds or within the Project buildings is expressly prohibited.

4. All garbage deposited in either the trash chute (if any), or trash cans must be wrapped. No bottles, cans, boxes or any breakable, bulky or inflammable objects shall be placed in the trash chute (if any). All newspapers are to be rolled and tied before depositing them in the chute (if any).

5. Barbecuing is not allowed on the lanai.

6. No clothes shall be hung on or from lanai railings for any purpose whatsoever so as to be in view of persons outside the building.

7. Any potted plant on lanais shall have containers placed under the pots so as to avoid dripping of water therefrom.

III. INTERIOR OF APARTMENTS

1. All apartments shall have window drapes of white or light beige in color as seen from the Project buildings'

exterior. Drapes of other color are allowed, however, if otherwise approved by the Board of Directors.

IV. USE OF RECREATION AREAS AND FACILITIES

1. Use of the recreation areas and facilities shall be limited to apartment owners, lessees, tenants, and members of their families and guests. No other person may use the recreation areas unless accompanied by a resident of the Project.

2. Pool hours are from 8:00 a.m. to 6:00 p.m. or as designated from time to time by the Board of Directors or the Managing Agent.

3. Children ten years of age and under shall not be permitted on the pool deck area unless accompanied by an adult.

4. No roughhousing is allowed in the pool or surrounding area.

5. Swimmers shall dry themselves completely before leaving the recreation deck.

6. No container, tumbler, drinking glass, or any other item made of glass shall be permitted in the vicinity of the swimming pool.

7. No person with bandages or open wounds of any type may use the pool.

8. Persons with long hair (shoulder length or longer) shall wear bathing caps in the pool if required by the Board of Directors or the Managing Agent.

V. PARKING AREAS

1. Paved Parking.

The paved parking are for the use of the owners, tenants, guests and invitees. The Manager may designate parking stalls for employees who are employed in the Project.

2. Parking Stall Use.

The following shall be observed in the use of parking stalls:

a. An Apartment Owner shall park his vehicle in the parking stall assigned under the Declaration of Condominium Property Regime.

b. Automobiles shall be centered in parking spaces so as to prevent crowding of adjacent spaces and/or blocking of passages.

c. Violators of parking regulations shall have their cars towed away at their own expense. If the violator is a lessee or guest of an owner, the owner shall be held responsible.

d. Owners working, washing, cleaning or polishing cars on the Project premises shall clean the area thoroughly before leaving.

e. Extensive repairs of a motor vehicle, boat, surfboard or other equipment shall not be permitted on the Project premises.

VI. NOISE

1. Excessive noises of any type are prohibited at any time.

2. No workmen are allowed in the Project buildings before 8:00 a.m., or after 7:00 p.m., except in an emergency.

3. Radios, T.V.'s, stereos, etc., are to be played at reduced volume after 10:00 p.m. and early in the morning.

VII. BUILDING MODIFICATIONS

1. No structural changes of any type shall be permitted either within or without an apartment except in accordance with the By-Laws of the Association.

2. No awnings, shades, windbreaks, or any other similar device which is visible from the exterior of the Project buildings shall be installed without the prior approval of the Board of Directors.

3. No signs, signals or lettering shall be inscribed or exposed on any part of the Project buildings, nor shall anything be projected out of any window or off any lanai or deck, without the prior approval of the Board of Directors except for temporary sales and marketing signs for the Developer and its broker.

4. No projections shall extend through any door or window opening into any corridor or beyond the exterior face of the Project buildings.

5. No radio or TV antenna shall be erected or maintained outside the physical confines of any apartment.

6. No additions or alterations to the original design of any apartment will be permitted which are visible from the exterior of the Project buildings.

VIII. GENERAL

1. Furniture placed in common areas are for use in those specific areas and must not be moved therefrom.

2. Maintenance personnel shall not be asked to do work within the area of any apartment or asked to leave the Project premises for any reason.

3. No solicitation or canvassing shall be allowed in the Project buildings at any time.

4. Advance notice must be given to the Manager when household goods or large items of furniture are to be moved in order that the stairways can be protected by pads, if necessary, and proper scheduling of their use can be made.

5. The Manager shall not be required to give anyone access to any apartments or lockers (if any) without the written permission of the apartment owner.

6. Apartment owners shall file their name, address, phone number and signature with the Manager.

7. Apartment owners shall observe and adhere to these House Rules and ensure that their lessees, licensees, and invitees observe and adhere to these House Rules. Apartment owners will be responsible for their guests' observance of all House Rules as set forth herein. In the event expenses are incurred due to violations of House Rules by lessees, licensees and invitees, the Owner shall be responsible for payment of same.

IX. THE VIOLATION OF ANY HOUSE RULES ADOPTED BY THE ASSOCIATION OF APARTMENT OWNERS OF THE REGENCY AT POIPU KAI SHALL GIVE THE BOARD OF DIRECTORS OR ITS AGENT THE RIGHT TO:

1. ENTER THE APARTMENT IN WHICH, OR AS TO WHICH SUCH VIOLATION OR BREACH EXISTS AND TO SUMMARILY ABATE AND REMOVE, AT THE EXPENSE OF THE DEFAULTING APARTMENT OWNER, ANY STRUCTURE, THING OR CONDITION THAT MAY EXIST THEREIN CONTRARY TO THE INTENT AND MEANING OF THE PROVISIONS HEREOF AND THE BOARD OF DIRECTORS

OR THE MANAGING AGENT SHALL NOT THEREBY BE DEEMED GUILTY IN ANY MANNER OF TRESPASS: OR

2. TO ENJOIN, ABATE OR REMEDY BY APPROPRIATE LEGAL PROCEEDINGS, EITHER AT LAW OR IN EQUITY, THE CONTINUANCE OF ANY SUCH BREACH, AND ALL COSTS THEREOF, INCLUDING ATTORNEYS' FEES, SHALL BE BORNE BY THE DEFAULTING APARTMENT OWNER.

Adopted in Honolulu, Hawaii this 25th day of
January, 1990.

ASSOCIATION OF APARTMENT OWNERS
OF THE REGENCY AT POIPU KAI

SILAGI/POIPU KAI, a Hawaii
Limited Partnership

By MAKSIL CORP.

Per

Its


President

General Partner

POIPU2
H R

EXHIBIT "I"

DISCLOSURE STATEMENT

THE REGENCY AT POIPU KAI
REGISTRATION NO. 2178
DISCLOSURE STATEMENT AS OF JANUARY 25, 1990

1. Name and Address of Project: The Regency at Poipu Kai, Poipu, Koloa, Kauai, Hawaii.

2. Name, Address and Telephone Number of Developer: SILAGI/POIPU KAI, a Hawaii Limited Partnership, 2253 Poipu Road, Koloa, Kauai, Hawaii 96756, Telephone (808) 742-6428.

3. Managing Agent of Project: Colony Hotels, Inc. dba Colony Hotels & Resorts, 841 Bishop Street, Suite 1010, Honolulu, Hawaii 96813, Telephone (808) 526-3072.

4. Maintenance Fees: The breakdown of the annual maintenance fees and the monthly estimated costs for each apartment, which is hereby certified to be based on generally accepted accounting principles, is more particularly set forth in Exhibit "A" attached hereto and made a part hereof.

5. Warranties: The apartments and the common elements of the Project shall have the benefit of a one year warranty against defects to materials and workmanship, which warranty shall commence as of the date of the substantial completion for such apartments and common elements. It is estimated that the commencement date of such warranties will be March 31, 1991.

6. Use: The apartment shall be occupied and used as an apartment, resort, residential, or fractional interest use for any time period or periods including any annually recurring period on a fixed or floating basis.

7. Extension of Non-Residential Development: There is no other use than as set forth in Paragraph 6 above which is residential development.

DATED: THOUSAND OAKS, CALIFORNIA, this 1ST day of
December, 1989.

SILAGI/POIPU KAI, a Hawaii
Limited Partnership

By MAKSIL CORP.

Per 
Its President

General Partner

Subscribed and sworn to before me
this 1ST day of December, 1989.


NOTARY PUBLIC

STATE OF CALIFORNIA

My commission expires: 10.22-90

POIPU2
D STM

COLONY HOTELS & RESORTS

EXHIBIT "I"

THE REGENCY AT
POIPU KAI BUDGET
1ST INCR. - 45 UNITS

| | MONTHLY ----- | ANNUAL ----- |
|----------------------------------|------------------|-----------------|
| GENERAL OPERATION ASSESSMENT | 11,932 | 143,189 |
| | 0 | 0 |
| | ----- | ----- |
| TOTAL GENERAL ASSESSMENTS | 11,932 | 143,189 |
| | ----- | ----- |
| OTHER INCOME: | | |
| LAUNDRY | 0 | 0 |
| INTEREST | 5 | 60 |
| MISC/LATE | 5 | 60 |
| SPACE RENTAL | 0 | 0 |
| SPECIAL RESERVE | 0 | 0 |
| | ----- | ----- |
| TOTAL OTHER | 10 | 120 |
| | ----- | ----- |
| TOTAL INCOME: | 11,942 | 143,309 |
| | ----- | ----- |
| PAYROLL-GENERAL OPERATIONS | | |
| ----- | | |
| GENERAL MANAGER/ACCOUNTING | 378 | 4,536 |
| OTHER | 2,325 | 27,900 |
| MAINTENANCE | 1,115 | 13,374 |
| HOLIDAY/SICK | 114 | 1,372 |
| VACATION | 136 | 1,633 |
| | ----- | ----- |
| SUBTOTAL | 4,068 | 48,815 |
| TAXES/BENEFITS | 482 | 5,780 |
| WORKERS COMPENSATION | 279 | 3,342 |
| RETIREMENT & HUMAN RES DEV | 133 | 1,601 |
| MEDICAL INSURANCE | 542 | 6,507 |
| | ----- | ----- |
| TOTAL PAYROLL-GENERAL OPERATIONS | 5,504 | 66,044 |
| | ----- | ----- |

COLONY HOTELS & RESORTS

EXHIBIT "I"

THE REGENCY AT
POIPU KAI BUDGET
1ST INCR. - 45 UNITS

| | MONTHLY ----- | ANNUAL ----- |
|--------------------------------|------------------|-----------------|
| GENERAL OPERATING | | |
| ----- | | |
| BANK CHARGES | 0 | 0 |
| ACCOUNTING SERVICES | 250 | 3,000 |
| BUILDING/PROPERTY MAINTENANCE | 281 | 3,375 |
| CABLE T.V. | 0 | 0 |
| DATA/PAYROLL PROCESSING | 90 | 1,080 |
| BAD DEBT | 0 | 0 |
| DEPRECIATION | 0 | 0 |
| CONTRACT CLEANING | 85 | 1,020 |
| ELECTRICAL & MECHANICAL | 0 | 0 |
| ELEVATOR | 0 | 0 |
| EMPLOYEE RELATIONS | 22 | 264 |
| EQUIPMENT RENTAL | 172 | 2,064 |
| LIFT STATION MAINT | 0 | 0 |
| GROUNDS/LANDSCAPING | 214 | 2,565 |
| INSURANCE | 1,500 | 18,000 |
| LEGAL & OTHER PROFESSIONAL | 30 | 360 |
| LICENSE AND TAXES | 36 | 427 |
| MAINT CONTRACTS | 0 | 0 |
| OFFICE RENT | 90 | 1,080 |
| OTHER OPERATING EXP | 0 | 0 |
| PEST CONTROL | 188 | 2,250 |
| PLUMBING/HEATING | 0 | 0 |
| POOL FURNITURE | 0 | 0 |
| POOL SUPPLIES/SERVICE | 185 | 2,220 |
| POSTAGE | 47 | 558 |
| PRINTING/STATIONERY | 78 | 936 |
| RESERVE EXPENSE | 1,000 | 12,000 |
| SECURITY | 0 | 0 |
| SMALL FURNISHING/EQUIPMENT | 0 | 0 |
| TENNIS CLUB DUES | 0 | 0 |
| TRAVEL | 0 | 0 |
| TRAVEL ALLOWANCE - DIRECTORS | 25 | 300 |
| UNIFORMS | 17 | 209 |
| VENDING & SUNDRY SUPPLIES | 0 | 0 |
| WASTE REMOVAL | 420 | 5,040 |
| MANAGEMENT FEE | 135 | 1,620 |
| | ----- | ----- |
| TOTAL GENERAL OPERATING | 4,864 | 58,368 |
| | ----- | ----- |

COLONY HOTELS & RESORTS

EXHIBIT "I"

THE REGENCY AT
POIPU KAI BUDGET
1ST INCR. - 45 UNITS

| | MONTHLY ----- | ANNUAL ----- |
|-----------------------------------|------------------|-----------------|
| UTILITIES: | | |
| ----- | | |
| ELECTRICITY | 488 | 5,856 |
| HEATING OIL | 0 | 0 |
| GAS | 0 | 0 |
| SEPTIC | 41 | 492 |
| WATER | 1,031 | 12,372 |
| | ----- | ----- |
| TOTAL UTILITIES | 1,560 | 18,720 |
| | ----- | ----- |
| TELEPHONE | | |
| ----- | | |
| EQUIPMENT | 0 | 0 |
| SERVICE | 15 | 176 |
| COST OF SALES | 0 | 0 |
| | ----- | ----- |
| TOTAL TELEPHONE | 15 | 176 |
| | ----- | ----- |
| THE REGENCY AT POIPU KAI TOTAL EX | 11,942 | 143,309 |
| POIPU KAI ASSOCIATION FEES | | |
| DUES | 4,725 | 56,700 |
| CABLE TV | 468 | 5,616 |
| SEWER | 1,836 | 22,032 |
| TENNIS | 1,319 | 15,822 |
| | ----- | ----- |
| POIPU KAI'S FEES | 8,348 | 100,170 |
| | ----- | ----- |
| TOTAL EXPENSES | 20,290 | 243,479 |
| | ===== | ===== |

REGENCY AT POIPU KAI
1st INCREMENT - (45 UNITS)

| NUMBER OF APARTMENT | % COMMON INTEREST | MONTHLY MAINT. FEES | ANNUAL MAINT. FEES |
|------------------------|----------------------|------------------------|-----------------------|
| 110 | 2.0383 | 428.71 | 5144.52 |
| 111 | 2.0383 | 428.71 | 5144.52 |
| 112 | 2.2875 | 458.44 | 5501.28 |
| 113 | 2.0282 | 427.50 | 5130.00 |
| 114 | 2.0383 | 428.71 | 5144.52 |
| 120 | 2.2918 | 458.96 | 5507.52 |
| 121 | 2.2918 | 458.96 | 5507.52 |
| 122 | 2.6134 | 497.33 | 5967.96 |
| 123 | 2.2918 | 458.96 | 5507.52 |
| 124 | 2.2918 | 458.96 | 5507.52 |
| 210 | 2.0312 | 427.86 | 5134.32 |
| 211 | 2.0383 | 428.71 | 5144.52 |
| 212 | 2.5019 | 484.02 | 5808.24 |
| 220 | 2.2918 | 458.96 | 5507.52 |
| 221 | 2.2918 | 458.96 | 5507.52 |
| 310 | 2.0383 | 428.71 | 5144.52 |
| 311 | 2.0383 | 428.71 | 5144.52 |
| 312 | 2.2875 | 458.44 | 5501.28 |
| 313 | 2.0282 | 427.50 | 5130.00 |
| 314 | 2.0383 | 428.71 | 5144.52 |
| 320 | 2.2918 | 458.96 | 5507.52 |
| 321 | 2.2918 | 458.96 | 5507.52 |
| 322 | 2.6134 | 497.33 | 5967.96 |
| 323 | 2.2918 | 458.96 | 5507.52 |
| 324 | 2.2918 | 458.96 | 5507.52 |
| 410 | 2.0383 | 428.71 | 5144.52 |
| 411 | 2.0383 | 428.71 | 5144.52 |
| 412 | 2.2875 | 458.44 | 5501.28 |
| 413 | 2.0282 | 427.50 | 5130.00 |
| 414 | 2.0383 | 428.71 | 5144.52 |
| 420 | 2.2918 | 458.96 | 5507.52 |
| 421 | 2.2918 | 458.96 | 5507.52 |
| 422 | 2.6134 | 497.33 | 5967.96 |
| 423 | 2.2918 | 458.96 | 5507.52 |
| 424 | 2.2918 | 458.96 | 5507.52 |
| 510 | 2.0383 | 428.71 | 5144.52 |
| 511 | 2.0383 | 428.71 | 5144.52 |
| 512 | 2.2875 | 458.44 | 5501.28 |
| 513 | 2.0282 | 427.50 | 5130.00 |
| 514 | 2.0383 | 428.71 | 5144.52 |
| 520 | 2.2918 | 458.96 | 5507.52 |
| 521 | 2.2918 | 458.96 | 5507.52 |
| 522 | 2.6134 | 497.33 | 5967.96 |
| 523 | 2.2918 | 458.96 | 5507.52 |
| 524 | 2.2918 | 458.96 | 5507.52 |
| | 99.9998 | 20279.47 | 243353.64 |

COLONY HOTELS & RESORTS

THE REGENCY AT
POIPU KAI BUDGET
(73 UNITS)

| | MONTHLY | ANNUAL |
|----------------------------------|---------|---------|
| | ----- | ----- |
| INCOME: | | |
| ----- | | |
| GENERAL ASSESSMENTS: | | |
| GENERAL OPERATION ASSESSMENT | 15,302 | 183,623 |
| | 0 | 0 |
| | ----- | ----- |
| TOTAL GENERAL ASSESSMENTS | 15,302 | 183,623 |
| | ----- | ----- |
| OTHER INCOME: | | |
| LAUNDRY | 0 | 0 |
| INTEREST | 5 | 60 |
| MISC/LATE | 5 | 60 |
| SPACE RENTAL | 0 | 0 |
| SPECIAL RESERVE | 0 | 0 |
| | ----- | ----- |
| TOTAL OTHER | 10 | 120 |
| | ----- | ----- |
| TOTAL INCOME: | 15,312 | 183,743 |
| | ----- | ----- |
| PAYROLL-GENERAL OPERATIONS | | |
| ----- | | |
| GENERAL MANAGER/ACCOUNTING | 504 | 6,048 |
| OTHER | 3,100 | 37,200 |
| MAINTENANCE | 1,486 | 17,832 |
| HOLIDAY/SICK | 152 | 1,829 |
| VACATION | 181 | 2,177 |
| | ----- | ----- |
| SUBTOTAL | 5,424 | 65,086 |
| TAXES/BENEFITS | 642 | 7,706 |
| WORKERS COMPENSATION | 371 | 4,456 |
| RETIREMENT & HUMAN RES DEV | 178 | 2,135 |
| MEDICAL INSURANCE | 723 | 8,676 |
| | ----- | ----- |
| TOTAL PAYROLL-GENERAL OPERATIONS | 7,338 | 88,059 |
| | ----- | ----- |

COLONY HOTELS & RESORTS

THE REGENCY AT
POIPU KAI BUDGET
(73 UNITS)

| | MONTHLY | ANNUAL |
|-------------------------------|---------|--------|
| | ----- | ----- |
| GENERAL OPERATING | | |
| ----- | | |
| BANK CHARGES | 0 | 0 |
| ACCOUNTING SERVICES | 250 | 3,000 |
| BUILDING/PROPERTY MAINTENANCE | 375 | 4,500 |
| CABLE T.V. | 0 | 0 |
| DATA/PAYROLL PROCESSING | 90 | 1,080 |
| BAD DEBT | 0 | 0 |
| DEPRECIATION | 0 | 0 |
| CONTRACT CLEANING | 85 | 1,020 |
| ELECTRICAL & MECHANICAL | 0 | 0 |
| ELEVATOR | 0 | 0 |
| EMPLOYEE RELATIONS | 22 | 264 |
| EQUIPMENT RENTAL | 172 | 2,064 |
| LIFT STATION MAINT | 0 | 0 |
| GROUNDS/LANDSCAPING | 285 | 3,420 |
| INSURANCE | 2,000 | 24,000 |
| LEGAL & OTHER PROFESSIONAL | 30 | 360 |
| LICENSE AND TAXES | 36 | 427 |
| MAINT CONTRACTS | 0 | 0 |
| OFFICE RENT | 120 | 1,440 |
| OTHER OPERATING EXP | 0 | 0 |
| PEST CONTROL | 250 | 3,000 |
| PLUMBING/HEATING | 0 | 0 |
| POOL FURNITURE | 0 | 0 |
| POOL SUPPLIES/SERVICE | 185 | 2,220 |
| POSTAGE | 62 | 744 |
| PRINTING/STATIONERY | 104 | 1,248 |
| RESERVE EXPENSE | 1,000 | 12,000 |
| SECURITY | 0 | 0 |
| SMALL FURNISHING/EQUIPMENT | 0 | 0 |
| TENNIS CLUB DUES | 0 | 0 |
| TRAVEL | 0 | 0 |
| TRAVEL ALLOWANCE - DIRECTORS | 25 | 300 |
| UNIFORMS | 17 | 209 |
| VENDING & SUNDRY SUPPLIES | 0 | 0 |
| WASTE REMOVAL | 560 | 6,720 |
| MANAGEMENT FEE | 219 | 2,628 |
| | ----- | ----- |
| TOTAL GENERAL OPERATING | 5,887 | 70,644 |
| | ----- | ----- |

COLONY HOTELS & RESORTS

THE REGENCY AT
POIPU KAI BUDGET
(73 UNITS)

| | MONTHLY | ANNUAL |
|--------------------------------|----------|-----------|
| | ----- | ----- |
| UTILITIES: | | |
| ----- | | |
| ELECTRICITY | 650 | 7,800 |
| HEATING OIL | 0 | 0 |
| GAS | 0 | 0 |
| SEPTIC | 47 | 564 |
| WATER | 1,375 | 16,500 |
| | ----- | ----- |
| TOTAL UTILITIES | 2,072 | 24,864 |
| | ----- | ----- |
| TELEPHONE | | |
| ----- | | |
| EQUIPMENT | 0 | 0 |
| SERVICE | 15 | 176 |
| COST OF SALES | 0 | 0 |
| | ----- | ----- |
| TOTAL TELEPHONE | 15 | 176 |
| | ----- | ----- |
| REGENCY AT POIPU KAI TOTAL EXP | 15312 | 183743 |
| POIPU KAI ASSOCIATION FEES | | |
| DUES | 7300.00 | 87600.00 |
| CABLE TV | 759.20 | 9110.40 |
| SEWER | 2686.40 | 32236.80 |
| TENNIS | 1992.90 | 23914.80 |
| POIPU KAI'S FEES | 12738.50 | 152862.00 |
| TOTAL EXPENSES | 28049.50 | 336599.00 |

MAINTENANCE FEES

| <u>No. of Apartment</u> | <u>% Common Interest</u> | <u>Monthly Maintenance Fees</u> | <u>Annual Maintenance Fees</u> |
|-----------------------------|------------------------------|-------------------------------------|------------------------------------|
| 110 | 1.2542 | \$366.53 | \$4,398.36 |
| 111 | 1.2542 | 366.53 | 4,398.36 |
| 112 | 1.4076 | 390.01 | 4,680.12 |
| 113 | 1.2480 | 365.58 | 4,386.96 |
| 114 | 1.2542 | 366.53 | 4,398.36 |
| 120 | 1.4102 | 390.42 | 4,685.04 |
| 121 | 1.4102 | 390.42 | 4,685.04 |
| 122 | 1.6081 | 420.72 | 5,048.64 |
| 123 | 1.4102 | 390.42 | 4,685.04 |
| 124 | 1.4102 | 390.42 | 4,685.04 |
| 210 | 1.2499 | 366.87 | 4,402.44 |
| 211 | 1.2542 | 366.53 | 4,398.36 |
| 212 | 1.5396 | 410.23 | 4,922.76 |
| 220 | 1.4102 | 390.42 | 4,685.04 |
| 221 | 1.4102 | 390.42 | 4,685.04 |
| 310 | 1.2542 | 366.53 | 4,398.36 |
| 311 | 1.2542 | 366.53 | 4,398.36 |
| 312 | 1.4076 | 390.01 | 4,680.12 |
| 313 | 1.2480 | 365.58 | 4,386.96 |
| 314 | 1.2542 | 366.53 | 4,398.36 |
| 320 | 1.4102 | 390.42 | 4,685.04 |
| 321 | 1.4102 | 390.42 | 4,685.04 |
| 322 | 1.6081 | 420.72 | 5,048.64 |
| 323 | 1.4102 | 390.42 | 4,685.04 |
| 324 | 1.4102 | 390.42 | 4,685.04 |
| 410 | 1.2542 | 366.53 | 4,398.36 |
| 411 | 1.2542 | 366.53 | 4,398.36 |
| 412 | 1.4076 | 390.01 | 4,680.12 |
| 413 | 1.2480 | 365.58 | 4,386.96 |
| 414 | 1.2542 | 366.53 | 4,398.36 |
| 420 | 1.4102 | 390.42 | 4,685.04 |
| 421 | 1.4102 | 390.42 | 4,685.04 |
| 422 | 1.6081 | 420.72 | 5,048.64 |
| 423 | 1.4102 | 390.42 | 4,685.04 |
| 424 | 1.4102 | 390.42 | 4,685.04 |
| 510 | 1.2542 | 366.53 | 4,398.36 |
| 511 | 1.2542 | 366.53 | 4,398.36 |
| 512 | 1.4076 | 390.01 | 4,680.12 |

| | | | |
|-----|--------|--------|----------|
| 513 | 1.2480 | 365.58 | 4,386.96 |
| 514 | 1.2542 | 366.53 | 4,398.36 |
| 520 | 1.4102 | 390.42 | 4,685.04 |
| 521 | 1.4102 | 390.42 | 4,685.04 |
| 522 | 1.6081 | 420.72 | 5,048.64 |
| 523 | 1.4102 | 390.42 | 4,685.04 |
| 524 | 1.4102 | 390.42 | 4,685.04 |
| | | | |
| 610 | 1.3113 | 375.27 | 4,503.24 |
| 611 | 1.3113 | 375.27 | 4,503.24 |
| 620 | 1.4717 | 399.83 | 4,797.96 |
| 621 | 1.4717 | 399.83 | 4,797.96 |
| | | | |
| 710 | 1.3113 | 375.27 | 4,503.24 |
| 711 | 1.3113 | 375.27 | 4,503.24 |
| 720 | 1.4717 | 399.83 | 4,797.96 |
| 721 | 1.4717 | 399.83 | 4,797.96 |
| | | | |
| 810 | 1.2542 | 366.53 | 4,398.36 |
| 811 | 1.2542 | 366.53 | 4,398.36 |
| 812 | 1.4076 | 390.01 | 4,680.12 |
| 813 | 1.2480 | 365.58 | 4,386.96 |
| 814 | 1.2542 | 366.53 | 4,398.36 |
| 820 | 1.4102 | 390.42 | 4,685.04 |
| 821 | 1.4102 | 390.42 | 4,685.04 |
| 822 | 1.6081 | 420.72 | 5,048.64 |
| 823 | 1.4102 | 390.42 | 4,685.04 |
| 824 | 1.4102 | 390.42 | 4,685.04 |
| | | | |
| 910 | 1.2542 | 366.53 | 4,398.36 |
| 911 | 1.2542 | 366.53 | 4,398.36 |
| 912 | 1.4076 | 390.01 | 4,680.12 |
| 913 | 1.2480 | 365.58 | 4,386.96 |
| 914 | 1.2542 | 366.53 | 4,398.36 |
| 920 | 1.4102 | 390.42 | 4,685.04 |
| 921 | 1.4102 | 390.42 | 4,685.04 |
| 922 | 1.6081 | 420.72 | 5,048.64 |
| 923 | 1.4102 | 390.42 | 4,685.04 |
| 924 | 1.4102 | 390.42 | 4,685.04 |

The undersigned does hereby certify that the foregoing breakdown of monthly maintenance fee for each apartment and the estimated monthly and annual disbursements is based upon the best judgment of data available to the undersigned at this time and the undersigned does not represent that any of the results set forth herein will be obtained. The estimated monthly and annual disbursements are calculated upon generally accepted accounting principles.

COLONY HOTELS, INC. dba
COLONY HOTELS & RESORTS

By William K. Cozzetta
Its SR. VICE-PRES

Date 3-21-90