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

KEONEKAI VILLAGES

Keonekai Road
Kihei, Maui, HI 96753

Registration No. 2253

Issued: September 14, 1990
Expires: October 14, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of August 31, 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:

X **PRELIMINARY:** *(yellow)* — The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.

____ **FINAL:** *(white)* — The developer has legally created a condominium and has filed complete information with the Commission.
[ ] 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 [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[ ] Changes made are as follows:

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GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

[X] Fee simple interest in an apartment and an undivided fee hold interest in the common elements.
[ ] Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
[ ] Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

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

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

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

4. [ ] Single or [X] Multiple Buildings

5. Apartment Description – Apartment Type A, AR, B, BR, C, and CR are residential apartments. Laundry rooms are commercial apartments.

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A		2/1.5	750	81
AR		2/1.5	750	81
B		2/2	742	54
BR		2/2	742	54
C		2/1	625	N/A
CR		2/1	625	N/A
Laundry Room	3	N/A		

Total Apartments: 259

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

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

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	512
Guest Stalls	20
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: _____	
Total Parking Stalls	532

7. Recreational amenities: The Project does not have any recreational facilities, except barbecue/picnic benches located throughout the Project.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: KEO KAI DEVELOPMENT CORP.
Name
900 Fort Street, Suite 805
Business Address
Honolulu, Hawaii 96813
Phone: (808) 524-4065 (Business)

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

James G. Lee — President/Treasurer
Gary Y. Shigemura — Secretary

Real Estate Sales Agent: JGL ENTERPRISES, INC.
Name
900 Fort Street, Suite 805
Business Address
Honolulu, Hawaii 96813
Phone: (808) 524-4065 (Business)

Escrow: ISLAND TITLE CORPORATION
Name
1001 Bishop Street, 320 Pauahi Tower
Business Address
Honolulu, Hawaii 96813
Phone: (808) 526-9171 (Business)

Managing Agent: OIHANA PROPERTY MANAGEMENT AND SALES, INC.
Name
840 Alua Street, Suite 202
Business Address
Wailuku, Maui 96793
Phone: (808) 244-7684 (Business)

Attorney for Developer: JAMES A. STUBENBERG
Name
STUBENBERG & DURRETT
Business Address
1001 Bishop Street, 1250 Pauahi Tower
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:

[X] 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:

[X] 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:

[X] Proposed
[ ] Recorded - Bureau of Conveyances - Book _____ Page _____
[ ] 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

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

E. Changes to Condominium Documents

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	75%
House Rules	---	---

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:

The Developer may amend the Declaration without obtaining the consent or joinder of any apartment owner or any mortgagee, lienholder or any other person who may have an interest in the Project or any apartment therein, (a) to make any changes, including but not limited to the size, floor plan, location or assignment of parking stalls affecting any apartment which is not yet constructed; (b) to file an "as built" verified statement (with plans, if applicable) as required by Section 514A-12, Hawaii Revised Statutes, (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, apartment numbers, and dimensions of the apartments as built, or (ii) so long as any plans filed therewith involve only immaterial changes to the layout, location, apartment numbers, or dimensions of the apartments as built.

The Developer also reserves the right to amend the Declaration to convert the commercial apartments into common elements.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Exhibit _____ contains further explanations.

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

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

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

[ ] Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

Exhibit _____ contains further explanations.

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

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

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

[ ] Other:

For Subleaseholds:

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

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

B. Underlying Land:

Address: Not yet known Tax Map Key (TMK): 3-9-4-134

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

Land Area: 15.451* [ ] square feet [X] acre(s) Zoning: A-2

*Land area shall be reduced upon dedication of the roadway and the park to the County of Maui.

Fee Owner: Keo Kai Development Corp.
Name

900 Fort Street, Suite 805
Address

Honolulu, Hawaii 96813

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: 27 Floors Per Building 2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

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

   [ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[X] Commercial	3	[ ] Industrial	
[X] Residential	256	[ ] Agricultural	
[ ] Timeshare/Hotel		[ ] 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:

[X] Pets Dogs, cats and other household pets in a reasonable number.
(Exhibit "A" contains further explanations.)

[ ] Number of Occupants: _____

[X] Other: There are special use restrictions in the Declaration.
(Exhibit "B" contains further explanations.)

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 259 apartments

Elevators _____ Stairways _____ Trash Chutes _____

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A		2/1.5	750	81
AR		2/1.5	750	81
B		2/2	742	54
BR		2/2	742	54
C		2/1	625	N/A
CR		2/1	625	N/A
Laundry Room	3	N/A	242	N/A

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

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

Boundaries of Each Apartment:

Exterior perimeter walls extending from the boundary lines, floor and ceiling of each apartment as shown on the Condominium Map.

Permitted Alterations to Apartments:

Any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of such apartment shall require only the prior written approval of the Board and filing of an amendment to the Declaration or filing of a set of floor plans of the Project as so altered, if required by the Condominium Property Regime Act.

7. Parking Stalls:

Total Parking Stalls: 532

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)	256	256					512
Guest		20					20
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	532						

Each apartment will have the exclusive use of at least 2 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.

[X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Storage Area

[X] Recreation Area*

[ ] Laundry Area

[ ] Tennis Court

[ ] Trash Chute

[X] Other: Car wash facilities, barbecue/picnic benches

*Pursuant to Section 18 of the letter from the County of Maui Planning Department regarding the Special Management Area Permit Application, approximately 2.3 acres of the property shall be developed and dedicated to the County of Maui as a park.

9. Present Condition of Improvements

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

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

N/A

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

N/A

10. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

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

b. Conforming/Non-Conforming Uses, Structures, Lot (N/A)

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

	Conforming	Non-Conforming	Illegal
Uses			
Structures			
Lot			

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

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

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

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

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

   [X] Exhibit "C" describes the common elements.

   [ ] As follows:

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

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

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

      [X] described in Exhibit "D".

      [ ] 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.

   [X] Exhibit "E" describes the common interests for each apartment.

   [ ] As follows:

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

Exhibit "F" describes the encumbrances against the title contained in the title report dated 08/20/90 and issued by Island 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.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgage in favor of Roy T. Sato, husband of Alice T. Sato.	Buyer entitled to return of deposits without interest.
Mortgage in favor of Misawa Resort Co., Ltd.	Buyer entitled to return of deposits without interest.

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:

[X] Electricity (common area only)
[ ] Television Cable
[ ] Gas
[X] Water & Sewer
[X] Refuse Collection
[X] Other Commercial apartments are separately metered for electricity, water, gas and other utilities. Said utilities shall be paid by the owners of the commercial apartments.
[ ] 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 execution, delivery and recordation of the Apartment Deed shall constitute the assignment by Developer to Buyer of any and all warranties given Developer by the general contractor for the Project and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the Apartment, as that term is defined in the construction contract for the Project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents.

2. Appliances:

Buyer shall also have the direct benefit of any manufcturer's or dealer's warranties covering the appliances in the Apartment.

3. Warranty Exclusions:

The Developer makes no warranties, express or implied, with respect to the Apartment, the common elements, the Project, fixtures, or consumer products contained or installed in the Apartment.

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

Construction has not yet commenced.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

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

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated 04/09/90

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

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Although the letter from the Planning Department of the County of Maui, regarding the Special Management Area permit application, makes references to Phase II of this project, the developer has decided to develop this project in one phase. There is no Phase II of development in this project.

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. 2253 filed with the Real Estate Commission on May 29, 1990.

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

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

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

Peter N. Yanagawa

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"

USE OF PROJECT

No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs or cats, or other household pets in reasonable number may be kept by an apartment owner or occupant in his respective apartment but shall not be kept, bred or used therein for any commercial purposes nor allowed on any common elements except in transit when carried or on leash, provided that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board of Directors.

EXHIBIT "B"

SPECIAL USE RESTRICTIONS

The residential apartments shall be occupied and used only as private dwellings by the respective owners, their tenants, families, domestic servants and social guests, and for no other purposes. The residential apartments or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. The residential apartments shall not be rented for transient or hotel purposes, which are defined as (i) rental in which the occupants of the residential apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration.

Notwithstanding the foregoing, the Developer shall have the unconditional right to set aside, occupy and use two (2) residential apartments as sales models and/or sales office for the Project until such time as all residential apartments in the Project have been sold. The Developer shall also have the right to post signs and banners on or about the Project for the purposes of advertising the sale of the Project or assisting prospective buyers in locating the sales model apartment. Upon the termination of the use of said apartment as a sales model or an office, said apartment shall be fully subject to the terms of this Exhibit B and of the By-Laws regarding residential use.

The parking stalls appurtenant to any apartment and guest parking stalls shall be used only for the purpose of parking motor vehicles and shall not be used for parking boats, truck campers or trailers.

The commercial apartments shall be used only for the operation of laundry services.

EXHIBIT "C"

DESCRIPTION OF COMMON ELEMENTS

The "common elements" shall include, but not be limited to, the following:

(a) Land in fee simple;

(b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter and load-bearing walls, roofs, stairs, stairways, bridges, rails, fire escapes, and walkways around and between the buildings;

(c) All unenclosed yards, grounds, landscaping, garden areas, roads, curbs, trash enclosures and like facilities;

(d) All storage areas for the benefit of maintenance personnel, maintenance sheds, fire hoses, and alarm boxes, if any;

(e) All driveways, loading zone and parking areas including twenty (20) covered guest parking stalls;

(f) All car wash facilities and barbecue/picnic areas;

(g) All ducts, sewer lines, electrical equipment, pipes, wiring, compressors, tanks, motors, fans, and other central and appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, air conditioning, refuse, sewer, telephone and radio and television signal distribution; and

(h) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

Additional common elements or areas subject to common expenses may be designated upon the approval of ninety percent (90%) of the apartment owners and the filing of an amendment hereto.

EXHIBIT "D"

DESCRIPTION OF LIMITED

COMMON ELEMENTS

Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common element so set aside and reserved are as follows:

(a) The automobile parking stall(s) assigned to each apartment shall be appurtenant to and for the exclusive use of such apartment. The parking stall numbers for the parking stall or stalls appurtenant to each apartment are as set forth in Exhibit "E" attached hereto and as shown on the Condominium Map.

(b) The enclosed yard and interior of the yard enclosure for ground level apartments, if any, shall be for the exclusive use of the apartment to which said yard is appurtenant.

(c) Any walkway, stairway, or corridor which connects the apartment or apartments adjoining it to the exterior of the Project shall be appurtenant to and for the exclusive use of the apartment and said adjoining apartment or apartments.

(d) The mailbox assigned to each apartment.

(e) All other common elements of the Project which are rationally related to less than all of said apartments or buildings shall be limited to the use of such apartments or buildings.

EXHIBIT "E"

APARTMENTS AND COMMON INTERESTS

Res. Apt No.	Parking Stall Nos.	Apt. Type	No. of Rooms	No. of Stories	Sq. Ft Living Area	Approx. Sq. Ft. Lanai	Approx. Total Sq. Ft.	% of Common Int.
1-101	5 6	A	7	1	750	81	831	.00402
1-102	117 118	AR	7	1	750	81	831	.00402
1-103	1 2	A	7	1	750	81	831	.00402
1-104	9 10	AR	7	1	750	81	831	.00402
1-201	7 8	A	7	1	750	81	831	.00402
1-202	119 120	AR	7	1	750	81	831	.00402
1-203	3 4	A	7	1	750	81	831	.00402
1-204	11 12	AR	7	1	750	81	831	.00402
2-101	25 26	A	7	1	750	81	831	.00402
2-102	17 18	AR	7	1	750	81	831	.00402
2-103	23 24	A	7	1	750	81	831	.00402
2-104	29 30	AR	7	1	750	81	831	.00402
2-201	27 28	A	7	1	750	81	831	.00402

2-202	19 20	AR	7	1	750	81	831	.00402
2-203	21 22	A	7	1	750	81	831	.00402
2-204	31 32	AR	7	1	750	81	831	.00402
3-101	35 36	A	7	1	750	81	831	.00402
3-102	39 40	AR	7	1	750	81	831	.00402
3-103	47 48	A	7	1	750	81	831	.00402
3-104	43 44	AR	7	1	750	81	831	.00402
3-201	33 34	A	7	1	750	81	831	.00402
3-202	37 38	AR	7	1	750	81	831	.00402
3-203	45 46	A	7	1	750	81	831	.00402
3-204	41 42	AR	7	1	750	81	831	.00402
4-101	71 72	B	7	1	742	54	796	.00398
4-102	53 54	BR	7	1	742	54	796	.00398
4-103	61 62	B	7	1	742	54	796	.00398
4-104	65 66	BR	7	1	742	54	796	.00398
4-105	57 58	B	7	1	742	54	796	.00398

4-106	69 70	BR	7	1	742	54	796	.00398
4-201	73 74	B	7	1	742	54	796	.00398
4-202	51 52	BR	7	1	742	54	796	.00398
4-203	59 60	B	7	1	742	54	796	.00398
4-204	63 64	BR	7	1	742	54	796	.00398
4-205	55 56	B	7	1	742	54	796	.00398
4-206	67 68	BR	7	1	742	54	796	.00398
5-101	49 50	A	7	1	750	81	831	.00402
5-102	81 82	AR	7	1	750	81	831	.00402
5-103	77 78	A	7	1	750	81	831	.00402
5-104	83 84	AR	7	1	750	81	831	.00402
5-201	87 88	A	7	1	750	81	831	.00402
5-202	79 80	AR	7	1	750	81	831	.00402
5-203	75 76	A	7	1	750	81	831	.00402
5-204	85 86	AR	7	1	750	81	831	.00402
6-101	95 96	A	7	1	750	81	831	.00402

6-102	89 90	AR	7	1	750	81	831	.00402
6-103	93 94	A	7	1	750	81	831	.00402
6-104	101 102	AR	7	1	750	81	831	.00402
6-201	99 100	A	7	1	750	81	831	.00402
6-202	97 98	AR	7	1	750	81	831	.00402
6-203	91 92	A	7	1	750	81	831	.00402
6-204	103 104	AR	7	1	750	81	831	.00402
7-101	15 16	A	7	1	750	81	831	.00402
7-102	109 110	AR	7	1	750	81	831	.00402
7-103	105 106	A	7	1	750	81	831	.00402
7-104	115 116	AR	7	1	750	81	831	.00402
7-201	13 14	A	7	1	750	81	831	.00402
7-202	111 112	AR	7	1	750	81	831	.00402
7-203	107 108	A	7	1	750	81	831	.00402
7-204	113 114	AR	7	1	750	81	831	.00402
8-101	129 130	A	7	1	750	81	831	.00402

8-102	133 134	AR	7	1	750	81	831	.00402
8-103	125 126	A	7	1	750	81	831	.00402
8-104	121 122	AR	7	1	750	81	831	.00402
8-201	131 132	A	7	1	750	81	831	.00402
8-202	135 136	AR	7	1	750	81	831	.00402
8-203	127 128	A	7	1	750	81	831	.00402
8-204	123 124	AR	7	1	750	81	831	.00402
9-101	139 140	A	7	1	750	81	831	.00402
9-102	291 292	AR	7	1	750	81	831	.00402
9-103	285 286	A	7	1	750	81	831	.00402
9-104	137 138	AR	7	1	750	81	831	.00402
9-201	287 288	A	7	1	750	81	831	.00402
9-202	289 290	AR	7	1	750	81	831	.00402
9-203	293 294	A	7	1	750	81	831	.00402
9-204	141 142	AR	7	1	750	81	831	.00402
10-101	151 152	A	7	1	750	81	831	.00402

10-102	155 156	AR	7	1	750	81	831	.00402
10-103	149 150	A	7	1	750	81	831	.00402
10-104	147 148	AR	7	1	750	81	831	.00402
10-201	153 154	A	7	1	750	81	831	.00402
10-202	157 158	AR	7	1	750	81	831	.00402
10-203	143 144	A	7	1	750	81	831	.00402
10-204	145 146	AR	7	1	750	81	831	.00402
11-101	173 174	A	7	1	750	81	831	.00402
11-102	163 164	AR	7	1	750	81	831	.00402
11-103	159 160	A	7	1	750	81	831	.00402
11-104	171 172	AR	7	1	750	81	831	.00402
11-201	169 170	A	7	1	750	81	831	.00402
11-202	165 166	AR	7	1	750	81	831	.00402
11-203	161 162	A	7	1	750	81	831	.00402
11-204	167 168	AR	7	1	750	81	831	.00402
12-101	197 198	C	6	1	625	0	625	.00335

12-102	191 192	CR	6	1	625	0	625	.00335
12-103	183 184	C	6	1	625	0	625	.00335
12-104	195 196	CR	6	1	625	0	625	.00335
12-105	175 176	C	6	1	625	0	625	.00335
12-106	187 188	CR	6	1	625	0	625	.00335
12-107	199 200	C	6	1	625	0	625	.00335
12-108	205 206	CR	6	1	625	0	625	.00335
12-201	201 202	C	6	1	625	0	625	.00335
12-202	189 190	CR	6	1	625	0	625	.00335
12-203	181 182	C	6	1	625	0	625	.00335
12-204	179 180	CR	6	1	625	0	625	.00335
12-205	177 178	C	6	1	625	0	625	.00335
12-206	185 186	CR	6	1	625	0	625	.00335
12-207	193 194	C	6	1	625	0	625	.00335
12-208	203 204	CR	6	1	625	0	625	.00335
13-101	229 230	C	6	1	625	0	625	.00335

13-102	225 226	CR	6	1	625	0	625	.00335
13-103	219 220	C	6	1	625	0	625	.00335
13-104	211 212	CR	6	1	625	0	625	.00335
13-105	207 208	C	6	1	625	0	625	.00335
13-106	215 216	CR	6	1	625	0	625	.00335
13-107	237 238	C	6	1	625	0	625	.00335
13-108	231 232	CR	6	1	625	0	625	.00335
13-201	227 228	C	6	1	625	0	625	.00335
13-202	223 224	CR	6	1	625	0	625	.00335
13-203	221 222	C	6	1	625	0	625	.00335
13-204	213 214	CR	6	1	625	0	625	.00335
13-205	209 210	C	6	1	625	0	625	.00335
13-206	217 218	CR	6	1	625	0	625	.00335
13-207	235 236	C	6	1	625	0	625	.00335
13-208	233 234	CR	6	1	625	0	625	.00335
14-101	263 264	C	6	1	625	0	625	.00335

14-102	259 260	CR	6	1	625	0	625	.00335
14-103	249 250	C	6	1	625	0	625	.00335
14-104	239 240	CR	6	1	625	0	625	.00335
14-105	253 254	C	6	1	625	0	625	.00335
14-106	245 246	CR	6	1	625	0	625	.00335
14-107	269 270	C	6	1	625	0	625	.00335
14-108	255 256	CR	6	1	625	0	625	.00335
14-201	261 262	C	6	1	625	0	625	.00335
14-202	257 258	CR	6	1	625	0	625	.00335
14-203	243 244	C	6	1	625	0	625	.00335
14-204	241 242	CR	6	1	625	0	625	.00335
14-205	251 252	C	6	1	625	0	625	.00335
14-206	247 248	CR	6	1	625	0	625	.00335
14-207	267 268	C	6	1	625	0	625	.00335
14-208	265 266	CR	6	1	625	0	625	.00335
15-101	279 280	A	7	1	750	81	831	.00402

15-102	273 274	AR	7	1	750	81	831	.00402
15-103	277 278	A	7	1	750	81	831	.00402
15-104	295 296	AR	7	1	750	81	831	.00402
15-201	281 282	A	7	1	750	81	831	.00402
15-202	271 272	AR	7	1	750	81	831	.00402
15-203	275 276	A	7	1	750	81	831	.00402
15-204	283 284	AR	7	1	750	81	831	.00402
16-101	307 308	A	7	1	750	81	831	.00402
16-102	301 302	AR	7	1	750	81	831	.00402
16-103	297 298	A	7	1	750	81	831	.00402
16-104	311 312	AR	7	1	750	81	831	.00402
16-201	305 306	A	7	1	750	81	831	.00402
16-202	303 304	AR	7	1	750	81	831	.00402
16-203	299 300	A	7	1	750	81	831	.00402
16-204	309 310	AR	7	1	750	81	831	.00402
17-101	335 336	B	7	1	742	54	796	.00398

17-102	331 332	BR	7	1	742	54	796	.00398
17-103	327 328	B	7	1	742	54	796	.00398
17-104	323 324	BR	7	1	742	54	796	.00398
17-105	319 320	B	7	1	742	54	796	.00398
17-106	315 316	BR	7	1	742	54	796	.00398
17-201	333 334	B	7	1	742	54	796	.00398
17-202	329 330	BR	7	1	742	54	796	.00398
17-203	325 326	B	7	1	742	54	796	.00398
17-204	321 322	BR	7	1	742	54	796	.00398
17-205	317 318	B	7	1	742	54	796	.00398
17-206	313 314	BR	7	1	742	54	796	.00398
18-101	349 350	A	7	1	750	81	831	.00403
18-102	357 358	AR	7	1	750	81	831	.00402
18-103	353 354	A	7	1	750	81	831	.00402
18-104	345 346	AR	7	1	750	81	831	.00402
18-201	351 352	A	7	1	750	81	831	.00402

18-202	359 360	AR	7	1	750	81	831	.00402
18-203	355 356	A	7	1	750	81	831	.00402
18-204	347 348	AR	7	1	750	81	831	.00402
19-101	373 374	A	7	1	750	81	831	.00402
19-102	369 370	AR	7	1	750	81	831	.00402
19-103	365 366	A	7	1	750	81	831	.00402
19-104	367 368	AR	7	1	750	81	831	.00402
19-201	375 376	A	7	1	750	81	831	.00402
19-202	371 372	AR	7	1	750	81	831	.00402
19-203	361 362	A	7	1	750	81	831	.00402
19-204	363 364	AR	7	1	750	81	831	.00402
20-101	381 382	A	7	1	750	81	831	.00402
20-102	389 390	AR	7	1	750	81	831	.00402
20-103	387 388	A	7	1	750	81	831	.00402
20-104	377 378	AR	7	1	750	81	831	.00402
20-201	383 384	A	7	1	750	81	831	.00402

20-202	391 392	AR	7	1	750	81	831	.00402
20-203	385 386	A	7	1	750	81	831	.00402
20-204	379 380	AR	7	1	750	81	831	.00402
21-101	401 402	A	7	1	750	81	831	.00402
21-102	407 408	AR	7	1	750	81	831	.00402
21-103	393 394	A	7	1	750	81	831	.00402
21-104	397 398	AR	7	1	750	81	831	.00402
21-201	403 404	A	7	1	750	81	831	.00402
21-202	405 406	AR	7	1	750	81	831	.00402
21-203	395 396	A	7	1	750	81	831	.00402
21-204	399 400	AR	7	1	750	81	831	.00402
22-101	411 412	A	7	1	750	81	831	.00402
22-102	421 422	AR	7	1	750	81	831	.00402
22-103	419 420	A	7	1	750	81	831	.00402
22-104	409 410	AR	7	1	750	81	831	.00402
22-201	415 416	A	7	1	750	81	831	.00402

22-202	423 424	AR	7	1	750	81	831	.00402
22-203	417 418	A	7	1	750	81	831	.00402
22-204	413 414	AR	7	1	750	81	831	.00402
23-101	431 432	A	7	1	750	81	831	.00402
23-102	437 438	AR	7	1	750	81	831	.00402
23-103	425 426	A	7	1	750	81	831	.00402
23-104	429 430	AR	7	1	750	81	831	.00402
23-201	435 436	A	7	1	750	81	831	.00402
23-202	439 440	AR	7	1	750	81	831	.00402
23-203	427 428	A	7	1	750	81	831	.00402
23-204	433 434	AR	7	1	750	81	831	.00402
24-101	443 444	B	7	1	742	54	796	.00398
24-102	445 446	BR	7	1	742	54	796	.00398
24-103	449 450	B	7	1	742	54	796	.00398
24-104	453 454	BR	7	1	742	54	796	.00398
24-105	457 458	B	7	1	742	54	796	.00398

24-106	463 464	BR	7	1	742	54	796	.00398
24-201	441 442	B	7	1	742	54	796	.00398
24-202	447 448	BR	7	1	742	54	796	.00398
24-203	451 452	B	7	1	742	54	796	.00398
24-204	455 456	BR	7	1	742	54	796	.00398
24-205	459 460	B	7	1	742	54	796	.00398
24-206	461 462	BR	7	1	742	54	796	.00398
25-101	465 466	A	7	1	750	81	831	.00402
25-102	337 338	AR	7	1	750	81	831	.00402
25-103	343 344	A	7	1	750	81	831	.00402
25-104	471 472	AR	7	1	750	81	831	.00402
25-201	467 468	A	7	1	750	81	831	.00402
25-202	339 340	AR	7	1	750	81	831	.00402
25-203	341 342	A	7	1	750	81	831	.00402
25-204	469 470	AR	7	1	750	81	831	.00402
26-101	507 508	A	7	1	750	81	831	.00402

26-102	501 502	AR	7	1	750	81	831	.00402
26-103	497 498	A	7	1	750	81	831	.00402
26-104	511 512	AR	7	1	750	81	831	.00402
26-201	505 506	A	7	1	750	81	831	.00402
26-202	503 504	AR	7	1	750	81	831	.00402
26-203	499 500	A	7	1	750	81	831	.00402
26-204	509 510	AR	7	1	750	81	831	.00402
27-101	489 490	B	7	1	742	54	796	.00398
27-102	493 494	BR	7	1	742	54	796	.00398
27-103	485 486	B	7	1	742	54	796	.00398
27-104	479 480	BR	7	1	742	54	796	.00398
27-105	475 476	B	7	1	742	54	796	.00398
27-106	487 488	BR	7	1	742	54	796	.00398
27-201	491 492	B	7	1	742	54	796	.00398
27-202	495 496	BR	7	1	742	54	796	.00398
27-203	483 484	B	7	1	742	54	796	.00398

27-204	477 478	BR	7	1	742	54	796	.00398
27-205	473 474	B	7	1	742	54	796	.00398
27-206	481 482	BR	7	1	742	54	796	.00398

Com. Apt. No.	Parking Stall Nos.	Apt. Type	No. of Rooms	No. of Stories	Sq. Ft Living Area	Approx. Sq. Ft. Lanai	Approx. Total Sq. Ft.	% of Common Int.
LR 12-1	n/a	n/a	n/a	n/a	n/a	n/a	242	.00165
LR 13-1	n/a	n/a	n/a	n/a	n/a	n/a	242	.00165
LR 14-1	n/a	n/a	n/a	n/a	n/a	n/a	242	.00165

GUEST PARKING: 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. Mortgage dated _____, 1989, recorded June 2, 1989, in the Bureau of Conveyances, State of Hawaii, in Book 23254, Page 572, in favor of Roy T. Sato, husband of Alice T. Sato, from Keo Kai Development Corp., a Hawaii corporation.

3. Mortgage dated August 1, 1990, recorded August 6, 1990, in the Bureau of Conveyances, State of Hawaii, as Document No. 90-119891, in favor of Misawa Resort Co., Ltd., a Japan corporation.

EXHIBIT G

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

KEONEKAI VILLAGES
Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months = Yearly Total
TYPE "A" (159 units)	$90.90 per unit $14,453.14 $173,437.66
TYPE "A-MODEL" (1 unit)	$91.13 $1,093.52
TYPE "B" (48 units)	$90.00 per unit $4,319.80 $51,837.56
TYPE "C" (48 units)	$75.75 per unit $3,636.01 $43,632.12
TYPE "LR" (3 units)	$37.31 per unit $111.93 $1,343.16

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:

KEONEKAI VILLAGES

	Monthly	x ... months = Yearly Total
Utilities and Services		
Air Conditioning		
Electricity		
[X] common elements only	$ 634.	$ 7,608.
[ ] common elements and apartments		
Gas		
Refuse Collection	1,670.	20,040.
Telephone	35.	420.
Water and Sewer	6,523.	78,276.
Maintenance, Repairs and Supplies		
Building	600.	7,200.
Grounds	3,430.	41,160.
Management		
Management Fee	2,662.	31,944.
Payroll and Payroll Taxes	1,950.	23,400.
Office Expenses	40.	480.
Insurance		
Fire/Liability/Bond	2,031.	24,372.
Health	145.	1,740.
Reserves	1,230.	14,760.
Taxes and Government Assessments		
Audit Fees	125.	1,500.
Other		
Resident Managers Apartment	1,000.	12,000.
Condominium Registration	537.	6,444.
TOTAL	$22,612.	$271,344.

I/We, OHANA PROPERTY MANAGEMENT & SALES, INC., 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

Dick Weaver, CPM - President

Date: April 16, 1990

EXHIBIT "H"

SUMMARY OF SALES CONTRACT

1. The sales agreement contains the price and other terms and conditions under which a buyer will agree to buy an apartment in the Project.

2. The contract provides for the buyer to get a copy of certain legal documents that buyer should closely examine.

3. The contract provides for severe penalties if buyer fails to comply with the terms and conditions of the contract.

4. The buyer must complete the sale and purchase of the apartment by a certain date and pay closing costs, in addition to the purchase price.

5. The buyer will not receive interest on deposits made under the sales agreement.

6. The buyer's money will be held in escrow under the terms of the Escrow Agreement for the project.

7. The Project will be subject to ongoing construction and sales activities which will result in certain annoyances to the buyer.

8. The Developer is making no warranties or representations in connection with the sale of any of the apartments.

This is merely a highlighted summary of certain of the terms and conditions of the sales contract, and any buyer should review all the terms and conditions of the sales agreement before signing.

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the payments 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 many other provisions and establishes certain charges that may be incurred by the purchaser, and the purchaser should carefully read the entire Escrow Agreement.

HANNIBAL TAVARES
Mayor

CHRISTOPHER L
Planning Direc
RALPH N. MAST
Deputy Planning Di

COUNTY OF MAUI
PLANNING DEPARTMENT
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

February 15, 1990

CERTIFIED MAIL RECEIPT

Mr. B. Martin Luna, Esq.
2145 Wells Street, Ste. 201
Wailuku, Hawaii 96793

Mr. Isaac Hall, Esq.
2087 Wells Street
Wailuku, Hawaii 96793

'90 FEB 22 P2:56
CARLSMITH

Dear Parties:

Re: Special Management Area Permit Application by Mr. B. Martin Luna, on behalf of Keo Kai Development Corporation, for the proposed construction of the 256 unit Keonekai villages Apartments and related improvements at TMK 3-9-04: portion of 134, Kihei, Maui, Hawaii (89/SM1-045).

Please be advised that the Maui Planning Commission at its February 13, 1990 meeting voted to accept the withdrawal of the Petition to Intervene with the concurrence of both parties.

Further, the Commission voted to approve the Special Management Area Use Permit, subject to the following conditions:

1. That the conditions of this Special Management Area Use Permit shall be self enforcing and, accordingly, upon due notice by the Planning Department to the permit holder and the Planning Commission that there is prima facie evidence that a breach has occurred the permit shall be automatically suspended pending a hearing on the continuity of such Special Management Area Use Permit, provided that written request for such a hearing is filed with the department within ten (10) days of the date of receipt of such notice of alledged breach. If no request for hearing is filed within said ten (10) day period, the Planning Commission may revoke said Special Management Area Use Permit.

EXHIBIT J

2. That the subject Special Management Area Use Permit shall not be transferred without the prior written approval of the Planning Commission. However, in the event that a contested case hearing preceded issuance of said Special Management Area Use Permit, a public hearing shall be held upon due published notice including actual written notice to the last known addresses of parties to said contested case and their counsel.

3. That the applicant, its successors and permitted assigns shall exercise reasonable due care as to third parties with respect to all areas affected by subject Special Management Area Use Permit and shall hold the County of Maui harmless from and against any loss, liability, claim or demand arising out of this permit.

4. That full compliance with all applicable governmental requirements shall be rendered.

5. That the construction of the proposed project shall be initiated within a period of two (2) years from the date of the granting of the Special Management Area Use Permit. Further, initiation of construction shall be determined as construction of offsite improvements, issuance of a foundation permit and initiation of construction of the foundation, or issuance of a building permit and initiation of building construction; whichever occurs first. (As Amended at Commission's Meeting)

6. That the construction of the project shall be completed within five (5) years after the date of its initiation.

7. That appropriate measures shall be taken during construction to mitigate the short term impacts of the project relative to soil erosion from wind and water, ambient noise levels, and traffic disruptions.

8. That full compliance with comments of the Department of Water Supply dated December 6, 1989 (Exhibit 1) shall be rendered.

9. That the project in its entirety shall provide affordable multi-family dwelling units for sale or rent for long-term residential use. That affordable housing shall be defined by the State of Hawaii's Housing Finance and Development Corporation's definition which defines affordable housing as housing units which are affordable to families who earn no more than 140% of the applicable county's median income.

10. That the individual unit sales price and rental fee schedule for the project shall be reviewed and approved by the Housing Division as meeting the affordable housing criteria.

11. That full compliance with comments of the Department of Health dated November 20, 1989 (Exhibit 4) shall be rendered.

12. That full compliance with comments of the Department of Land and Natural Resources dated December 14, 1989 and January 3, 1990 (Exhibit 5 and 6) shall be rendered.

13. That full compliance with comments of the Department of Transportation, Highways Division dated November 24, 1989 (Exhibit 7) shall be rendered.

14. That full compliance with comments of the Maui Urban Design Review Board dated December 27, 1989 (Exhibit 8) shall be rendered.

15. That full compliance with comments nos. 1, 3, 5, 7, and 9 of the Department of Public Works dated January 22, 1990 (Exhibit 2) shall be rendered.

16. That during the building permit application process should the Department of Public Works determine that improvements are required for the Keonekai Road-South Kihei Road intersection which may include, but not be limited to, separate left-turn and/or right-turn lanes on both roadways then said improvements shall be constructed in accordance with the Department's requirements.

17. That the applicant shall provide for a future right-of-way for the proposed north-south collector roadway in accordance with the Kihei Traffic Master Plan. That the roadway right-of-way shall be subdivided and dedicated to the County of Maui during Phase II of the development.

18. That the remaining portion of the parcel approximately 2.3 acres shall be dedicated to the County of Maui as a park in order to meet the Park Assessment requirement. Said park shall be improved through grading, landscaping with grass and trees and irrigation. Further, the improvements shall be extended into the collector roadway right-of-way until such time as the collector roadway is constructed. Said improvements shall be constructed during Phase II of the development.

19. That the trash receptacles shall be located within the interior areas of the project. (As included at Commission's Meeting)

20. That the final lighting plan shall be submitted to the Planning Department to ensure that exterior lighting does not adversely impact the surrounding residential neighborhood. (As included at Commission's Meeting)

21. That the final architectural and landscape architectural plans shall be submitted to the Planning Department for review and approval. Further, the roof line of Building 23 shall be modified to reflect breaks within the gable roof to ensure some vistas to the mauka residential lots. (As included at Commission's Meeting)

22. That a minimum ninety (90) ft. setback shall be maintained between the building wall and the existing mauka property lines. (As included at Commission's Meeting)

Enclosed for your information is a copy of the Director's Report and Addendum Report dated January 30, 1990 and the Recommendation Report dated February 13, 1990.

Thank you for your cooperation. If additional clarification is required please contact Ms. Colleen Suyama of my office.

Very truly yours,

CHRISTOPHER L. HART
Planning Director

encl.

cc: LUCA, Bldg
LUCA, CZM
Water
Housing
DOH
DOT-Hwys
Parks
C. Suyama

STANDARD COMMENTS
AN DESIGN REVIEW BOARD
COUNTY OF MAUI

Final landscape architectural plans should be prepared which reflect the following:

a. A complete site plan defining site grading, surface drainage and circulation.

b. A complete site irrigation system defining head locations, coverage and pipe sizes.

c. A complete site planning and lighting plan defining plant locations, names, sizes and quantities plus necessary landscape lighting.

d. Design drawings for an entrance feature which shall identify the project and contribute to the enhancement of the streetscape.

e. Depression and/or visual screening of parking areas from public view.

f. Specification of one large crown shade tree for every five (5) parking stalls to be located in planted areas which are curbed and four (4) feet minimum in width and adjacent to required maneuvering lanes.

g. Provision of permanent wheel stops for parking spaces abutting pedestrian walkways, in order to control the encroachment of automobile bumper overhang.

h. Provision of an efficiently developed and aesthetically integrated service and trash disposal system.

i. Visual screening or enclosure of electric meter bank(s), electric transformer(s), liquid propane gas tank(s), sewage treatment plant(s), and pool equipment, if required.

j. Specification of parking area and pedestrian walkway lighting fixtures which are dark metal or wood surfaces, and which do not exceed ten (10) feet in height. (All additionally required lighting should result from indirect landscape sources and low intensity building wall-mounted fixtures.)

Final architectural plans should be prepared which reflect or consider the following:

a. Incorporation of planting as an architectural element.

b. Specification of exterior railings and window frames which are dark metal or wood surfaces.

c. Specification of an exterior color scheme which expresses structural elements and which is of medium earth tone intensity.

d. Definition of a coordinated program or indirectly lighted graphics.