



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

CONDOMINIUM PUBLIC REPORT

KAUHIKOA HALE
 422 Kauhikoa Road
 Haiku, Maui, Hawaii

Registration No. 2446 (Conversion)

Issued: January 31, 1992
 Expires: March 3, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 24, 1992, 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.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

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*****
*
*                               SPECIAL ATTENTION                               *
*
*   It is the opinion of the County of Maui that the Project                   *
*   should be developed as a subdivision. The Developer's                    *
*   attorney believes otherwise, since similar type projects                  *
*   were previously permitted by the County without subse-                   *
*   quent amendments to the County Codes or Rules and                       *
*   Regulations.                                                               *
*
*   It is incumbent upon all prospective purchasers to review                *
*   Exhibits "F" and "G" of this public report, and to consult               *
*   with their legal counsel.                                                 *
*
*   THIS PUBLIC REPORT DOES NOT CONSTITUTE APPROVAL OF THE                   *
*   PROJECT BY THE REAL ESTATE COMMISSION, nor does it ensure                *
*   that all applicable County codes, ordinances, and                        *
*   subdivision requirements have necessarily been complied                   *
*   with.                                                                       *
*
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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.

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.

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.

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 Ohana
 Mixed Residential and Commercial Agricultural
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>	<u>Garage Carport</u>
Detached Dwelling	7	2/1	840 sf	176 sf	392 sf
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Apartments: 7

**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)	14
Guest Stalls	7
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>21</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Robert Alan Haskin & JoAnn Haskin Phone: 579-9146
Name (Business)
123 Aleiki Place
Business Address
Paia, Hawaii 96779

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

N/A

Real Estate Broker: Robert A. Haskin Phone: 572-6674
Name (Business)
3620 Baldwin Ave., Suite 203 License No. RB14612
Business Address
Makawao, Hawaii 96768

Escrow: Title Guaranty Escrow Services, Inc. Phone: 244-7924
Name (Business)
2103 Wells St., Ste. C
Business Address
Wailuku, Hawaii 96793

General Contractor: Chaswell Phone: 875-9039
Name (Business)
745 Mililani Place License No. BC-16658
Business Address
Kihei, Hawaii 96753

Condominium Managing Agent: Oihana Property Management & Sales, Inc. Phone: 244-7684
Name (Business)
840 Alua St., Ste. 202 CMA No. CMA-87
Business Address
Wailuku, Hawaii 96793

Attorney for Developer: Lawrence N. C. Ing (Ing & Ige) Phone: 242-4555
Name (Business)
2145 Wells St., Ste. 204
Business Address
Wailuku, Hawaii 96793

**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 - Document No. _____
Book _____ Page _____
 Filed - Land Court - Document No. _____

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 - Document No. _____
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

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

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

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

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

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

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: 422 Kauhikoa Road Tax Map Key: (2) 2-7-16-62
Haiku, Maui, Hawaii 96708 (TMK)

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

Land Area: 153,261 [X] square feet [] acre(s) Zoning: Rural

Fee Owner: Robert Alan Haskin & JoAnn Haskin
Name

123 Aleiki Place
Address

Paia, Maui, Hawaii 96779

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 7 Floors Per Building 1

[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [] Hollow Tile [X] Wood

[] Other _____

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>7</u>	<u>Yes</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

Yes No

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: No dogs or other animals larger than house cat.

Number of Occupants: 4

Other: No loud noise after 10 p.m., except Friday and Saturday.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 0 Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>	<u>Carport</u>
<u>Residential</u>	<u>7</u>	<u>2/1</u>	<u>840 sf</u>	<u>176 sf</u>	<u>392 sf</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Apartments: 7

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

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

Boundaries of Each Apartment: Each apartment shall be deemed to include the entire building it is in, including walls, partitions, floors, roof, ceilings, windows, doors, fixtures and appliances originally installed therein along with five (5) feet of grass area around each apartment.

Permitted Alterations to Apartments: The owner of each apartment may make any alterations or additions within any apartment.

7. Parking Stalls:

Total Parking Stalls: 21

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>7</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14</u>
Guest	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Extra Available for Purchase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Covered & Open	<u>21</u>		<u>0</u>		<u>0</u>		

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: None.

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years): Not Applicable.

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

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

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

Exhibit _____ describes the common elements.

As follows:

- a) The land described in Exhibit "A".
- b) The mailboxes and trash areas.
- c) The driveways and guest parking stalls.
- d) The central and appurtenant installations for services such as power, light and water.
- e) All of the parts of the project existing for the common use and are necessary to the existence, maintenance and safety of the project.

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 _____

as follows: One (1) open parking stall for each unit as shown on condominium map.

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 _____ describes the common interests for each apartment.

As follows: One-seventh (1/7) or 14.285% interest for Apartments Nos. 2 thru 7 with Apartment No. 1 having a 14.290% interest.

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

Exhibit "B" describes the encumbrances against the title contained in the title report dated April 23, 1991 and issued by Title Guaranty of Hawaii, Inc.

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>
First Mortgage on property to be paid off simultaneously with closing of first three sales.	None as Developer will not close any sale without full release.

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 "C" 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:

Not applicable

Electricity

Television Cable

Gas

Water ~~& Sewer~~

Other Refuse collection

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: None.

2. Appliances: None.

J. Status of Construction and Estimated Completion Date: Completed June 1990.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development: None.

L. Sales Documents Filed With the Real Estate Commission:

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

Notico to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated April 3, 1991

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales 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.

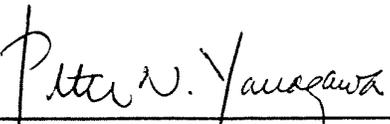
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2446 filed with the Real Estate Commission on May 17, 1991.

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 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

EXHIBIT "A"

LAND DESCRIPTION

All of that certain parcel of land situate at Kuaaha-Pauwela, Hamakualoa, District of Makawao, Island and County of Maui, State of Hawaii, being LOT 14 of the "HAIKU LANI SUBDIVISION", as shown on File Plan Number 1949, filed in the Bureau of Conveyances of the State of Hawaii, and containing an area of 153,261 square feet, more or less.

Being the same premises conveyed to Robert Alan Haskin and Joann Haskin, husband and wife, by Warranty Deed dated July 7, 1989, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23399, Page 271.

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes have been fully paid up to and including June 30, 1991.

2. "Excepting and reserving the Kiilau Stream (former Haiku Stream) and all riparian and other rights in or to this stream and water thereof."; as reserved in Land Patent Grant Number 7525.

3. Existing concrete road as shown on Certification Survey dated June 30, 1988 prepared for Job No. 87-46 by Albert S. Saiki, Registered Professional Land Surveyor.

4. Reservations and conditions contained in Deed dated May 11, 1909, recorded in said Bureau of Conveyances in Liber 316 on Page 337.

5. Grant to the Board of Water Supply of the County of Maui dated June 21, 1973, and recorded in said Bureau of Conveyances in Liber 9322 on Page 458, granting an easement for water pipeline purposes.

6. Designation of Easement "6" (20 feet wide, area 6,274 square feet) for drainage purposes as shown on File Plan No. 1949.

7. Designation of Easement "7" (10 feet wide, area 2,915 square feet) for waterline purposes as shown on File Plan on 1949.

8. Designation of Easement "8" (486 square feet) for underground electrical lines purpose as shown on File Plan No. 1949.

9. Grant in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, dated October 20, 1988, recorded in said Bureau of Conveyances in Liber 22964 on Page 436, granting an easement over said Easement "8".

10. Grant to Department of Water Supply of the County of Maui, dated January 5, 1989, recorded in said Bureau of Conveyances in Liber 23293, Page 292, granting an easement over said Easement "7".

11. Grant to County of Maui, dated November 10, 1988, recorded in said Bureau of Conveyances in Liber 23418, Page 499, granting an Easement 5 (15.00 feet wide), area 1,663 square feet, for drainage purposes.

12. Grant to Chronicle Cablevision of Hawaii, a division of Chronicle Publishing Company, Inc., dated April 30, 1990, recorded in said Bureau of Conveyances as Document No. 90-071732, granting an easement in gross to provide cable television and communication services. (Note: No joinder by Joann Haskin.)

13. The terms and conditions of that Deed to Robert Alan Haskin and JoAnn Haskin, husband and wife, dated July 7, 1989, recorded in said Bureau of Conveyances in Liber 23399, Page 271.

14. MORTGAGE

MORTGAGOR : ROBERT ALAN HASKIN and JOANN HASKIN, husband and wife

MORTGAGEE : BANCORP FINANCE OF HAWAII, INC., a Hawaii corporation

DATED : August 9, 1990
RECORDED : Document No. 90-124789
AMOUNT : \$500,000.00

ABOVE MORTGAGE (BESIDES OTHER MORTGAGES)
ASSIGNED

TO : FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF AMERICA, a federal corporation

DATED : January 4, 1991
RECORDED : Document No. 91-003478

15. ASSIGNMENT OF RENTAL AGREEMENTS AND RENTS dated August 9, 1990, recorded as Document No. 90-124790, made by ROBERT ALAN HASKIN and JOANN HASKIN, husband and wife, "Mortgagor", in favor of BANCORP FINANCE OF HAWAII, INC., a Hawaii corporation, "Mortgagee", assigning all of the right, title and interest in all rental agreements, rents, issues and profits from the said premises described in Exhibit "A" attached thereto and made a part of thereof, etc., as security for the repayment of that certain Promissory Note of even date herewith in the principal sum of \$500,000.00.

BY ASSIGNMENT OF PROMISSORY NOTES, MORTGAGES, SECURITY INSTRUMENTS AND FINANCING STATEMENTS dated January 4, 1991, recorded as Document No. 91-003478, BANCORP FINANCE OF HAWAII, INC., a Hawaii corporation, "Assignor", assigns to FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF AMERICA, a federally chartered savings and loan association, "Assignee", all of the right, title and interest of Assignor in and to said above Assignment of Rental Agreements and Rents Mortgage recorded as Document No. 90-124790, besides other instruments.

EXHIBIT "C"

KAUHIKOA HALE
April 26, 1991

DISCLOSURE ABSTRACT

1. NAME OF PROJECT: KAUHIKOA HALE
422 Kauhikoa Road
Haiku, Hawaii 96708
2. DEVELOPER: ROBERT ALAN HASKIN
JOANN HASKIN
123 Aleiki Place
Paia, Hawaii 96779
3. MANAGING AGENT: OIHANA PROPERTY MANAGEMENT
& SALES, INC.
840 Alua St., Ste. 202
Wailuku, Hawaii 96793
4. USE OF APARTMENTS: Residential

The seven (7) apartments in the Project may be occupied and used only for residential purposes. No apartment may be used for commercial purposes. The apartments are subject to additional restrictions on their use as set forth in (i) the Declaration of Condominium Property Regime of Kauhikoa Hale, (ii) the By-Laws of the Association of Apartment Owners of Kauhikoa Hale, (iii) the Apartment Deed for the individual apartments, (iv) the Reservation, Deposit Receipt and Sales Contract for the individual apartments, and (v) the Project Rules. Copies of the foregoing documents are on file with the Real Estate Commission of the State of Hawaii.

5. WARRANTIES:

THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, COMMON ELEMENTS, APPLIANCES, FURNISHINGS OR OTHER PRODUCTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

The Developer makes no warranties; however, the execution, delivery and recordation of the Buyer's Apartment Deed shall constitute the assignment by the Developer to the Buyer of any and all warranties given

the Developer by any subcontractors or materialmen, and the benefit of such warranties shall accrue to the Buyer on closing without further instruments or documents. The Developer agrees to cooperate with the Buyer during the effective period of any such warranties in asserting any claims based on such warranties. The Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartment. The Developer does not adopt the subcontractor's or manufacturer's warranties, if any, and the Developer is not acting as co-warrantor, but is merely attempting to pass to the Buyer the benefit of such warranties, if any, and the Buyer expressly acknowledges and agrees to this. The Buyer acknowledges that the Developer has made no other warranties, express or implied, with respect to the property or any common element or anything installed therein.

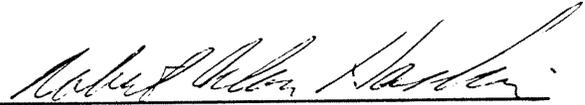
6. ESTIMATED MAINTENANCE FEES:

See attached pages 4 and 5 of this exhibit.

The breakdown of estimated initial maintenance fees and maintenance fee disbursements for Kauhikoa Hale has been prepared for the Developer by Oihana Property Management & Sales, Inc. as of March 22, 1991, and is subject to revision based on actual cost for the items enumerated. The Developer can make no assurances regarding the estimated maintenance fees and maintenance fee disbursements. Variables such as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the actual maintenance fees to be greater or lesser than the estimated maintenance fees.

NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF THE MAINTENANCE FEES ARE ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. MAINTENANCE FEES CAN VARY DEPENDING ON SERVICES DESIRED BY APARTMENT OWNERS. THE BUYERS SHOULD CHECK THE ATTACHED MAINTENANCE FEE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED THEREIN. THE INITIAL ESTIMATES HAVE BEEN MADE WELL IN ADVANCE OF THE COMPLETION OF THE PROJECT AND MAY BE SUBJECT TO SUBSTANTIAL REVISION PRIOR TO OR UPON COMPLETION.

IN WITNESS WHEREOF, the undersigned has executed these presents the day and year first above written.


ROBERT ALAN HASKIN


JOANN HASKIN

haledecl.b08/91-97/2034-1/1g

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

KAUHIKOA HALE CONDOMINIUM

Estimate of Initial Maintenance Fees:

<u>Apartment Types</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
Condominium Apartments	\$98.15	\$1,177.80

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:

KAUHIKOA HALE CONDOMINIUM
Utilities and Services

Monthly x 12 months = Yearly Total

Air Conditioning

Electricity

[] common elements only

[] common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

25.

300.

170.

2,040.

Maintenance, Repairs and Supplies

Building

Grounds

175.

2,100.

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

275.

3,300.

Insurance

TDI/Workers Comp.

Health Ins.

Fire/Liability Ins.

Reserves

10.

100.

30.

360.

Taxes and Government Assessments

Audit Fees

Other

TOTAL

\$687.

\$8,244.

We, DICK WEAVER, PRESIDENT, OIHANA 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

Date: March 22, 1991

EXHIBIT "D"

SUMMARY OF SALES CONTRACT

1. The sales agreement contains the price and other terms and conditions under which a buyer will agree to buy a townhouse apartment in the project.
2. The sales agreement provides for the buyer to get a copy of certain legal documents that buyer should closely examine.
3. The sales agreement provides for severe penalties if buyer fails to comply with the terms and conditions of the agreement.
4. The buyer must complete the purchase of the townhouse apartment by a certain date and pay closing costs, in addition to the purchase price.
5. The buyer's money will be held in escrow under the terms of the Escrow Agreement for the project.
6. The sales agreement and the rights of the buyer under the sales agreement is subordinate to the lien of mortgages on the property.
7. The Developer is making no warranties or representations in connection with the sale of any of the townhouse apartments, except for its written limited warranty set forth in this report.

This is merely a summary of a few of the terms and conditions of the sales agreement, and the buyer should carefully read and review all the terms and conditions of the sales agreement before signing.

EXHIBIT "E"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the payments which a buyer makes under a sales agreement will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

- (a) Escrow will let buyers know when payments are due.
- (b) Escrow will arrange for buyers to sign all necessary documents.
- (c) The Escrow Agreement says under what conditions a refund will be made to a buyer.
- (d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the sales agreement.

LINDA CROCKETT LINGLE
Mayor



GUY A. HAYWOOD
Corporation Counsel

DEPARTMENT OF THE CORPORATION COUNSEL

COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
TELEPHONE: (808) 243-7740

August 22, 1991

Lawrence N. C. Ing, Esq.
Ing, Kushi & Ige
Attorneys at Law
Wells Street Professional Center
2145 Wells Street, Suite 204
Wailuku, Maui, Hawaii 96793

Re: Kauhikoa Hale Condominium Project

Dear Mr. Ing:

I reviewed the materials presented to me by your offices and the Department of Public Works. We believe the position of the County requiring a subdivision is legally supportable.

Very truly yours,

A handwritten signature in black ink, appearing to read "Guy A. Haywood", is written over a circular stamp or mark.

GUY A. HAYWOOD
Corporation Counsel

GAH:lc
c:\ltr\kauhikoa

RECEIVED
AUG 27 11:55
ING, KUSHI & IGE

EXHIBIT "F"

EXHIBIT "G"

ING & IGE

ATTORNEYS AT LAW

WELLS STREET PROFESSIONAL CENTER
2145 WELLS STREET, SUITE 204
WAILUKU MAUI, HAWAII 96793-2222

AREA CODE 808
TELEPHONE 242-4555
FAX 244-6964

LAWRENCE N. C. ING
DOUGLAS H. IGE
PAUL L. HORIKAWA

October 29, 1991

HAND DELIVERY

Guy A. Haywood, Corporation Counsel
Offices of Corporation Counsel
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Re: Rural/Residential Condominium Projects

Dear Mr. Haywood:

Thank you for taking time out from your busy schedule to meet to discuss the above matter.

While both of us have expressed concerns about agricultural condominiums, I do not believe that it involves the above types of condominium and should not be an issue in this matter.

I do not know of any agricultural condominium projects on Maui, however, I do know of many rural and residential condominium projects such as the following:

1. Alaeloa: R-3 zoning.
2. Channel House: R-2 zoning.
3. International Colony Club: R-3 zoning.
4. Kaanapali Plantation: R-2 zoning.
5. Maluna Kai Estates: R-3 zoning.
6. Sleepy Hollow: R-3 zoning.
7. Kulaview: Urban interim.
8. Paniolo Country Estates: R-1 zoning.
9. Pires Place: Rural.
10. Sugar Cove: R-3 zoning.

I am sure that there are others which are not listed above or are being presently planned for.

Many of these projects were sold for lower prices due to their condominium format.

I believe that if rural or residential condominium projects are to be prohibited, it must be by action of the State Legislature. Perhaps limiting the number of dwelling units in a project to prevent the unplanned usage of government

Guy A. Haywood, Corporation Counsel
Page 2
October 29, 1991

facilities would be a reasonable restraint to be formulated by State statute or County ordinance. I do not believe that you can prohibit these projects administratively, especially those which have already been constructed.

Full disclosure requirements of any substandard improvements by developers would also help prevent potential buyers from being misled.

Very truly yours,

LAWRENCE N. C. ING

haywood.k35/nlh

cc: Honorable Linda Crockett-Lingle
Mayor, County of Maui
Aaron Shinmoto
Land Use and Codes Administration