



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

KUAU SHOREVIEW
 720 Hana Highway
 Kuau, Maui, Hawaii

Registration No. 2452

Issued: September 2, 1992
 Expires: October 2, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of August 5, 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:**
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:**
(white) The developer has legally created a condominium and has filed complete information with the Commission.
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
-
- SUPPLEMENTARY:**
(pink) Updates information contained in the
- Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
- This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[x] Changes made are as follows:

- A. The Declaration and By-Laws have been recorded with the Bureau of Conveyances and the House Rules have been adopted.
- B. The limited common element areas and percentage common interest of each residence have been revised as follows:

| <u>Residence</u> | <u>Limited Common Element Approximate Area in Square Feet</u> | | <u>Percentage Common Interest</u> | |
|------------------|---|----------------|-----------------------------------|----------------|
| | <u>Former</u> | <u>Present</u> | <u>Former</u> | <u>Present</u> |
| 1 | 7,532 | 7,532 | 14.296 | 14.337 |
| 2 | 8,141 | 8,107 | 15.452 | 15.431 |
| 3 | 6,919 | 6,590 | 13.133 | 12.544 |
| 4 | 8,162 | 8,107 | 15.492 | 15.431 |
| 5 | 6,939 | 6,590 | 13.170 | 12.544 |
| 6 | 8,139 | 8,108 | 15.448 | 15.433 |
| 7 | 6,854 | 7,502 | 13.009 | 14.280 |
| Totals | 52,686 | 52,536 | 100% | 100% |

- C. The Developer has installed a 6 feet by 8 feet utility/storage shed on each homesite. Each residence owner will have the right to construct a residence of such owner's design and choice within and upon a portion of the limited common element appurtenant to his residence. However, note the cautionary language in paragraphs 2 and 5 below.

SPECIAL ATTENTION:

1. Warranties. The Developer makes no warranties, expressed or implied, with respect to the apartments, the Property or consumer products or other things installed or contained in the apartments, the Property or the project, including, but not limited to, warranties of merchantability, habitability, workmanlike construction or fitness for a particular use.
2. Purchaser's Right to Build Residence. The prospective purchaser shall have the right to build his own residence (apartment) at purchaser's expense so long as purchaser agrees that the design and construction of the Residence shall conform to and comply with the requirements of the Declaration and the Residence (Apartment) Deed. Purchaser shall also, in such event, file the "as-built" certificate after completion of construction of the Residence in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment of the Declaration to describe the Residence. Purchaser shall indemnify and hold Developer and all other owners of Residences in the Project harmless from and against any claim, suit or proceeding for damages or injuries due to purchaser's design and construction of purchaser's Residence including, but not limited to, reasonable attorneys' fees and costs incurred by purchaser or other owners to review, counsel, defend or settle any claim. Also see paragraph 5 below regarding possible problems and charges in obtaining a building permit for a residence.

3. Not Sale of Lots. Prospective purchasers should understand that the Public Report covers the sale of condominium apartments and not the sale of subdivided lots. Developer will not subdivide the various limited common elements appurtenant to the seven apartments and is advising Maui County, in response to the letter attached as Exhibit I, that because the project is a condominium project and not a conventional single-family subdivision, subdivision approval as stated in paragraph 1 of said letter will not be obtained. In this connection paragraph 2 above and Exhibit D herein should be read with care.
4. Agricultural Effects. The Property is located near or adjacent to land and easements used for and in connection with agricultural operations, including but not limited to the cultivation of sugar cane, which may cause some unpleasant odors, surface water runoff, noise, dust, smoke and other unpleasant effects (collectively the "Agricultural Effects") that may bother or be a nuisance to the Purchaser and any person occupying or using the Residence. The Purchaser also acknowledges that the Hawaii Right To Farm Act (H.R.S. Chapter 165) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance. The Purchaser, for himself, his heirs, personal representatives, successors, assigns, and any person using or occupying the Residence, hereby releases, and agrees to indemnify and hold harmless, Seller and its officers, directors, employees, agents, successors and assigns, from and against any and all liability, claims and expenses relating to any claim by the Purchaser or any person using or occupying the Residence arising directly or indirectly out of or from the Agricultural Effects, and hereby agrees to include these provisions in any subsequent conveyance of the Residence.
5. County Restrictions.
 - a. Purchaser is advised that the Council of the County of Maui is considering an ordinance allocating or controlling the issuance of building permits in the Central Maui service area as designated by the Board of Water Supply and the sewer service area of the Wailuku-Kahului wastewater treatment plant. Currently the issuance of building permits for long-term residential basis is allowed. A long-term residential basis is defined as "one or more buildings or structures which are occupied by an owner, lessee or tenant for a continuous period of six months or more per year". Thus it appears that if a Purchaser is an owner-occupant or an owner-investor, then so long as the owner-occupant or owner-investor lives in or leases the residence for six months or more per year, such Purchaser is able to obtain a building permit. However, Developer makes no representation that there will be adequate sewer capacity or water availability allocated for long-term residential use at the time Purchaser may apply for a building permit.
 - b. PURCHASER IS ALSO ADVISED THAT THE COUNCIL OF THE COUNTY OF MAUI IS CONSIDERING THE ADOPTION OF A SEWER IMPACT FEE ORDINANCE WHICH MAY CHARGE OR ASSESS A NEW FEE (WHICH MAY BE IN THE THOUSANDS OF DOLLARS) TO PAY FOR VARIOUS SEWER IMPROVEMENTS AT THE TIME OF ISSUANCE OF A BUILDING PERMIT. PURCHASER SHOULD CONSULT WITH HIS ARCHITECT OR ENGINEER ABOUT THE ADOPTION OF ANY SEWER IMPACT FEE ORDINANCE.
 - c. PURCHASER IS ALSO ADVISED THAT THE BOARD OF WATER SUPPLY IS CONSIDERING THE ADOPTION OF A WATER IMPACT FEE REGULATION THAT WILL CHARGE OR ASSESS A FEE (WHICH MAY BE IN THE THOUSANDS OF DOLLARS) TO PAY FOR VARIOUS WATER IMPROVEMENTS AT THE TIME OF ISSUANCE OF A BUILDING PERMIT. PURCHASER SHOULD

CONSULT WITH HIS ARCHITECT OR ENGINEER ABOUT THE ADOPTION OF ANY WATER IMPACT FEE REGULATION.

- d. PURCHASER IS ALSO ADVISED THAT DEVELOPER HAS RECEIVED A LETTER FROM THE COUNTY OF MAUI, A TRUE COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT I, ADVISING THAT SUBDIVISION APPROVAL IS REQUIRED. THE LETTER WAS ISSUED AFTER THE DEVELOPER RECEIVED APPROVAL OF A SPECIAL MANAGEMENT AREA PERMIT AND APPROVAL OF THE CONSTRUCTION DRAWINGS FOR THE PROJECT. THE PROJECT DOES NOT REQUIRE THE SUBDIVISION OF THE EXISTING 1.348-ACRE PARCEL. THE DEVELOPER REQUESTS THE PURCHASER TO CALL OR MEET WITH THE COUNTY REGARDING WHETHER ANY SUBDIVISION OF THE HOMESITES IS REQUIRED.

The prospective purchaser is cautioned to carefully review the documents with regard to information on the foregoing.

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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 Buyer has right to construct a dwelling unit.
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>1</u> | <u>7</u> | <u>0</u> | <u>48</u> | <u>0</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | SEE EXHIBIT A FOR DETAILS. | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

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

7. Recreational amenities:

None.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Ulumaika Corporation Phone: 523-7581
Name (Business)
Suite 1100, Pacific Tower, 1001 Bishop St.
Business Address
Honolulu, Hawaii 96813

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

| | |
|---------------------------|--------------------------------------|
| <u>Tamotsu Tanaka</u> | <u>President/Secretary-Treasurer</u> |
| <u>Esther M. Tanaka</u> | <u>Vice President</u> |
| <u>Kim Douglas Larson</u> | <u>Vice President</u> |

Real Estate Broker: Century 21 Advantage Phone: 879-4411
Name (Business)
Kukui Mall, S. Kihei Road
P. O. Box 280
Business Address
Kihei, Maui, Hawaii 96753

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

General Contractor: AAA Roofing Company, Inc. Phone: 879-0459
Name (Business)
47 Nohokai Street
Business Address
Kihei, Hawaii 96753

Condominium Managing Agent: Aaron M. Chaney, Inc., and Wendco, Inc. Phone: 544-1600
Name (Business)
dba Chaney, Brooks & Company
606 Coral Street, P. O. Box 212
Business Address
Honolulu, Hawaii 96810

Attorney for Developer: Tamotsu Tanaka, Attorney At Law Phone: 523-7581
Name (Business)
A Law Corporation
Suite 1100, Pacific Tower, 1001 Bishop Street
Business Address
Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances - Document No. 92-098791
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. 1686
 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. 92-098792
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 vote of Board of Directors</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

Developer reserves the right to amend the Declaration (including any Exhibits attached to the Declaration), the By-Laws and Condominium Map in any manner for any apartment which has not yet been conveyed. Developer also reserves the right to file the "as-built" certificate required by Section 514A-12, Hawaii Revised Statutes, including a verified statement of a registered architect or professional engineer, which right can be assigned to a purchaser who elects to design and construct, at his/her/its expense, a residential dwelling on a homesite.

See also Exhibit G for other Developer's easements and reservations.

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 | _____ | _____ |
| See Exhibit A. Also, Developer reserves the right to conduct | | | | | |
| <input checked="" type="checkbox"/> Other: | <u>extensive sales activities on the project, and has other special rights.</u> | | | | _____ |
| | <u>See Exhibit G.</u> | | | | _____ |

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: Reasonable number of dogs and cats are allowed subject to maximum number as established by Board.

Number of Occupants: as permitted by County of Maui

Other: Any residence constructed shall be used for residential purposes except as permitted by law, ordinance or rule or regulation.

There are no special use restrictions.
Also see Exhibit D.

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>1</u> | <u>7</u> | <u>0</u> | <u>48</u> | <u>0</u> |
| _____ | _____ | _____ | _____ | _____ |
| SEE EXHIBIT A FOR DETAILS | | | | |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

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:

The respective apartments shall be deemed to include the perimeter walls, all doors, door frames, windows and window frames, the floor, ceiling and roof of each residential dwelling and any detached or connected garage, lanai or patio, or if permitted, any accessory dwelling, and the air space over any uncovered lanai or patio; any pipes, wires, conduits or other utility or service lines which serve only such residence; except that any pipe, wire, conduit, road, drain or other utility or service line that serves more than one residence is a common element and not part of a residence.

Permitted Alterations to Apartments:

Additions, alterations, repairs or improvements solely within an apartment or within a limited common element appurtenant to and for the exclusive use of the apartment may be made by the apartment owner with the approval of the agencies or departments of the State of Hawaii, the County of Maui and by the holders of liens affecting the apartment (if the lien holders require such approval). For more details see Exhibit D.

7. Parking Stalls:

Total Parking Stalls: 14

| | Regular | | Compact | | Tandem | | TOTAL |
|---------------------------------------|---------|------|---------|------|---------|------|-------|
| | covered | open | covered | open | covered | open | |
| Assigned (for individual units) | | 14 | | | | | 14 |
| Guest Unassigned | | | | | | | |
| Extra Available for Purchase | | | | | | | |
| Other: | | | | | | | |
| Total Covered & Open | | 14 | | | | | |

Each apartment will have the exclusive use of at least two (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:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: entry road, sub-drain system in Residences 1 and 2;
mailbox facility.

9. Present Condition of Improvements

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

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

N/A

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

N/A

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

| | <u>Conforming</u> | <u>Non-Conforming</u> | <u>Illegal</u> |
|------------|-------------------|-----------------------|----------------|
| Uses | 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 C describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit s A, D.

as follows:

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

Exhibit A 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 E describes the encumbrances against the title contained in the title report dated April 20, 1992 and issued by Long & Melone, Ltd. .

Developer represents there has been no change since April 20, 1992.

Blanket Liens:

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

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

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

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

| <u>Type of Lien</u> | <u>Effect on Buyer's Interest If Developer Defaults</u> |
|---------------------|---|
| Mortgage | Buyer's interest may be cancelled and Buyer may be entitled to a refund of his deposit. |

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

H. **Utility Charges for Apartments:**

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

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

Other trash removal

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:**

There are no warranties for the utility/storage sheds.

There is a one-year warranty for the site work and improvements from the general contractor starting April 16, 1992.

2. **Appliances:**

There are no warranties relating to any appliances.

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Prospective buyers should carefully examine Exhibit D herein (Exhibit "B" to the Declaration of Condominium Property Regime). It is entitled "Criteria for Use of Residence and Limited Common Elements Appurtenant to Each Residence" and contains details on permitted and prohibited uses, construction, alterations, and project operations and enforcement.

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 Residence (Apartment) Deed

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 part of Registration No. 2452 filed with the Real Estate Commission on
May 29, 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.



MARCUS NISHIKAWA, Chair
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Finance, County of Maui
Planning Department, County of Maui
Federal Housing Administration

EXHIBIT A

Residence and Appurtenant Limited Common Element Descriptions

The Developer has constructed a utility/storage shed on each homesite as shown on the Condominium Map. Each utility/storage shed has approximately 48 square feet of net area as shown on the Condominium Map. Each residence owner has the right to relocate or remove the utility/storage shed.

Each residence owner has the right to construct a residence of such owner's design and choice within and upon the limited common element appurtenant to his residence, subject to the provisions of the Declaration, including the provisions of Exhibit "B" attached to the Declaration, and the Residence (Apartment) Deed. Such residence owner shall also, in such event, file the "as-built" certificate after completion of construction of the Residence in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment of the Declaration to describe the Residence.

The limited common element within and upon a portion of which a residence will be constructed will be appurtenant to such residence. The approximate area of the limited common element and the percentage common interest that will be appurtenant to each residence is as follows:

| <u>Residence</u> | <u>Limited Common Element Approximate Area in Square Feet</u> | <u>Percentage Common Interest</u> |
|------------------|---|---------------------------------------|
| 1 | 7,532 | 14.337 |
| 2 | 8,107 | 15.431 |
| 3 | 6,590 | 12.544 |
| 4 | 8,107 | 15.431 |
| 5 | 6,590 | 12.544 |
| 6 | 8,108 | 15.433 |
| 7 | <u>7,502</u> | <u>14.280</u> |
| Totals | 52,536 | 100% |

THE AREAS SHOWN ABOVE ARE APPROXIMATE ONLY, AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE AREA OF ANY PARTICULAR RESIDENCE OR THE AREA OF THE LIMITED COMMON ELEMENT APPURTENANT TO A RESIDENCE. FURTHER, AREAS HEREIN DESCRIBED ARE NOT LEGALLY SUBDIVIDED LOTS.

EXHIBIT B

Description of Buildings

The project shall consist of (a) seven (7) separate utility/storage sheds constructed principally of galvanized steel with exterior vinyl plastisol coating, and (b) any other residential dwelling that the owner may construct on and within the limited common element appurtenant to his apartment. The seven (7) buildings are designated as Residences 1 to 7, respectively. Each utility/storage shed has one room and does not contain a basement.

The residence (apartment) buildings will be numbered as shown on the Condominium Map.

EXHIBIT C

Common Elements

One freehold estate is hereby designated in all of the remaining portions of the Project, herein called the "common elements", including specifically but not limited to:

- (a) Said land in fee simple;
- (b) Sub-drains in Homesites 1 and 7, respectively, drainage ditches, channels, pipes, or swales serving more than one residence, and fences;
- (c) The roadway providing ingress and egress to and from Hana Highway and the Property and any berm or sign or mailbox located along or within the roadway, all yards, planting areas, driveways connecting the common roadway to each residence;
- (d) All common premises for the use of maintenance personnel or other persons employed for operation of the Property, if any;
- (e) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, or across the Property which serve more than one residence for services such as power, light, gas, sewage, drainage, telephone, radio and television signal distribution, if any that is not owned by the governmental agency or electric, telephone or cable television company; provided, however, that ownership of any common element by the Association shall end at the meter box or other measuring device within the portion of the limited common element closest to the common roadway or from the beginning of the limited common element along the roadway; subject, however, to ownership in case of any governmental agency, or electric, telephone or television signal improvements as provided in the laws, rules or regulations applicable to the governmental agency or company providing such services; any meter or other measuring device not owned by the public utility or governmental agency providing the service shall be a common element;
- (f) All other parts of the Property necessary or convenient to its existence, maintenance, and safety or normally in common use.

EXHIBIT D TO THE FINAL PUBLIC REPORT

LIMITED COMMON ELEMENTS

A. The Declaration describes the limited common elements as follows:

Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of a specified residence, and such residence shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows: Each residence shall have for its exclusive use (a) the mailbox bearing the same number or street address of such residence; subject to the right of Declarant to determine the type, size, color, materials, construction method, and exact location of the mailbox for each residence; (b) the area of land around and upon which each residence is or will be located is designated as "Limited Common Element" and shown on the Condominium Map, including the driveway from the roadway to the garage located in the residential dwelling and any other common element serving only such residence and not more than one residence (the land area is also called "Homesite" herein); (d) any meter box or measuring device for the exclusive use of a residence which is not owned by any governmental agency or electric, telephone or cable television company. Each residence shall have the right to use the limited common elements appurtenant to such residence according to the provisions set forth in Exhibit "B" attached to the Declaration. Each residence shall also have the obligation to keep and maintain the limited common elements appurtenant to such residence in good condition, fair wear and tear being excepted.

NOTE: Limited common elements herein described are not legally subdivided lots.

B. Exhibit "B" to the Declaration sets forth the terms under which the limited common elements appurtenant to each residence can be used. Exhibit "B" to the Declaration reads in its entirety as follows:

EXHIBIT "B"

**Criteria for Use of Residence and
Limited Common Elements Appurtenant to Each Residence**

General Statement:

It is Declarant's intention that, except as limited by this Declaration or the By-laws and by applicable laws, ordinances, governmental rules and regulations, the owner of a residence shall have the right to determine what happens to or in the residence or the limited common elements appurtenant to such residence as if such residence and the limited common elements appurtenant to such residence were part of a separate subdivided lot. On the other hand, the owner of a residence also has the duty and obligation to repair, maintain and, where necessary, replace, the residence and any improvement or common element located within the limited common element appurtenant to such residence that does not serve more than one residence and is not owned by a governmental agency or electric, telephone or cable television company. Hence, for example, the driveway from the common roadway to the garage of a residence or the walkway from the driveway to the front entrance to the residence must be repaired, maintained or, if necessary, replaced, at the expense of the owner of the residence and not by any other owner or owners; the yard, other landscaping or fence around a residence must be planted, watered, mowed and otherwise maintained by the residence owner.

Specific Limitations:

ARTICLE I.

Definitions

As used herein, "residence" means and includes the residence as defined in Section 3 of the Declaration and the limited common element (homesite) appurtenant to a residence as shown on the Condominium Map.

ARTICLE II.

Limitations Independent of Government Land Use Regulations

The covenants, conditions and restrictions hereby imposed upon the residences are intended to be independent of any government land use restriction imposed upon the residences that regulates the use thereof, and independent of any government ordinance, statute, regulation, or the like, that specifies any permitted use for the residences. The covenants, conditions and restrictions hereby imposed upon the

residences by this Declaration shall be observed and performed, and shall be valid and enforced, even though the same may be more restrictive, or in some respect different from, any government land use restriction imposed upon the residences, or different from any government ordinance, statute, regulation, or the like, that specifies a permitted use for the residences.

ARTICLE III.

Permitted and Prohibited Uses of Residences

SECTION 3.1: Permitted Use.

Each residence shall be used solely for single family residential purposes unless otherwise permitted by law, ordinance or regulation.

SECTION 3.2: Permitted Improvements.

Unless otherwise permitted by law, ordinance or regulation, no building shall be erected, altered, placed or permitted to remain on any part of a residence other than a freestanding single-family dwelling, an auxiliary private garage for two (2) or more automobiles, utility/storage shed and, if permitted, an "ohana" type dwelling or accessory dwelling. No quonset hut, house trailer, mobile home or temporary building, outhouse, or trailer shall be connected to or built upon any part of a residence.

SECTION 3.3: Minimum Enclosed Floor Area.

Each single-family dwelling(s) constructed on a residence shall have a net living area of not less than 900 square feet.

SECTION 3.4: Maintenance of Residence Landscaping.

Each Owner shall install, maintain and replace, as necessary, all landscaping planted in or on his residence and the limited common element appurtenant to his residence.

SECTION 3.5: Trash; Residence Maintenance and Overgrowth.

No residence shall be used or maintained as a dumping ground for fill material, rubbish, trash, garbage or other waste. No such material shall be kept except in sanitary containers. Each Owner shall maintain his residence in a clean condition, trimmed, and clear of any overgrowth of weeds and bushes. No part of any residence shall be filled, excavated or otherwise altered as to grade on such a manner as to adversely affect drainage of any adjoining residence.

SECTION 3.6: Signs.

One residential sign, not more than one square foot in size, identifying the Owner, may be placed on a residence. A "for sale" sign, not more than four square feet in size, referring only to the residence, may be placed on the residence. Notwithstanding any language contained herein to the contrary, Declarant has the right to use any residence, even though sold to a third party by Declarant, for sales and construction purposes as provided in Section 5.04 of the Declaration.

SECTION 3.7: No Subdivision of Residence.

No residence shall be subdivided into two or more parcels of land, including but not limited to another condominium property regime, except with the written approval of all other residence owners.

SECTION 3.8: Nuisance.

No noxious or offensive activity shall be carried on upon any of the residences, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

SECTION 3.9: Materials.

All materials used in the construction of any improvement upon any portion of a residence shall be new materials except that used decorative or structural materials may be used to enhance the appearance of an improvement. There shall not be placed or maintained upon any residence any used buildings which have been moved from another location. Roofs of all improvements shall be constructed of or covered with wood shingles or shakes, asphalt or fiberglass shingles, tar and gravel, or cement or fired tiles. The use of the following types of roofs is prohibited: (1) Asphalt felt roll roofing, (2) Corrugated metal

roofing, (3) Fiberglass panels, (4) Flat metal roofs, and (5) Any reflective metal or material. All exterior surfaces of improvements, excluding roofs, clear glass or plastic panels or panes, shall be painted or stained. The exterior of all residences shall be painted or stained in earth tones, white or gray. Any repainting of the exterior of any improvement or structure or replacement of any roof prior to December 31, 1996, shall be done using the same color of paint or stain as the original paint or stain. Construction of improvements shall comply with all governmental laws, rules and regulations.

SECTION 3.10: Antenna/Solar Panels.

If underground cable television is provided, then there shall be no exterior television antenna placed or constructed on the residence; except that a satellite antenna located within an enclosure to screen or block the view of the antenna from the common roadway, is permitted. Solar panels for water heating or other purposes shall be permitted.

SECTION 3.11: Completion of Construction.

Excluding any work by Declarant, any construction, renovation, reconstruction or repair of any improvement upon a residence shall be completed within twelve months after the visible commencement thereof.

SECTION 3.12: Maintenance of Residence Improvements.

Each Owner shall at his expense keep the exterior of the improvements on his residence in good repair. If any improvements shall be substantially damaged, the Owner shall at his expense, within six (6) months after the occurrence of such damage, commence the visible reconstruction of such improvements, or clear the residence of all debris so that the residence is in a clean condition.

SECTION 3.13: Noise.

No exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively to protect the security of persons on the residence, shall be placed or used upon any residence. In addition all noise regulations shall be strictly observed.

SECTION 3.14: Garage/Vehicle.

No use shall be made of the garage of any house on any residence except for normal garage use such as the parking of vehicles and the storage of household or yard equipment and materials except that a garage may be converted to another use so long as a replacement garage or carport is constructed. Each residence must have at least two (2) parking stalls.

SECTION 3.15: Alteration of Residence; Construction of Different Residence.

An owner of a residence shall have the right to construct a residential dwelling of his/her/its design and the right to alter, modify, extend, change the design, layout and area of his/her/its residence, so long as the owner complies with each of the following:

- (1) All other applicable provisions of this Declaration are satisfactorily performed.
- (2) The plans and specifications are prepared by a registered, licensed architect in Hawaii and comply with all applicable laws, ordinances, rules and regulations.
- (3) The drainage system for the Project empties into a sub-drain pipe system along Hana Highway within Residences 1 and 2. The drainage system, including the sub-drain pipe system, is a common element of the Project. Residences 1 and 2 must observe a building setback from and parallel to Hana Highway of at least 26 feet that is shown on the Condominium Map. Subject to the requirements of the County of Maui, all other residences must observe a building setback of ten feet from the common roadway and five feet from the other boundaries of the limited common element that is appurtenant to the residence, except Residences 1, 3, 5 and 7, which have a rear setback from the sewer easement located within the east boundary of such residences as required by the County of Maui.
- (4) No building, structure or concrete slab shall be built over a common element serving more than one residence building; provided that such common element may be relocated at the expense of the owner of the residence building that is proposed to be altered, modified,

extended, changed, or built with the prior approval of a majority of the Board of Directors of the Association, which approval shall not be unreasonably withheld or delayed.

- (5) All work shall be performed in a neat and orderly manner and in compliance with the Building Codes and other governmental rules and regulations.
- (6) The owner of the residence that constructs a new residence or alters, modifies, extends or changes a residence shall, if required, record an "as-built" certificate as required by §514A-12, Hawaii Revised Statutes, including a verified statement of a registered architect or professional engineer certifying that the final plans being filed simultaneously with such amendment fully and accurately depict the layout, location, residence number and dimensions of the residence as altered, modified, extended, changed or constructed.
- (7) The owner indemnifies, defends and holds the other owners harmless from and against any and all claims, liabilities or obligations that may result from the construction of any improvements, including but not limited to mechanic's and materialmen's liens.

SECTION 3.16: Vehicular Access Restrictions.

Vehicular access to and from Hana Highway is restricted to the common roadway connecting to Hana Highway as shown on the Condominium Map. Residences 1 and 2 which adjoin Hana Highway will not have direct access to and from Hana Highway.

ARTICLE IV.

Modified Street Lighting System

SECTION 4.1: Modified Street Lighting System

There is no street lighting system within the common roadway. Each owner except Declarant must install special flood light fixtures on the side of each residence closest to the roadway, which will serve to light the driveway and, to a lesser extent, the common roadway. The light fixture will be connected to the electrical system of the residence. Each residence owner is responsible to pay for the operation, maintenance, repair and replacement of the light fixture. The light fixture shall be turned on from sunset to sunrise unless the Board, by majority vote of its members, determines that a shorter time period is satisfactory.

ARTICLE V.

Enforcement

SECTION 5.1: No Obligation of Declarant to Enforce Declaration.

The violation of any condition, covenant or restriction set forth in this Criteria shall not entitle the Declarant to re-enter or retake any residence. Nor shall any condition or covenant set forth in this Declaration be deemed to reserve or grant to Declarant a right of entry, power of entry, power of revocation, or possibility of reverter with respect to any residence. The Declarant shall not have any right (except as the owner of a residence) or obligation to bring any action for the violation of any condition, covenant or restriction set forth in this Declaration.

SECTION 5.2: Association to Enforce.

The Association, through the Board of Directors, shall enforce any violation or breach of this Criteria. The Association is authorized to pursue any lawful remedy to enforce this Criteria.

EXHIBIT E

Encumbrances Against Title

The Preliminary Report by Long & Melone, Ltd. dated April 20, 1992, reflects that fee simple title to the land is held by Ulumaika Corporation, a Hawaii corporation.

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

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Grant of Easement in favor of the County of Maui dated April 16, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18233, Page 149; granting an easement for sanitary sewer line or lines, etc., over and across Easement 19.
3. An existing Roadway Easement (Ulumaika Place - 10 feet wide) along Course No. 2 of subject property in favor of TMK 2-7-10: 13 and 14, as set forth in Deed dated August 31, 1989, recorded in said Bureau of Conveyances in Liber 23640, Page 749.
4. That certain Mortgage, Security Agreement and Financing Statement dated September 10, 1991, in favor of GECC Financial Corporation, a Hawaii corporation, recorded in said Bureau of Conveyances as Document No. 91-124728.
5. Grant of Easement in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, a Hawaii corporation, recorded in said Bureau of Conveyances as Document No. 92-026824; granting an easement to build &c underground power lines (10 feet wide) over, across, through and under a portion of the premises as shown on Maui Electric Company, Limited's Drawing No. 3-4-23 dated October 16, 1991.
6. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated June 18, 1992, recorded in said Bureau of Conveyances as Document No. 92-098791, as the same are or may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1686).
7. By-Laws of the Association of Residence Owners of the condominium project known as "KUAU SHOREVIEW", dated June 18, 1992, recorded in said Bureau of Conveyances as Document No. 92-098792.
8. For any real property taxes due and owing, reference is made to the Office of the Finance Director, County of Maui.

EXHIBIT F

KUAU SHOREVIEW CONDOMINIUM

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

Estimate of Initial Maintenance Fees:

| <u>Apartment</u> | <u>Monthly Fee x 12 months =</u> | <u>Yearly Total</u> |
|------------------|----------------------------------|---------------------|
| 1 | \$116.07 | \$1,392.84 |
| 2 | 124.93 | 1,499.12 |
| 3 | 101.55 | 1,218.65 |
| 4 | 124.93 | 1,499.12 |
| 5 | 101.55 | 1,218.65 |
| 6 | 124.94 | 1,499.32 |
| 7 | 115.61 | 1,387.30 |
| | <hr/> | <hr/> |
| | <u>\$809.58</u> | <u>\$9,715.00</u> |

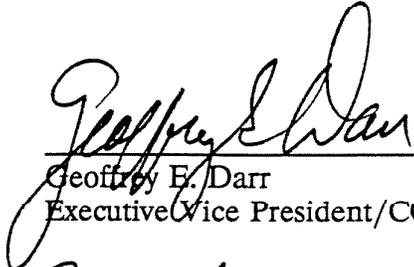
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

**EXHIBIT A
PROPOSED BUDGET AOA KUAU SHOREVIEW**

ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS:

| | <u>MONTHLY X 12 months = YEARLY Total</u> | |
|--------------------------------|---|--------------|
| Audit and Preparation | 29 | 300 |
| Management and Accounting Fees | 305 | 3660 |
| Water | 86 | 1035 |
| Sewer | 100 | 1200 |
| Insurance | 93 | 1120 |
| Reserves | <u>200</u> | <u>2400</u> |
| TOTAL | 813 | 9,715 |

We, Chaney, Brooks & Company as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and the monthly cash operating costs were prepared in accordance with generally accepted accounting principals. The information contained herein is based on the data available to us at this time.



Geoffrey E. Darr
Executive Vice President/COO



Date

KUAU SHOREVIEW

PROPOSED RESERVE STRUCTURE

| ITEM | TOTAL REQ | YEARS REQ | ANNUAL REQ | MONTHLY REQ |
|--|--------------|--------------|---------------|----------------|
| Roadway resurface 6,400 sq ft @ \$11.00/sq ft | \$70,400 | 35 | 2,011 | 167 |
| Seal Coat 6400 sq ft @ \$.40/sq ft | 2,560 | 15 | 170 | 14 |
| Watermeter | 4,800 | 25 | 192 | 16 |
| Transformer/Secondary | 880 | 25 | 35 | 3 |
| | _____ | _____ | _____ | _____ |
| TOTAL | \$78,640 | 100 | \$2,408 | 200 |

EXHIBIT G

Summary of Pertinent Provisions of Sales Contract

The Sales Contract sets forth the terms and conditions concerning the sale of an apartment in the project for the stated purchase price.

Some of the salient areas of the Sales Contract are:

1. The purchase price may be increased due to unexpected events such as delays due to governmental actions or strike or labor disturbance, but the Buyer is given fifteen (15) days to affirm the price increase or terminate the Sales Contract and receive a refund of all sums paid toward the purchase price.

2. Developer shall convey to Buyer by apartment (residence) deed the homesite with a utility/storage shed and appurtenant limited common element together with the right in Buyer to design, plan and construct a residence in full compliance with the Declaration and the right to amend the Declaration without joinder or consent of any other residence owner in order to file an "as-built" certificate as required by Section 514A-12, Hawaii Revised Statutes.

3. Developer retains certain reserved rights:

a. Developer may cancel any Sales Contract and refund Buyer's funds (without interest) if by September 30, 1992, or such later date as Developer shall select, not more than six (6) homesites have been sold;

b. Construction (by Developer or its contractor, other purchasers and their respective contractors) and sales activities will continue for some time in the future so Developer and its construction and sales representatives and customers may use on-street parking, the common and limited common elements for sales purposes;

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

What happens when Developer cancels the Sales Contract depends on the Developer's reasons for cancelling the Sales Contract. For example, if Buyer files his mortgage loan application in a timely fashion and is unable to obtain a loan commitment, then Buyer may receive his deposits back without interest and less any expenses incurred by Developer or escrow. On the other hand, if Buyer does not apply or complete the mortgage loan application process in a timely fashion, then Developer may keep all deposits made by Buyer.

This is a summary of selected portions of the Sales Contract and may be incomplete or inadvertently incorrect. The Buyer is requested to read and understand the terms and conditions of the Sales Contract before executing the Sales Contract.

EXHIBIT H

Summary of Pertinent Provisions of Escrow Agreement

The executed escrow agreement dated January 3, 1991, identifies Title Guaranty Escrow Services, Inc., as the "Escrow" and provides that a purchaser shall be entitled to a return of his funds, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to §514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to §514A-63, Hawaii Revised Statutes, as amended.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and other costs associated with the purchase up to a maximum of \$250.00), and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

(e) Notwithstanding any other provision in the Escrow Agreement to the contrary, Escrow further agrees to make refunds to purchasers, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes, out of the funds then on deposit with Escrow, if the Developer and purchaser shall so request in writing and any one of the following events has occurred:

(i) no sales contract has been offered to the purchaser who has been placed on the Developer's reservation list of owner-occupant applicants; or

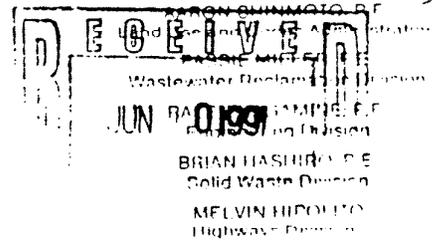
(ii) Purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within thirty (30) calendar days following the end of the ten (10) calendar day period during which the Developer is limited to selling to owner-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship such as those set forth in §514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

Except for cancellations under subparagraph (i) above, Escrow may deduct from any such refund made to a purchaser a cancellation fee.

LINDA CROCKETT LINGLE
Mayor
GEORGE H. KALA
Director
CHARLES JENCKS
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
LAND USE AND CODES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
June 6, 1991

Real Estate Commission
Dept. of Commerce & Consumer Affairs
State of Hawaii
828 Fort Street Mall, Suite 600
Honolulu, Hawaii 96813

RE: Preliminary Public Report for Kuau Shoreview
Kuau, Maui, TMK: 2-6-13:10

Gentlemen:

We have reviewed the subject report and offer the following comments:

1. Subdivision approval per the County's Subdivision Ordinance is required.
2. Building permits have not yet been issued for the subject project. As such, the project has not yet complied with all ordinances, codes, rules, or regulations.

If you have any questions, please contact Francis Cerizo of the Land Use & Codes Administration at 243-7373.

Very truly yours,
LAND USE & CODES ADMINISTRATION


Aaron Shinmoto
Administrator

AS/sn

cc: Tamotsu Tanaka
Title Guaranty Escrow Services Inc.

EXHIBIT J

Construction Warranties

The developer shall require that the construction contract with the contractor for the site work and improvements shall contain a warranty clause which in summary provides as follows:

If, within one year after the Date of Substantial Completion of the Work, which is April 16, 1992, any of the Work is found to be defective or not in accordance with the Contract Documents, the Contractor shall correct it promptly after receipt of a written notice from the developer to do so unless the developer has previously given the Contractor a written acceptance of such condition. This obligation shall survive termination of the Contract. The developer shall give such notice promptly after discovery of the condition.

Developer agrees that if the purchaser shall give developer written notice of any such condition promptly after discovery thereof during the unexpired term of such contractor's warranty, developer shall forward such notice together with a written notice to the contractor to correct such condition. The recordation of the apartment deed from developer to purchaser shall constitute an assignment by developer to purchaser of the unexpired term of the general contractor's warranty and of any manufacturer's or dealer's warranties (which may by their terms be so assigned) covering the utility/storage shed. Purchaser acknowledges and agrees that developer is not acting as co-warrantor, but is agreeing to pass through to the purchaser the benefit of any such warranties. The terms of the manufacturer's or dealer's written warranties are available for purchaser's examination at the developer's sales office. THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE UTILITY/STORAGE SHED, THE PROPERTY, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

THE ATTENTION OF THE PURCHASER IS DIRECTED TO ARTICLE IV OF THE RESERVATION AND SALES AGREEMENT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT, ESTIMATED MAINTENANCE FEES AND RENTAL OF THE APARTMENT.
