



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

Southpointe At Waiakoa Phase I
 480 Kenolio Road
 Waiakoa, Kihei, Maui, Hawaii

Registration No. 2459

Issued: February 26, 1992
 Expires: March 26, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 14, 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.

Changes made are as follows:

Because final subdivision was pending but not yet approved by the County of Maui at the time initial submissions were made to the Commission for the issuance of a Final Public Report the creation of separate lots for the three phases of the overall Southpointe at Waialoa project, of which this Condominium is Phase I, had not occurred. As a consequence, all of the property for the overall project was submitted to this Phase I Condominium, but the Declaration contains a provision (subparagraph 6.10) allowing the Developer to withdraw from this Condominium those portions of the property not intended to be a part of Phase I.

Subdivision has since occurred, and the Developer has amended the Declaration to withdraw the land not intended to be a part of the Phase I site and to substitute a new Exhibit "A" to the Declaration which redefines the Phase I site. See Amendment on page 7 of this Report.

Lesser changes were also made to the Declaration to complement the land withdrawal provision. Because of the Amendment redefining the Phase I site, however, these changes are now moot.

In addition to the above, a number of technical changes have been made to the Declaration and Bylaws for the following purposes:

1. to correct typographical errors in the proposed documents previously submitted to the Commission;
2. to make clear that the letters "C" and "T" shown on Exhibit "B" to the Declaration which indicate "compact" size and "tandem" parking stalls, respectively, are for informational purposes only and do not constitute part of the parking stall identification number; and
3. to include certain provisions which will conform the documents to HUD lender guidelines for condominiums and thus qualify the Project for FHA-VA loans.

None of these changes has any substantial effect on the apartment interests to be conveyed to Purchasers.

Finally, due to actual site plan requirements, six (6) regular sized tandem stalls assigned to apartments have been changed to compact sized tandem stalls. The affected apartments are #11-105, #11-106, and #11-205 (see Exhibit "B" to this Report).

Prospective Purchasers should take note that in meeting the construction performance bond requirements of Section 514A-40(a)(5) of the Condominium Property Act, a performance bond has been obtained insuring performance of a part of the construction contract from a material house (non-licensed surety). The Real Estate Commission has accepted this material house bond based on certain documents on file with the Commission and certain representations made by the Developer which show to the satisfaction of the Commission that:

1. All funds received from purchasers of apartments will be placed in escrow;
2. Purchaser's funds in escrow may not be disbursed to pay for construction costs or other expenses of the development of the Condominium until the apartment being purchased has been completed and closing of the sale takes place;
3. The construction lender for the Condominium, First Hawaiian Bank, has accepted the material house bond;
4. If the closing of a sale of an apartment is to take place before the applicable period within which mechanics' liens may be filed has run, the Developer (Seller) will be providing the purchaser with an owner's title insurance policy containing a mechanics' lien endorsement which protects the purchaser against future mechanics' and materialmen's liens; and
5. With respect to closings of apartment sales which are to take place before expiration of the applicable mechanics' lien period, the Developer will provide the Real Estate Commission with lien releases from the general contractor, Devcor Enterprises, Inc.

Prospective Purchasers should also note that as of January 31, 1992, the Developer of the Condominium, JPS Hawaii, Inc., was merged into and thereby reincorporated as Schuler Homes, Inc., a newly formed Delaware corporation, authorized to do business in the State of Hawaii. Copies of the (i) Certificate of Incorporation of Schuler Homes, Inc., (ii) the By-Laws, (iii) the Agreement and Plan of Merger (between JPS Hawaii, Inc. and Schuler Homes, Inc.), (iv) the Articles of Merger and (v) the Application for Certificate of Authority have been filed with Commission.

In essence, JPS Hawaii, Inc. has been transformed into Schuler Homes, Inc. for internal business reasons, such as new capital formation. No actual transfer to a new company of assets or liabilities involved in the development of this Condominium has taken place. Schuler Homes, Inc. has succeeded to all such assets and liabilities by virtue of its being the surviving corporation after the merger with JPS Hawaii, Inc. For more specific information on Schuler Homes, Inc., see page 6 of this Report.

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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>
A	72	2/1-1/2	750	70
B	28	2/2	750	50 ground floor 65 second floor
C	24	2/1	650	70
Model 1124	6	3/2	1124	80
Model 1250	4	3/2	1250	80
_____	_____	_____	_____	_____

Total Apartments: 134

* Size of lanai varies depending on whether the unit is located on the ground floor or on the second floor

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. In the case of Models 1124 and 1250, the floor area of the garage is not included in calculating Net Living Area.*

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)	248
Guest Stalls	12
Unassigned Stalls	_____
Extra Stalls Available for Purchase	22
Other: <u>Car wash area</u>	2
Total Parking Stalls	284

7. Recreational amenities:

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Schuler Homes, Inc. **Phone:** 521-5661
Name (Business)
1001 Bishop Street, Pacific Tower, Suite 1060
Business Address
Honolulu, Hawaii 96813

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

James K. Schuler, President; Secretary; Treasurer
Michael T. Jones, Executive Vice President
Pamela S. Jones, Vice President of Finance
Thomas A. Bevilacqua, Assistant Secretary

Real Estate Broker: South Pacific Properties **Phone:** 521-5661
Name (Business)
1001 Bishop Street, Pacific Tower, Suite 1060
Business Address
Honolulu, Hawaii 96813

Escrow: Security Title Corporation **Phone:** 521-9511
Name (Business)
1001 Bishop Street, Pacific Tower, Suite 1200
Business Address
Honolulu, Hawaii 96813

General Contractor: Devcor Enterprises, Inc. **Phone:** 242-8608
Name (Business)
Post Office Box 1538
Business Address
Kihei, Maui, Hawaii 96753

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

Attorney for Developer: Ronald W. K. Yee **Phone:** 536-3451
Name (Business)
1000 Bishop Street, Suite 303
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. 91-163539
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

Amendment of Declaration of Condominium Property Regime Regarding Withdrawal of Land from Condominium, recorded in the Bureau of Conveyances - Document No. 92-19000.

- 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. 1581
 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. 91-163540
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%	75%	* Amendments to certain provisions which give rights to the Declarant can only be amended with the Declarant's consent.
Bylaws	65%	65%	
House Rules	---	Majority of Owners or majority of Board	

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

A. Prior to the conveyance of any apartment in the Condominium, the Developer may amend the aforesaid condominium documents to reflect changes in the Condominium and the apartments and common and limited common elements as long as such changes do not materially diminish the value of any apartment or jeopardize a purchaser's loan commitment.

B. Upon completion of the Condominium, the Developer may amend the Condominium Declaration to file the "as built" verified statement required by Section 514A-12 of the Horizontal Property Act.

C. The Developer may amend the aforesaid condominium documents to subject the Condominium to an FHA Regulatory Agreement and/or to conform the Condominium to the requirements of the VA Home Loan Guarantee Program and FHA Home Loan Programs.

D. Within 6 months of final subdivision approval or 2 years from the date of the Declaration, whichever is earlier, the Developer may amend the Declaration to withdraw land not intended to be a part of this Project and to revise Exhibit "A" to the Declaration which describes the land subject to the Declaration and constituting the Project site.

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: 480 Kenolio Road Tax Map Key: (2)(portion) 3-9-01:64 and 9'
Kihei, Maui, Hawaii (TMK)

Address TMK is expected to change because a separate parcel number will be assigned
to the project site

Land Area: 15.06* square feet acre(s) Zoning: portion HM, portion R-2
* Subject to Developer's right to withdraw property, which if and when exercised, will reduce the land area to 6.714 acres, more or less.

Fee Owner: Developer
Name

Address

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

- 1. New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Buildings: 11 multi-unit buildings Floors Per Building multi-unit buildings - 2
10 detached dwelling units (Models 1124 & 1250) Model 1124 - 1
 Exhibit B contains further explanations. Model 1250 - 2

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other glass

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>134</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:** Dogs, cats and other household pets as set forth in House Rules
2 persons per bedroom, not including children under the age of 5,
- Number of Occupants:** but in no event more than 3 persons per bedroom
- Other:** _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 33 Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>72</u>	<u>2/1-1/2</u>	<u>750</u>	<u>70</u>
<u>B</u>	<u>28</u>	<u>2/2</u>	<u>750</u>	<u>50 ground floor 65 second floor</u>
<u>C</u>	<u>24</u>	<u>2/1</u>	<u>650</u>	<u>70</u>
<u>Model 1124</u>	<u>6</u>	<u>3/2</u>	<u>1124</u>	<u>80</u>
<u>Model 1250</u>	<u>4</u>	<u>3/2</u>	<u>1250</u>	<u>80</u>
_____	_____	_____	_____	_____

* Size of lanai may vary depending on whether the unit is located on the ground floor or on the second floor

Total Apartments: 134

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. In the case of Models 1124 and 1250, the floor area of the garage is not included in calculating Net Living Area.*

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:

Apartment Unit types: undecorated interior surfaces of perimeter and floors and ceilings which enclose net living area, plus lanai.

Detached dwelling unit types: undecorated interior surfaces of perimeter and floors and ceilings which enclose net living area, plus lanai, plus undecorated interior surfaces of perimeter and floors and roof of attached garage.

Permitted Alterations to Apartments:

Unless otherwise prohibited by the Condominium Declaration, the By-Laws or the Condominium Property Act, an Apartment Owner may make additions, alterations or improvements solely within his or her apartment or within a limited common element appurtenant to his or her apartment at his or her sole cost and expense; provided, however, that no Owner may do any work to his or her Apartment which could jeopardize the soundness or safety of any part of the Condominium, reduce the value thereof, or impair any easement or hereditament; nor may any Owner add any material structure without in every such case the consent of seventy-five percent (75%) of the Owners being first obtained, including the consent of all Owners whose apartments or limited common elements appurtenant thereto are directly affected. The installation of solar energy devices, as defined by H.R.S. Section 468B-1 shall require approval only by the Board. Lanais may not be enclosed.

7. **Parking Stalls:**

Total Parking Stalls: 234

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		48		12		188 ^x	248
Guest Unassigned		12					12
Extra Available for Purchase						22 ^y	22
Other:						2 ^z	2
Total Covered & Open	60		12		212		

^x148 Regular; 40 Compact
^y20 Regular; 2 Compact
^zDesignated car wash area

Each apartment will have the exclusive use of at least 1 parking stall(s). *

Buyers are encouraged to find out which stall(s) will be available for their use.

* Initially, two (2) stalls are assigned to each apartment

Commercial parking garage permitted in condominium project.

Exhibit B contains additional information on parking stalls for this condominium project.

8. **Recreational and Other Common Facilities:**

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation ~~Area~~ Building *

Laundry Area

Tennis Court

Trash Chute

Other: Car wash area

* Temporarily in this Project but will be constructed in connection with Phase II after Phase II site is withdrawn from this Project

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 A describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit B

as follows:

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

Exhibit C describes the common interests for each apartment.

As follows:

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

Exhibit D describes the encumbrances against the title contained in the title report dated February 12, 1992 _____ and issued by Security Title Corporation _____.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
1. \$13,108,000.00 acquisition and development loan mortgage in favor of First Hawaiian Bank	Buyer may not be able to acquire the Apartment, but Buyer will be entitled to a refund of deposits
2. \$7,447,000.00 construction loan mortgage for Phase I in favor of First Hawaiian Bank	

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 _____

J. Status of Construction and Estimated Completion Date:

Construction has commenced. The estimated completion date is August 31, 1992.

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:

The Developer plans to develop an overall project containing a total of 346 apartment units in 3 Phases of which this Project is Phase I. As presently planned, this Project contains 134 units, Phase II will have 108 units, and Phase III will have 104 units. The buildings and apartment units in subsequent Phases will be essentially of the same type and architectural style as those in this Project, except that only this Project will have detached dwelling units.

Each Phase will be developed as and will remain a separate Condominium Property Regime. It is the Developer's intention, however, that as subsequent Phases are completed, they will be administratively merged with prior Phases such that for the purposes of (i) project management and administration, (ii) use of the common elements by apartment owners, and (iii) sharing of common expenses by apartment owners, the merged Phases will be treated as if they constituted a single condominium project. The projected fractional shares (expressed in percentages) of common expenses to be borne by the apartment owners if and when the various mergers take place are shown in Exhibit C to this Report.

The Developer has reserved rights to effect Phase mergers, but the Developer is not obligated either to develop subsequent Phases or to merge them with this Project.

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated May 1, 1991

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The prospective purchasers should be aware that any references to "single-family" detached dwellings in the Declaration or other condominium documents do not refer to legally subdivided lots. Further, dashed lines utilized in the Condominium Map drawings are for the purpose of showing the boundaries of limited common element areas, not property lines of legally subdivided lots.

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.

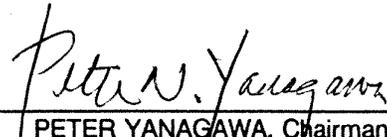
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) 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. 2459 filed with the Real Estate Commission on June 4, 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"

COMMON ELEMENTS: The Condominium Declaration states that the common elements consist of:

(a) The Land in fee simple, subject to certain easements and restrictions, all as described in the Condominium Declaration.

(b) All foundations, floor slabs, columns, girders, beams, supports, load-bearing walls, main walls, interior walls separating adjacent apartments in the same building (except the inner decorated surfaces of such walls), and roofs of the buildings; all exterior stairs, stairways, landings and railings (except lanai railings); and other building appurtenances, including but not limited to, the electrical cabinets and the compartments for waterheaters located on the exteriors of the buildings.

(c) All yards, grounds, landscaping, fences, and refuse areas and facilities.

(d) All sidewalks, pathways, parking areas, parking stalls (including 12 visitor parking stalls numbered 66, 67, 68, 76, 77, 78, 79, 80, 322, 323, 324 and 325 on the Condominium Map and 2 parking stalls numbered 267 and 268 which are designated a car wash area), driveways and roads within the Condominium.

(e) All ducts, electrical equipment, transformers, wiring and other central and appurtenant installations for power, light, water, sewer, gas and telephone; all pipes, plumbing, wires, conduits or other utility or service lines, which are used by or serve more than one apartment, including any such lines that run through any apartment; and central air conditioning and like central utilities, if installed.

(f) All the benefits, if any, inuring to the Land or to the Project from all easements shown on the Condominium Map or listed in the Condominium Declaration, including, without limitation to generality of the foregoing, certain non-exclusive easements of use for vehicular and pedestrian access and for utilities.

(g) All other portions of the land and improvements that are not specifically designated for use by one or more specific apartments, but which are intended for common use, and all other devices and installations the use of which exists for, is rationally allocated to or is necessary to the existence, upkeep and safety of more than one apartment or the Condominium Project as a whole.

The common elements will include the common elements of any one or more of the condominium projects that may be developed as part of the Overall Project at such time as there is a merger of this Condominium Project with any one or more of such other projects, all as explained in Section 19 of the Condominium Declaration and Section K. of this Report, "Project Phases".

EXHIBIT "B"

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called "limited common elements", are set aside and reserved for the exclusive use of certain Apartments. The limited common elements are as follows:

1) For the Apartment Units:

- (a) Each Apartment Unit initially has two parking stalls appurtenant to it and must have at least one appurtenant parking stall. The Condominium Map also indicates compact size stalls with the letter "c" to distinguish them from regular size stalls. In the following list of parking stall assignments, the letter "c" is also used to indicate compact size stalls, and the letter "T" is used to indicate a pair of stalls which are in tandem, that is, one behind the other. The use of these letters is for information purposes only and not for identification purposes. Thus, the proper identification of each stall is by number only, and the letters "c" and "T" appearing in the following list do not constitute a part of the parking stall identification number. The Condominium Map identifies each stall by a parking stall number. The particular parking stalls that initially will be appurtenant to the particular Apartment Units are as follows:

	<u>Building #1</u>	<u>Parking Stall #</u>		<u>Building #3</u>	<u>Parking Stall #</u>
Apartment #	101	7/8	Apartment #	101	105c/106cT
	102	1/2		102	103/104T
	103	133/134T		103	115/116T
	104	147/148T		104	117/118T
	105	135/136T		105	131/132T
	106	145/146T		106	127c/128cT
	201	5/6		201	107c/108cT
	202	3/4		202	101/102T
	203	137/138T		203	111/112T
	204	143/144T		204	119/120T
	205	139/140T		205	129c/130cT
	206	141/142T		206	125c/126cT
	<u>Building #2</u>	<u>Parking Stall #</u>		<u>Building #4</u>	<u>Parking Stall #</u>
Apartment #	101	13/14	Apartment #	101	91/92T
	102	9/10c		102	87/88T
	103	17/18		103	95/96T
	104	21/22c		104	99/100T
	105	25/26		105	72/73
	106	29/30		106	33/69
	201	15/16		201	89/90T
	202	11c/12c		202	81/82
	203	19/20		203	93/94T
	204	23c/24c		204	97/98T
	205	27/28		205	74/75
	206	31/32		206	70/71

Note: "c" indicates compact stall
 "T" indicates tandem stalls

	<u>Building #5</u>	<u>Parking Stall #</u>
Apartment #	101	38/39T
	102	34/35T
	103	213/214T
	104	205c/206cT
	105	217/218T
	106	209c/210cT
	201	36/37T
	202	203/204T
	203	219c/220cT
	204	207c/208cT
	205	215/216T
	206	211/212T

	<u>Building #8</u>	<u>Parking Stall #</u>
Apartment #	101	259/260T
	102	263/264T
	103	255/256T
	104	251/252T
	105	62c/63c
	106	58/59
	201	261/262T
	202	265/266T
	203	257/258T
	204	253/254T
	205	64/65
	206	60/61c

	<u>Building #6</u>	<u>Parking Stall #</u>
Apartment #	101	42/43T
	102	46/47T
	103	50c/51c
	104	54/55
	105	245c/246cT
	106	249/250T
	201	40/41T
	202	44/45T
	203	48/49
	204	52c/53
	205	247/248T
	206	56/57

	<u>Building #9</u>	<u>Parking Stall #</u>
Apartment #	101	159/160T
	102	155/156T
	103	167/168T
	104	163/164T
	201	157/158T
	202	153/154T
	203	165/166T
	204	161/162T

	<u>Building #7</u>	<u>Parking Stall #</u>
Apartment	101	239/240T
	102	243c/244cT
	103	235/236T
	104	231/232T
	105	221c/222cT
	106	225/226T
	201	237/238T
	202	241c/242cT
	203	233/234T
	204	229/230T
	205	223c/224cT
	206	227/228T

	<u>Building #11</u>	<u>Parking Stall #</u>
Apartment #	101	173c/174cT
	102	169/170T
	103	187/188T
	104	191/192T
	105	199c/200cT
	106	195c/196cT
	201	175c/176cT
	202	171/172T
	203	185/186T
	204	189/190T
	205	197c/198cT
	206	193/194T

	<u>Building #13</u>	<u>Parking Stall #</u>
Apartment #	101	201/202T
	102	320/321T
	103	85/86T
	104	109c/110cT
	201	318/319T
	202	316/317T
	203	83/84T
	204	113/114T

Note: "c" indicates compact stall
 "T" indicates tandem stall

Additional Stalls for Sale (originally appurtenant to Apartment #1-201):

121/122T, 123/124T, 149/150T, 151/152T, 177c/178cT, 179/180T, 181/182T, 183/184T, 310/311T, 312/313T, 314/315T

(NOTE: Parking stalls may be transferred between apartments in the manner provided for in the Condominium Declaration, as long as at least one stall is appurtenant to each apartment. The Developer may sell to various purchasers one or more of the additional 22 parking stalls listed as appurtenant to Apartment #1-201 and may also change parking stall assignments as long as at least one parking stall is assigned as a limited common element to each Apartment. The parking stall or stalls assigned to an apartment shall be listed in the Apartment Deed from the Developer.)

(b) Each private patio or yard area is a limited common element appurtenant to the first floor Apartment Unit which such area adjoins as shown on the site plan included as part of the Condominium Map. Each such area is deemed to be measured from the interior surface of the fence (i.e., the surface facing the apartment) around the area.

(c) Each compartment containing water heaters and located on the exterior of a multi-unit building is a limited common elements appurtenant to the ground floor Apartment Units and the second story Apartment Units above them which are served by the water heaters contained therein.

(d) The concrete pad outside the door of each ground floor Apartment Unit is a limited common element appurtenant to that Apartment Unit. Each stairway and second story landing providing access to a second story Apartment Unit is a limited common element appurtenant to that Apartment Unit; provided, that those stairways which lead to two second story Apartment Units shall be limited common elements appurtenant to both of the apartments so served, but the second story landing directly adjacent to the entrance of each such second story apartment is a limited common element appurtenant only to that Apartment Unit.

(e) Each mailbox bearing the same designation as an Apartment Unit is a limited common element appurtenant to that Apartment Unit.

2) For the Houses (Detached dwelling units):

- a) The Lot Area (limited common element land area) of each House, as shown and described on the Condominium Map, is a limited common element appurtenant to the House located thereon.
- b) All ancillary structures, such as fences or walls, and all paved private driveway areas located entirely within the boundaries of a Lot Area are limited common elements appurtenant to the House located on the Lot Area.
- c) Ancillary structures, such as fences or walls, that separate adjoining Lot Areas are limited common elements appurtenant to the Houses located upon the Lot Areas so separated.

All costs and expenses pertaining to limited common elements are to be charged to the apartment or apartments to which the limited common element appertains pursuant

to the Condominium Declaration and Section 514A-15(a) of the Horizontal Property Act. If a limited common element is appurtenant to two or more apartments, such costs and expenses shall be charged to both. Thus, if a limited common element is appurtenant to two apartments, one-half of such costs and expenses will be charged to each apartment; provided, however, that as permitted in the Condominium Declaration, the Board of Directors of the Association may assess certain of such costs and expenses in proportion to the common interest appurtenant to each of the apartments involved. Apartment owners shall be responsible for the maintenance and repair of their limited common elements.

END OF EXHIBIT "B"

EXHIBIT "C"

INTEREST TO BE CONVEYED AN APARTMENT BUYER: The Condominium Declaration provides that the undivided interest in the common elements appurtenant to each apartment for voting and all other purposes (the "common interest") will be as follows:

Type and Number of Apartments	<u>Apartment Numbers</u>	Percentage of Undivided Interest For Each Apt.	Total Percentage Interest For Each Apt. <u>Type</u>
Apartment Unit Type A (72):	2-101, 2-102, 2-105, 2-106 2-201, 2-202, 2-205, 2-206, 3-101, 3-102, 3-105, 3-106, 3-201, 3-202, 3-205, 3-206, 4-101, 4-102, 4-105, 4-106, 4-201, 4-202, 4-205, 4-206, 6-101, 6-102, 6-105, 6-106, 6-201, 6-202, 6-205, 6-206, 7-101, 7-102, 7-105, 7-106, 7-201, 7-202, 7-205, 7-206, 8-101, 8-102, 8-105, 8-106, 8-201, 8-202, 8-205, 8-206, 9-101, 9-102, 9-103, 9-104, 9-201, 9-202, 9-203, 9-204, 11-101, 11-102, 11-105, 11-106, 11-201, 11-202, 11-205, 11-206, 13-101, 13-102, 13-103, 13-104, 13-201, 13-202, 13-203, 13-204	.7328	52.7616
Apartment Unit Type B (28):	2-103, 2-104, 2-203, 2-204 3-103, 3-104, 3-203, 3-204, 4-103, 4-104, 4-203, 4-204, 6-103, 6-104, 6-203, 6-204, 7-103, 7-104, 7-203, 7-204, 8-103, 8-104, 8-203, 8-204, 11-103, 11-104, 11-203, 11-204	.7328	20.5184
Apartment Unit Type C (24):	1-101, 1-102, 1-103, 1-104, 1-105, 1-106, 1-201, 1-202, 1-203, 1-204, 1-205, 1-206, 5-101, 5-102, 5-103, 5-104, 5-105, 5-106, 5-201, 5-202, 5-203, 5-204, 5-205, 5-206	.6351	15.2424
House Model 1124:	A, B, D, G, J, K	1.098	6.588
House Model 1250:	C, E, F, H	1.221 except for House Unit H, which has 1.2266	<u>4.8896</u>
Grand Total			100.000%

The common interest is based upon the net living area in square feet for that apartment divided by the total net living area of all apartments, rounded off so that the total of all the common interests for all apartments equals 100%. Minor adjustments have been made to insure that the total of all the common interests equals 100%.

Each apartment owner will be assessed a share of all common expenses of the Condominium Project equal to the common interest appurtenant to his or her apartment. All expenses pertaining to limited common elements will be assessed in the manner described under the heading LIMITED COMMON ELEMENTS.

Upon a merger of this Condominium Project with one or more projects, as described in this Report under the heading: "K. Project Phases", the combined common expenses of all merged projects will be shared in the following manner. The percentage share of common expenses allocated to an individual Apartment Unit or House in a particular Phase after a merger of Phases would be calculated as if the merged Phases constituted a single condominium project, to wit: each Apartment Unit type and House model type would be allocated a percentage share based on the net living area of the Apartment Unit type or House model type divided by the total net living area of Apartment Units and Houses in the merged Phases (with minor adjustments made to insure that all Apartment Units of the same type and all Houses of the same model type have the same percentage share and that the total of all shares is 100%). Thus, if Phases I and II are developed and merged administratively as presently planned, the percentage shares of common expenses allocable to the various Apartment Units and Houses would be as follows:

Merger of Phases I and II

<u>Apartment Unit Type</u>	<u>Percentage Share for Each Apt.</u>	<u>Number of Apartments</u>	<u>Total Percentage Share for Each Apt. Type</u>
A	.4145%	136	56.372%
B	.4145%	48	19.896%
C	.3592%	48	17.2416%
 <u>House Model</u>			
1124	.6212%	6	3.7272%
1250	.6908%	4	2.7632%
			<u>100.00%</u>

Similarly, if Phases I, II and III are developed and merged as presently planned, the percentage shares of common expenses allocable to the various Apartment Units and Houses would be as follows:

Merger of Phases I, II and III

<u>Apartment Unit Type</u>	<u>Percentage Share for Each Apt.</u>	<u>Number of Apartments</u>	<u>Total Percentage Share for Each Apt. Type</u>
A	.2900%	208	60.32%
B	.2900%	68	19.72%
C	.2550%	60	15.30%

House Model

1124	.4500%	6	2.70%
1250	.4900%	4	1.96%
			<u>100.00%</u>

The percentage share of the combined common expenses to be borne by each Phase following a merger would be determined by adding together the percentage shares allocable to all apartments in each such Phase. Thus, if development and merger takes place as presently planned, the common expenses will be shared as follows:

<u>Phase I</u>	<u>Merger of Phases I and II</u>	<u>Merger of Phases I, II and III</u>
100%	Phase I - 56.5612% Phase II - 43.4388%	Phase I - 33.98% Phase II - 26.26% Phase III - 39.76%

END OF EXHIBIT "C"

EXHIBIT "D"

Encumbrances Against Title

1. For real property taxes that may be due and owing, reference is made to the Director of Finance, County of Maui.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The terms and provisions of that certain Section VI (c) Agreement for Central Maui Areas dated November 2, 1990, made by and between JPS Hawaii, Inc., a Hawaii corporation and Department of Water Supply of the County of Maui, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-174303, to which reference is hereby made.

4. **FINANCING STATEMENT**

Debtor: JPS Hawaii, Inc.
Secured Party: First Hawaiian Bank
Filed On: May 17, 1990
Document No. 90-072235

AMENDMENT OF FINANCING STATEMENT

Filed On: October 31, 1991
Document No. 91-149490

5. **MORTGAGE**

Mortgagor: JPS Hawaii, Inc., a Hawaii corporation
Mortgagee: First Hawaiian Bank, a Hawaii corporation
Dated: September 17, 1990
Document No. 90-145525
To Secure: \$6,400,000.00
and any additional advances and other amounts
secured thereby, all according to the terms of
that certain promissory note of said
mortgagor(s) therein referred to

The foregoing mortgage was amended by the following:

AMENDMENT TO MORTGAGE

Dated: October 31, 1991
Document No. 91-149489
Re: increases principal amount of the foregoing
mortgages to \$13,108,000.00

6. The effects of that certain Certification of Long-Term Residential Use dated July 12, 1991, recorded in said Bureau of Conveyances as Document No. 91-116672.

7. Restrictions, covenants and conditions as contained in:

AGREEMENT RELATING TO THE OCCUPANCY OF STRUCTURES AND THE ISSUANCE OF WATER METERS

Dated: August 22, 1991
Document No. 91-124400
to which reference is hereby made

8. **ADDITIONAL CHARGE MORTGAGE**

Mortgagor: JPS Hawaii, Inc., a Hawaii corporation
Mortgagee: First Hawaiian Bank, a Hawaii corporation
Dated: October 31, 1991
Document No. 91-149491
To Secure: \$7,447,000.00 as additional charge to that
certain Mortgage shown as encumbrance no. 5

9. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "SOUTHPOINTE AT WAIAKOA PHASE I"

Dated: November 22, 1991
Document No. 91-163539

Condominium Map No. 1581, to which reference is hereby made.

The foregoing Declaration of Condominium Property Regime was amended by the following:

<u>Dated</u>	<u>Document No.</u>
February 6, 1992	92-019000

NOTE: The Apartment Units described in the foregoing Declaration of Condominium Property Regime are listed in Exhibit "B" hereof.

10. **BY-LAWS OF APARTMENT OWNERS OF "SOUTHPOINTE AT WAIAKOA PHASE I"**

Dated: November 22, 1991
Document No. 91-163540

11. Limited restriction for emergency access only, along Lot J-H, area 0.244 acres, as shown on the Map of Waiakoa-Makai Homesteads, Consolidation of Lots J, K and L, and Resubdivision into Lots J-1 to J-4, inclusive, as revised October 24, 1991, prepared by or under the supervision of Norman M. Saito, Registered Professional Land Surveyor, Certificate No. 803-S.
12. Easement 1, for access purposes, in favor of Lot J-2, as shown on the Map of Waiakoa-Makai Homesteads, Consolidation of Lots J, K and L, and Resubdivision into Lots J-1 to J-4, inclusive, as revised October 24, 1991, prepared by or under the supervision of Norman M. Saito, Registered Professional Land Surveyor, Certificate No. 803-S.

13. Easement 7 (area 15,662 square feet), for drainline purposes, in favor of the County of Maui, as shown on the Map of Waiakoa-Makai Homesteads, Consolidation of Lots J, K and L, and Resubdivision into Lots J-1 to J-4, inclusive, as revised October 24, 1991, prepared by or under the supervision of Norman M. Saito, Registered Professional Land Surveyor, Certificate No. 803-S, and as disclosed by that certain instrument dated February 10, 1992, recorded in said Bureau of Conveyances as Document No. 92-019941.

14. The terms and provisions of that certain unrecorded Agreement for Subdivision Approval dated September 10, 1991, made by and between JPS Hawaii, Inc., and the County of Maui through its Department of Public Works and its Department of Water Supply, to which reference is hereby made.

NOTE:

- 1) The records at the Department of Consumer Affairs, State of Hawaii, Business Registration Division reflects the merger of JPS Hawaii, Inc., a Hawaii corporation with and into Schuler Homes, Inc., a Delaware corporation, duly authorized to do business in the State of Hawaii, effective as of January 31, 1992.

END OF EXHIBIT "D"

EXHIBIT "E"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

	<u>Apartment Types</u>	<u>% INTEREST</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
6	MODEL 1124	1.2839	\$143.31	\$1,719.72
3	MODEL 1250	1.4576	\$162.70	\$1,952.40
1	MODEL 1250 (Unit H)	1.4574	\$162.67	\$1,952.04
24	MODEL C	0.7471	\$ 83.39	\$1,000.68
56	MODEL A	0.8567	\$ 95.62	\$1,147.44
24	MODEL B	0.8567	\$ 95.62	\$1,147.44

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:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning	\$0	\$0
Electricity		
<input checked="" type="checkbox"/> common elements only	\$316	\$3,792
<input type="checkbox"/> common elements and apartments	\$0	\$0
Gas	\$0	\$0
Refuse Collection	\$909	\$10,908
Telephone	\$50	\$600
Water and Sewer	\$2,942	\$35,304

Maintenance, Repairs and Supplies

Building	\$497	\$5,964
Grounds	\$1,426	\$17,112

Management

Management Fee	\$1,026	\$12,312
Payroll and Payroll Taxes	\$1,300	\$15,600
Office Expenses	\$35	\$420

Insurance

TDI/Workers Comp.	\$102	\$1,224
Health Ins.	\$130	\$1,560
Fire/Liability Ins.	\$826	\$9,912

Reserves	\$500	\$6,000
Taxes and Government Assessments	\$28	\$336
Audit Fees	\$125	\$1,500
Other - Managers Apt. Expense	\$900	\$10,800
Miscellaneous	\$50	\$600
TOTAL	\$11,162	\$133,944

I Dick Weaver, President, Oihana Property Management & Sales Inc. as managing agent for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


 Dick Weaver, CPM

Date: April 19, 1991

EXHIBIT "F"

WARRANTY OF COMPLETION OF CONSTRUCTION IN SUBSTANTIAL
CONFORMITY WITH APPROVED PLANS AND SPECIFICATIONS

Property Location:

Purchaser(s)/Owner(s):

For good and valuable consideration the undersigned Warrantor hereby warrants to the Purchaser(s) or Owner(s) identified in the caption hereof, and to his (their) successors or transferees, that:

The dwelling located on the property identified in the caption hereof is constructed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variation therein) which have been approved in writing by the Federal Housing Commissioner or the Administrator of Veterans Affairs on which the Federal Housing Commissioner or the Administrator of Veterans Affairs based his valuation of the dwelling: Provided, however, that this warranty shall apply only to such instances of substantial nonconformity as to which the Purchaser(s)/Owner(s) or his (their) successors or transferees shall have given written notice to the Warrantor at any time or times within: (a) with respect to the dwelling unit, one (1) year, and (b) with respect to the common elements, two (2) years from the date of the original conveyance of title to such Purchaser(s)/Owner(s) or the date of initial occupancy of the dwelling, whichever first occurs: Provided further, however, that in the event the Purchaser(s)/Owner(s) acquired title to the captioned property prior to the completion of construction of the dwelling thereon, such notice of nonconformity to the Warrantor may be given at any time or times within: (a) with respect to the dwelling unit, one (1) year, and (b) with respect to the common elements, two (2) years from the date of completion or initial occupancy of such dwelling, whichever first occurs.

The term "dwelling" as used herein shall be deemed to include all improvements or appurtenances set forth in the plans and specifications upon which the Federal Housing Commissioner or the Administrator of Veterans Affairs has based his valuation of the property, excepting those constructed by a municipality or other governmental authority.

This warranty shall be in addition to, and not in derogation of, all other rights and privileges which such Purchaser(s)/Owner(s) may have under any other law or instrument, and shall survive the conveyance of title, delivery of possession of the property, or other final settlement made by the Purchaser(s)/Owner(s), and shall be binding on the Warrantor notwithstanding any provision to the contrary contained in the contract of purchase or other writing executed by the Purchaser(s)/Owner(s) heretofore or contemporaneously with the execution of this agreement or prior to final settlement.

IN TESTIMONY WHEREOF, the Warrantor has signed and sealed this warranty this ____ day of _____, 19__.

(Warrantor's Address)

By _____ (Seal)
Warrantor (Signature and Title)

This warranty is executed for the purpose of inducing the Federal Housing Commissioner or the Administrator of Veterans Affairs to make, to guarantee or to insure a mortgage on the captioned property, and the person signing for the Warrantor represents and verified that he is authorized to execute the same by the Warrantor and by his signature the Warrantor is duly bound under the terms and conditions of said warranty.

W A R N I N G

Section 1010 of Title 18, U.S.C., "Federal Housing Administration transactions," provides: "Whoever, for the purpose of--influencing in any way the action of such Administration--makes, passes, utters, or publishes any statement, knowing the same to be false--shall be fined not more than \$3,000 or imprisoned not more than two years, or both." Other Federal Statutes provide severe penalties for any fraud as intentional misrepresentation made for the purpose of influencing the issuance of any guaranty or insurance or the making of any loan by the Administrator of Veterans Affairs.

NOTICE TO PURCHASER: ANY NOTICE OF NONCONFORMITY MUST BE DELIVERED TO THE WARRANTOR NO LATER THAN _____, as to the dwelling unit, and _____, as to the common elements. (Warrantor shall insert date 1 year or 2 years from initial occupancy, date of conveyance of title or date of completion, whichever event is applicable.)

Receipt of this warranty is acknowledged this ____ day of _____, 19__.

END OF EXHIBIT "F"

EXHIBIT "G"

SUMMARY OF PERTINENT PROVISIONS OF THE SALES CONTRACT

The Sales Contract sets forth the time for and the amount of all payments toward the purchase price and all costs which are the purchaser's obligation. Prior to the issuance of a Final Report, the sales contract operates as a reservation only and may be cancelled by either Developer or Purchaser. A separate written affirmation of the sales contract must be signed by both parties after the final report is issued to convert the reservation into a binding contract. The documents also provide, in effect, that a Purchaser shall be entitled to a refund of his or her funds, and escrow shall make such refund if:

(a) Escrow receives a written request from Developer to return to purchaser the funds of such purchaser then held by Escrow; or

(b) If a purchaser's funds were obtained prior to the issuance of a Final Public Report and a request for refund is made prior to the issuance of the Final Public Report or prior to the time the parties sign a separate written affirmation of the Sales Contract; or

(c) If a purchaser's funds were obtained prior to the issuance of a Final Public Report, and, the purchaser notwithstanding the execution by the parties of a written affirmation of the Sales Contract, exercises his or her right to cancel the Sales Contract at a time prior to the earlier of (1) the conveyance of the apartment to the purchaser, or (2) midnight of the thirtieth (30th) day following the date of delivery of the Final Public Report, provided that the purchaser has not previously waived his or her right to cancel; or

(d) If a purchaser's funds were obtained after the issuance of a Final Public Report and the purchaser exercises his or her right to cancel the Sales Contract at a time prior to the earlier of (1) the conveyance of the apartment to purchaser or (2) midnight of the thirtieth (30th) day following the date of delivery of the Final Public Report, provided, however, that the purchaser has not previously waived his or her right to cancel; or

(e) A purchaser cancels the Sales Contract because there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the Project available for such purchaser's use, unless the purchaser has waived his or her right of cancellation or deemed to have waived such right.

The Sales Contract contains the Developer's promise to complete the Project no later than two years from the date that a Final Public Report is issued. The 2-year period is subject to extensions of time for the occurrence of events outside of the Developer's control which make performance by the Developer within this period impossible as a matter of Hawaii law.

The Sales Contract also provides that by executing a Sales Contract, the purchaser thereby: (1) warrants that he or she has the ability to pay the purchase price for the apartment either from his or her own funds and/or the proceeds of a loan that the purchaser promises he or she can obtain; (2) acknowledges and agrees that obtaining such

a loan is the purchaser's sole responsibility, even if the Developer has made arrangements with a lender generally to provide financing; and (3) acknowledges and agrees that all mortgage liens and other security interests obtained by the construction lender in connection with a construction loan (as well as any extensions, renewals and modifications of that loan) will be and remain at all times a lien or charge on the Project prior and superior to any and all liens or charges arising from the Sales Contract or any other sale and/or reservation agreement with the purchaser. In addition, the specimen Sales Contract contains provisions which: (1) permit the Developer to keep the purchaser's payment deposits under certain circumstances if the Developer cancels a contract due to purchaser's default; (2) provide for "predclosing" of the Sales Contract; (3) provide the Developer with certain rights to modify the Condominium Documents; (4) provide that all interest earned on purchaser's funds will belong to the Developer; (5) limit warranties the purchaser will receive; (6) limit assignment of the Sales Contract; and (7) cover many other important matters that are not described in this Report.

By executing a Sales Contract, each prospective purchaser will consent and agree to the incremental development of this overall Project and the merger of this Project with other increments and will consent and agree to execute such additional documents and to do such other things necessary therefor. Purchaser's execution of a Sales Contract shall operate as an appointment of the Developer as a purchaser's attorney-in-fact to execute such documents and do such other things as are necessary or convenient for the incremental development of the overall project.

END OF EXHIBIT "G"

EXHIBIT "H"
ESCROW AGREEMENT SUMMARY

The Escrow Agent sets forth that the Escrow Agent for the Southpointe At Waiakoa Phase I condominium project is Security Title Corporation. As such, Security Title Corporation will be responsible for the handling of purchase money from sales of apartments. The Escrow Agreement establishes how the proceeds from the sale of an apartment is placed in trust, as well as how trust funds are retained and disbursed. According to the Escrow Agreement, a purchaser's funds may not be released from escrow for the payment of development and construction costs until the apartment being purchased has been completed and the sale is being closed.

The Escrow Agreement also sets forth the duties and responsibilities of the Escrow Agent with respect to closing apartment sale transactions. Among other things the Escrow Agent shall be responsible for:

- (a) coordinating with the mortgage lenders of various purchasers, especially those primary institution(s) which have issued commitments to make apartment purchase money loans;
- (b) coordinating with title search and title insurance companies to see that the requisite title searches and title insurance documents are obtained to effect closings;
- (c) coordinating the signing of documents in connection with "pre-closing" and actual "closing";
- (d) handling the recordation of all documents which must be recorded; and
- (e) handling the disbursement of funds in connection with the closing of apartment sales.

END OF EXHIBIT "H"