

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer A & B PROPERTIES, INC.

Address 822 Bishop Street, Honolulu, Hawaii 96813

Project Name(*): KAHULUI IKENA

Address: See Page 2

Registration No. 3350

Effective date: June 6, 1995

Expiration date: July 6, 1996

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

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

 X FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)

No prior reports have been issued.

This report supersedes all prior public reports.

This report must be read together with _____

 SUPPLEMENTARY: This report updates information contained in the:
(pink)

Preliminary Public Report dated: _____

Final Public Report dated: _____

Supplementary Public Report dated: _____

And Supersedes all prior public reports

Must be read together with _____

This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- Required and attached to this report
- 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 developer.
- Changes made are as follows:

Project Address: 3 Koiula Lane, 7 Koiula Lane, 11 Koiula Lane,
36 Kunihi Lane, 40 Kunihi Lane, 44 Kunihi Lane,
50 Kunihi Lane, 56 Kunihi Lane, 60 Kunihi Lane,
64 Kunihi Lane, 70 Kunihi Lane, 74 Kunihi Lane,
80 Kunihi Lane, Kahului, Maui, Hawaii 96732

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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 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 project's 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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: A & B Properties, Inc. Phone: (808) 525-6611
Name (Business)
822 Bishop Street
Business Address
Honolulu, Hawaii 96813

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

See Page 5a

Real Estate Broker: Valley Isle Realty, Inc. Phone: (808) 242-4400
Name (Business)
Wells Street Professional Center, Suite 301
Business Address
2145 Wells Street, Wailuku, Maui, Hawaii 96793

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 244-7924
Name (Business)
2103 Wells Street, Suite C
Business Address
Wailuku, Maui, Hawaii 96793

General Contractor: Hawaiian Dredging Construction Company Phone: (808) 735-3211
Name (Business)
614 Kapahulu Avenue
Business Address
Honolulu, Hawaii 96815

Condominium Managing Agent: Oihana Property Management & Sales Inc. Phone: (808) 244-7684
Name (Business)
840 Alua Street, Suite 103
Business Address
Wailuku, Maui, Hawaii 96793

Attorney for Developer: Goodsill Anderson Quinn & Stifel (Gail O. Ayabe) Phone: (808) 547-5600
Name (Business)
1099 Alakea Street, 18th Floor
Business Address
Honolulu, Hawaii 96813

Names of officers of the Developer:

| | |
|---------------------|--|
| John C. Couch | Chairman of the Board and Chief Executive Officer |
| W. Allen Doane | Vice Chairman of the Board |
| Robert K. Sasaki | President |
| Stanley M. Kuriyama | Executive Vice President |
| Norbert M. Buelsing | Senior Vice President |
| William H. Campbell | Senior Vice President |
| G. Stephen Holaday | Vice President, Treasurer and Controller |
| Michael J. Marks | Vice President and Assistant Secretary |
| Thomas H. Shigemoto | Vice President |
| Mercer K. Vicens | Vice President |
| Alyson J. Nakamura | Secretary |
| Charles W. Loomis | Assistant Secretary |
| Thomas A. Wellman | Assistant Controller |

**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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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. 95-073520
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date 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 Conveyances Condo Map No. 2244
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed 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. 95-073521
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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> | **The Developer's written consent also is required to amend any provision that gives the Developer any right or authority. |
|--------------------------------|-------------------------------|---|--|
| Declaration (and Condo Map) | 75%* | <u>75%**</u> | |
| Bylaws | 65% | <u>65%</u> | |
| House Rules | — | <u>Majority of the Board of Directors</u> | |

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

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:

The Developer may amend the Declaration, By-Laws and Condominium Map (a) at any time prior to the recording of the first apartment conveyance to a party not signatory to the Declaration; (b) to make any amendments required by law, by the Real Estate Commission of the State of Hawaii, by any title insurer issuing title insurance on the Project or any of the apartments, by any institutional lender lending funds on the security of the Project or any of the apartments, or by any governmental agency; (c) to file the "as built" verified statement required by Section 514A-12, HRS; (d) at any time to effect the changes provided in the Declaration of Merger of Condominium Phases referred to in Section S of the Declaration, including the right to merge the Project with Kahului Ikena - Phase II (as said term is defined in the Declaration of Merger); (e) at any time to effect the changes provided in Section Z of the Declaration, including the right to add certain property to the Condominium Property Regime, to delete certain property from the Condominium Property Regime, and/or to modify the description of the Land submitted to the Condominium Property Regime.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 - Canceled 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 canceled or foreclosed.

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

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

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 3 Koiula Lane, 7 Koiula Lane, 11 Koiula Lane, 36 Kunihi Lane, 40 Kunihi Lane, 44 Kunihi Lane, 50 Kunihi Lane, 56 Kunihi Lane, 60 Kunihi Lane, 64 Kunihi Lane, * Tax Map Key: (2) 3-8-046-010
(TMK)

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

Land Area: 4.309 [] square feet [X] acre(s) Zoning: B-2

*70 Kunihi Lane, 74 Kunihi Lane, 80 Kunihi Lane, Kahului, Maui, Hawaii 96732

Lessor
 (Fee Owner): A & B Properties, Inc.
Name
822 Bishop Street
Address
Honolulu, Hawaii 96813

Sublessor:
Name
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 5 Floors Per Building 3

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other gypsum board, glass and other allied construction materials

4. Permitted Uses by Zoning:

| | <u>No. of</u> <u>Apts.</u> | <u>Use Permitted</u> <u>By Zoning</u> | | <u>No. of</u> <u>Apts.</u> | <u>Use Determined</u> <u>By Zoning</u> |
|---|-------------------------------|---|---------------------------------------|-------------------------------|--|
| <input checked="" type="checkbox"/> Residential | <u>102</u> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Ohana | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Commercial | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Industrial | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Mix Res/Comm | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Agricultural | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Hotel | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Recreational | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Timeshare | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Other: _____ | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

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

No animals allowed, except that dogs, cats and other commonly recognized

- [X] Pets: household pets in reasonable number and size (as determined *
No more than 3 persons per one-bedroom apartment, no more than 5
- [X] Number of Occupants: persons per two-bedroom apartment and no more than 7 persons per
three-bedroom apartment.
- [X] Other: No waterbeds allowed without approval of Board of Directors.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers): 4 in Buildings 1, 2, 3 and 4;

Elevators: 0 Stairways: 2 in Building 5 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> |
|----------------------|-----------------|----------------|----------------------------------|-------------------------|
| SEE EXHIBIT A | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total Apartments: 102

*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:

SEE EXHIBIT B

Permitted Alterations to Apartments:

SEE EXHIBIT C

*by the Board of Directors but not to exceed a total of two (2) such animals) may be kept by owners and occupants. Special limitations apply to dogs, as set forth in the Rules and Regulations.

11. 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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit D .

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 use them, as described in the Declaration, are:

described in Exhibit E.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit F.

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit G describes the encumbrances against the title contained in the title report dated May 8, 1995 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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.

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

[] 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

| <u>Type of Lien</u> | <u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u> |
|---------------------|---|
|---------------------|---|

F. 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:

SEE SECTION 3 OF EXHIBIT H (THE DISCLOSURE ABSTRACT)

2. Appliances:

SEE SECTION 3 OF EXHIBIT H (THE DISCLOSURE ABSTRACT)

G. Status of Construction and Estimated Completion Date:

The Developer estimates that construction of the Project, which commenced in May 1994, will be completed in May 1995.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

The Developer, at its option, has the right, but not the obligation, to expand the Project by merging, either through an administrative merger or an ownership merger, the Project with a condominium project located or to be located on lands (or a portion or portions thereof) adjacent to the Project site, and to amend the Declaration to provide for such merger without obtaining the approval, consent or joinder of any owner, mortgagee or purchaser of any apartment, all as set forth in that certain Declaration of Merger of Condominium Phases referred to in Section S of the Declaration.

The Developer, at its option, has the right, but not the obligation, to add certain property to the Condominium Property Regime, to delete certain property from the Condominium Property Regime, and/or to modify the description of the Land submitted to the Condominium Property Regime, and to amend the Declaration (including the By-Laws and, when applicable, the Condominium Map) to provide for such additions, deletions and/or modifications without obtaining the approval, consent or joinder of any owner, mortgagee or purchaser of any apartment, all as set forth in Section Z of the Declaration

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit I contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated May 5, 1995
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.

[] Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) 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:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules. (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other Declaration of Merger of Condominium Phases; Declaration of Restrictive Covenants (Private Park).

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3350 filed with the Real Estate Commission on 5/31/95.

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C. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. REPAIR AND MAINTENANCE OF APARTMENTS AND COMMON ELEMENTS. The By-Laws provide that every apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his apartment, including without limitation all doors, sliding glass doors (if any), windows, window fixtures, and all internal installations within the apartment such as water, electricity, gas (if any), telephone, sanitation, lights, and all other fixtures and accessories belonging to such apartment, if any, the interior decorated or finished surfaces of all walls, partitions, floors, ceilings and roofs of such apartment, if any, with all necessary reparations and amendments whatsoever in good order and condition, except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Directors or the Managing Agent.

In addition, each apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep the yard area, if any, appurtenant to and reserved for the exclusive use of such owner's apartment, in good order and condition, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work, and in case of such owner's failure after reasonable notice to keep the yard area, if any, as aforesaid, the Association (through the Board of Directors or the Managing Agent) shall have the right (but not the obligation) to perform any such work and the cost thereof shall be charged to such apartment owner as a special assessment constituting a lien against his interest in his apartment which may be foreclosed by the Board or Managing Agent in the same manner as provided in the Condominium Property Act for unpaid common expenses.

Except as hereinabove expressly provided to the contrary, all maintenance, repairs and replacements to the common elements, whether located inside or outside of the apartments, shall be made by the Board and be charged to all the owners as a common expense or a limited common expense; provided, however, that any such maintenance, repair or replacement necessitated by the negligence, misuse or neglect of an apartment owner or occupant or any person under either of them, shall be charged to such apartment owner or the apartment owner of the apartment of such occupant, as a special assessment constituting a lien against his interest in his apartment which may be foreclosed by the Board or Managing Agent in the same manner as provided in the Condominium Property Act for unpaid common expenses.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

A & B PROPERTIES, INC.

Name of Developer

By: 
Duly Authorized Signatory

5/20/95
Date

ROBERT K. SASAKI, President

print name & title of person signing above

Distribution:

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

CONDOMINIUM PUBLIC REPORT ON
KAHULUI IKENA

EXHIBIT A

APARTMENT DESCRIPTION

| <u>Apt.</u> <u>Type</u> | <u>Quantity</u> | <u>Bedroom/</u> <u>Bath</u> | <u>Approx.</u> <u>Net</u> <u>Living</u> <u>Floor</u> <u>Area in</u> <u>Sq. Ft.*</u> | <u>Approx.</u> <u>Net</u> <u>Lanai</u> <u>Floor</u> <u>Area in</u> <u>Sq. Ft.</u> |
|----------------------------|-----------------|--------------------------------|--|--|
| 1 | 8 | 1/1 | 589 | 71 |
| 1R | 8 | 1/1 | 589 | 71 |
| 1H | 4 | 1/1 | 589 | 71 |
| 1HR | 4 | 1/1 | 589 | 71 |
| 2 | 8 | 2/2 | 749 | 106 |
| 2R | 8 | 2/2 | 749 | 106 |
| 2H | 4 | 2/2 | 749 | 106 |
| 2HR | 4 | 2/2 | 749 | 106 |
| 3 | 18 | 2/2 | 772 | 99 |
| 3R | 18 | 2/2 | 772 | 99 |
| 4H | 9 | 3/2 | 900 | 97 |
| 4HR | 9 | 3/2 | 900 | 97 |

Total Apartments: 102

*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.

CONDOMINIUM PUBLIC REPORT ON
KAHULUI IKENA

EXHIBIT B

BOUNDARIES OF EACH APARTMENT

Each apartment consists of the spaces within the perimeter walls and/or imaginary vertical planes (where there is no perimeter wall), floors and ceilings of the respective apartment as shown on the Condominium Map. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, footings, supports, roofs and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls; the inner decorated or finished surfaces of all walls, floors, roofs and ceilings; all windows, window frames, louvers (if any), shutters (if any), doors and door frames along the perimeter of the apartment; the lanai as shown on the Condominium Map; and all of the fixtures and appliances originally installed therein.

CONDOMINIUM PUBLIC REPORT ON
KAHULUI IKENA

EXHIBIT C

PERMITTED ALTERATIONS TO APARTMENTS

Except as otherwise provided in the Declaration, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with all of the requirements of Paragraph 6 of Section I of the Declaration, and promptly upon completion of such restoration, replacement or construction, the Association shall duly file of record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any other provision in the Declaration to the contrary, the owner of an apartment may make any alterations or additions within an apartment and the owner of any two adjoining apartments may alter or remove all or portions of the intervening walls, at such owner's expense, if such alterations or additions are not visible from the exterior of the apartments and if the structural integrity of the building is not thereby affected. The alterations or additions permitted by the immediately preceding proviso shall require only the written approval thereof, including approval of the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartment (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the County of Maui if such agencies so require, by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors of the Association) and such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any two adjoining apartments, if the intervening walls shall have been altered or removed pursuant to the foregoing provision and any entrances sealed, the owner of such apartment shall restore such intervening walls and entrances to substantially the same condition in which they existed prior to such alteration or removal.

Notwithstanding any other provision in the Declaration to the contrary, prior to (a) the time that all apartments in the Project have been sold and recorded and (b) the recordation by the Developer of the "as-built" verified statement (with plans, if applicable) required by Section 514A-12 of said Condominium Property Act (but in no event later than December 31, 2005), the Developer shall have the right to make alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; or to make other alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which make minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 3 of Section T of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of apartments in the Project, and the recordation in the Bureau of Conveyances of the State of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatory to the Declaration.

CONDOMINIUM PUBLIC REPORT ON
KAHULUI IKENA

EXHIBIT D

COMMON ELEMENTS

The common elements consist of all portions of the Project other than the apartments, including specifically, but not limited to:

(a) The Land in fee simple;

(b) All foundations, columns, girders, beams, footings, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, roofs, stairways, walkways, corridors, ramps, fences (if any), entrances, entryways and exits of all buildings of the Project;

(c) All walkways, roadways, sidewalks, perimeter walls, retaining walls, fences, gates (if any), yard areas, driveways, parking areas, loading zones, yards, grounds, landscaping, trash enclosures, and mailboxes;

(d) All pipes, cables, conduits, ducts, sewer and drain lines, sewage treatment equipment and facilities (if any), electrical equipment, equipment rooms, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas (if any), sewer, water, telephone and television signal distribution (if any);

(e) The one hundred four (104) regular size, uncovered parking stalls [one (1) of which is designated as a guest parking stall] and the one hundred (100) compact size, uncovered parking stalls [seven (7) of which are designated as guest parking stalls] located in the parking areas of the Project, all as shown on the Condominium Map;

(f) The Park Area;

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

CONDOMINIUM PUBLIC REPORT ON
KAHULUI IKENA

EXHIBIT E

LIMITED COMMON ELEMENTS

(a) Each of the parking stalls, other than the parking stalls designated on the Condominium Map as guest parking stalls, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit F attached hereto;

(b) Each of the yard areas within the Project, designated on the Condominium Map as Yard Areas Y-1 to Y-34, inclusive, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit F attached hereto;

(c) Any walkway, stairway, entrance, exit, or steps which would normally be used only for the purposes of ingress to and egress from a specific apartment or apartments shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment or apartments;

(d) Any mailbox assigned to an apartment by the Developer or the Association of Apartment Owners of the Project shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

CONDOMINIUM PUBLIC REPORT ON
KAHULUI IKENA

EXHIBIT F

COMMON INTERESTS AND LIMITED COMMON ELEMENTS

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Bldg. No.</u> | <u>Parking Stall No(s).</u> | <u>Yard Area No.</u> | <u>Common Interest</u> |
|---------------------|----------------------|----------------------|-------------------------------------|------------------------------|----------------------------|
| 110 | 1HR | 1 | 168C, 193 | Y-5 | .77394% |
| 111 | 1H | 1 | 173C, 187 | Y-1 | .77394% |
| 112 | 4HR | 1 | 138, 199 | Y-6 | 1.18260% |
| 113 | 4H | 1 | 180C, 181 | Y-2 | 1.18260% |
| 114 | 4H | 1 | 135, 202 | Y-7 | 1.18260% |
| 115 | 4HR | 1 | 177C, 184 | Y-3 | 1.18260% |
| 116 | 2HR | 1 | 139, 198 | Y-8 | .98418% |
| 117 | 2H | 1 | 171C, 190 | Y-4 | .98418% |
| 120 | 1R | 1 | 194 | -- | .77393% |
| 121 | 1 | 1 | 188 | -- | .77394% |
| 122 | 3R | 1 | 137, 200 | -- | 1.01440% |
| 123 | 3 | 1 | 179C, 182 | -- | 1.01440% |
| 124 | 3 | 1 | 134, 203 | -- | 1.01440% |
| 125 | 3R | 1 | 176C, 185 | -- | 1.01440% |
| 126 | 2R | 1 | 140, 197 | -- | .98418% |
| 127 | 2 | 1 | 170C, 191 | -- | .98418% |
| 130 | 1R | 1 | 167C, 195 | -- | .77393% |
| 131 | 1 | 1 | 172C, 189 | -- | .77394% |
| 132 | 3R | 1 | 136, 174C | -- | 1.01440% |
| 133 | 3 | 1 | 178C, 183 | -- | 1.01440% |
| 134 | 3 | 1 | 133, 204 | -- | 1.01440% |
| 135 | 3R | 1 | 175C, 186 | -- | 1.01440% |
| 136 | 2R | 1 | 196, 201 | -- | .98418% |
| 137 | 2 | 1 | 169C, 192 | -- | .98418% |
| 210 | 1HR | 2 | 8, 160C | Y-13 | .77394% |
| 211 | 1H | 2 | 2, 159C | Y-9 | .77394% |
| 212 | 4HR | 2 | 9, 115C | Y-14 | 1.18260% |
| 213 | 4H | 2 | 1, 132 | Y-10 | 1.18260% |
| 214 | 4H | 2 | 7, 104C | Y-15 | 1.18260% |
| 215 | 4HR | 2 | 118C, 129 | Y-11 | 1.18260% |
| 216 | 2HR | 2 | 4, 107C | Y-16 | .98418% |
| 217 | 2H | 2 | 110C, 123 | Y-12 | .98418% |
| 220 | 1R | 2 | 114C | -- | .77393% |
| 221 | 1 | 2 | 126 | -- | .77394% |
| 222 | 3R | 2 | 5, 106C | -- | 1.01440% |
| 223 | 3 | 2 | 120C, 131 | -- | 1.01440% |

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Bldg. No.</u> | <u>Parking Stall No(s).</u> | <u>Yard Area No.</u> | <u>Common Interest</u> |
|---------------------|----------------------|----------------------|-------------------------------------|------------------------------|----------------------------|
| 224 | 3 | 2 | 10, 103C | -- | 1.01440% |
| 225 | 3R | 2 | 117C, 128 | -- | 1.01440% |
| 226 | 2R | 2 | 3, 108C | -- | .98418% |
| 227 | 2 | 2 | 111C, 124 | -- | .98418% |
| 230 | 1R | 2 | 113C, 158C | -- | .77393% |
| 231 | 1 | 2 | 121C, 157C | -- | .77394% |
| 232 | 3R | 2 | 6, 105C | -- | 1.01440% |
| 233 | 3 | 2 | 119C, 130 | -- | 1.01440% |
| 234 | 3 | 2 | 11, 102C | -- | 1.01440% |
| 235 | 3R | 2 | 116C, 127 | -- | 1.01440% |
| 236 | 2R | 2 | 109C, 122 | -- | .98418% |
| 237 | 2 | 2 | 112C, 125 | -- | .98418% |
| 310 | 1HR | 3 | 94C, 156C | Y-21 | .77394% |
| 311 | 1H | 3 | 95C, 154C | Y-17 | .77394% |
| 312 | 4HR | 3 | 30, 73C | Y-22 | 1.18260% |
| 313 | 4H | 3 | 12, 101C | Y-18 | 1.18260% |
| 314 | 4H | 3 | 31, 85C | Y-23 | 1.18260% |
| 315 | 4HR | 3 | 15, 98C | Y-19 | 1.18260% |
| 316 | 2HR | 3 | 23, 89C | Y-24 | .98418% |
| 317 | 2H | 3 | 18, 92C | Y-20 | .98418% |
| 320 | 1R | 3 | 21 | -- | .77393% |
| 321 | 1 | 3 | 93C | -- | .77394% |
| 322 | 3R | 3 | 26, 84C | -- | 1.01440% |
| 323 | 3 | 3 | 13, 100C | -- | 1.01440% |
| 324 | 3 | 3 | 28, 82C | -- | 1.01440% |
| 325 | 3R | 3 | 16, 97C | -- | 1.01440% |
| 326 | 2R | 3 | 24, 88C | -- | .98418% |
| 327 | 2 | 3 | 19, 91C | -- | .98418% |
| 330 | 1R | 3 | 22, 155C | -- | .77393% |
| 331 | 1 | 3 | 86C, 153C | -- | .77394% |
| 332 | 3R | 3 | 27, 83C | -- | 1.01440% |
| 333 | 3 | 3 | 14, 99C | -- | 1.01440% |
| 334 | 3 | 3 | 29, 81C | -- | 1.01440% |
| 335 | 3R | 3 | 17, 96C | -- | 1.01440% |
| 336 | 2R | 3 | 25, 87C | -- | .98418% |
| 337 | 2 | 3 | 20, 90C | -- | .98418% |
| 410 | 1HR | 4 | 40, 63C* | Y-29 | .77394% |
| 411 | 1H | 4 | 47, 74C | Y-25 | .77394% |
| 412 | 4HR | 4 | 55*, 58C* | Y-30** | 1.18260% |
| 413 | 4H | 4 | 32, 80C | Y-26 | 1.18260% |
| 414 | 4H | 4 | 64C*, 65C* | Y-31** | 1.18260% |
| 415 | 4HR | 4 | 35, 77C | Y-27 | 1.18260% |
| 416 | 2HR | 4 | 50*, 66C* | Y-32 | .98418% |
| 417 | 2H | 4 | 45, 69C | Y-28 | .98418% |
| 420 | 1R | 4 | 38 | -- | .77393% |

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Bldg. No.</u> | <u>Parking Stall No(s).</u> | <u>Yard Area No.</u> | <u>Common Interest</u> |
|-----------------|------------------|------------------|-----------------------------|----------------------|------------------------|
| 421 | 1 | 4 | 72C | -- | .77394% |
| 422 | 3R | 4 | 54*, 59C* | -- | 1.01440% |
| 423 | 3 | 4 | 33, 79C | -- | 1.01440% |
| 424 | 3 | 4 | 51*, 62C* | -- | 1.01440% |
| 425 | 3R | 4 | 36, 76C | -- | 1.01440% |
| 426 | 2R | 4 | 49, 67C* | -- | .98418% |
| 427 | 2 | 4 | 44, 70C | -- | .98418% |
| 430 | 1R | 4 | 41, 42 | -- | .77393% |
| 431 | 1 | 4 | 39, 57C* | -- | .77394% |
| 432 | 3R | 4 | 53*, 60C* | -- | 1.01440% |
| 433 | 3 | 4 | 34, 78C | -- | 1.01440% |
| 434 | 3 | 4 | 52*, 61C* | -- | 1.01440% |
| 435 | 3R | 4 | 37, 75C | -- | 1.01440% |
| 436 | 2R | 4 | 48, 68C | -- | .98418% |
| 437 | 2 | 4 | 43, 71C | -- | .98418% |
| 512 | 4HR | 5 | 144, 149C | Y-33 | 1.18260% |
| 514 | 4H | 5 | 141, 152C | Y-34 | 1.18260% |
| 522 | 3R | 5 | 145, 148C | -- | 1.01440% |
| 524 | 3 | 5 | 142, 151C | -- | 1.01440% |
| 532 | 3R | 5 | 146, 147C | -- | 1.01440% |
| 534 | 3 | 5 | 143, 150C | -- | 1.01440% |

NOTE: All parking stall numbers ending with the letter "C" are compact size stalls. All other parking stalls are regular size.

*Parking stall nos. 50, 51, 52, 53, 54, 55, 57C, 58C, 59C, 60C, 61C, 62C, 63C, 64C, 65C, 66C and 67C are located on land adjacent to the Project that is part of the land described in "Exhibit C" of the Declaration. These parking stalls are limited common elements of the Project pursuant to easement rights over the parking stall areas in favor of the apartment owners in the Project.

**Portions of Yard Areas Y-30 and Y-31 are located on land adjacent to the Project that is part of the land described in "Exhibit C" of the Declaration. These yard areas are limited common elements of the Project pursuant to easement rights over the yard areas in favor of the apartment owners in the Project.

CONDOMINIUM PUBLIC REPORT ON
KAHULUI IKENA

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. For any real property taxes that may be due and owing, reference is made to the Department of Finance, Real Property Assessment Division, of the County of Maui.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Access Easement "C" (area 77 square feet) in favor of Lot 2 of Maui Publishing Subdivision, as shown on subdivision map of Michio M. Okuda, dated October 15, 1984.
4. Ground Mat Easement "E" (area 4.014 acres), as shown on subdivision map of Michio M. Okuda, dated October 15, 1984.
5. Grant to Maui Publishing Company, Limited, a Hawaii corporation, dated March 10, 1983, recorded in said Bureau in Liber 16942 at Page 343, of an easement over said Easement "C" for sewer and access purposes, and over said Easement "E" for radio transmission purposes.
6. Subdivision Agreement (Three Lots or Less) dated February 25, 1980, by and between Maui Publishing Company, Ltd., "Owner", and County of Maui, "County", recorded in said Bureau in Liber 14712 at Page 484.
7. Subdivision Agreement (Large Lots) dated October 1, 1980, by and between Alexander & Baldwin, Inc. and Maui Publishing Company, Ltd., "Owner", and County of Maui, "County", recorded in said Bureau in Liber 15132 at Page 544.
8. Grant to Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated dated September 26, 1994, recorded in said Bureau as Document No. 94-175768, of an easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines, etc. for the transmission of electricity.
9. Agreement dated May 24, 1979, by and between County of Maui, Department of Water Supply, "County", and Alexander & Baldwin, Inc., "Applicant", recorded in said Bureau in Liber 13745 at Page 746.

10. Grant to Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated dated March 30, 1995, recorded in said Bureau as Document No. 95-058377, of an easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines, etc. for the transmission of electricity.
11. Declaration of Restrictive Covenants (Private Park) dated May 26, 1995, recorded in said Bureau as Document No. 95-071243, as amended from time to time.
12. Declaration of Merger of Condominium Phases dated May 26, 1995, recorded in said Bureau as Document No. 95-071244, as amended from time to time.
13. Declaration of Condominium Property Regime of Kahului Ikena dated May 26, 1995, recorded in said Bureau as Document No. 95-073520, as amended from time to time.
14. By-Laws of the Association of Apartment Owners of Kahului Ikena dated May 26, 1995, recorded in said Bureau as Document No. 95-073521, as amended from time to time.

CONDOMINIUM PUBLIC REPORT ON

KAHULUI IKENA

EXHIBIT H

DISCLOSURE ABSTRACT

1. (a) PROJECT: Kahului Ikena
Kahului, Maui, Hawaii
 - (b) DEVELOPER: A & B Properties, Inc.
822 Bishop Street, P. O. Box 3440
Honolulu, Hawaii 96801-3440
Telephone: (808) 525-6611
 - (c) PROJECT MANAGER: Oihana Property Management & Sales Inc.
840 Alua Street, Suite 103
Wailuku, Maui, Hawaii 96793
Telephone: (808) 244-7684
2. USE OF APARTMENTS:
 - (a) Number of Apartments in Project for Residential Use: 102
 - (b) Proposed Number of Apartments in Project for Hotel Use:
-0-
 - (c) Extent of Commercial or Other Nonresidential Development
in Project: None
3. WARRANTIES:

(a) Developer warrants the materials and workmanship of the Apartment against defects for a period of one (1) year from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period less than one (1) year from the "date of completion" of the Apartment, as that term "date of completion" is defined in Section 507-43 of the Hawaii Revised Statutes. For purposes of the foregoing warranty, "defects" shall be those items which, as a result of poor workmanship or defective materials used in the construction of the Apartment, reasonably require the repair, renovation, restoration, or replacement of any of the components constituting the Apartment. Items of maintenance relating to the Apartment are not covered by the foregoing warranty. Notwithstanding the generality of the foregoing, Developer's warranty shall not cover defects in any appliances or other items within the Apartment that

are covered by manufacturer warranties. All appliances and other such items within the Apartment shall be covered solely by the warranties of the respective manufacturers thereof and the warranty periods of such warranties may vary.

(b) Developer's obligations under the foregoing warranty are expressly conditioned on prompt written notification by Buyer to Developer of any defects in the materials or workmanship within said period of one (1) year, and are expressly limited to the repair or replacement of defects.

(c) Developer warrants the materials and workmanship of the common elements of the Project against defects for a period of one (1) year from the date the first apartment in the Project is conveyed to an apartment owner other than Developer. For purposes of the foregoing warranty, "defects" shall be those items which, as a result of poor workmanship or defective materials used in the construction of the common elements of the Project, reasonably require the repair, renovation, restoration, or replacement of any of the components constituting the common elements of the Project. Items of maintenance relating to the common elements of the Project are not covered by the foregoing warranty.

(d) Developer's obligations under the foregoing warranties are expressly conditioned on prompt written notification by the Association to Developer of any defects in the materials or workmanship within said period of one (1) year, and are expressly limited to the repair or replacement of defects.

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Disclosure Abstract as Exhibit "A" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by Oihana Property Management & Sales Inc., a Hawaii corporation, for the one-year period commencing May 1, 1995 and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Abstract does not include the Buyer's obligation for the payment of real property

taxes, and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

* NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF *
* MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE VERY *
* DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH MAINTENANCE *
* CHARGES HAVE BEEN ACCURATELY ESTIMATED, SUCH CHARGES WILL *
* TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IM- *
* PROVEMENTS AGE. MAINTENANCE CHARGES CAN VARY DEPENDING ON *
* SERVICES DESIRED BY APARTMENT OWNERS. THE BUYER SHOULD EXAM- *
* INE THE MAINTENANCE CHARGE SCHEDULE TO SEE WHAT SERVICES *
* ARE INCLUDED IN THE SCHEDULE. *

5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer will assume all the actual common expenses of the Project (and therefore an apartment owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states that after a date certain, the respective apartment owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his apartment; provided, however, that such amended Disclosure Abstract shall be filed at least 30 days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the apartment owners whose maintenance expenses were assumed by the Developer. The Developer shall have no obligation to pay for any cash reserves or any other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the President of Oihana Property Management & Sales, Inc., a Hawaii corporation, designated by the Developer of the Kahului Ikena Phase I condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

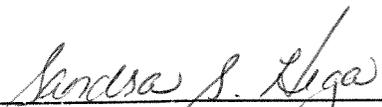
2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimate cost for each apartment in the Project, as set forth in Exhibit "A" attached hereto and hereby incorporated herein by reference, are reasonable estimates for the one-year period commencing May 1, 1995.

DATED: Maui, Hawaii, this 2nd day of May, 1995.



Name: Dick Weaver
Title: President

Subscribed and sworn to
before me this 2nd day
of May, 1995.



Notary Public, State of Hawaii

My commission expires: 6/20/98

EXHIBIT H

Estimate of Maintenance Fee Disbursements:

Monthly X 12 months = Yearly Total

KAHULUI IKENA PHASE I
Utilities and Services

| | | |
|---------------------------------------|----------|-----------|
| Air Conditioning | \$0 | \$0 |
| Electricity | | |
| [] common elements only | \$500 | \$6,000 |
| [] common elements and apartments | \$0 | \$0 |
| Gas | \$0 | \$0 |
| Refuse Collection | \$818 | \$9,816 |
| Telephone | \$0 | \$0 |
| Water and Sewer | \$1,986 | \$23,832 |
| Maintenance, Repairs and Supplies | | \$0 |
| Building | \$250 | \$3,000 |
| Grounds | \$1,800 | \$21,600 |
| Management | | \$0 |
| Management Fee | \$1,224 | \$14,688 |
| Payroll and Payroll Taxes | \$0 | \$0 |
| Office Expenses | \$30 | \$360 |
| Insurance | | \$0 |
| Fire/Liability | \$1,250 | \$15,000 |
| TDI/Workers' Comp. | \$0 | \$0 |
| Health Insurance | \$0 | \$0 |
| Reserves | \$2,005 | \$24,060 |
| Taxes and Government Assessments | \$229 | \$2,748 |
| Audit Fees | \$200 | \$2,400 |
| Other - | | \$0 |
| Pest Control | \$182 | \$2,184 |
| Miscellaneous | \$25 | \$300 |
| TOTAL | \$10,499 | \$125,988 |

EXHIBIT H
ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees

| KAHULUI IKENA PHASE I | | | | |
|-----------------------|-----------------|------------|---------------------------|--------------|
| No. Units | Apartment Types | % Interest | Monthly fee x 12 months = | Yearly Total |
| 8 | Plan 1 | 0.77393 | \$81.25 | \$975.00 |
| 16 | Plan 1 | 0.77394 | \$81.26 | \$975.12 |
| 24 | Plan 2 | 0.98418 | \$103.33 | \$1,239.96 |
| 36 | Plan 3 | 1.0144 | \$106.50 | \$1,278.00 |
| 18 | Plan 4 | 1.1826 | \$124.16 | \$1,489.92 |

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

CONDOMINIUM PUBLIC REPORT ON
KAHULUI IKENA

EXHIBIT I

SUMMARY OF SALES AGREEMENT

A specimen Sales Agreement (the "Sales Agreement"), has been submitted to the Real Estate Commission and is available in the Sales Office of the Seller. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of their provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. Buyer understands, acknowledges and agrees that Seller from time to time may rent certain apartments owned by Seller in the Project, including without limitation, apartments located within the building in which the Apartment is located. Buyer further understands, acknowledges and agrees that Seller subsequently may sell such apartments that previously have been rented. Buyer also understands, acknowledges and agrees that the Apartment may have been rented by Seller to one or more third parties other than buyer prior to the date of this Agreement. If the Apartment has been rented, Seller, upon buyer's request, will provide buyer with information regarding the period(s) of time in which the Apartment was rented to one or more third parties.

2. (a) Seller warrants the materials and workmanship of the Apartment against defects for a period of one (1) year from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period less than one (1) year from the "date of completion" of the Apartment, as that term "date of completion" is defined in Section 507-43 of the Hawaii Revised Statutes. For purposes of the foregoing warranty, "defects" shall be those items which, as a result of poor workmanship or defective materials used in the construction of the Apartment, reasonably require the repair, renovation, restoration, or replacement of any of the components constituting the Apartment. Items of maintenance relating to the Apartment are not covered by the foregoing warranty. Notwithstanding the generality of the foregoing, Seller's warranty shall not cover defects in any appliances or other items within the Apartment that are covered by manufacturer warranties. All appliances and other such items within the Apartment shall be covered solely by the warranties of the respective manufacturers thereof and the warranty periods of such warranties may vary.

(b) Seller's obligations under the foregoing warranty are expressly conditioned on prompt written notification by buyer to Seller of any defects in the materials or workmanship within said period of one (1) year, and are expressly limited to the repair or replacement of defects.

(c) Seller warrants the materials and workmanship of the common elements of the Project against defects for a period of one (1) year from the date the first apartment in the Project is conveyed to an apartment owner other than Seller. For purposes of the foregoing warranty, "defects" shall be those items which, as a result of poor workmanship or defective materials used in the construction of the common elements of the Project, reasonably require the repair, renovation, restoration, or replacement of any of the components constituting the common elements of the Project. Items of maintenance relating to the common elements of the Project are not covered by the foregoing warranty.

(d) Seller's obligations under the foregoing warranties are expressly conditioned on prompt written notification by the Association to Seller of any defects in the materials or workmanship within said period of one (1) year, and are expressly limited to the repair or replacement of defects.

3. Buyer understands and agrees that (a) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (b) installation of the plant materials and irrigation system may be completed after the Closing Date; (c) full maturity of the plant materials will only be reached over an extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; and (d) the Association will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity.

4. Seller may (but does not have to) cancel the Sales Agreement (a) if the buyer's mortgage loan application is rejected or not approved within 45 days after the Seller signs the Sales Agreement, or (b) if the buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the buyer's ability to make the cash payments.

5. Section 514A-103 of the Hawaii Revised Statutes ("HRS") requires the developer of a residential condominium project to designate at least 50% of the residential apartments for sale to prospective "owner-occupants" under HRS Section 514A-105.

Pursuant to HRS Section 514A-104(b), the Seller used a chronological system to determine the order in which prospective owner-occupant purchasers would be given an opportunity to select one of the designated residential apartments. Each of the prospective owner-occupants was placed on a final reservation list in the order in which they submitted to Seller's real estate broker, both a completed owner-occupant affidavit and a reservation deposit in the amount designated by Seller. Each prospective owner-occupant on the final reservation list was given the opportunity to select one of the designated apartments in the order in which their names appeared on the list. Those prospective owner-occupants who did not select, or did not have the opportunity to select, a designated apartment were retained on the final reservation list as back-up prospective owner-occupants, in the order in which they submitted both a completed owner-occupant affidavit and the reservation deposit.

HRS Section 514A-105 requires that from the issuance of an effective date of the first Public Report on the project until the Seller has complied with HRS Section 514A-104, the Seller shall offer all of the residential apartments designated under HRS Section 514A-103 for sale only to prospective owner-occupants whose names are on the final reservation list in the order in which their names appear on the list.

If the Sales Agreement is signed under HRS Section 514A-105 and if buyer is not able to get adequate financing, or a commitment for adequate financing, on or before fifty (50) calendar days from the date of the Seller's execution and acceptance of the Sales Agreement, the Sales Agreement may be canceled by the Seller or the buyer.

If the Sales Agreement is signed under HRS Section 514A-105, buyer will be required to reaffirm buyer's intent to be an owner-occupant of the Apartment no earlier than the buyer's receipt of the Final Public Report and no later than closing of escrow for the Property, and buyer shall execute an Affidavit of Intent to Purchase and Reside in an Owner-Occupant Designated Condominium Residential Unit, the form of which has been approved and issued by the Real Estate Commission, as provided in HRS Chapter 514A, Part VI. The buyer's failure, upon reasonable request of the Seller, to execute the Affidavit of Intent to Purchase and Reside in an Owner-Occupant Designated Condominium Residential Unit and to otherwise reaffirm buyer's intent to be an owner-occupant of the Apartment shall constitute a default by buyer under the Sales Agreement. If buyer is unable to make such a reaffirmation, the Sales Agreement will be canceled.

If the Sales Agreement is canceled under this Section, Seller will tell Escrow to return all of buyer's payments, without

interest, but minus the escrow cancellation fee and all costs of Seller, Escrow or any lending institution in processing the Sales Agreement or any loan application; provided, however, that if the Sales Agreement has become binding upon buyer pursuant to HRS Section 514A-62, Seller may exercise its remedies as provided for in the Sales Agreement and any other remedies provided by law.

If the Sales Agreement is signed under HRS Section 514A-105, buyer will not sell or offer to sell, lease or offer to lease, rent or offer to rent, assign or offer to assign, or convey the Apartment until at least 365 consecutive days have elapsed since the recordation of the Apartment Deed to buyer. Any contract or instrument entered into in violation of this paragraph shall be subject to, among other things, (a) the remedies provided in HRS Section 514A-69, and (b) a civil penalty of up to \$10,000 or 50% of the net proceeds received or to be received by buyer from the sale, lease, rental, assignment, or other transfer of the Apartment, whichever is greater.

6. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED IN THE SALES AGREEMENT. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

7. Buyer will pay for the following closing costs: all of the Escrow fee, all notary fees, all appraisal fees, all recording costs, all charges for buyer's credit report, all costs of preparing any mortgages and promissory notes, and all title insurance costs. Buyer will also pay all mortgage costs. Buyer will also pay a nonrefundable start-up fee which will be held and used by the Seller and the first Managing Agent of the Association as a working capital fund for the benefit of all the apartment owners. Buyer agrees that Seller does not have to pay any start-up fee for any apartment in the Project even if it is owned by Seller. Proration of maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date.

8. The buyer agrees that buyer may not transfer the Sales Agreement or any of buyer's rights or interests under the Sales Agreement without first getting Seller's written consent (which consent may be withheld by Seller in its sole and absolute discretion).

9. Seller has given to and/or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual apartments. All of the rights and interests which Seller gives to the lender or lenders will have priority over the buyers' rights and interests under the Sales Agreements. This applies to any changes to the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed apartment deeds to the buyers. If Seller's lender or lenders ask the buyers to do so, the buyers will sign other documents to confirm the promises and agreements mentioned above.

10. That certain Declaration of Merger of Condominium Phases recorded or to be recorded in the Bureau of Conveyance of the State of Hawaii (hereinafter called the "Declaration of Merger"), among other things, gives Seller the right, in its sole and absolute discretion, to cause and effect an administrative merger of the Project with a condominium project or projects located or to be located on land (or a portion or portions thereof) adjacent to the Project, as part of the same incremental plan of development of the Project, such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the Project and the additional phase are shared, and the administration of the Project and the additional phase is unified under one association of apartment owners, but the ownership interests of the apartment owners of the Project and the additional phase are not altered or affected. The Declaration of Merger also gives the Seller the right, in its sole and absolute discretion, to cause and effect an ownership merger of the Project and the additional phase, as an alternative to an administrative merger of the Project and the additional phase, to provide for the common ownership of the Project and the additional phase by all of the apartment owners of the Project and the additional phase all as set forth in the Declaration of Merger. Upon an ownership merger, all of the apartments in the merged phases shall be treated as though they were all included in a single condominium project (the "Merged Project"), all common elements of the merged phases will become the common elements of the Merged Project, and the common interest appurtenant to the Apartment shall be altered from the percentage set forth in Article I of the Sales Agreement to a percentage as set forth in the "Certificate of Ownership Merger" recorded by the Seller, in accordance with the Declaration of Merger. Nothing herein will be deemed to require Seller to develop the additional phase or to merge the additional phase into the Project, or to prohibit Seller from

dealing with any lands adjacent to the Project not merged with the Project, including without limitation, developing all or any part of such lands for purposes inconsistent with the merger of such lands into the Project.

11. Buyer understands and acknowledges that certain parking stalls (the "Parking Easement Area") and access thereto (the "Parking Access Easement Area"), and portions of certain yard areas (the "Courtyard Easement Area"), are located on land adjacent to the Project that is part of the land described in Exhibit "C" of the Declaration, which easement areas are described in Exhibit "A" of the Declaration, and the apartment owners of the Project have exclusive easements for parking purposes over the Parking Easement Area, a nonexclusive easement for access purposes over the Parking Access Easement Area, and exclusive easements for yard purposes over the Courtyard Easement Area (hereinafter sometimes collectively called the "Lot 2 Easement Area"). Until December 31, 2005, Seller reserves the right, in its sole and absolute discretion, without the approval or consent of any of the apartment owners of the Project or any party with any interest in the Project, to: (a) submit lands which include the Lot 2 Easement Area (or portions thereof) to the Condominium Property Regime established by the Declaration, which submission may occur through the addition of certain real property to said Condominium Property Regime, the deletion of certain real property from said Condominium Property Regime and/or the modification of the description of the Land submitted to said Condominium Property Regime; (b) subdivide the land described in said Exhibit "C" and/or consolidate the Land and the land described in said Exhibit "C" (or a portion thereof) into one parcel of land and resubdivide said land in such manner that the configuration, location and size of the Land will approximate the schematic drawing set forth in Exhibit "D" of the Declaration, to designate and grant easements for access, electrical, gas, telephone, cable television, communications and other utility purposes, easements for sanitary sewer, drainage and drainline, waterline, and flowage purposes, and easements for all other purposes, over, under, across, along, upon and through the Land, as amended or modified pursuant to Section Z of the Declaration, and to take such actions (which shall include, without limitation, the execution, acknowledgment, delivery and recordation of any instruments) as necessary or desirable in connection therewith, including without limitation, the obtaining of all such governmental approvals (which shall include, without limitation, the written approval by the Planning Director of the County of Maui of the final subdivision map, the affixation of a subdivision approval to such map, and the approval of the map by the State of Hawaii surveyor and the filing of the subdivision map in the Bureau of Conveyances of the State of Hawaii) (the matters described in this subparagraph (b) shall hereinafter be referred to as the "Lot 2 Easement Area

Subdivision"); (c) amend the Declaration (including the By-Laws and, when applicable, the Condominium Map), to effect the addition of certain real property to said Condominium Property Regime (which property will be part of the common elements of the Project), the deletion of certain real property from said Condominium Property Regime and/or the modification of the description of the Land submitted to said Condominium Property Regime (which modified description of the Land shall be part of the common elements of the Project), in connection with the Lot 2 Easement Area Subdivision; and (d) execute, acknowledge, deliver and record, on behalf of the apartment owners of the Project and any party with an interest in the Project, any instruments, including without limitation, deeds, grants of easement rights and other conveyance instruments, to (i) convey to the apartment owners of the Project title to the Land, as amended by the addition of certain real property to said Condominium Property Regime, the deletion of certain real property from said Condominium Property Regime and/or the modification of the description of the Land submitted to said Condominium Property Regime, in connection with the Lot 2 Easement Area Subdivision, (ii) convey to the owner or owners of the land described in said Exhibit "C" title to the land described in said Exhibit "C" as modified by the Lot 2 Easement Area Subdivision, and (iii) grant to the owner or owners from time to time of all or any portion of the land described in said Exhibit "C", as modified by the Lot 2 Easement Area Subdivision, the State of Hawaii, the County of Maui, the Board of Water Supply of the County of Maui, any other appropriate governmental agency, and/or any public or private utility or other corporation, partnership, individual or entity, easements for the purposes specified in Section Z of the Declaration, over, under, across, along, upon and through the Land, as modified by the Lot 2 Easement Area Subdivision, under the usual terms and conditions required by the grantee of such easement rights; provided, however, that such easement rights must be exercised in such manner as to not unreasonably interfere with the use of the Land, as modified by the Lot 2 Easement Area Subdivision, by the apartment owners and those claiming by, through or under the apartment owners, and in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements, the Land, as modified by the Lot 2 Easement Area Subdivision, shall be promptly restored by and at the expense of the person owning and exercising such easement rights to substantially the condition of the Land, as modified by the Lot 2 Easement Area Subdivision, immediately prior to the exercise thereof.

Seller anticipates that upon subdivision of the land described in said Exhibit "C" and/or consolidation and resubdivision of the Land and the land described in said Exhibit "C", the configuration, location and size of the Land will approximate the schematic drawing set forth in said Exhibit "D". However,

buyer understands and agrees that the exact configuration, location and size of the Land may be influenced by topography, soil conditions, proximity to other properties and other factors which may affect the boundary lines as well as by requirements imposed by governmental agencies reviewing the Lot 2 Easement Area Subdivision, over all of which Seller has minimal control, and accordingly, Seller shall have the right to select and to make the final decision as to the exact configuration and location of the Land during the course of satisfying the requirements of the Lot 2 Easement Area Subdivision, which final configuration and location (a) may differ from the schematic drawing shown in said Exhibit "D", and (b) may result in the deletion of certain lands from the Land of the Project in addition to the addition of certain lands, including the Lot 2 Easement Area (or portions thereof), to the Land of the Project.

Buyer agrees and consents to: (a) the submission of lands which include the Lot 2 Easement Area (or portions thereof) to the Condominium Property Regime; (b) the Lot 2 Easement Area Subdivision; (c) the recordation of such amendment to the Declaration (including the By-Laws and, when applicable, the Condominium Map); and (d) the execution, acknowledgment, delivery and recordation, on behalf of the apartment owners of the Project and any party with an interest in the Project, of any such instruments, all without any further consent or joinder of buyer. Buyer agrees to execute any document or instrument necessary or appropriate, as determined by Seller, in its sole and absolute discretion, for the purpose of carrying out the provisions of Section Z of the Declaration, and buyer agrees to perform and carry out at buyer's expense, or to cause the Association of Apartment Owners to perform and carry out as a common expense, any obligation in any such grant of easement rights pursuant to this paragraph, with respect to providing and maintaining any screening or landscaping or similar requirement as to facilities within the Land, as modified by the Lot 2 Easement Area Subdivision, which may now or hereafter be required by law, ordinance or governmental agency. Buyer does hereby irrevocably appoint the Seller the true and lawful attorney-in-fact of buyer, in buyer's name, place and stead, to take any actions in connection with the submission of lands which include the Lot 2 Easement Area (or portions thereof) to the Condominium Property Regime and the Lot 2 Easement Area Subdivision, and to execute, acknowledge, deliver and record any documents, maps or other instruments, necessary or appropriate, as determined by Seller in its sole and absolute discretion, to effect the submission of lands which include the Lot 2 Easement Area (or portions thereof) to the Condominium Property Regime, to effect the Lot 2 Easement Area Subdivision, to amend the Declaration (including the By-Laws and, when applicable, the Condominium Map), to make the appropriate conveyances and/or grant of easement rights, and to carry out the provisions of Section Z of the

Declaration, on behalf of Buyer. Said power of attorney shall be coupled with an interest and irrevocable, and shall not be affected by buyer's disability.

Nothing herein shall be construed as a representation or warranty by Seller that the Lot 2 Easement Area Subdivision will occur, or to require Seller to effect the Lot 2 Easement Area Subdivision, or to prohibit Seller from dealing freely with the land described in said Exhibit "C", including, without limitation, developing the whole or any part of the land described in said Exhibit "C" for a purpose inconsistent with the Lot 2 Easement Area Subdivision.

12. Buyer acknowledges that the Property is adjacent to, nearby or in the vicinity of lands being, or which in the future may be, actively used for the growing, harvesting and processing of sugar cane and other agricultural products (such growing, harvesting and processing activities being herein collectively called the "Agricultural Activities"), which activities may from time to time bring upon the Property or result in smoke, dust, noise, heat, agricultural chemicals, particulates and similar substances and nuisances (collectively, the "Agricultural By-Products"). Buyer hereby assumes complete risk of and forever releases Seller from all claims for damages (including, but not limited to, consequential, special, exemplary and punitive damages) and nuisances occurring on the Property and arising out of any Agricultural Activities or Agricultural By-Products. Without limiting the generality of the foregoing, Buyer hereby, with full knowledge of Buyer's rights, forever: (i) waives any right to require Seller, and releases Seller from any obligation, to take any action to correct, modify, alter, eliminate or abate any Agricultural Activities or Agricultural By-Products, and (ii) waives any right to file any suits or claim against Seller for injunction or abatement of nuisances or damages. Buyer shall indemnify, defend and hold harmless Seller from and against all claims, demands, actions, losses, damages, liabilities, costs and expenses, including, without limitation, attorneys' fees, asserted against or incurred by Seller, which arise out of any injury, death or damage to person, property or business that occurs on the Property and is the result of any Agricultural Activities or Agricultural By-Products, irrespective of the theory of liability asserted against Seller; provided, however, this indemnification shall not apply to claims, demands, actions, losses, damages, liabilities, costs and expenses caused by the proven (and not merely alleged) willful misconduct of the Seller, but unless the Seller's willful misconduct shall be established by a final, nonappealable judgment of a court of competent jurisdiction, the Seller shall be entitled to the full benefits of this indemnification, including the right to reimbursement for all costs and expenses, including attorneys' fees, incurred in the defense of

any claims or demands asserted by any party against the Seller. Buyer agrees that any Agricultural Activities or Agricultural By-Products, and any claim, demand, action, loss, damage, liability, cost or expense arising therefrom, shall not constitute a breach of any covenant or warranty of Seller under this instrument or be the basis for a suit or other claim for injunction or abatement of nuisances or damages, and Buyer hereby forever waives any right to file any such suit or claim. As used in this paragraph, all references to "Seller" shall mean and include Seller and all parent, subsidiary, sister and affiliated companies of Seller, in their respective capacities as the owner of the Property and the developer of the Project, the current owner of the lands on which the Agricultural Activities are or may be conducted, and the person conducting the Agricultural Activities, and all successors and assigns of Seller and its parent, subsidiary, sister and affiliated companies.

13. The buyer understands, acknowledges, covenants and agrees to the following:

(a) The Property is or may be located adjacent to or in the vicinity of electric, water and other utilities and public roads and thoroughfares, including, without limitation, such things as high-powered electrical transmission lines, which may result in, among other things, electromagnetic fields and nuisances, such as noise and dust, disturbances or hazards (collectively, the "Utility Effects") to persons and to property on or within the Property;

(b) (i) The Project is or may be located adjacent to or in the vicinity of various construction activities, including, but not limited to, ongoing residential and related construction, proposed residential and related construction, and other construction and development projects (collectively, the "Proposed Development"); (ii) construction of the Proposed Development will or may result in noise, dust, vibration and other nuisances, disturbances or hazards to buyer and to persons and property on or within the Property or the Project, and may limit buyer access to the Project; (iii) when completed, traffic, lights, noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Property or the Project may be generated from the Proposed Development; (iv) no representations or warranties are made by Seller, its employees or agents concerning plans, or the absence of plans, by Seller or others for future development of adjacent or nearby properties, and any plans for the future development of adjacent and nearby properties by Seller are subject to change in the sole and absolute discretion of the Seller or its successors and assigns; and (v) Seller makes no representations regarding the view from the Property or any view

easements or rights, and the views from the Property are not guaranteed and may be altered, diminished, eliminated or blocked entirely by the future development of adjacent or surrounding properties (items (i) through (v) are hereinafter collectively called the "Development Effects"); and

(c) Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh the risks of the Utility Effects and the Development Effects (collectively, the "Property Conditions"). Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Utility Effects and the Development Effects. Buyer hereby covenants and agrees to assume all risks of impairment of buyer's use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from the Property Conditions, and buyer, for the buyer and the buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Property through the buyer for an extended period of time (collectively, the "Occupants"), hereby waives any claims or rights of action or suits against Seller and its successors and assigns, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from one or more of the Property Conditions. Buyer shall indemnify, hold harmless and defend Seller and its successors and assigns, from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, or property damage or personal injury to the property or person of the Occupants as a result of one or more of the Property Conditions. Buyer further covenants that buyer will notify all Occupants and transferees of the Property of the risks of the Property Conditions.

14. Buyer understands that certain apartments in the Project are "accessible" and "adaptable", as those terms are defined and interpreted in Section 100 et seq. of Volume 24 of the Code of Federal Regulations for persons with disabilities. Buyer understands and agrees that if the Apartment meets the "accessible" and "adaptable" standard described above, and if buyer would like to adapt the interior of the Apartment for use by handicapped persons, buyer will make such adaptations at buyer's own cost and expense, and Seller will not be responsible for any cost or expense relating to the adaptation of the Apartment for use by handicapped persons.

15. If buyer fails to make any payment when it is due or fails to keep any of buyer's other promises or agreements

contained in the Sales Agreement, then Seller will have the right, at Seller's sole option and in addition to any other rights contained in the Sales Agreement, to do any one or more of the following:

(a) Seller may cancel the Sales Agreement by giving buyer written notice of cancellation and Seller may keep all sums paid by buyer under the Sales Agreement as liquidated damages. If Seller cancels the Sales Agreement, buyer agrees that it will be difficult and expensive to determine the amount of loss or damage Seller will suffer. This is because of, among other things, Seller's commitments relating to the financing of the Project, the effect of default and cancellation of one sale on other apartment sales, and the nature of the real estate market in Hawaii. Buyer agrees that the sums paid by buyer under the Sales Agreement are a reasonable estimate of a fair payment to Seller for Seller's loss or damage resulting from buyer's default.

(b) Seller may file a lawsuit for damages.

(c) Seller may file a lawsuit for "specific performance" (in other words, a lawsuit to make buyer keep all of buyer's promises and agreements).

(d) Seller may take advantage of any other rights which the law allows or which Seller may have under the Sales Agreement.

Buyer also agrees to pay for all costs, including Seller's reasonable lawyers' fees and the escrow cancellation fee, which are incurred because of buyer's default.

16. If Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, buyer may require Seller to go through with the Sales Agreement or buyer may cancel the Sales Agreement. If buyer cancels the Sales Agreement because of Seller's default, Seller will repay to buyer all sums paid by buyer to Seller or Escrow under the Sales Agreement, without interest.

BUYER AGREES THAT IF SELLER DEFAULTS UNDER THE SALES AGREEMENT AT ANY TIME, BUYER WILL ONLY HAVE THE RIGHTS MENTIONED IN THIS SECTION. BUYER GIVES UP ANY OTHER RIGHTS BUYER MIGHT OTHERWISE HAVE.

17. Buyer understands, acknowledges and agrees that within ninety (90) days after the Closing Date, buyer will commence landscaping of the yard area, if any, appurtenant to the Apartment and will proceed diligently to complete said landscaping as soon thereafter as possible.

NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

CONDOMINIUM PUBLIC REPORT ON
KAHULUI IKENA

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

Copies of the Escrow Agreement between the Seller and Title Guaranty Escrow Services, Inc. have been submitted to the Real Estate Commission and are available for inspection in the Sales Office of the Seller. The Escrow Agreement, among other things, covers in more detail the following items:

1. All monies received by Escrow under the Escrow Agreement will be deposited within a reasonable time of their receipt by Escrow and in reasonably convenient sums in an account or accounts with a federally insured bank, savings and loan association or other financial institution that pays interest on deposits. All interest paid on the accounts will belong to Seller.

2. Disbursements from the buyer's escrow fund shall be made by Escrow in accordance with the respective sales contracts upon the direction of Seller.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.