CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Alapi'ilani Partners, a Hawaii Limited Partnership
Address 3417 Keha Drive, Kihei, Hawaii 96753

Project Name(*): Alapi'ilani Condominiums
Address: 2505 South Kihei Road, Kihei, Hawaii 96753

Registration No. 3683

Effective date: April 14, 1997
Expiration date: May 14, 1998

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:

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

___ FINAL: (white) — The developer has legally created a condominium and has filed complete information with the Commission.
[ ] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

___ SUPPLEMENTARY: (pink) — This report updates information contained in the:
[ ] 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 [X] Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[ ] Changes made are as follows:

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of 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: Alapi'ilani Partners
Name c/o Eugene Biely
3417 Keha Drive
Business Address
Kihei, Hawaii 96753
Phone: (808) 879-1380 (Business)

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

Eugene A. Biely, Donald D. O'Hara, Heinz Gerner and Samuel S. Aguirre

Real Estate Broker: ERA Maui Real Estate, Inc.
Name
1847 S. Kihei Road, #103
Business Address
Kihei, Hawaii 96753
Phone: (808) 879-1511 (Business)

Escrow: Old Republic Escrow Corp.
Name
55 Merchant Street, #1600
Business Address
Honolulu, Hawaii 96813
Phone: (808) 566-0100 (Business)

General Contractor: Reef Development of Hawaii, Inc.
Name
99-930 Iwaena Street, #107
Business Address
Honolulu, Hawaii 96813
Phone: (808) 488-1228 (Business)

Condominium Managing Agent: Destination Maui, Inc.
Name
910-A Honoapiilani Highway
Business Address
Lahaina, Hawaii 96761
Phone: (808) 661-4405 (Business)

Attorney for Developer: Guy A. Haywood
Name
24 No. Church Street, #307
Business Address
Wailuku, Hawaii 96793
Phone: (808) 242-7222 (Business)

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:

[XX] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
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:

[XX] Proposed
[ ] Recorded - Bureau of Conveyances Condo Map No. _____
[ ] 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:

[XX] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
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:

[X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	by the Board of Directors

* 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.

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

1) The Developer has reserved the rights to change the Declaration regarding parking designations. Section 19(d).

2) The Developer has reserved the right to change the Declaration, By-Laws and Condominium Map in any manner prior to issuance of the final public report. Section. 20.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

[ ] Leasehold or Sub-leasehold: 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 Sub-leaseholds:

[ ] 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 Sub-leasehold:

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: 2505 So. Kihei Road
Kihei, Hawaii 96753

Tax Map Key (TMK): (2)-3-9-20:32

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

Land Area: 1.438 [ ] square feet [XX] acre(s) Zoning: H-2

Fee Owner: Alapi'ilani Partners, a Hawaii Limited Partnership
Name
3417 Keha Drive
Address
Kihei, Hawaii 96753

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building 5/4 dwelling, 1 parking garage

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[XX] Concrete [ ] Hollow Tile [ ] Wood

[ ] Other_____

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
[X] Residential	48	[X] Yes [ ] No	[ ] Ohana	____	[ ] Yes [ ] No
[X] Commercial	____	[ ] Yes [ ] No	[ ] Industrial	____	[ ] Yes [ ] No
[X] Mix Res/Comm	____	[X] Yes [ ] No	[ ] Agricultural	____	[ ] Yes [ ] No
[X] Hotel	____	[X] Yes [ ] No	[ ] Recreational	____	[ ] Yes [ ] No
[ ] Timeshare	____	[ ] Yes [ ] No	[ ] Other:_____	____	[ ] Yes [ ] No

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

The uses are limited to residential in the Declaration.

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:

[X] Pets: 1 dog or cat under 25 pounds. No large pets or farm animals.

[X] Number of Occupants: Per code

[X] Other: No BBQ on lanais, unless electric. No towels, surfboards or recreational equipment on lanai. Residential uses only and short term rentals prohibited.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 2 Stairways: 4 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
	16	1/1			
	32	2/2			

Total Number of Apartments: 48

*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:

Permitted Alterations to Apartments: Non-structural alterations, including building partitions and structure, painting, plastering and tile work; finish electrical and plumbing work.

7. Parking Stalls:

Total Parking Stalls: 96 + 12

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each unit)	____	____	____	____	95	1	96
Guest	____	12	____	____	____	____	12
Unassigned	____	____	____	____	____	____	____
Extra for Purchase	____	____	____	____	____	____	____
Other: ____	____	____	____	____	____	____	____
Total Covered & Open:	12		____		96		108

Each apartment will have the exclusive use of at least 2 parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit ____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[XX] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosure(s)

[ ] Other: _____

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

[XX] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below: [ ] Violations will be cured by _____. (Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

The proposed building will be newly constructed of concrete.

11. Conformance to Present Zoning Code

a. [XX] 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.

	Conforming	Non-Conforming	Illegal
Uses	XX		
Structures	XX		
Lot	XX		

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:

[XX] described in Exhibit "E".

[ ] 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.

[XX] The limited common elements and the apartments which use them, as described in the Declaration, are:

[XX] 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:

[XX] described in Exhibit "E".

[ ] 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 "D" describes the encumbrances against the title contained in the title report dated Feb. 24, 1997 and issued by Old Republic Title Corporation of Hawaii, Ltd.

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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**

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: The buildings and all other improvements are warranted for one year from the final inspection or Certificate of Occupancy, whichever is received first.

2. Appliances: As initially provided by manufacturer and passed through developer directly to purchasers.

G. Status of Construction and Date of Completion or Estimated Date of Completion:

Construction is estimated to take from twelve (12) to fifteen (15) months. The date of commencement of construction has not yet been set.

H. Project Phases:

The developer [ ] has [X] 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):

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

[XX] not affiliated with the Developer
[ ] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] Other: _____

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit _____ contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

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

[ ] None [X] Electricity (__X__ Common Elements only _____ Common Elements & Apartments)
[X] Gas (_____ Common Elements only _____ Common Elements & Apartments)
[X] Water [X] Sewer [X] Television Cable
[X] Other telephone/pager

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:

[ ] Notice to Owner Occupants N/A

[XX] Specimen Sales Contract
Exhibit "A" contains a summary of the pertinent provisions of the sales contract.

[XX] Escrow Agreement dated November 20, 1996
Exhibit "B" 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 issued an effective date by the Hawaii Real Estate Commission.
   B) Declaration of Condominium Property Regime, as amended.
   C) Bylaws of the Association of Apartment Owners, as amended.
   D) House Rules, if any.
   E) Condominium Map, as amended.
   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 _____

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. 3683 filed with the Real Estate Commission on January 3, 1997.

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C. Additional Information Not Covered Above

The Special Management Area Use Permit dated September 4, 1996 issued by the County of Maui Planning Department is subject to the following condition: "10. That permitted uses, building setbacks, and height restrictions shall be limited to the provisions of Title 19, Zoning, Chapter 19.12, Apartment District."

The Alapi'ilani Condominiums are located in C Flood Zone. This flood zone is an area of minimal flooding. There is no mandatory insurance and no flood requirements.

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.

Alapi'ilani Partners
Printed Name of Developer

By: Eugene A. Biely
Duly Authorized Signatory

November 21, 1996
Date

Eugene A. Biely, General Partner
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui
Planning Department, County of Maui

EXHIBIT "A"

SUMMARY OF DROA

The Sale Agreement for purchase of the condominium is the Deposit, Receipt, Offer And Acceptance standard form agreement prepared by the Hawaii Association of Realtors.

The form is divided into four basic sections:

The first is a section A that refers to all addenda and disclosures of agency that relate to the transaction.

Section B contains information on the deposit received from the buyer and the terms and conditions relating to same.

Section C outlines the terms of the offer, including the expiration date, purchase price, the method and breakdown of payment, property description, and personal property included in the sale.

The last section allows for acceptance of the offer or counteroffer and relevant information regarding same. The Agreement also contains a cooperating broker's separate agreement.

Section C of the DROA is the longest and also contains information about the closing date, extensions, place of escrow, closing costs, and adjustments. The section also addresses assessments, risk of loss, consent, possession, contingency procedures and termination provisions, financing contingencies, default provisions, mediation and arbitration, the preliminary title report, transactions involving foreign or non-resident buyers or sellers, staking or survey, specific disclosures by the seller, inspection, maintenance and warranties, termite provisions, rental property matters, condominium subdivision and homeowner organization matters, specific special terms, broker services and disclaimers, facsimile signatures and counterparts, and definitions.

The standard form is the form dated July 1995 and contains an addendum pursuant to certain legislative changes to Chapter 508D, revised in June of 1996.

END OF EXHIBIT "A"

EXHIBIT "B"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement is between Alapi'ilani Partners and Old Republic Escrow Corporation of Honolulu. It contains information about the project, the reasons for the agreement, information on the obligations under the sales contract, collection notices, what escrow will do with Buyer's payments, including deposit and trust fund, when funds may be taken out, what Seller must do to use Buyer's funds for construction and what can be done with leftover monies. The Agreement also addresses when refunds will be made, interest, cancellation fees, written notice of refunds, and owner/occupant refunds. The Agreement contains paragraphs as to Buyer's default, return of the documents, signing of the documents and closing procedures, including documents and coordination, corporate and partnership documents, issues such as closing, pre-closing, escrow's protection from owing any money, arbitration, indemnification, reports by escrow, application of the Agreement, notices under the Agreement, termination of the Agreement, and statutory provisions which control, court interpretation, escrow's fees, cancellation fees, title insurance and miscellaneous additional escrow changes and excise tax.

END OF EXHIBIT "B"

EXHIBIT "C"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment — Monthly Fee x 12 months = Yearly Total

SEE ADOPTED BUDGET SUMMARY ATTACHED HERETO

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

Estimate of Maintenance Fee Disbursements:

	Monthly x 12 months	=	Yearly Total
Utilities and Services			
Air Conditioning			
Electricity			
[X] common elements only	813 x 12	=	$ 9,756
[ ] common elements and apartments			
Elevator	475 x 12	=	5,700
Gas	1,500 x 12	=	18,000
[ ] common elements only			
[ ] common elements and apartments			
Refuse Collection	585 x 12	=	7,020
Telephone	55 x 12	=	660
Water and Sewer Water	755 x 12	=	9,060
Sewer	25 x 12	=	300
Maintenance, Repairs and Supplies			
Building	900 x 12	=	10,800
Grounds	3,185 x 12	=	38,220
Management			
Management Fee	884 x 12	=	10,608
Payroll and Payroll Taxes *	1,650 x 12	=	19,800
Office Expenses	175 x 12	=	2,100
* Payroll Taxes	521 x 12	=	6,252
Insurance	1,840 x 12	=	22,080
Reserves(*)			
Taxes and Government Assessments	27 x 12	=	324
Audit Fees	234 x 12	=	2,808
Other			
TOTAL			

I, Ronald A. Kawahara, as agent for/and/or employed by Alapi'ilani Partners, the condominium managing agent/developer for the Alapi'ilani Condominium condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Ronald A. Kawahara
Signature

November 23, 1996
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

ASSOCIATION OF APARTMENT OWNERS OF ALAPI'LANI
(A 48-Unit Condominium Property Regime)
ADOPTED BUDGET SUMMARY - EFFECTIVE _____
Page 1 of 9

11/15/96

	CURRENT MONTHLY BUDGET	ACTUAL MONTHLY AVERAGE (9 MONTHS)	ADOPTED MONTHLY BUDGET	ANNUAL BUDGET
I. REVENUES:				
A. Maintenance Fees	$0	$1,665	$14,987	$179,844
B. Replacement Reserves	0	0	2,000	24,000
C. Commissions	0	0	5	60
D. Delinquent Charges	0	0	0	0
E. Interest	0	0	33	396
F. Vending Machines	0	0	100	1,200
G. Other	0	0	0	0
Total Revenues	0	1,665	17,125	205,500
II. OPERATING EXPENSES:				
A. Auto Allowance	0	0	75	900
B. Dues & Subscriptions	0	0	26	312
C. Employee Benefits	0	0	199	2,388
D. Insurance	0	0	1,840	22,080
E. Interest	0	0	0	0
F. Management Fees	0	0	884	10,608
G. Annual Meeting	0	0	40	480
H. Office & Administrative	0	0	175	2,100
I. Professional Services	0	0	362	4,344
J. Repairs & Maintenance	0	0	4,085	49,020
K. Salaries & Wages	0	0	1,650	19,800
L. Taxes & Licenses	0	0	527	6,324
M. Utilities	0	0	4,960	59,520
N. Vending Machine Supplies	0	0	75	900
O. Depreciation	0	0	200	2,400
P. Income Taxes	0	0	27	324
Q. Replacement Reserves	0	0	2,000	24,000
Total Operating Expenses	0	0	17,125	205,500
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	$0	$1,665	$0	$0

Prepared By Destination Maui, Inc.

EXHIBIT "C"

ASSOCIATION OF APARTMENT OWNERS OF ALAPI'ILANI
SCHEDULE OF DETAILED ANALYSIS FOR THE ADOPTED BUDGET

A/C NO.		CURRENT MONTHLY BUDGET	ACTUAL MONTHLY AVERAGE (9 MONTHS)	ADOPTED MONTHLY BUDGET	ANNUAL BUDGET
	I. REVENUES:				

Maintenance Fee (M/F) Calculation:
Based on figures contained within this budget, the maintenance fees have been calculated, as follows:

NO.	CPR %	Old M/F	Increase (Decrease)	New M/F
16	1.6183%	$0.00	$242.52	$242.52
8	2.2684%	$0.00	$339.96	$339.96
24	2.3317%	$0.00	$349.44	$349.44
48				

A/C NO.					
405	A. Maintenance Fees.	$0	$1,665	$14,987	$179,844

Replacement Reserve Funding (RRF) Calculation:
Based on the information contained in the RRF Schedule, the RRF has been calculated, as follows:

NO.	CPR %	Old RRF	Increase	New RRF
16	1.6183%	$0.00	$32.37	$32.37
8	2.2684%	$0.00	$45.37	$45.37
24	2.3317%	$0.00	$46.63	$46.63
48				

A/C NO.					
406	B. Replacement Reserves Fees.	$0	$0	$2,000	$24,000

NOTE:
Total coupon amounts (combining 405 A. & 406 B., above) for each unit will be as follows:

NO.	CPR %	Old Coupon Amount	Increase	New Coupon Amount
16	1.6183%	$0.00	$274.89	$274.89
8	2.2684%	$0.00	$385.33	$385.33
24	2.3317%	$0.00	$396.07	$396.07
48				

A/C NO.		CURRENT MONTHLY BUDGET	ACTUAL MONTHLY AVERAGE (9 MONTHS	ADOPTED MONTHLY BUDGET	ANNUAL BUDGET
415	C. Delinquent Service Charges. None budgeted.	$0	$0	$0	$0
420	D. Commissions. Commissions received from the pay phone.	$0	$0	$5	$60
430	E. Interest. An average balance of $10,000, at 4.0%, has been budgeted. It is anticipated that at least 2 months maintenance fees will be charged to each new Buyer.	$0	$0	$33	$396
460	F. Vending Machines. From vending machine sales. See Vending Machine Supplies (A/C 850), for the related Cost of Sales.	$0	$0	$100	$1,200
499	G. Other. None budgeted, as this item is unpredictable.	$0	$0	$0	$0
	II. OPERATING EXPENSES:				
610	A. Auto. An auto allowance is provided to the Resident Manager for the use of his personal auto on Association business. This amount is subject to all employer and employee payroll taxes.	$0	$0	$75	$900
645	B. Dues & Subscriptions. The Hawaii State Condominium Registration Fee at $2/unit, plus a $25 annual charge; the Maui Condominium Council at $25/year; the Kihei Community Association at $60/year; and for Directors and staff educational courses during the year.	$0	$0	$26	$312
	C. Employee Benefits.				
651	1. Bonus. Annual bonuses are given to the employees at the discretion of the Board, usually at Christmas.	$0	$0	$25	$300
653	2. Medical Coverage. Medical coverage is required under the Hawaii Prepaid Health Care law for all employees who work more than 20 hrs/week. Budget is for the Resident Manager at $173.88/month.	0	0	174	2,088
		$0	$0	$199	$2,388

Alapi'ilani Association
Schedule of Detailed Analysis

A/C NO.		CURRENT MONTHLY BUDGET	ACTUAL MONTHLY AVERAGE (9 MONTHS	ADOPTED MONTHLY BUDGET	ANNUAL BUDGET
	D. Insurance: Insurance is estimated., as follows:				
677	1. Fidelity Bond. $24,000 fidelity coverage for fraudulent or dishonest acts of Officers, Directors, Employees, and Managing Agent who have authority to collect, deposit, transfer or disburse Association funds.	$0	$0	$20	$240
679	2. Directors & Officers Liability. $1,000,000 per occurrence and $1,000,000 policy limit, with $2,500 deductible, for claims against the Directors and Officers while acting in their elected or appointed capacities.	0	0	145	1,740
680	3. Blanket Fire: $4,800,000 for Replacement Cost on buildings and other structures in their entirety, including $500,000 Ordinance & Law Endorsement and providing Increased Cost of Construction coverage. $5,000 deductible/3% Wind Deductible.	0	0	1,500	18,000
681	4. Flood. None budgeted, as the buildings are not located in a known flood zone.	0	0	0	0
682	5. Comprehensive General Liability. 1,000,000 for Bodily Injury and Property Damage Liability per occurrence and $1,000,000 Aggregate limit. Policy includes coverage for Blanket Contractual Liability, Host Liquor, Swimming Pool Liability, Cross Suits, Personal Injury including employees as additional insureds, Broad Form Property Damage, Fire Legal Liability, individual apartment owners named as additional insureds. $500 Deductible.	0	0	175	2,100
	Total Insurance	$0	$0	$1,840	$22,080
685	E. Interest. Interest incurred due to financing the fire and general liability insurance policies through AFCO, at 9.5%. None budgeted as the policies will be prepaid using funds in the operating reserve account.	$0	$0	$0	$0

Alapi'ilani Association
Schedule of Detailed Analysis
Page 5

A/C NO.		CURRENT MONTHLY BUDGET	ACTUAL MONTHLY AVERAGE (9 MONTHS	ADOPTED MONTHLY BUDGET	ANNUAL BUDGET
705	F. Management Fees. For the property and fiscal management services provided by Destination Maui, Inc. Amount includes the Hawaii General Excise Tax.	$0	$0	$884	$10,608
710	G. Meetings. Costs incurred for supplies, outside secretarial services, etc., for the Association Board/Owners meetings.	$0	$0	$40	$480
715	H. Office & Administrative. Expenditures incurred by management for such items as postage, photocopies, supplies, fax, etc.	$0	$0	$175	$2,100
	I. Professional Services.				
731	1. Audit Fee. Hawaii State law requires all condominium associations to perform an annual audit and a surprise cash verification. The audit will be performed by an independent CPA. Also includes the preparation of the federal and State income tax returns.	$0	$0	$234	$2,808
,2	2. Legal. For attorney's fees in conjunction with legal matters affecting the Association.	0	0	50	600
734	4. Year-End Accounting. For the annual review, closing, and preparation of the Associations books and work papers for the Auditor.	0	0	78	936
	Total Professional Services	$0	$0	$362	$4,344

C NO.		CURRENT MONTHLY BUDGET	ACTUAL MONTHLY AVERAGE (9 MONTHS	ADOPTED MONTHLY BUDGET	ANNUAL BUDGET
	J. Repairs & Maintenance.				
746	1. Buildings. Repair and maintenance of the common element portion of the buildings, including carpentry, electrical, mechanical, plumbing, etc.	$0	$0	$300	$3,600
747	2. Buildings - Resident Manager Apt. Minor repairs and routine maintenance of the Resident Manager's unit, which is a common element.	0	0	25	300
	3. Elevators: Based on a monthly maintenance company for servicing of the 2 elevators. Also includes the State elevator inspection fee at $160/year.	0	0	475	5,700
750	4. Equipment. For repairs to the Association owned equipment and purchase of small tools and equipment.	0	0	75	900
752	5. Fire Equipment. For the annual inspection contract to service the Association's ABC fire extinguishers and fire hoses.	$0	$0	$25	$300
	6. Grounds:				
754	a. For additional common area grounds maintenance costs not included in the landscape contract, for such items as irrigation system, ground lighting, plants, chemicals, and annual tree trimming.	0	0	150	1,800
756	b. Landscape maintenance contract with an established company.	0	0	2,000	24,000
760	7. Pest Control. Contract for quarterly spraying service in the interiors of each unit and exterior perimeter of buildings..	0	0	175	2,100
762	8. Pool/Jacuzzi. For pool chemicals, supplies, repairs to pumps, etc.	0	0	250	3,000
764	9. Refuse Collection. Based on contract with a disposal company, at a base price of $562.46/month (including GET), for 2-4 yard bins, picked up 3 times/week, plus $8 for extra pickups, and $20 for special pickups. Also includes County landfill fee.	0	0	585	7,020
766	10. Sewer Lines. For periodic cleaning and maintenance of common area sewer lines.	0	0	25	300
	Total Repairs & Maintenance	$0	$0	$4,085	$49,020

A/C NO.		CURRENT MONTHLY BUDGET	ACTUAL MONTHLY AVERAGE (9 MONTHS	ADOPTED MONTHLY BUDGET	ANNUAL BUDGET
	K. Salaries & Wages:				
782	2. Resident Manager: Resident Manager's duties will generally include maintenance of buildings and grounds, enforcement of House Rules, and providing on-site security. In addition, to base salary, compensation package will include a fully furnished 1-bedroom unit, and an auto allowance.	0	0	1,650	19,800
	Total Salaries & Wages	$0	$0	$1,650	$19,800
	L. Taxes & Licenses:				
796	1. Hawaii General Excise Tax. Based on 4% of total miscellaneous income.	$0	$0	$6	$72
802	2. Payroll Taxes: 6.20 % FICA 1.45 Medicare 5.40 State Unemployment (SUTA) .80 Federal Unemployment (FUTA) 9.50 Worker's Compensation (WC) .50 TDI 23.85 % Total Note: Resident Manager's Housing Allowance of $700/month is subject to SUTA, FUTA, and WC payroll taxes only; Auto Allowance is subject to all payroll taxes.	0	0	521	6,252
	Total Taxes & Licenses	$0	$0	$527	$6,324

A/C NO.		CURRENT MONTHLY BUDGET	ACTUAL MONTHLY AVERAGE (9 MONTHS	ADOPTED MONTHLY BUDGET	ANNUAL BUDGET
	M. Utilities.				
826	1. Cable. Contract with Chronicle Cable Vision Co. for a bulk rate of $15.00/unit/month, including franchise fees and regulatory taxes.	$0	$0	$720	$8,640
828	2. Electricity. Total usage for year is estimated at 65,000 KWH, or an average of 5,417 KWH per month at $.15/ KWH.	0	0	813	9,756
830	3. Gas. Gas is used for dryers, Jacuzzi, and water heaters. Total usage for year is estimated at 15,000 gallons, or an average of 1,250 gallons, at $1.20/gallon.	0	0	1,500	18,000
832	4. Sewer Fee. For connection to Maui County sewer system, at $13.79/unit/month, plus $1.10/unit/month, for first 6,000 gallons discharged into system.	0	0	1,117	13,404
834	5. Telephone/Pager. basic rate is $41.74/month, plus long-distance charges on Association matters. basic rate for Pager is $9.97/month.	0	0	55	660
838	6. Water. Total usage for year is estimated at 6,000,000 gallons, or an average of 500,000 gal./month, at rate of $1.51/thousand gal.	0	0	755	9,060
	Total Utilities	$0	$0	$4,960	$59,520

A/C NO.		CURRENT MONTHLY BUDGET	ACTUAL MONTHLY AVERAGE (9 MONTHS	ADOPTED MONTHLY BUDGET	ANNUAL BUDGET
850	N. Vending Machine Supplies. cost of sales for revenues from vending machine sales.	$0	$0	$75	$900
910	O. Depreciation. This is a non-cash item. Amount budgeted will go into Association's operating reserve, which can be spent at discretion of Board.	$0	$0	$200	$2,400
	P. Income Taxes				
940	1. Federal Income Taxes: Based on non-exempt income of $138, at 15%.	$0	$0	$21	$252
941	2. State Income Taxes: Based on non-exempt income of $138, at 4.4%	0	0	$6	72
	Total Income Taxes	$0	$0	$27	$324
955	R. Replacement Reserves. Hawaii State law mandates funding of Replacement Reserves at rate of 50% of liability by year 2000. See Replacement Reserve Funding Schedule for details.	$0	$0	$2,000	$24,000

THE ASSOCIATION OF APARTMENT OWNERS OF ALAPI'ILANI 11/15/96
Replacement Reserve Funding - Estimated Cash Reserve Balances And Unfunded Liability: Effective _____

	1997	1998	1999	2000	2001	2002	2003
CASH FLOW FORECASTS:							
CASH RECEIPTS							
Assessments (See Budget)	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000
Assessments, Special	0	0	0	0	0	0	0
Interest Earned, Net After Taxes, @ 4%	480	1,459	2,478	3,537	4,592	5,689	4,798
Total Cash Receipts	24,480	25,459	26,478	27,537	28,592	29,689	28,798
Less Major Component Costs - Page 2	0	0	0	0	(2,319)	0	(103,924)
Net Increase (Decrease) In Cash	24,480	25,459	26,478	27,537	26,273	29,689	(75,126)
Cash Reserve Balances At Beginning Of Yr *	0	24,480	49,939	76,417	103,954	130,227	159,916
Cash Reserve Balances At The End Of Year	$24,480	$49,939	$76,417	$103,954	$130,227	$159,916	$84,790
LIABILITY FUNDING:							
Estimated Total Liability (See Page 5)	$26,268	$54,112	$83,604	$114,816	$147,825	$180,324	$217,099
Less Major Components Paid In Current Yr	0	0	0	0	(2,319)	0	(103,924)
Net Liability at December 31	26,268	54,112	83,604	114,816	145,507	180,324	113,175
Less: Cash Balance at December 31	(24,480)	(49,939)	(76,417)	(103,954)	(130,227)	(159,916)	(84,790)
Estimated Unfunded Liability at December 31	$1,788	$4,173	$7,187	$10,862	$15,279	$20,408	$28,385
Percentage Funded	93.19%	92.29%	91.40%	90.54%	89.50%	88.68%	74.92%
Percentage Unfunded	6.81%	7.71%	8.60%	9.46%	10.50%	11.32%	25.08%

*The cash balance at 1/1/97 is an estimate only. This amount may differ significantly due to unforseen circumstances such as the cost of replacement greater than estimated, emergency expenditures, or actual replacement occurring earlier or later than scheduled.

This information is being provided as a supplemental schedule to the Association Budget.
It is based solely upon information that has been provided by the Association.
We have not verified, nor do we place any form of assurance, on the accuracy of the current replacement costs or estimated useful lives.

THE ASSOCIATION OF APARTMENT OWNERS OF ALAPI'ILANI
Replacement Reserve Funding - Estimated Cost of Replacement In Scheduled Year

Major Component	Est. Useful Life	Est. Re-maining Life	Estimated Current Cos to Replace	1997	1998	1999	2000	2001	2002	2003
Asphalt - Overlay	20	20	$51,500	$0	$0	$0	$0	$0	$0	$0
Asphalt - Seal & Repair	7	7	4,635	0	0	0	0	0	0	5,534
Assn. Unit - Appliances	15	13	1,545	0	0	0	0	0	0	0
Assn. Unit - Carpets	5	5	1,751	0	0	0	0	1,971	0	0
Assn. Unit - Drapes	5	5	309	0	0	0	0	348	0	0
Bike Racks	30	30	2,060	0	0	0	0	0	0	0
Left Blank	20	20	0	0	0	0	0	0	0	0
Fences 0	25	25	10,300	0	0	0	0	0	0	0
Elevators 2 ea	30	30	82,400	0	0	0	0	0	0	0
Landscaping	20	20	25,750	0	0	0	0	0	0	0
Lighting - Pool/Stairs	15	15	1,545	0	0	0	0	0	0	0
Lighting - Security Front/Re	25	25	7,210	0	0	0	0	0	0	0
Lighting - Wall Fixtures	25	25	11,845	0	0	0	0	0	0	0
Mailboxes	20	20	2,575	0	0	0	0	0	0	0
Painting - Building Exterior	7	7	82,400	0	0	0	0	0	0	98,390
Pool - Bullnose Coping	20	20	1,545	0	0	0	0	0	0	0
Pool - Equipment	10	10	4,120	0	0	0	0	0	0	0
Pool - Furniture	8	8	3,090	0	0	0	0	0	0	0
Pool - Replaster	10	10	7,725	0	0	0	0	0	0	0
Pool - Spa Retiling	10	10	1,545	0	0	0	0	0	0	0
Roof - Gutters	30	30	5,150	0	0	0	0	0	0	0
Roofs 0	20	20	51,500	0	0	0	0	0	0	0
Left Blank	20	20	0	0	0	0	0	0	0	0
Sprinkler System	15	15	10,300	0	0	0	0	0	0	0
Total Cost			$370,800							
Est. Replacement Cost In Scheduled Year				$0	$0	$0	$0	$2,319	$0	$103,924

THE ASSOCIATION OF APARTMENT OWNERS OF ALAPI'ILANI
Replacement Reserve Funding - Analysis of Major Components, Assuming A 3.0% Inflation Rate, Page 3

Major Component		1997	1998	1999	2000	2001	2002	2003
Asphalt - Overlay	Useful life	20	20	20	20	20	20	20
	Remaining life	20	19	18	17	16	15	14
	Replacement cost	$51,500	$53,045	$54,636	$56,275	$57,964	$59,703	$61,494
	Liability	$2,575	$5,305	$8,195	$11,255	$14,491	$17,911	$21,523
Asphalt - Seal & Repair	Useful life	7	7	7	7	7	7	7
	Remaining life	7	6	5	4	3	2	1
	Replacement cost	$4,635	$4,774	$4,917	$5,065	$5,217	$5,373	$5,534
	Liability	$662	$1,364	$2,107	$2,894	$3,726	$4,606	$5,534
Assn. Unit - Appliances	Useful life	15	15	15	15	15	15	15
	Remaining life	15	14	13	12	11	10	9
	Replacement cost	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845
	Liability	$103	$212	$328	$450	$580	$716	$861
Assn. Unit - Carpets	Useful life	5	5	5	5	5	5	5
	Remaining life	5	4	3	2	1	5	4
	Replacement cost	$1,751	$1,804	$1,858	$1,913	$1,971	$2,030	$2,091
	Liability	$350	$721	$1,115	$1,531	$1,971	$406	$836
Assn. Unit - Drapes	Useful life	5	5	5	5	5	5	5
	Remaining life	5	4	3	2	1	5	4
	Replacement cost	$309	$318	$328	$338	$348	$358	$369
	Liability	$62	$127	$197	$270	$348	$72	$148
Bike Racks	Useful life	30	30	30	30	30	30	30
	Remaining life	30	29	28	27	26	25	24
	Replacement cost	$2,060	$2,122	$2,185	$2,251	$2,319	$2,388	$2,460
	Liability	$69	$141	$219	$300	$386	$478	$574
Left Blank	Useful lif	20	20	20	20	20	20	20
	Remaining life	20	19	18	17	16	15	14
	Replacement cost	$0	$0	$0	$0	$0	$0	$0
	Liability	$0	$0	$0	$0	$0	$0	$0
Fences	Useful life	25	25	25	25	25	25	25
	Remaining life	25	24	23	22	21	20	19
	Replacement cost	$10,300	$10,609	$10,927	$11,255	$11,593	$11,941	$12,299
	Liability	$412	$849	$1,311	$1,801	$2,319	$2,866	$3,444
Elevators 2 ea	Useful life	30	30	30	30	30	30	30
	Remaining life	30	29	28	27	26	25	24
	Replacement cost	$82,400	$84,872	$87,418	$90,041	$92,742	$95,524	$98,390
	Liability	$2,747	$5,658	$8,742	$12,005	$15,457	$19,105	$22,958
Landscaping	Useful life	20	20	20	20	20	20	20
	Remaining life	20	19	18	17	16	15	14
	Replacement cost	$25,750	$26,523	$27,318	$28,138	$28,982	$29,851	$30,747
	Liability	$1,288	$2,652	$4,098	$5,628	$7,245	$8,955	$10,761
Lighting - Pool/Stairs	Useful life	15	15	15	15	15	15	15
	Remaining life	15	14	13	12	11	10	9
	Replacement cost	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845
	Liability	$103	$212	$328	$450	$580	$716	$861
Lighting - Security Front/Rear	Useful life	25	25	25	25	25	25	25
	Remaining life	25	24	23	22	21	20	19
	Replacement cost	$7,210	$7,426	$7,649	$7,879	$8,115	$8,358	$8,609
	Liability	$288	$594	$918	$1,261	$1,623	$2,006	$2,411

THE ASSOCIATION OF APARTMENT OWNERS OF ALAPI'ILANI
Replacement Reserve Funding - Analysis of Major Components, Assuming A 3.0% Inflation Rate, Page 4

Major Component		1997	1998	1999	2000	2001	2002	2003
Lighting - Wall Fixtures	Useful life	25	25	25	25	25	25	25
	Remaining life	25	24	23	22	21	20	19
	Replacement cost	$11,845	$12,200	$12,566	$12,943	$13,332	$13,732	$14,144
	Liability	$474	$976	$1,508	$2,071	$2,666	$3,296	$3,960
Mailboxes	Useful life	20	20	20	20	20	20	20
	Remaining life	20	19	18	17	16	15	14
	Replacement cost	$2,575	$2,652	$2,732	$2,814	$2,898	$2,985	$3,075
	Liability	$129	$265	$410	$563	$725	$896	$1,076
Painting - Building Exterior	Useful life	7	7	7	7	7	7	7
	Remaining life	7	6	5	4	3	2	1
	Replacement cost	$82,400	$84,872	$87,418	$90,041	$92,742	$95,524	$98,390
	Liability	$11,771	$24,249	$37,465	$51,452	$66,244	$81,878	$98,390
Pool - Bullnose Coping	Useful life	20	20	20	20	20	20	20
	Remaining life	20	19	18	17	16	15	14
	Replacement cost	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845
	Liability	$77	$159	$246	$338	$435	$537	$646
Pool - Equipment	Useful life	10	10	10	10	10	10	10
	Remaining life	10	9	8	7	6	5	4
	Replacement cost	$4,120	$4,244	$4,371	$4,502	$4,637	$4,776	$4,919
	Liability	$412	$849	$1,311	$1,801	$2,319	$2,866	$3,444
Pool - Furniture	Useful life	8	8	8	8	8	8	8
	Remaining life	8	7	6	5	4	3	2
	Replacement cost	$3,090	$3,183	$3,278	$3,377	$3,478	$3,582	$3,690
	Liability	$386	$796	$1,229	$1,688	$2,174	$2,687	$3,228
Pool - Replaster	Useful life	10	10	10	10	10	10	10
	Remaining life	10	9	8	7	6	5	4
	Replacement cost	$7,725	$7,957	$8,195	$8,441	$8,695	$8,955	$9,224
	Liability	$773	$1,591	$2,459	$3,377	$4,347	$5,373	$6,457
Pool - Spa Retiling	Useful life	10	10	10	10	10	10	10
	Remaining life	10	9	8	7	6	5	4
	Replacement cost	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845
	Liability	$155	$318	$492	$675	$869	$1,075	$1,291
Roof - Gutters	Useful life	30	30	30	30	30	30	30
	Remaining life	30	29	28	27	26	25	24
	Replacement cost	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149
	Liability	$172	$354	$546	$750	$966	$1,194	$1,435
Roofs	Useful life	20	20	20	20	20	20	20
	Remaining life	20	19	18	17	16	15	14
	Replacement cost	$51,500	$53,045	$54,636	$56,275	$57,964	$59,703	$61,494
	Liability	$2,575	$5,305	$8,195	$11,255	$14,491	$17,911	$21,523
Left Blank	Useful life	20	20	20	20	20	20	20
	Remaining life	20	19	18	17	16	15	14
	Replacement cost	$0	$0	$0	$0	$0	$0	$0
	Liability	$0	$0	$0	$0	$0	$0	$0
Sprinkler System	Useful life	15	15	15	15	15	15	15
	Remaining life	15	14	13	12	11	10	9
	Replacement cost	$10,300	$10,609	$10,927	$11,255	$11,593	$11,941	$12,299
	Liability	$687	$1,415	$2,185	$3,001	$3,864	$4,776	$5,739
	TOTAL LIABILITY	$26,268	$54,112	$83,604	$114,816	$147,825	$180,324	$217,099

END OF EXHIBIT "C"

I, RONALD A. KAWAHARA, as agent for Alapi'ilani Partners, the condominium managing agent for the Alapi'ilani Condominium condominium project, hereby certify that the foregoing ADOPTED BUDGET SUMMARY consisting of 9 pages, and the REPLACEMENT RESERVE FUNDING – ESTIMATED CASH RESERVE BALANCE AND UNFUNDED LIABILITY, consisting of 4 pages, were prepared in accordance with generally accepted accounting principles.

Ronald A. Kawahara
Signature

11/23/96
Date

EXHIBIT "D"

These are the encumbrances of record for TMK: (2) 3-9-20-32:

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

2. Provisions as set forth in that certain instrument dated June 25th, 1969, recorded in the Bureau of Conveyances, State of Hawaii, in Book 6581, Page 314.

AMENDMENT thereof by instrument:

Dated: December 15th, 1969
Recorded: in the Bureau of Conveyances, State of Hawaii, in Book 6821, Page 433

END OF EXHIBIT "D"

EXHIBIT "E"

COMMON AND LIMITED COMMON ELEMENTS:

The common elements of the condominium consist of the land and common elements of the project as follows:

The fee interest in land; all structural components such as foundations, beams, supports, main walls, roofs, stairs, stairways, entrances, exits, floor slabs, unfinished perimeter party and load-bearing walls, awnings, corridors and walkways of said building; all exterior walkways and roadways; all yards, grounds, landscaping, retaining walls, and planters; all ducts, electrical equipment, central water heating systems, wiring, pipes and other central and appurtenant transmission facilities and installations which serve more than one (1) unit for services such as power, light, hot water, cold water, incineration, sewage, gas, telephone and television and radio signal distribution, if any; elevators, elevator shafts and pits, tanks, pumps, motors, fans, compressors, ducts, vents and other installations and apparatus; the lobby, storage room, machine room, parking areas (other than assigned parking stalls), deck areas, loading areas and refuse facilities; and twelve (12) uncovered parking stalls for guest parking.

The Limited Common Elements are:

Two (2) parking stalls and one (1) mail box located in the parking area of the building.

COMMON INTEREST:

There are three different unit sizes in the project. Each unit's undivided percentage (or fractional) interest in all Common Elements of the Project, is identified as follows:

1,657 s/f	:	710.64 = 2.331701 x 24 =	55.960824	55.96%
1,150 s/f	:	710.64 = 1.6182595 x 16 =	25.892152	25.89%
1,612 s/f	:	710.64 = 2.2683778 x 8 =	18.147022	18.15%
			99.999998	100.00%

END OF EXHIBIT "E"