

Registration No. TD-112
Date Accepted May 11, 1992
Date Revised August 26, 1993

DISCLOSURE STATEMENT

ON

KAHANA FALLS TIME INTERVAL OWNERSHIP PLAN

Name of Time Share Plan or Building

4260 Lower Honoapiilani Road, Kahana, Lahaina, Maui, Hawaii

Location

**READ THIS
DISCLOSURE STATEMENT
BEFORE SIGNING
ANYTHING**

The disclosure statement is prepared and issued by the developer of the time share plan. It is NOT prepared or issued by the State of Hawaii.

THE STATE OF HAWAII HAS NOT PASSED ON THE MERITS OF THE TIME SHARE PLAN DESCRIBED HEREIN.

**DISCLOSURE STATEMENT
KAHANA FALLS TIME INTERVAL OWNERSHIP PLAN**

1. DEVELOPER

Name: KAHANA FALLS LIMITED PARTNERSHIP, a Hawaii limited partnership

Address: 107 Hakui Loop, Lahaina, Maui, Hawaii 96761

Telephone: (808) 667-6128

2. PLAN MANAGER

Name: Aloha Resorts International, Inc.

Address: 4260 Lower Honoapiilani Road, Lahaina, Maui, Hawaii 96761

Telephone: (808) 669-0420

Responsible Managing Employee: David Brott

Address: P. O. Box 10038, Lahaina, Hawaii 96761

The Plan Manager's ("Manager") duties, responsibilities, and obligations are to manage and maintain the time intervals and assessments, collect maintenance fees through the servicing agent, pay real property taxes due on time intervals under its authority, supervise and monitor occupancy scheduling so that time interval owners or users will be provided with the use of time intervals, provide time interval owners or users with a copy of house rules, supervise the enforcement of house rules (Rules and Regulations) and keep a detailed and accurate record in chronological order of receipts and expenditures of the time interval ownership plan.

The above Plan Manager shall perform the above functions for five years and thereafter may resign upon 90 days' written notice or the owners may upon 90 days' written notice terminate the management. The Plan Manager does not have the responsibility of providing any rental services to any of the time interval owners. If a time interval owner wishes to rent his time interval, any arrangements for such rental will have to be made by the owner. The use by any tenant of a time interval owner will continue to be subject to the Time Interval Declaration and the other documents governing the timeshare plan.

3. TIME INTERVAL OWNERSHIP PLAN

The Kahana Falls Time Interval Ownership plan was established by a Declaration of Covenants, Conditions and Restrictions for Time Interval Ownership at Kahana Falls established and located in the Kahana Falls Condominium Project dated March 04, 1992, as the same may be amended from time to time ("Time Interval Ownership Declaration") which was recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 92-62936.

This is a time interval ownership plan. The Time Interval Ownership Declaration, as the same may be amended, provides for the Buyer's use of his apartment unit (unit), or any other similar type of unit that is available for a specific time period for each year (this is sometimes referred to as a "fixed interval"). In addition, the above-mentioned documents also provide for an alternative plan in which the Buyer will have a time period which is subject to a reservation request and confirmation to insure the Buyer of the use of his unit or any other similar type of unit that is available (this is sometimes referred to as a "floating interval"). The reservation procedures for the floating intervals are set forth in the Rules and Regulations, as amended from time to time.

In addition to the foregoing plan, there is an "every other year" program ("EOY"). This EOY program is described in the Time Interval Ownership Declaration. If a purchaser owns an interval in the EOY program, he will generally only be able to use his time period in an odd or even year. A Buyer, subject to availability and the Rules and Regulations may be able to "split" his interval whereby a portion of the interval will be used in one year and the balance in the following year. The purchasers Purchase Agreement and Time Interval Conveyance document will indicate whether it is an odd or even year time interval being purchased.

The Developer will only place certain apartment units in the EOY program. The units presently in the EOY program are described in Exhibit "A" and are identified by an "(EOY)" next to the unit number.

All Buyers shall have full right of enjoyment and use during their time period and shall be responsible to keep their annual maintenance fees current and abide by all Condominium Project Documents (the Condominium Declaration, Bylaws, House Rules), and the time interval documents (the Time Interval Ownership Declaration, Articles of the Time Interval Owners Association, Interval Association Bylaws, and the Rules and Regulations).

4. DESCRIPTION OF TIME INTERVAL UNITS, APARTMENTS, BUILDING LOCATION, ETC.

a) Apartments in Plan. The Developer holds an interest in the apartments which are described in Exhibit "A". The apartments are all located in the Kahana Falls condominium project located at 4260 Lower Honoapiilani Road, Kahana, Maui, Hawaii (tax map key no. (2) 4-3-10-32). There may be other apartments in the Kahana Falls condominium project however only the units set forth in Exhibit "A" attached hereto are registered for time interval ownership. These units are owned by the Developer. Each unit will have either 51 time intervals (one week each) available for sale or 102 if the unit is in the EOY program (51 weeks per odd year and 51 weeks per even year). Exhibit "A" also describes which units are in the EOY program. The other week will be used for repair or refurbishing by the Interval Ownership Association or Plan Manager. The Time Interval Ownership Declaration provides that the time interval can be sold on a fixed or floating basis. The Time Interval Conveyance will specify which type of period that a time interval Buyer is being conveyed and a 1/51st (or 1/102nd interest in the EOY program) undivided interest in a specific unit. The Time Interval Ownership Declaration and Rules and Regulations provides the manner in which the time interval can be used. There are various types of apartments in the interval ownership plan. The unit numbers together with what "type" of apartment each one is are described in Exhibit "A". The apartments in the plan can either be a Two Bedroom Type 2 Apartment or a One Bedroom Type 1 Apartment.

b) Description of Condominium Project. As described above, the apartments are all located in the Kahana Falls condominium project. The Kahana Falls condominium project consist of four buildings. Building A is six floors in height and contains 36 apartments. Building B is six floors in height and contains 24 apartments. The 60 apartments in Buildings A and B are designated as resort type apartments. Building C is a two story building with a basement which contains 4 commercial apartments and an exercise room and lobby area. Building D is a two story building and contains 10 residential apartments. Buildings A, B, and C have an elevator. The buildings are constructed principally of concrete, wood, and other allied building materials with concrete slab foundations. There are a total of 105 parking stalls in the condominium project. 91 of the parking stalls are unassigned and will be available for use by the owners, tenants and guests of the apartments in the condominium project.

The location and description of the various apartments of the condominium project are as follows:

(1) Two Bedroom Apartment Type 2 Apartments (Resort Apartment). There are a total of 36 two-bedroom apartments. These apartments consist of 2 bedrooms, 2 bathrooms, a kitchen, living room, dining area and a lanai. The net living area of this apartment is 957 square feet and the lanai consists of 109 square feet. There are two of these types of apartments on each floor in Building A and four of these types of apartments on each floor in Building B. Only the apartments described in Exhibit "A" are presently in the time interval ownership plan.

(2) One Bedroom Apartment Type 1 Apartments (Resort Apartment). There are a total of 24 one-bedroom apartments. These apartments consist of 1 bedroom, 1 and 1/2 bathrooms, a kitchen, living room, dining area and a lanai. The net living area of this apartment is 761 square feet and the lanai consists of 56 square feet. There are four of these types of apartments on each floor in Building A. Only the apartments described in Exhibit "A" are presently in the time interval ownership plan.

(3) One Bedroom Residential Apartments. There are a total of 10 one bedroom apartments in Building D. Each apartment in Building D consist of one bedroom and one bathroom, a kitchen and a living/dining room. The net living area of eight of these apartments is 417 square feet and the other two contain 473 square feet. The 10 residential apartments contained in Building D are presently being held for residential use, however they could be converted in the future to resort use if permitted by the Planning Department, County of Maui.

(4) Other Commercial Apartments. The other types of apartments in the condominium project and which will not be available for sale as part of the Kahana Falls time interval ownership plan include all of the commercial apartments in Building C.

(c) Insurance. There is presently an all risk insurance policy in the amount of \$21,974,000.00 on the project which covers flood, earthquake on the buildings. In addition, there is a liability policy of \$2,000,000.00 for the project.

5. MULTIPLE LOCATION TIME INTERVAL OWNERSHIP PLAN

The time interval ownership plan is not a multiple location time interval plan.

6. TIME INTERVAL PLAN IN A CONDOMINIUM

The Kahana Falls condominium project was established as a condominium property regime by a Declaration of Condominium

Property Regime dated May 2, 1991, which was recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 91-61027, as the same may be amended from time to time together with the By-Laws of the Association of Apartment Owners of Kahana Falls dated May 2, 1991 and recorded as Document No. 91-61028. The floor plans and elevations have been filed as Condominium Map No. 1494. The condominium project's registration in the State of Hawaii is Registration No. 2458. The documents together with any house rules of the Association of Apartment Owners are commonly referred to as the "condominium documents."

The Declaration of Condominium Property Regime use provisions specifically and explicitly provides for time sharing (interval ownership) as well as residential or resort use. The apartments in Buildings A and B contain a restriction that such apartments are restricted to short term use of two weeks or less.

7. RESTRAINTS ON TRANSFER OF TIME INTERVAL INTEREST

There are no restraints for the transfer of the time intervals of any kind.

8. MUTUAL RESCISSION PROVISION

There is a seven calendar day period of mutual rescission and each purchaser will be provided with a notice of cancellation form with the pertinent information filled in by the Developer or Sales Agent at the time of purchase.

9. VOIDABILITY OF SALE OR TRANSFER

Pursuant to Section 514E-11.3, Hawaii Revised Statutes, every sale or transfer, made in violation of Chapter 514E is voidable at the election of the purchaser.

10. TITLE DEFECTS OR ENCUMBRANCES

There are no mortgages on the apartments in the Kahana Falls condominium project unless otherwise disclosed in Exhibit "A-1". The mortgages that exist on the various apartments, if any, shall be released prior to or at the time of closing of the time interval. Said mortgages and any other encumbrances affecting the units are more particularly described in Exhibit "A-1".

11. PENDING OR ANTICIPATED SUITS

There are no pending or anticipated suits that are material to the Developer or the time interval ownership plan.

12. FINANCIAL OBLIGATION OF PURCHASER

Generally speaking the total of the purchaser's obligation is the sum of:

- a. purchase price plus
- b. escrow and closing costs plus
- c. annual common maintenance.

The amounts are set forth in Exhibit "B" attached hereto. The maintenance expense includes the condominium maintenance expense and other expenses necessary to maintain the time intervals and apartments. The maintenance expense will be charged each year based on a budget prepared by the Plan Manager.

Where a purchase is financed by the Developer or another Lender, there may be a prepayment penalty. The Lender will also impose a late charge for any monthly payments called for under its note which are not received on time. Furthermore, the Lender may require the Purchaser to remit its share of taxes and insurance together with his monthly payments pursuant to the Lender's Note and Mortgage. Failure to perform under the Note and Mortgage may cause the foreclosure of a time interval and if the proceeds of sale are inadequate to cover the principal, interest, attorney's fees and any other costs, the Purchaser WILL BE SUBJECT TO A JUDGEMENT FOR DEFICIENCY.

13. ESTIMATE OF DUES, MAINTENANCE FEES, REAL PROPERTY TAXES, ETC.

The maintenance expense is dependent on the percentage interest which the purchaser will acquire in an apartment unit which also has a percentage interest in relation to other units in the condominium project. The first year's maintenance expense, subject to adjustment, will include insurance, taxes, maintenance, utilities, reserves for refurbishing, handling of reservations and records, clean up and other services that may be necessary to maintain and keep up the apartment and other areas. At the time of execution of the purchase agreement, purchaser will be given his estimate of the first year's maintenance expense in his purchase agreement which is as follows:

One week \$ 489.25 plus applicable Hawaii General Excise Tax for a two bedroom type apartment and \$ 382.38 plus applicable Hawaii General Excise Tax for a one bedroom type apartment.

Purchasers in the EOY program will only be required to pay the maintenance fee that is charged and assessed during the year that the purchaser is entitled to use his unit. In other words, if a

purchaser owns an "odd year" interval, he will only pay for the maintenance fees charged during that odd year.

The above estimate is made by looking at the best available information at the time this Disclosure Statement was prepared. This amount is subject to change at any time.

14. DEVELOPER AND SPECIAL ESCROW ACCOUNT

The Developer has selected to be regulated under rule 16-106-34(c) which requires that purchaser's funds be deposited in a special escrow account until closing of the sale.

15. SPECIAL ESCROW ACCOUNT

The special escrow account is held by Hawaii Escrow & Title, Inc., Suite 400, 850 Richards Street, Honolulu, Hawaii 96813.

16. SPECIAL ESCROW AGREEMENT

The Escrow Agreement dated December 18, 1991, between Hawaii Escrow & Title, Inc. provides that purchaser's funds shall be released only when the time interval is conveyed to the purchaser free and clear of all blanket liens. This method of purchaser protection is provided for under Section 514E-19(a)(1), Hawaii Revised Statutes, as amended.

Among other things, the Escrow Agreement, provides that:

Escrow will accept, hold and pay out, according to the Escrow Instructions, the down payment and all other amounts paid by Buyer or by anyone else for Buyer. However, none of Buyer's money will be given to Developer before:

(i) Seven (7) days after Buyer has signed the Time Interval Purchase Agreement; and

(ii) Seven (7) days after Buyer has received the Disclosure Statement required by Chapter 514E, Hawaii Revised Statutes, and the rules promulgated under Chapter 514E; and

(iii) The day after the last day Buyer is allowed to cancel the Time Interval Purchase Agreement.

None of the Buyer's money will be paid out except as stated in the Escrow Instructions. All funds paid by Buyer shall be deposited in the special escrow account, and interest on such escrowed funds shall accrue to the benefit of the Developer. The special escrow

account will be at a federally insured bank or savings and loan.

The Escrow Agreement further provides that in the event Buyer elects to cancel the Time Interval Purchase Agreement pursuant to the seven-day rescission period provided by the Hawaii law, or Developer elects to exercise its right to cancel, except cancellation for Buyer's default, the down payment and any other money paid by Buyer to Escrow, including interest upon Buyer's escrowed funds, will be refunded within fifteen (15) days after receipt of notice of cancellation, without any deduction (except for a cancellation fee which cannot be more than \$25.00), and any escrow cancellation fee shall be paid by Developer. Upon refund of said funds to Buyer as aforesaid, Escrow shall return to Developer such Buyer's Time Interval Purchase Agreement theretofore returned to Escrow, and thereupon neither Buyer nor Developer shall be deemed obligated thereunder.

If Developer tells Escrow in writing that Developer is canceling the Time Interval Purchase Agreement because of Buyer's default, Escrow will retain possession of any money in escrow until there has been a determination by an arbitrator in accordance with the commercial arbitration rules of the American Arbitration Association that Buyer has defaulted, in which case Escrow shall remit money in escrow to Developer as liquidated damages.

17. ESTABLISHMENT OF NON-PROFIT CORPORATION, CLUB MEMBERSHIP OR ASSOCIATION

Each owner of a time interval will become a member of the KAHANA FALLS INTERVAL OWNERS ASSOCIATION, a Hawaii non-profit corporation established on April 21, 1992. The Time Interval Owners Association was created to further and promote the interest and welfare of the owners of time intervals in Kahana Falls.

18. ACQUISITION AGENT, SALES AGENT AND PLAN MANAGER

The approved Sales Agent and Acquisition Agent for this time interval ownership plan in Hawaii is ALOHA RESORTS INTERNATIONAL, INC., a Hawaii corporation. The Acquisition Agents are PARADISE REALTY & SERVICES, INC., a Hawaii corporation, whose address is 2439 S. Kihei Road, #A118, Kihei, Maui, Hawaii 96753, and JUSDOIT, INC., a Hawaii corporation, whose address is P. O. Box 10817, Lahaina, Hawaii 96761.

The Developer, Sales Agents, and Plan Manager will not provide any rental assistance to any time interval owner who wishes to rent his time interval unit. Any arrangements for rentals will have to be made by the time interval owner.

There may be companies that sell and market time interval units for time interval owners that wish to sell their time interval unit. These types of companies are sometimes referred to as "re-sale companies." The Developer, Sales Agent, and Plan Manager do not endorse nor are they presently affiliated with any re-sale companies.

A time interval owner will have to make his own arrangements if he wishes to sell his time interval unit.

19. COMPLIANCE WITH COUNTY REQUIREMENTS

The project is located within a zone in which transient vacation rentals are permitted and therefor such use is allowed pursuant to Section 514E-5(2)(A), Hawaii Revised Statutes, as amended.

20. SERVICE OF PROCESS

Process may be served on the Developer in the State of Hawaii by serving it on Mark Ives, 107 Hakui Loop, Lahaina, Maui, Hawaii 96761.

DATED: Lahaina, Maui, Hawaii, this 23rd day of August,
19 93 .

KAHANA FALLS LIMITED PARTNERSHIP

By S.C.I. ENTERPRISES, INC.
Its General Partner

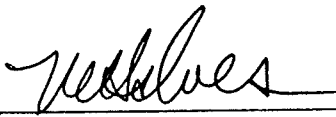
By 
MARK IVES
Its President

EXHIBIT "A"

1. ONE BEDROOM TYPE 1 APARTMENT:

101	(EOY)	401	(EOY)
102	(EOY)	402	(EOY)
103	(EOY)	403	(EOY)
104	(EOY)	404	(EOY)
201	(EOY)	501	(EOY)
202	(EOY)	502	(EOY)
203	(EOY)	503	(EOY)
204	(EOY)	504	(EOY)
301	(EOY)	601	(EOY)
302	(EOY)	602	(EOY)
303	(EOY)	603	(EOY)
304	(EOY)	604	(EOY)

2. TWO BEDROOM TYPE 2 APARTMENTS:

105	(EOY)	405	(EOY)
106	(EOY)	406	(EOY)
107	(EOY)	407	(EOY)
108	(EOY)	408	(EOY)
109	(EOY)	409	(EOY)
110	(EOY)	410	(EOY)
205	(EOY)	505	(EOY)
206	(EOY)	506	(EOY)
207	(EOY)	507	(EOY)
208	(EOY)	508	(EOY)
209	(EOY)	509	(EOY)
210	(EOY)	510	(EOY)
305	(EOY)	605	(EOY)
306	(EOY)	606	(EOY)
307	(EOY)	607	(EOY)
308	(EOY)	608	(EOY)
309	(EOY)	609	(EOY)
310	(EOY)	610	(EOY)

(EOY) - This means the unit is in the Every Other Year Program.

EXHIBIT "A-1"

Encumbrances

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

2. Right-of-Way reserved by H. A. Baldwin, W. D. Baldwin, F. Baldwin, J. P. Cooke and S. A. Baldwin, as Trustees under the Will and of H. P. Baldwin, Deceased, as contained in that certain Deed dated December 31, 1914, recorded in the Bureau of Conveyances, State of Hawaii, in Book 410, Pages 177 and 179, containing a total area of 2 acres, more or less.

3. Grant in favor of Meyer M. Ueoka, husband of Yukie H. Ueoka, dated May 25, 1978, recorded in said Bureau, in Book 12945, Page 23, for the purpose of an easement for utility purposes over, under, across and through a portion of the land herein described.

4. Unrecorded Right-of-Entry Agreement as contained in that certain Deed dated January 20, 1978, recorded in said Bureau, in Book 13023, Page 325, in favor of the State of Hawaii.

5. Agreement of Indemnity dated September 5, 1979, recorded in said Bureau, in Book 14037, Page 307, made by and between Realty Concepts, Inc., and Harvard Developments, Ltd., as "Indemnitor", and The County of Maui, through its Department of Water Supply, a political subdivision of the State of Hawaii, as "Indemnitee".

6. Subdivision Agreement (Three Lots or Less) dated September 19, 1979, recorded in said Bureau, in Book 14037, Page 464, made by and between Myron A. Resnick, single, Insurance Concepts, Inc., a Hawaii corporation, and Glenn Orr Hay, Jr., husband of Carol Ann Hay, "Owner", and The County of Maui, a body politic and corporate and a political subdivision of the State of Hawaii.

7. Subdivision Agreement (Large Lots) dated May 4, 1979, recorded in said Bureau, in Book 14037, Page 470, made by and between Myron A. Resnick, single, Insurance Concepts, Inc., a Hawaii corporation, and Glenn Orr Hay, Jr., husband of Carol Ann Hay, "Owner", and County of Maui, a body politic and corporate and a political subdivision of the State of Hawaii.

8. Grant in favor of Maui Electric Company, Limited, and Hawaiian Telephone Company, dated December 3, 1980, recorded in said Bureau, in Book 15357, Page 166, for a perpetual non-exclusive right and easement to build, construct, etc., underground power lines,

*etc., over, across, through and under portions of the land described herein. Said easement designated as Easement "A-1" (15 feet wide) for utility purposes, containing an area of 3,073 square feet, more or less.

9. Grant in favor of Maui Electric Company, Limited, and Hawaiian Telephone Company, dated March 26, 1981, recorded in said Bureau, in Book 15477, Page 756, for a perpetual non-exclusive right and easement to build, construct, etc., underground power lines, etc., over, across, through and under portions of the land described herein. Said easement designated as Easement "A-1" (15 feet wide) for utility purposes, containing an area of 3,073 square feet, more or less.

10. Grant in favor of Maui Electric Company, Limited dated May 1, 1981, recorded in said Bureau, in Book 15571, Page 632, for the purpose of a perpetual non-exclusive right and easement to build, construct, etc. pole and wire lines and underground power lines, etc., over, across, through and under the land described herein.

11. Grant in favor of County of Maui, a political subdivision of the State of Hawaii, dated December 22, 1981, recorded in said Bureau, in Book 17227, Page 543, for the purpose of a non-exclusive easement to construct, reconstruct, etc., a water pipeline or pipelines, etc. over, across, through and under Easement "A-1", area 3,073 square feet (15 feet wide) for utility purposes.

12. Subdivision Agreement (Large Lots) dated March 9, 1984, recorded in said Bureau, in Book 17740, Page 344, by and between Harvard Properties, Inc., a Delaware corporation, ("Owner"), and the County of Maui.

13. Subdivision Agreement (Three Lots or Less) dated March 9, 1984, recorded in said Bureau, in Book 17740, Page 353, by and between Harvard Properties, Inc., a Delaware corporation, ("Owner"), and the County of Maui.

14. The following easements as shown on survey map dated May 3, 1984, revised May 5, 1986 and prepared by Warren S. Unemori:

<u>Easement</u>	<u>Purposes</u>	<u>In Favor of</u>
2	Drainage	Lot "A"
3	Sewerline	Lot "A"
4	Sewerline & Sewer Treatment Plant	Lot "A"
5	Sewer Treatment Plant	Lot "A"

15. Section VII(c) Agreement for West Maui Areas dated July 21, 1990, by and between S.C.I. Enterprises, Inc., a Nevada corporation and the Department of Water Supply of the County of Maui, recorded in said Bureau, as Document No. 90-136509.

16. Matters as shown on Condominium File No. 1494, filed in the Bureau of Conveyances, State of Hawaii.

17. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration of Condominium Property Regime, dated May 2, 1991, recorded in said Bureau, as Document No. 91-61027.

18. By-Laws of the Association of Apartment Owners of Kahana Falls, dated May 2, 1991, filed in said Office, as Document No. 91-61028.

19. Declaration of Covenants, Conditions and Restrictions for Time Interval Ownership at Kahana Falls, dated March 4, 1992, recorded in said Bureau, as Document No. 92-62936. (Adds apartments 105, 202, 309, 402 607 and 609 to the time share program)

Declaration of Annexation, dated June 5, 1992, recorded in said Bureau, as Document No. 92-98530. (Adds 54 apartments to the time share program)

20. Mortgage dated June 29, 1992, in favor of Wellington Financial Corp., a Virginia corporation, filed in said Bureau, as Document No. 92-104912.

This Mortgage did not encumber or affect Units 105, 202, 309, 402, 607 or 609.

Additionally, the Mortgage was released and not longer affects the following units:

<u>DOCUMENT NO.</u>	<u>UNITS RELEASED</u>
92-149204	101, 106, 201, 205, 301, 610
92-213548	102, 107, 203, 206, 305, 604
92-21911	104, 306
93-53525	103, 108, 109, 207, 208, 307, 510
93-123702	110, 209, 308, 310
93-155321	302, 403

EXHIBIT "B"

ONE BEDROOM TYPE UNIT

	<u>Regular Interval</u>	<u>EOY Interval</u>
Estimated Sales Price:	\$21,900.00	\$13,140.00
Escrow Fee	100.00	100.00
Title Insurance*	120.00	120.00
Conveyance Tax (.05/\$100)	10.95	6.57
Recording Fee	20.00	20.00
Documentation Fee	75.00	75.00
*** Maintenance Fee (plus GET)**	389.58	389.58
TOTAL OBLIGATION:	22,615.53	13,851.15

TWO BEDROOM TYPE UNIT

	<u>Regular Interval</u>	<u>EOY Interval</u>
Estimated Sales Price:	\$25,900.00	\$15,500.00
Escrow Fee	100.00	100.00
Title Insurance*	120.00	120.00
Conveyance Tax (.05/\$100)	12.95	7.75
Recording Fee	20.00	20.00
Documentation Fee	75.00	75.00
*** Maintenance Fee (plus GET)**	498.64	498.64
TOTAL OBLIGATION:	26,726.59	16,321.39

*There may be additional fees which may be applicable where the purchaser finances the purchase.

**GET means the general excise tax imposed by the State of Hawaii.

***EOY owners pay the maintenance fees only in the year that they are entitled to use the unit.



Kahana Falls

MAUI

1994 BUDGET ASSOCIATION OF INTERVAL OWNERS

	ANNUAL BUDGET	2-BEDROOM UNIT		1-BEDROOM UNIT	
		WHOLE UNIT PER YEAR	1/51 UNIT PER YEAR	WHOLE UNIT PER YEAR	1/51 UNIT PER YEAR
LATE FEE INCOME	1,200.00	22.04	0.43	16.95	0.33
RESERVES	60,000.00	1,101.78	21.60	847.38	16.62
MANAGEMENT FEES	72,000.00	1,322.14	25.92	1,016.86	19.94
LABOR COSTS					
SALARIES & WAGES	347,156.00	6,374.83	125.00	4,902.88	96.13
TAXES & BENEFITS	44,868.00	823.91	16.16	633.67	12.42
INSURANCE HEALTH	43,168.00	792.69	15.54	609.66	11.95
INSURANCE TDI, WORKMANS COMP	15,926.00	292.45	5.73	224.92	4.41
TOTAL:	451,118.00	8,283.88	162.43	6,371.14	124.92
ROOMS DEPARTMENT OTHER EXPENSES					
AUTO AND PARKING	600.00	11.02	0.22	8.47	0.17
CLEANING SUPPLIES	3,329.50	61.14	1.20	47.02	0.92
EMPLOYEE RELATIONS/UNIFORMS	1,965.50	36.09	0.71	27.76	0.54
EQUIPMENT LEASE/MAINTENANCE	2,040.00	37.46	0.73	28.81	0.56
GUEST/OWNER SUPPLIES	18,687.00	343.15	6.73	263.92	5.17
GUEST/OWNER ENTERTAINMENT	18,000.00	330.53	6.48	254.21	4.98
KITCHEN UTENSILS	3,300.00	60.60	1.19	46.61	0.91
LINENS & TOWELS	9,000.00	165.27	3.24	127.11	2.49
LOSS & DAMAGES	360.00	6.61	0.13	5.08	0.10
OFFICE SUPPLIES	2,400.00	44.07	0.86	33.90	0.66
OTHER MISCELLANEOUS	240.00	4.41	0.09	3.39	0.07
POSTAGE & FREIGHT	1,416.00	26.00	0.51	20.00	0.39
PRINTING & STATIONARY	9,600.00	176.28	3.46	135.58	2.66
SMALL EQUIPMENT & FURNITURE	600.00	11.02	0.22	8.47	0.17
TOTAL:	71,538.00	1,313.65	25.76	1,010.33	19.81
ADMINISTRATIVE OTHER EXPENSES					
AUDIT FEES	3,900.00	71.62	1.40	55.08	1.08
BANK CHARGES	360.00	6.61	0.13	5.08	0.10
DUES & SUBSCRIPTIONS	2,285.00	41.96	0.82	32.27	0.63
GENERAL INSURANCE	600.00	11.02	0.22	8.47	0.17
LEGAL/PROFESSIONAL FEES	300.00	5.51	0.11	4.24	0.08
SPACE RENTAL	3,000.00	55.09	1.08	42.37	0.83
OFFICE SUPPLIES	300.00	5.51	0.11	4.24	0.08
TRAVEL	300.00	5.51	0.11	4.24	0.08
TOTAL:	11,045.00	202.82	3.98	155.99	3.06
REPAIRS & MAINTENANCE EXPENSES					
AIR CONDITIONING/REFRIGERATION	600.00	11.02	0.22	8.47	0.17
BUILDING MAINTENANCE/SUPPLIES	1,332.00	24.46	0.48	18.81	0.37
ELECTRICAL/ELECTRIC FANS/MECHANICAL	720.00	13.22	0.26	10.17	0.20
EQUIPMENT MAINTENANCE (POWER)	0.00	0.00	0.00	0.00	0.00
GOLF CART MAINT/KITCHEN APPLIANCE MAINT	14,400.00	264.43	5.18	203.37	3.99
LIGHT BULBS/PAINTING/PLUMBING	2,640.00	48.48	0.95	37.28	0.73
SCREEN/TV/RADIO/VCR REPAIRS	2,160.00	39.66	0.78	30.51	0.60
UNIFORMS	360.00	6.61	0.13	5.08	0.10
TOTAL:	22,212.00	407.88	8.00	313.70	6.15
LAUNDRY OTHER EXPENSES					
SUPPLIES	5,370.00	98.61	1.93	75.84	1.49
EQUIPMENT LEASE	6,000.00	110.18	2.16	84.74	1.66
UTILITIES	14,400.00	264.43	5.18	203.37	3.99
TOTAL:	25,770.00	473.21	9.28	363.95	7.14
MAINTENANCE FEE:	712,483.00	13,083.33	256.54	10,062.40	197.30
GENERAL EXCISE TAXES:	26,099.32	479.26	9.40	368.60	7.23
TOTAL:	738,582.32	13,562.59	265.93	10,431.00	204.53



Kahana Falls

MAUI

1994 BUDGET ASSOCIATION OF APARTMENT OWNERS

	ANNUAL BUDGET	2-BEDROOM UNIT		1-BEDROOM UNIT	
		WHOLE UNIT PER YEAR	1/51 UNIT PER YEAR	WHOLE UNIT PER YEAR	1/51 UNIT PER YEAR
INCOME	73,812.00	1,151.25	22.57	915.49	17.95
RESERVES	36,000.00	561.49	11.01	446.51	8.76
LABOR COSTS					
SALARIES & WAGES	151,821.00	2,367.95	46.43	1,883.04	36.92
TAXES & BENEFITS	24,600.00	383.69	7.52	305.11	5.98
INSURANCE HEALTH	13,847.00	215.97	4.23	171.74	3.37
INSURANCE TDI, WORKMANS COMP	9,760.00	152.23	2.98	121.05	2.37
TOTAL:	200,028.00	3,119.84	61.17	2,480.95	48.65
ADMINISTRATIVE AND PROPERTY EXPENSES					
ACCOUNTING SERVICE/AUDIT FEE	3,996.00	62.33	1.22	49.56	0.97
BUILDING MAINTENANCE	22,740.00	354.68	6.95	282.04	5.53
CABLE TELEVISION	12,600.00	196.52	3.85	156.28	3.06
CLEANING AND OFFICE SUPPLIES	4,560.00	71.12	1.39	56.56	1.11
DATA PROCESSING	1,500.00	23.40	0.46	18.60	0.36
DEPRECIATION EXPENSE	396.00	6.18	0.12	4.91	0.10
ELEVATOR MAINTENANCE CONTRACT	14,160.00	220.85	4.33	175.63	3.44
EMPLOYEE RELATIONS	1,200.00	18.72	0.37	14.88	0.29
EQUIPMENT LEASE/MAINTENANCE	2,220.00	34.63	0.68	27.53	0.54
FITNESS CENTER	1,200.00	18.72	0.37	14.88	0.29
INSURANCE (FIRE/LIAB/UMBRELLA/GEN/DIC/BOIL)	40,657.00	634.13	12.43	504.27	9.89
LANDSCAPING MAINTENANCE CONTRACTS	43,200.00	673.79	13.21	535.81	10.51
LEGAL/PROFESSIONAL FEES	300.00	4.68	0.09	3.72	0.07
LICENSE AND TAX	300.00	4.68	0.09	3.72	0.07
LOBBY ITEMS EXPENSE	11,040.00	172.19	3.38	136.93	2.68
MANAGEMENT FEES	0.00	0.00	0.00	0.00	0.00
OTHER OPERATING EXPENSES	540.00	8.42	0.17	6.70	0.13
PEST CONTROL	2,100.00	32.75	0.64	26.05	0.51
POOL EQUIPMENT AND SUPPLIES	5,400.00	84.22	1.65	66.98	1.31
POSTAGE/FREIGHT & PRINTING/STATIONARY	1,500.00	23.40	0.46	18.60	0.36
PROPERTY TAXES	72,000.00	1,122.98	22.02	893.02	17.51
SECURITY	47,500.00	740.86	14.53	589.14	11.55
SMALL FURNITURE & EQUIPMENT	1,200.00	18.72	0.37	14.88	0.29
TELEPHONE	82,800.00	1,291.43	25.32	1,026.97	20.14
TRADE ASSOCIATION DUES	180.00	2.81	0.06	2.23	0.04
TRAVEL AND AUTO EXPENSE	6,000.00	93.58	1.83	74.42	1.46
UNIFORMS	960.00	14.97	0.29	11.91	0.23
WASTE REMOVAL	6,060.00	94.52	1.85	75.16	1.47
TOTAL:	386,309.00	6,025.26	118.14	4,791.39	93.95
UTILITIES					
ELECTRIC	174,000.00	2,713.88	53.21	2,158.12	42.32
GAS	6,000.00	93.58	1.83	74.42	1.46
SEWER	12,000.00	187.16	3.67	148.84	2.92
WATER	20,400.00	318.18	6.24	253.02	4.96
TOTAL:	212,400.00	3,312.80	64.96	2,634.40	51.65
MAINTENANCE FEE TOTAL:	760,925.00	11,868.15	232.71	9,437.75	185.05