

**AMENDMENT 1 TO
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	WAILEA BEACH RESORT & RESIDENCES
PROJECT ADDRESS:	3550 Wailea Alanui Drive Wailea, Hawaii 96753
REGISTRATION NUMBER:	6196
EFFECTIVE DATE OF REPORT:	
MUST BE READ TOGETHER WITH DEVELOPER'S PUBLIC REPORT DATED:	March 16, 2007
DEVELOPER:	Wailea Hotel & Beach Resort, L.L.C.

Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means any change that directly, substantially, and adversely affects the use or value of (1) A purchaser's unit or appurtenant limited common elements; or (2) Those amenities of the project available for the purchaser's use.

The law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developers Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

This Amendment has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this amendment to the Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts, material changes, or pertinent changes about the project have been fully or adequately disclosed; and (3) is not the

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Commission's judgment of the value or merits of the project.

The law defines "material facts" to mean any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

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Summary of Changes from Earlier Developer's Public Report:

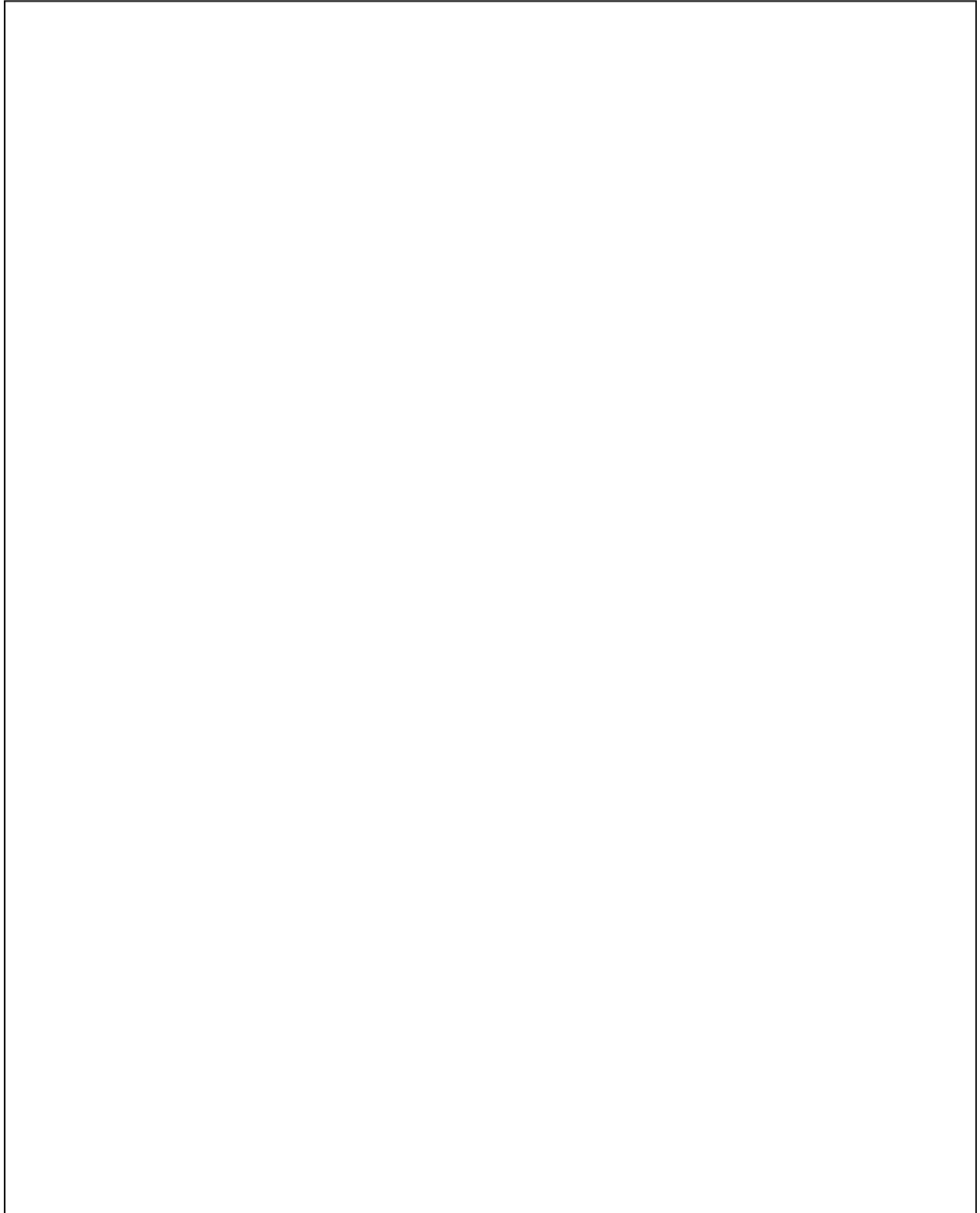
This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

1. Page 5, Section 1.9. Updates the number of elevators and stairways in the Project.
2. Page 5, Section 1.12. Reflects date of updated title report.
3. Page 10, Section 3. Reflects the filing of the following documents with the Office of the Registrar of the Land Court of the State of Hawaii:
 - A. First Amendment to Amended and Restated Declaration of Condominium Property Regime of Wailea Beach Resort & Residences dated June 29, 2007 and filed with the Office as Document No. 3522796 (the "First Amendment to Declaration").
 - B. First Amendment to Amended and Restated Bylaws of the Association of Wailea Beach Resort & Residences dated June 29, 2007 and filed with the Office as Document No. 3622797.
 - C. Amendment to Condominium Map No. 1830.
4. Page 12, Section 4.4. Reflects that individual unit owners will not be charged for gas service.
5. Page 14, Section 5.5. Updates the estimated date of completion for the Project.
6. Page 18, Paragraph 4. Updates the parking allocation for the Project.
7. Page 18c, Paragraph 11. Updates the status of the Resort License Agreement.
8. Exhibit "A". Updated to reflect the amendments to the Condominium Map, as further set forth in the First Amendment to Declaration.
9. Exhibit "E," Section 1. Updates the limited common elements appurtenant to the Residential Units, as set forth in the First Amendment to Declaration.
10. Exhibit "F," Section A.1. Updates the permissible uses of Residential Units, as set forth in the First Amendment to Declaration.
11. Exhibit "I". Updates the Monthly Maintenance Fee Allocations based on the recalculation of the common interest appurtenant to the Units.
12. Exhibit "J". Updates the summary of the Sales Contract based on changes made to Sales Contract.

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Changes continued:



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1.9 Common Elements

<p>Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.</p>									
Described in Exhibit <u>“D”</u>									
Described as follows:									
<table border="1"> <thead> <tr> <th>Common Element</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Elevators</td> <td>22</td> </tr> <tr> <td>Stairways</td> <td>131</td> </tr> <tr> <td>Trash Chutes</td> <td>0</td> </tr> </tbody> </table>		Common Element	Number	Elevators	22	Stairways	131	Trash Chutes	0
Common Element	Number								
Elevators	22								
Stairways	131								
Trash Chutes	0								

1.10 Limited Common Elements

<p>Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.</p>	
Described in Exhibit <u>“E”</u>	
Described as follows:	

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.	
<input checked="" type="checkbox"/>	Pets: Pets are permitted as provided in the Resort Rules. Visually impaired persons, hearing impaired persons and physically impaired persons shall be allowed to use the services of a “guide dog,” “signal dog,” or “service animal” as such terms are defined in Chapter 515 of the Hawaii Revised Statutes.
	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Exhibit “F”; House Rules
	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).	
Exhibit <u>“G”</u> describes the encumbrances against title contained in the title report described below.	
Date of the title report: May 17, 2007	
Company that issued the title report: Title Guaranty of Hawaii, Inc.	

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	June 23, 2006	3446757

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	November 9, 2006	3573894
Land Court	June 29, 2007	3622796

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	June 23, 2006	3446758

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	November 9, 2006	3573895
Land Court	June 29, 2007	3622797

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	1830
Bureau of Conveyances Map Number	n/a
Dates of Recordation of Amendments to the Condominium Map: March 14, 2006; July 2, 2007	

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<p><u>Management of the Common Elements:</u> The Association of Unit 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.</p>	
<p>The Initial Condominium Managing Agent for this project is (check one):</p>	
X	Not affiliated with the Developer
	None (self-managed by the Association)
	The Developer or an affiliate of the Developer
	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

<p><u>Estimate of the Initial Maintenance Fees:</u> The Association will make assessments against your unit 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 unit and the unit 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.</p>
<p>Exhibit "1" contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>

4.3 Utility Charges to be Included in the Maintenance Fee

<p>If checked, the following utilities are included in the maintenance fee:</p>	
X	Electricity for the common elements
X	Gas for the common elements
X	Water
X	Sewer
X	TV cable *
X	Other (specify) Internet service

4.4 Utilities to be Separately Billed to Unit Owner

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>	
X	Electricity for the Unit only
	Gas for the Unit only
	Water
	Sewer
X	TV cable*
	Other (specify)

* Basic cable is included in the maintenance fees. Premium channels must be separately contracted for between the unit owner and the provider.

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

<p>Status of Construction: The Developer estimates completion of the Project on or about May, 2010. The Developer cannot guarantee, however, when construction will start or when it will be completed. There are many factors that may impact this, including the number of sales of units in the Project, the timing of the closing of the construction loan, the condition of financial markets and other factors.</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract: Developer shall complete construction of the unit covered by a sales contract so as to permit normal occupancy of the unit within ten (10) years from the date a purchaser signs a binding contract.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not be Disbursed Before Closing or Conveyance

<input type="checkbox"/>	<p>The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project.</p> <p>If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.</p>
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

<p>Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):</p>	
<input checked="" type="checkbox"/>	<p>For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or</p>
<input type="checkbox"/>	<p>For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.</p>

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Project Structure; Resort Manager. To ensure the continuing maintenance and operation of the Project pursuant to the First Class Standard, as such standard is defined in the Declaration, and to ensure compliance with the Resort License Agreement, if any, the owner of Commercial Unit 1 (the "Front Desk Unit") shall be responsible for the maintenance and operation of portions of the Project referred to as the "Resort Amenities," as such term is defined in the Declaration, which shall be limited common elements appurtenant to the Front Desk Unit. The Resort Amenities shall include areas typically classified as common elements in a condominium project, including, but not limited to, the grounds, landscaping, hallways, walkways, lobbies and building structure. The Front Desk Unit Owner may promulgate rules and regulations for the use of the Resort Amenities ("Resort Rules"). The Front Desk Unit owner shall be reimbursed for the cost of maintaining these areas through a license fee payable by the Association (the "License Fee"). The Front Desk Unit Owner may delegate its duties hereunder to a resort manager (the "Resort Manager").

The Front Desk Unit Owner shall have the right, in its sole discretion, to (a) select a resort manager to manage and/or operate the Front Desk Unit; (b) to change such resort manager from time to time; and (c) to change the name of the Project at any time, as may be required by the Resort License Agreement or otherwise. NEITHER THE DEVELOPER, THE FRONT DESK UNIT OWNER NOR ANY OF THEIR RESPECTIVE AGENTS OR REPRESENTATIVES HAVE MADE ANY REPRESENTATIONS, WARRANTIES, GUARANTEES OR OTHER CLAIMS OF ANY KIND REGARDING THE IDENTITY OF THE RESORT MANAGER FOR THE FRONT DESK UNIT OR IF A RESORT MANAGER WILL BE HIRED TO OPERATE AND MANAGE THE FRONT DESK UNIT. THE DEVELOPER AND THE FRONT DESK UNIT OWNER EXPRESSLY DISCLAIM ANY REPRESENTATIONS, WARRANTIES, GUARANTEES OR OTHER CLAIMS OF ANY KIND REGARDING THE SAME.

2. Fiscal Management; Managing Agent. Developer, acting as the Association, has retained Hawaiiana Management Company, Ltd. as the fiscal and administrative managing agent for the Project (the "Managing Agent"). The Managing Agent shall have the authority, subject to the provisions of the Declaration and Bylaws, to assume control and responsibility for the administration and management of the Project, at the expense of the Association. The Managing Agent shall undertake administrative functions, including, but not limited to, (i) the preparation of a proposed budget and schedule of assessments, (ii) the custody and control of all funds of the Association and the maintenance of the books and records with respect thereto, (iii) the preparation and filing of financial reports, and (iv) the filing of any other applications or reports that may be required by governmental and non-governmental entities.

3. Use of Recreational Facilities. The recreational facilities within the Project, including, without limitation, the swimming pool and the fitness center, are part of the Resort Amenities which are limited common elements appurtenant to the Front Desk Unit as discussed in paragraph 1, above. Unit owners will have the ability to utilize the recreational facilities and other portions of the Resort Amenities pursuant to a license between the Front Desk Unit Owner and the Association, and the Front Desk Unit Owner shall be reimbursed for the maintenance and operation of such areas through the License Fee.

Additionally, there is anticipated to be a number of commercial operations within the Project including restaurants and a spa. Unit owners may pay for the restaurant and spa services on a per use basis.

4. Parking Stalls. There are four hundred forty-two (442) parking stalls in the Project, all of which are limited common elements appurtenant to the Front Desk Unit. Residential Units shall not have an assigned parking stall, and shall not be guaranteed the use of a parking stall. The Front Desk Unit Owner will manage and maintain the parking stalls, and may establish rules and regulations for the use thereof. The costs allocated with managing and maintaining the parking stalls shall be charged to all Unit Owners as a portion of the License Fee.

There are two hundred thirty-eight (238) covered standard stalls, twelve (12) uncovered standard stalls, eight (8) covered tandem stalls, one (1) covered handicapped accessible stall and ten (10) uncovered handicapped accessible stalls. There are also one hundred thirty-one (131) covered compact stalls and forty-two (42) uncovered compact stalls.

5. Transient Use. The residential units in the Project may be used for long-term residential use, hotel or transient vacation rental purposes, or other uses permitted by law, the Declaration and the Bylaws, that are consistent with a resort destination operating pursuant to the First Class Standard; provided that, without the prior written consent of the Front Desk Unit Owner: (i) other than as may be provided in the Declaration, no commercial business activity, or home occupation involving visitation by members of the public on a regular basis shall be conducted from any residential unit; and (ii) notwithstanding anything contained within the Declaration or in law to the contrary, the units in the Project or any interest therein, shall not be the subject of or sold, transferred, conveyed, leased, occupied, rented or used at any time under a time share plan (as defined in Hawaii Revised Statutes, Chapter 514E, as amended) or similar arrangement or program whether covered by Chapter 514E or not, including, without limitation, any so-called "fractional ownership," "vacation license," "travel club membership," "club membership," "membership club," "destination club," "time-interval ownership," "interval exchange" (whether the exchange is based on direct exchange or occupancy rights, cash payments, reward programs or other point or accrual systems) or "interval ownership" as offered and established through a third-party vacation membership service provider who is in the business of providing and managing such programs.

6. Securities Laws and Regulations. Developer makes no representations: (i) regarding the possibility or probability of economic benefit from the purchase and ownership of a unit; (ii) to the effect that Developer will provide services relating to the rental of a unit; or (iii) as to the possible advantages of the ownership or rental of a unit under federal law or state tax laws. Developer makes no representation regarding either the economic benefits to be derived from the ownership, rental or tax treatment of any purchaser of a unit. The tax treatment and economic benefits may vary with individual circumstances, and Seller recommends that a purchaser consult with his or her own attorney, accountant or other tax counsel for advice regarding tax treatment.

7. Hospitality Services. The Front Desk Unit Owner shall offer certain hospitality services to all residential unit owners (the "Standard Hospitality Services") and certain optional hospitality services to owners selecting such services (the "A la Carte Services") (collectively, the "Hospitality Services"). The Front Desk Unit Owner, may alter the types and amounts of Hospitality Services provided at the Project, may offer additional Hospitality Services or decrease Hospitality Services, in its sole discretion. Each residential unit owner will be required to participate in the Standard Hospitality Services and the cost of Standard Hospitality Services will be an expense payable by all residential unit owners. Accordingly, the Front Desk Unit Owner's decision to offer more or less services will cause an adjustment to maintenance fees or other costs attributable to the residential units. The Owner of the Front Desk Unit shall also offer the A la Carte Services to owners requesting such additional services. The individual unit owner requesting such service or such owner's guest or occupant will pay for such A la Carte Services. The Front Desk Unit Owner may delegate its duties hereunder to the Resort Manager. The Hospitality Services are further discussed in the Declaration.

8. Real Property Tax Assessment. Developer shall be responsible for any real property taxes attributable to the property prior to closing. Any real property taxes paid in advance by Developer shall be prorated as a closing cost payable by purchaser pursuant to the sales contract for the purchase of a unit.

9. Master Declaration. In addition to the Amended and Restated Declaration of Condominium Property Regime of Wailea Beach Resort & Residences ("Project Declaration"), purchasers of units in the Project will be subject to that certain Wailea Community Association Amended and Restated Declaration of Covenants and Restrictions dated December 19, 1986 and filed with the Office of the Registrar of the Land Court as Document No. 2479882, as the same may be amended and/or supplemented from time to time ("Master Declaration"), and all rules and regulations promulgated under the Master Declaration. By acquiring an interest in the Project, each owner agrees to observe and comply with all covenants, conditions and other restrictions to which the Project is subject under the Master Declaration.

Unit owners shall automatically become members of the Wailea Community Association ("Wailea Association") and shall be subject to certain obligations, including, but not limited to, the obligation to pay assessments imposed by the Wailea Association, which will be separately assessed to each owner directly. Additionally, unit owners will be required to comply with certain use restrictions, including, but not limited to, the following restrictions further explained in Article V of the Master Declaration:

a. No noxious or offensive activities shall be carried on in the Project, nor shall anything be done or placed thereon which may be or become a nuisance, or cause embarrassment, disturbance or annoyance to other owners. Without limiting the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively to protect the security of the improvements, shall be placed or used without the approval of the Wailea Association's design committee.

b. No time share ownership plan or time share use plan, as defined in Hawaii Revised Statutes, Chapter 514E, shall be permitted to exist within any lot or with respect to the use, occupancy or ownership of any lot.

c. Outside clotheslines or other outside clothes washing, drying or airing facilities shall be screened or maintained in such a manner and in such location as not to be visible from neighboring properties or roads.

d. No owner shall store furniture, fixtures, appliances or other goods or materials in such a manner as to be visible from neighboring properties or roads, except for normal outdoor furniture and fixtures.

NOTE: THIS LIST OF USE AND DEVELOPMENT RESTRICTIONS IS NOT EXHAUSTIVE. PURCHASER SHOULD REVIEW THE MASTER DECLARATION IN ITS ENTIRETY FOR A COMPREHENSIVE EXPLANATION OF RESTRICTIONS AND LIMITATIONS ON PURCHASER'S USE RIGHTS. THE PURCHASER SHOULD ACCORDINGLY REQUEST A COPY OF THE MASTER DECLARATION FROM DEVELOPER.

10. Developer to Pay Actual Costs of Project. Developer hereby discloses that it may initially assume the actual common expenses of the Project, pursuant to Section 514B-41(b) of the Hawaii Revised Statutes, from the date upon which the certificates of occupancy are issued for units within the Project. Unit owners shall not be obligated for the payment of their share of the common expenses until such time as Developer sends to the owners written notice that, after a specified date, the unit owners shall be obligated to pay for the portion of the common expenses that are allocated to their respective units.

11. Resort License Agreement. The Baccarat brand name and certain related trademarks are owned by Baccarat S.A. and licensed to Starwood Capital Group, LLC ("SCG"). Developer uses the Baccarat brand name and certain related trademarks (collectively, the "Trademarks") in connection with the sales and marketing of the residential units in the Project under an agreement with SCG. The license from Baccarat S.A. to SCG and the agreement between SCG and Developer may each be terminated or expire without renewal, in which case neither the residential units nor any part of the Project will be identified as a Baccarat Resort & Residences branded project or have any rights to use the Trademarks.

Developer is currently negotiating a management agreement for the management of the Project by an affiliate of SCG (the "Manager"), however, at this time Manager has not entered into any management agreement or other agreements in connection with the management or operation of any part of the Project. In the event that either (i) the management agreement with Manager and Developer is not entered into, (ii) the management agreement is entered into but terminated for any reason in the future, or (iii) the license from Baccarat S.A. to SCG is terminated, all right to use the name "Baccarat" will cease at the Project and all indicia of any connection between the Project and the name "Baccarat" (including signs or other materials bearing the name "Baccarat") will be removed from the Project, including all residential units at the Project. Furthermore, ownership of a unit will not confer any ownership rights in and to the "Baccarat" name or marks.

12. Special Management Area Permit. The Project is located within a Special Management Area under Hawaii Revised Statutes Chapter 205A, Part II, which generally requires that certain types of development may require application and issuance of a Special Management Area use permit. Pursuant to application by Developer, on July 11, 2006, the Planning Commission of the County of Maui issued Special Management Area use permit SM1 2005/0035 ("SMA Permit") and Shoreline Setback Variance ("Setback Variance") No. SSV 2005/0004, which permits construction of the Project. The SMA Permit and the Setback Variance establish certain conditions for the Project, and will be available upon request.

13. WHBR-Maluhia AOA Settlement Agreement. Developer has entered into a settlement agreement with a neighboring property owner with respect to Developer's applications for a SMA permit, Shoreline Setback Variance and Planned Development approvals for the construction of the Project (the "Settlement Agreement"). Under the Settlement Agreement, the Association of Apartment Owners of Maluhia at Wailea will be allowed access to certain amenities of the Project, including the pool area. Additionally, the Settlement Agreement requires the maintenance of certain landscaping within the Project. Purchasers should review the terms of the Settlement Agreement.

14. Flood and Tsunami Hazards. According to the Flood Insurance Rate Map issued by the Federal Emergency Management Agency, the Project is located mainly in Zone C, an area of minimal flooding. A small makai portion is located in Zone A4, a special flood hazard area inundated by the 100-year flood with a base elevation of 7 feet. Additionally, the Project is located in a tsunami hazard zone. Purchasers should inquire with their lender to learn about potential additional insurance requirements.

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The Developer declares subject to the penalties set forth in Section 5148-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 5148-5 and 32(a) (13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers 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. The Developer hereby agrees promptly to amend this report as amended to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

WAILEA HOTEL & BEACH RESORT, L.L.C.,
a Delaware limited liability company

By _____
Kathryn W. Inouye
Its Development Manager

Date

Distribution:

Department of Finance, County of Maui _____

Planning Department, County of Maui _____

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.

EXHIBIT "A"

UNIT NUMBERS, UNIT TYPES, NUMBER OF BEDROOMS AND BATHROOMS, APPROXIMATE NET LIVING AREA, APPROXIMATE NET LANAI AREA, PERCENTAGE COMMON INTEREST

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
A200	2B	2/3	2,153	290	0.586664%
A201	2B	2/3	2,153	290	0.586664%
A202	2B	2/3	2,153	290	0.586664%
A203	3B1	3/3.5	2,946	290	0.802747%
A300	2B	2/3	2,153	290	0.586664%
A301	2B	2/3	2,153	290	0.586664%
A302	2B	2/3	2,153	290	0.586664%
A303	3B1	3/3.5	2,946	290	0.802747%
A400	2B	2/3	2,153	290	0.586664%
A401	2B	2/3	2,153	290	0.586664%
A402	2B	2/3	2,153	290	0.586664%
A403	3B1	3/3.5	2,946	290	0.802747%
B100	2C	2/2.5	2,288	289	0.623450%
B103	1E	1/2	1,342	364	0.365678%
B200	3B1	3/3.5	2,946	290	0.802747%
B201	2B	2/3	2,153	290	0.586664%
B202	2B	2/3	2,153	290	0.586664%
B203	2B	2/3	2,153	290	0.586664%
B300	3B1	3/3.5	2,946	290	0.802747%
B301	2B	2/3	2,153	290	0.586664%
B302	2B	2/3	2,153	290	0.586664%
B303	2B	2/3	2,153	290	0.586664%
B400	3B1	3/3.5	2,946	290	0.802747%
B401	2B	2/3	2,153	290	0.586664%
B402	2B	2/3	2,153	290	0.586664%
B403	2B	2/3	2,153	290	0.586664%
C100	1C	1/1	1,070	182	0.291561%
C101	1C	1/1	1,070	182	0.291561%
C102	1C	1/1	1,070	182	0.291561%
C103	1C	1/1	1,070	182	0.291561%
C108	1C	1/1	1,070	182	0.291561%
C109	1C	1/1	1,070	182	0.291561%
C110	1C	1/1	1,070	182	0.291561%
C111	1C	1/1	1,070	182	0.291561%
C112	1C	1/1	1,070	182	0.291561%
C113	1C	1/1	1,070	182	0.291561%
C200	1A	1/1	1,064	182	0.289926%
C201	1A1	1/1	1,056	182	0.287746%
C202	1A	1/1	1,064	182	0.289926%

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
C203	1A1	1/1	1,056	182	0.287746%
C204	1A	1/1	1,064	182	0.289926%
C205	1A	1/1	1,064	182	0.289926%
C206	1B	1/2	988	246	0.269217%
C207	1B	1/2	988	163	0.269217%
C208	1A	1/1	1,064	182	0.289926%
C209	1A	1/1	1,064	182	0.289926%
C210	1A1	1/1	1,056	182	0.287746%
C211	1A	1/1	1,064	182	0.289926%
C212	1A1	1/1	1,056	182	0.287746%
C213	1A	1/1	1,064	182	0.289926%
C300	1A1	1/1	1,056	182	0.287746%
C301	1A	1/1	1,064	182	0.289926%
C302	1A1	1/1	1,056	182	0.287746%
C303	1A	1/1	1,064	182	0.289926%
C304	1A	1/1	1,064	182	0.289926%
C305	1A	1/1	1,064	182	0.289926%
C306	1B	1/2	988	246	0.269217%
C307	1B	1/2	988	163	0.269217%
C308	1A	1/1	1,064	182	0.289926%
C309	1A	1/1	1,064	182	0.289926%
C310	1A	1/1	1,064	182	0.289926%
C311	1A1	1/1	1,056	182	0.287746%
C312	1A	1/1	1,064	182	0.289926%
C313	1A1	1/1	1,056	182	0.287746%
C401	3C	3/3	1,996	364	0.543884%
C403	3C	3/3	1,996	364	0.543884%
C404	1A	1/1	1,064	182	0.289926%
C405	1A	1/1	1,064	182	0.289926%
C406	1B	1/2	988	246	0.269217%
C407	1B	1/2	988	163	0.269217%
C408	1A	1/1	1,064	182	0.289926%
C409	1A	1/1	1,064	182	0.289926%
C410	3C	3/3	1,996	364	0.543884%
C412	3C	3/3	1,996	364	0.543884%
C506	1B	1/2	988	246	0.269217%
C507	1B	1/2	988	163	0.269217%
D100	4A	4/4.5	3,336	360	0.909017%
D101	2A	2/3	2,254	420	0.614186%
D200	4A	4/4.5	3,336	440	0.909017%
D201	2A	2/3	2,254	269	0.614186%
E100	2A	2/3	2,254	269	0.614186%
E101	3A	3/3.5	2,714	355	0.739530%
E102	3A	3/3.5	2,714	355	0.739530%

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
E103	3A	3/3.5	2,714	355	0.739530%
E200	2A	2/3	2,254	269	0.614186%
E201	3A	3/3.5	2,714	373	0.739530%
E202	3A	3/3.5	2,714	373	0.739530%
E203	3A	3/3.5	2,714	373	0.739530%
F200	1C	1/1	1,070	182	0.291561%
F201	1C	1/1	1,070	182	0.291561%
F202	1A	1/1	1,064	182	0.289926%
F300	1A	1/1	1,064	182	0.289926%
F301	1A	1/1	1,064	182	0.289926%
F302	1A	1/1	1,064	182	0.289926%
F400	1A	1/1	1,064	182	0.289926%
F401	1A	1/1	1,064	182	0.289926%
F402	1A	1/1	1,064	182	0.289926%
G100	3A	3/3.5	2,714	355	0.739530%
G101	3A	3/3.5	2,714	355	0.739530%
G102	3A	3/3.5	2,714	355	0.739530%
G103	2A	2/3	2,254	269	0.614186%
G200	3A	3/3.5	2,714	355	0.739530%
G201	3A	3/3.5	2,714	355	0.739530%
G202	3A	3/3.5	2,714	355	0.739530%
G203	2A	2/3	2,254	269	0.614186%
H100	2A	2/3	2,254	269	0.614186%
H101	4A	4/4.5	3,336	340	0.909017%
H200	2A	2/3	2,254	269	0.614186%
H201	4A	4/4.5	3,336	440	0.909017%
J201	1C	1/1	1,070	182	0.291561%
J202	1C	1/1	1,070	182	0.291561%
J203	1A	1/1	1,064	182	0.289926%
J300	1A	1/1	1,064	182	0.289926%
J301	1A	1/1	1,064	182	0.289926%
J302	1A	1/1	1,064	182	0.289926%
J303	1A	1/1	1,064	182	0.289926%
J400	1A	1/1	1,064	182	0.289926%
J401	1A	1/1	1,064	182	0.289926%
J402	1A	1/1	1,064	182	0.289926%
J403	1A	1/1	1,064	182	0.289926%
K100	1C	1/1	1,070	182	0.291561%
K101	1C	1/1	1,070	182	0.291561%
K102	1C	1/1	1,070	182	0.291561%
K103	1C	1/1	1,070	182	0.291561%
K104	1C	1/1	1,070	182	0.291561%
K105	1C	1/1	1,070	182	0.291561%
K106	1C	1/1	1,070	182	0.291561%

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
K108	1C	1/1	1,070	182	0.291561%
K109	1C	1/1	1,070	182	0.291561%
K110	1C	1/1	1,070	182	0.291561%
K200*	1A	1/1	1,064	182	0.289926%
K201*	1A	1/1	1,064	182	0.289926%
K202	1A	1/1	1,064	182	0.289926%
K203	1A	1/1	1,064	182	0.289926%
K204	1A	1/1	1,064	182	0.289926%
K205	1A	1/1	1,064	182	0.289926%
K206	1A	1/1	1,064	182	0.289926%
K207	1A	1/1	1,064	182	0.289926%
K208	1A	1/1	1,064	182	0.289926%
K209	1A	1/1	1,064	182	0.289926%
K210	1A	1/1	1,064	182	0.289926%
K300	1A	1/1	1,064	182	0.289926%
K301*	1A	1/1	1,064	182	0.289926%
K302	1A	1/1	1,064	182	0.289926%
K303	1A	1/1	1,064	182	0.289926%
K304	1A	1/1	1,064	182	0.289926%
K305	1A	1/1	1,064	182	0.289926%
K306	1A	1/1	1,064	182	0.289926%
K307	1A	1/1	1,064	182	0.289926%
K308	1A	1/1	1,064	182	0.289926%
K309	1A	1/1	1,064	182	0.289926%
K310	1A	1/1	1,064	182	0.289926%
K401	3C	3/3	1,996	364	0.543884%
K403	3C	3/3	1,996	364	0.543884%
K407	1A	1/1	1,064	182	0.289926%
L200	3B1	3/3.5	2,946	290	0.802747%
L201	3B1	3/3.5	2,946	290	0.802747%
L300	3B1	3/3.5	2,946	290	0.802747%
L301	3B1	3/3.5	2,946	290	0.802747%
L400	3B1	3/3.5	2,946	290	0.802747%
L401	3B1	3/3.5	2,946	290	0.802747%
M200	3B1	3/3.5	2,946	290	0.802747%
M201	3B3	3/3.5	2,697	290	0.734897%
M202	3B2	3/3.5	2,735	372	0.745252%
M203	3B1	3/3.5	2,946	290	0.802747%
M300	3B1	3/3.5	2,946	290	0.802747%
M301	3B3	3/3.5	2,697	290	0.734897%
M302	3B2	3/3.5	2,735	372	0.745252%
M303	3B1	3/3.5	2,946	290	0.802747%
M400	3B1	3/3.5	2,946	290	0.802747%
M401	3B3	3/3.5	2,697	290	0.734897%

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
M402	3B2	3/3.5	2,735	372	0.745252%
M403	3B1	3/3.5	2,946	290	0.802747%
N200	3B1	3/3.5	2,946	290	0.802747%
N201	3B2	3/3.5	2,735	372	0.745252%
N202	3B3	3/3.5	2,697	290	0.734897%
N203*	3B1	3/3.5	2,946	290	0.802747%
N300	3B1	3/3.5	2,946	290	0.802747%
N301	3B2	3/3.5	2,735	372	0.745252%
N302	3B3	3/3.5	2,697	290	0.734897%
N303	3B1	3/3.5	2,946	290	0.802747%
N400	3B1	3/3.5	2,946	290	0.802747%
N401	3B2	3/3.5	2,735	372	0.745252%
N402	3B3	3/3.5	2,697	290	0.734897%
N403	3B1	3/3.5	2,946	290	0.802747%
Q100*	1D	1/1	1,140	137	0.310635%
Q101*	2D	2/2.5	2,100	208	0.572223%
Q200	3B1	3/3.5	2,946	290	0.802747%
Q201	3B1	3/3.5	2,946	290	0.802747%
Q300	3B1	3/3.5	2,946	290	0.802747%
Q301	3B1	3/3.5	2,946	290	0.802747%
Q400	3B1	3/3.5	2,946	290	0.802747%
Q401	3B1	3/3.5	2,946	290	0.802747%
CU1			2,392		0.651796%
CU2			3,100		0.844710%
CU3			7,960		2.168996%
CU4			2,790		0.760239%
CU5			3,424		0.932995%
Total			366,990	47,469	100.00%

* These Units are fully accessible under the Americans with Disabilities Act, 42 U.S.C. §§ 12181 *et seq.*

1. **Location of Units**

a. **Residential Units.** One hundred ninety-three (193) Residential Units located within the Project and located in four (4) two-story buildings, two (2) three to four-story buildings and seven (7) four-story buildings. There are twelve (12) Residential Units located in Building A, fourteen (14) Residential Units located in Building B, fifty (50) Residential Units located in Building C, four (4) Residential Units located in Building D, eight (8) Residential Units located in Building E, nine (9) Residential Units located in Building F, eight (8) Residential Units located in Building G, four (4) Residential Units located in Building H, eleven (11) Residential Units located in Building J, thirty-five (35) Residential Units located in Building K, six (6) Residential Units located in Building L, twelve (12) Residential Units located in Building M, twelve (12) Residential Units located in Building N and eight (8) Residential Units located in Building Q.

b. Commercial Units. Five (5) Commercial Units located within the Project and identified on the Condominium Map as: “Commercial Unit 1” or “CU-1” or the “Front Desk Unit”, located on level 3 of Building A.2 and depicted on the Condominium Map; “Commercial Unit 2” or “CU-2” or the “Lobby Bar”, located on level 3 of Building A.2 and depicted on the Condominium Map; “Commercial Unit 3” or “CU-3” or the “Spa”, located on level 3 of Building A.2 and depicted on the Condominium Map; “Commercial Unit 4” or “CU-4” or the “Specialty Restaurant”, located on level 2 of Building A.2 and depicted on the Condominium Map; and “Commercial Unit 5” or “CU-5” or the “Pool Restaurant”, on level 1 of Building F and depicted on the Condominium Map.

2. **Layout of Residential Units**. All Residential Units are single story units with an approximate net living area and approximate net lanai area as set forth in the Condominium Map. The Residential Units shall include the following:

a. Unit Type “1A”. All type “1A” units include one (1) bedroom, one (1) bathroom, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map. Units C204, C205 and K207 shall include a plunge pool. Units C204, C208, C209, F202, F300, F301, J300, J301, J302, J303, K200, K202, K204, K205, K208, K209, K210 and K307 shall include an outdoor shower.

b. Unit Type “1A1”. All type “1A1” units include one (1) bedroom, one (1) bathroom, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map.

c. Unit Type “1B”. All type “1B” units include one (1) bedroom, two (2) bathrooms, a living room, a kitchen, a foyer and a storage room, all as depicted on the Condominium Map. Units C206 and C207 shall include a plunge pool. Units C206, C306, C406 and C506 shall include an extended lanai.

d. Unit Type “1C”. All type “1C” units include one (1) bedroom, one (1) bathroom, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map. Except Units F200 and F201, which shall not include plunge pool, the remaining type “1C” units shall include a plunge pool.

e. Unit Type “1D”. Unit type “1D” includes one (1) bedroom, one (1) bathroom, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map.

f. Unit Type “1E”. Unit type “1E” includes one (1) bedroom, two (2) bathrooms, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map.

g. Unit Type “2A”. All type “2A” units include two (2) bedrooms, three (3) bathrooms, a living room, a kitchen, a foyer, an entertainment room and a laundry room, all as depicted on the Condominium Map. Units D101, E100, G103 and H100 include a plunge pool. Unit D101 includes an extended lanai.

h. Unit Type “2B”. All type “2B” units include two (2) bedrooms, three (3) bathrooms, a living room, a kitchen, a foyer and an entertainment room, all as depicted on the Condominium Map.

i. Unit Type “2C”. Unit type “2C” includes two (2) bedrooms, two and one-half (2.5) bathrooms, a living room, a kitchen, a foyer, a den and a laundry room, all as depicted on the Condominium Map.

j. Unit Type “2D”. Unit type “2D” includes two (2) bedrooms, two and one-half (2.5) bathrooms, a living room, a kitchen, a foyer, a study and a laundry room, all as depicted on the Condominium Map.

k. Unit Type “3A”. All type “3A” units include three (3) bedrooms, three and one-half (3.5) bathrooms, a living room, a kitchen and an entertainment room, all as depicted on the Condominium Map. Units E101, E102, E103, G100, G101 and G102 include a plunge pool.

l. Unit Type “3B1”. All type “3B1” units include three (3) bedrooms, three and one-half (3.5) bathrooms, a living room, a kitchen, an entertainment room, a laundry room and an office, all as depicted on the Condominium Map.

m. Unit Type “3B2”. All type “3B2” units include three (3) bedrooms, three and one-half (3.5) bathrooms, a living room, a kitchen, an entertainment room, a laundry room and an office, all as depicted on the Condominium Map.

n. Unit Type “3B3”. All type “3B3” units include three (3) bedrooms, three and one-half (3.5) bathrooms, a living room, a kitchen, an entertainment room, a laundry room and an office, all as depicted on the Condominium Map.

o. Unit Type “3C”. All type “3C” units include three (3) bedrooms, three (3) bathrooms, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map.

p. Unit Type “4A”. All type “4A” units include four (4) bedrooms, four and one-half (4.5) bathrooms, a living room, a dining room, a kitchen, a foyer, an entertainment room and a laundry room, all as depicted on the Condominium Map. Units D100 and H101 shall include a plunge pool and an outdoor shower.

3. **Layout of Commercial Units.**

a. Commercial Unit 1/CU1 (Front Desk). Commercial Unit 1 includes the arrival lobby, hotel services area, concierge services area, condominium services area and retail area, as depicted on the Condominium Map.

b. Commercial Unit 2/CU2 (Lobby Bar). Commercial Unit 2 includes the lobby bar, as depicted on the Condominium Map.

c. Commercial Unit 3/CU3 (Spa). Commercial Unit 3 includes the reception and retail area, men’s and women’s locker rooms, showers and lounge areas, as depicted on the Condominium Map.

d. Commercial Unit 4/CU4 (Specialty Restaurant). Commercial Unit 4 includes the covered dining area and bar, as depicted on the Condominium Map.

e. Commercial Unit 5/CU5 (Pool Restaurant). Commercial Unit 5 includes the covered dining area, bar and private dining area as depicted on the Condominium Map.

4. **Determination of Approximate Net Living Area.**

The approximate net living area of each Residential Unit in the Project was determined by measuring the area between the perimeter and party walls of each Residential Unit, and includes the area occupied by the non-load bearing and load-bearing walls located between said perimeter and party walls. The approximate net living area of each Commercial Unit was determined by measuring the area between the perimeter and party walls (if any) and/or the imaginary vertical planes (where there is no perimeter wall) of the respective Commercial Unit as depicted on the Condominium Map, and includes the area occupied by the non-load bearing and load-bearing walls located between said perimeter or party walls (if any) and/or the imaginary vertical plans (where there is no perimeter wall), as shown on the Condominium Map.

5. **Common Interest**

The common interest attributable to each unit was calculated by dividing the approximate net living area of each individual unit by the total net living area of all units within the Project. In order to permit the common interest for all units to equal exactly one hundred percent (100%), the common interest attributable to CU1 was increased by .000007%.

EXHIBIT "E"

LIMITED COMMON ELEMENTS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

The Limited Common Elements are designated, set aside and reserved for the exclusive use of certain Units, and such Units shall have appurtenant thereto, exclusive easements for the use of such Limited Common Elements as set forth in the Declaration. Subject to Article IV, Section I of the Declaration that requires the Association to reimburse the Front Desk Unit Owner for costs and expenses associated with maintaining the Resort Amenities, the costs and expenses of every description pertaining to the Limited Common Elements, including, but not limited to, the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements, shall be charged to the Owner of the Unit to which the Limited Common Element shall be appurtenant, and if there is more than one (1) Unit to which the Limited Common Element shall be appurtenant, then in proportion to the Common Interest appurtenant to each of the respective Units. Unless otherwise provided in the Declaration, Limited Common Elements shall be managed and maintained by the Owner of the Unit to which the Limited Common Element shall be appurtenant; and Limited Common Elements that are appurtenant to more than one (1) Unit shall be managed and maintained by the Front Desk Unit Owner, on behalf of such Unit Owners. The Front Desk Unit Owner shall assess Unit Owners for all costs attributable to the Limited Common Elements appurtenant to said Owner's Unit that are operated and maintained by the Front Desk Unit Owner. In any event that a dispute shall arise between Unit Owners to which a particular Limited Common Element shall be appurtenant with respect to the management and/or maintenance thereof, unless otherwise provided herein or by contract, such dispute shall be resolved by the Front Desk Unit Owner, which shall be the sole arbiter with respect to such matters. The Limited Common Elements appurtenant to the Front Desk Unit shall be maintained by the Front Desk Unit Owner, and the cost and expenses pertaining thereto, including, but not limited to, the costs of maintenance, repair, replacement, improvement or additions, and reserves therefor, shall be payable by the Front Desk Unit Owner; provided that the Front Desk Unit Owner shall be entitled to be reimbursed for all or a portion of such costs associated with the Resort Amenities, plus any general excise or other tax assessed thereon, by the Association pursuant to Article IV, Section I of the Declaration.

1. **Residential Units.** Each Residential Unit shall have appurtenant thereto, as Limited Common Elements:

a. The lanai area adjacent to such Unit, from the decorated or finished surfaces of all walls, floors and ceilings of said lanais, as depicted on the Condominium Map, the approximate areas of which are identified in Exhibit "A" to this public report;

b. The outdoor shower, if any, adjacent to such Unit, as depicted on the Condominium Map; and

c. The plunge pool, if any, adjacent to such Unit, as depicted on the Condominium Map. The plunge pool shall be managed and maintained by the Front Desk Unit Owner and the costs and expenses of every description pertaining thereto shall be assessed to the Owner of the Unit to which the plunge pool is appurtenant.

2. **Commercial Unit 1 (Front Desk Unit).** The Front Desk Unit shall have appurtenant thereto, as Limited Common Elements, all elements of the Project that are not Units, and that are not designated as Limited Common Elements appurtenant to Residential Units or other Commercial Units, including, but not limited to, the following:

a. **Resort Amenities.** The Front Desk Unit shall have appurtenant thereto the Resort Amenities, subject to an irrevocable, nonexclusive license granted to the Association in Article IV, Section I of the Declaration to use the Resort Amenities. The Resort Amenities shall be maintained by the Front Desk Unit

Owner. The cost incurred for such maintenance shall be included as part of the License Fee, which is discussed further in the Declaration. The Resort Amenities shall include, but not be limited to, the following:

(i) All perimeter or party walls and the undecorated or unfinished interior surfaces thereof, any load-bearing walls and columns and the undecorated or unfinished interior surfaces thereof, and the floors and ceilings surrounding each Unit and the undecorated or unfinished interior surfaces thereof, all structural components such as foundations, concrete sidewalks and curbs, floor slabs, columns, girders, beams, supports, halls, corridors, elevators, elevator lobbies, exterior stairs and stairways, main walls and roofs, that are not a part of a Unit;

(ii) All perimeter doors, door frames, windows, window frames, and all exterior hardware associated therewith, and the undecorated or unfinished interior surfaces thereof; whether at the perimeter of a Building Structure or at the perimeter of a Unit that are not a part of a Unit;

(iii) All walls, floors and ceilings of any lanai area, from the undecorated or unfinished interior surface thereof;

(iv) All grounds and landscaping, and all trash enclosures within the Project;

(v) All driveways, access lanes, paved areas, ramps, hallways and walkways within the Project;

(vi) All parking areas shown on the Condominium Map, including, without limitation, the parking stalls located therein and the loading docks depicted on the Condominium Map;

(vii) The Recreational Facilities;

(viii) All cables, conduits, ducts, sewer lines, electrical equipment, wiring, pipes, catch basins and other central and appurtenant transmission facilities and installations over, under and across the Project that serve more than one (1) Unit for services such as power, light, water, gas, sewer, storm water, refuse, telecommunications, cable television and television signal distribution;

(ix) All unimproved areas, maintenance, mechanical, electrical, and storage areas and other similar areas, that are not part of a Unit, as depicted on the Condominium Map;

(x) All other apparatus and installations existing for common use, such as tanks, pumps, motors, fans, air-conditioning units, including fan coil equipment located within a Unit, compressors, ducts, shafts, vents, water heating and distribution equipment, fire suppression equipment, trash chutes, laundry chutes and other such installations and apparatus;

(xi) The entire telephone PBX system and all appurtenances thereto; and

(xii) All other parts of the Project necessary or convenient to its existence, maintenance and safety, and normally in common use, and other areas designated on the Condominium Map as Limited Common Elements appurtenant to the Front Desk Unit, except as noted below.

b. **Front Desk Unit Limited Common Elements.** In addition to the Resort Amenities, the Front Desk Unit shall have appurtenant thereto the following Limited Common Elements for its exclusive use which Limited Common Elements shall not be subject to the license granted to the Association under Article IV, Section I of the Declaration:

Condominium Map;

(i) The function lawn located adjacent to Building M, as depicted on the Condominium Map;

(ii) The ballroom located on level 1 of Building N, as depicted on the Condominium Map; and

(iii) The back-of-house and other areas intended for the exclusive use of the Front Desk Unit Owner.

3. **Commercial Unit 3 (Spa).** Commercial Unit 3 shall have appurtenant thereto the outdoor areas and treatment areas adjacent thereto, as depicted on the Condominium Map.

4. **Commercial Unit 4 (Specialty Restaurant).** Commercial Unit 4 shall have appurtenant thereto the kitchen area and outdoor dining area adjacent thereto, as depicted on the Condominium Map.

5. **Commercial Unit 5 (Pool Restaurant).** Commercial Unit 5 shall have appurtenant thereto the kitchen area and outdoor dining area adjacent thereto, as depicted on the Condominium Map.

DRAFT

EXHIBIT "F"

SPECIAL USE RESTRICTIONS

A. RESIDENTIAL UNITS.

1. **Use Generally; Restrictions.** The Residential Units shall be occupied and used only for the purposes that are consistent with, and appropriate to, a resort destination operating pursuant to the First Class Standard. Accordingly, the Units may be used for long-term residential use, transient lodging for periods of less than thirty (30) days, or other uses permitted by law, the Declaration, the Bylaws and House Rules, that are consistent with a resort destination operating pursuant to the First Class Standard; provided that, without the prior written consent of the Front Desk Unit Owner: (a) other than as may be provided in the Declaration, no commercial business activity, or home occupation involving visitation by members of the public on a regular basis shall be conducted from any Residential Unit; and (b) notwithstanding anything contained herein or in law to the contrary, the Residential Units or any interest therein, shall not be the subject of or sold, transferred, conveyed, leased, occupied, rented or used at any time under a time share plan (as defined in Hawaii Revised Statutes, Chapter 514E, as amended) or similar arrangement or program whether covered by Chapter 514E or not, including, but not limited to, any so-called "fractional ownership," "vacation license," "travel club membership," "club membership," "membership club," "destination club," "time-interval ownership," "interval exchange" (whether the exchange is based on direct exchange or occupancy rights, cash payments, reward programs or other point or accrual systems) or "interval ownership" as offered and established through a third-party vacation membership service provider who is in the business of providing and managing such programs.

The restrictions set forth in subsection (b) above shall be read broadly, and, among other things, shall encompass any type of plan, the nature of which causes Residential Units to be utilized by persons who have either joined a plan or program as a member or whose use is derivative of someone who has joined a plan or program as a member. Determination by the Association that a violation of this provision exists shall be binding on the violating Owner, and the Board may promulgate and effectuate additional rules, regulations, procedures and processes for enforcement of this provision, including but not limited to any surcharge or other charge or assessment that the Board shall solely determine. This Section shall not be terminated or amended without the prior written consent of Developer.

2. **Sales and Marketing.** Except for Residential Units owned by Developer and used for sales and marketing purposes in accordance with Article IV, Section F of the Declaration, no "open houses" or similar activity promoting the sale of a Residential Unit shall be permitted at the Project.

3. **Sales and Marketing Materials.** All sales and marketing materials provided to an Owner in connection with the Unit or the Project that are otherwise the property of Developer, including, but not limited to, any imagery, logos, artistic renderings, weblinks, layout depictions, video clips, and other similar marketing materials, may not be used by an Owner or any rental agent in the promotion of any Unit in the Project in any fashion whatsoever without the prior written approval of Developer, which approval may be withheld by Developer in its sole discretion. Any use of such material in any way by Owner or any rental agent without such permission will entitle Developer or the Front Desk Unit Owner to immediately enjoin such use and to pursue any and all remedies against the Owner and/or rental agent that Developer or the Front Desk Unit Owner may have, independently of the obligations set forth in the Declaration. The Owner and/or rental agent will be fully responsible to pay for all costs incurred by Developer or the Front Desk Unit Owner in enforcing its proprietary rights in and to such material, including, but not limited to, any and all attorneys' fees and costs.

4. **Leases and Rentals.** It is intended that the Residential Units may be leased or used for transient and/or hotel rentals. As such, Owners of Residential Units shall have the absolute right, without obtaining the consent or joinder of any other Owners, to lease or rent their Units or portions thereof, subject to the provisions of the Act, the Declaration and the Bylaws. All leases and rentals of Units or portions thereof shall be made in accordance with any applicable zoning ordinances and other applicable laws, including, but not limited to, the Residential Landlord Tenant Code, Chapter 521 of the Hawaii Revised Statutes, unless otherwise exempted therefrom.

Notwithstanding the foregoing, to ensure the continuing operation of the Project as a resort destination operating pursuant to the First Class Standard, and to maintain the consistency of services offered at the Project, Owners may only rent their Residential Units on their own or through a rental agent authorized by the Board. Any person or entity desiring to become an authorized rental agent shall make an application to the Board for approval and demonstrate compliance with the following criteria, and any additional criteria that may from time to time be established by the Board:

- a. Rental agent has at least five (5) years experience renting or managing transient occupancy units;
- b. Rental agent is registered to do business in the State of Hawaii, is in good standing and has current permits, licenses and registrations required by law for it to perform necessary rental functions, and is a resident of the County;
- c. Rental agent agrees to comply with applicable Hawaii law pertaining to client trust accounts and commingling of funds with other operating accounts in the Project;
- d. Rental agent agrees to be responsible for all filings and for paying all applicable Hawaii State taxes generated from its rental operations at the Project, including, but not limited to, any general excise taxes or transient accommodations taxes, as may be applicable; and
- e. Rental agent agrees to obtain, at such rental agent's expense, a policy of liability insurance with a limit of not less than Two Million and No/100 Dollars (\$2,000,000.00) per occurrence, naming the Front Desk Unit Owner, the Resort Manager, the Association and the Board as additional insureds, to the extent reasonably practicable, and shall provide the Front Desk Unit Owner, the Resort Manager and the Board with a certificate of insurance confirming that such insurance is being maintained.

B. COMMERCIAL UNITS. The Commercial Units and the Resort Amenities may be used for any commercial purpose permitted by zoning and other applicable laws, the Declaration, the Bylaws and the Master Declaration, including, but not limited to, restaurants, health clubs, administrative offices, concierge services, storage, sales and marketing offices, and activity desks or offices; provided that such use is consistent with the First Class Standard. The Commercial Unit Owners may enter into such agreements as they deem appropriate to utilize the Commercial Units. Any income from the Commercial Units, the Limited Common Elements appurtenant to the Commercial Units, including the Resort Amenities, shall belong solely to the Commercial Unit Owner to which such income derived. This Section shall not be terminated or amended without the prior written consent of the Commercial Unit Owner thereby affected, to the extent permitted by applicable law.

C. SEPARATE MORTGAGES. Each Owner shall have the right to mortgage or to otherwise encumber all, but not less than all, of such Owner's Unit. Any mortgage shall be subordinate to all of the provisions of the Project Documents and, in the event of foreclosure, the provisions of the Project Documents shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise. Notwithstanding any other provision of the Project Documents, no breach of the provisions herein contained, nor the enforcement of any lien created pursuant to the provisions hereof, shall impair, defeat or render invalid the priority of the lien of any mortgage encumbering a Unit or encumbering Developer's interest in the Project.

D. PROHIBITION ON ACTIVITIES THAT MAY JEOPARDIZE THE PROJECT. No Unit Owner shall do or suffer or permit anything to be done or kept on or in any Unit or appurtenant Limited Common Element or elsewhere on the Project that will: (1) injure the reputation of the Project; (2) jeopardize the safety or soundness of the Project; (3) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants; (4) reduce the value of the Project; (5) result in the cancellation of insurance applicable to the Project or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws; (6) increase the rate of insurance applicable to the Units or the contents thereof, or to the Project; (7) violate any applicable law, ordinance, statute, rule or regulation of any local, county,

state or federal government or agency thereof; or (8) cause the violation of any license agreement(s) entered into for the benefit of the Project, including, but not limited to, the Resort License Agreement.

E. CHANGES TO BUILDING STRUCTURES AND UNITS. The Front Desk Unit Owner shall have the right to change the exterior appearance of any Building Structure, which Building Structure shall be a portion of the Resort Amenities. No change shall be made which shall result in an appearance that is inconsistent with a resort destination operating pursuant to the First Class Standard. Except for the Front Desk Unit Owner, which shall have the right to change the appearance of such Unit and the Resort Amenities without consent, no Unit Owner shall in any way, form or manner enclose, affix any improvement thereon, or extend any lanai attached to a Unit. In addition, no Unit Owner shall, without the prior written consent of the Front Desk Unit Owner, and without first obtaining any requisite governmental permits or approvals, change or cause a change to the exterior appearance of a Unit or Limited Common Element in any manner.

F. OWNERS TO MAINTAIN UNITS AND LIMITED COMMON ELEMENTS IN GOOD ORDER. The Owner of a Unit shall keep the interior of his or her Unit and all appliances, plumbing, electrical and other fixtures and appurtenances constituting a part of the Unit and the Limited Common Elements appurtenant thereto in good order and repair in accordance with the First Class Standard, and shall be responsible for any damage or loss caused by his or her failure to do so. Decisions on repairs or modifications to the Limited Common Elements shall be made by the Owners of Units to which such Limited Common Elements are appurtenant, subject to the provisions of Section E, above, and subject to any additional provisions stated in the Bylaws; provided that the Front Desk Unit Owner shall be responsible for the management and maintenance of certain Limited Common Elements appurtenant to the Residential Units, as more particularly described in the Declaration. Unit Owners shall be responsible for any damage or loss caused by such Owner's tenants, guests, or invitees to any of the Common Elements and Limited Common Elements.

G. USE OF LIMITED COMMON ELEMENTS. Subject to the reserved rights of Developer herein and reserved to the declarant in the Master Declaration, Unit Owners shall have the right to use the Limited Common Elements appurtenant to their Units for any purpose permitted by zoning and other applicable laws, the Declaration, the Master Declaration, the Resort Rules and the House Rules. Notwithstanding anything provided to the contrary, or from which a contrary intent may be inferred, neither the Board nor the Association shall have any right to change the use of or lease or otherwise use any Limited Common Element without the prior written consent of all Units to which such Limited Common Element is appurtenant. The Owners of at least seventy-five percent (75%) of the Common Interests that are appurtenant to Units to which any particular Limited Common Element shall be appurtenant shall have the right to change the use of a particular Limited Common Element.

H. SEVERANCE OF COMMON ELEMENTS FROM UNIT. No Owner shall be entitled to sever his or her Unit, or any portion thereof, from his or her undivided interest in the Common Elements, in any easement interests appurtenant thereto or licenses granted under the Declaration. Neither may such component interests be severally sold, conveyed, leased, encumbered, hypothecated or otherwise dealt with, and any such attempt to do so in violation of this provision shall be void and of no effect. Developer and its successors, assigns and grantees and each Owner each covenant and agree that the Units and the corresponding undivided interest in the Common Elements and the easements, licenses and other interests appurtenant thereto, shall not be separated or separately conveyed, and (1) each such undivided interest in the Common Elements and any easements appurtenant to a Unit shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to title to the Unit, and (2) each such Unit shall be deemed to be conveyed or encumbered with its respective undivided interest in the Common Elements and in any easements, licenses or other interests appurtenant thereto even though the description in the instrument of conveyance or encumbrance may refer only to the title to the respective undivided interest.

I. SEPARATION, COMBINATION OF UNITS; TRANSFER OF INTEREST. No Owner may partition or separate a Unit or the legal rights comprising ownership of a Unit from any other part thereof, nor shall an Owner combine a Unit with another or any portion of another Unit. No Owner shall sell, assign, convey, transfer, gift, devise, bequeath, hypothecate or encumber anything other than a single, complete Unit; provided, however, that nothing herein contained shall (1) limit the right of Developer and its successors and assign to sell Units as contemplated herein, or (2) restrict the manner in which title to Unit may lawfully be held under Hawaii law (e.g.,

joint tenants, tenants in common, or the like). Except as provided in clause (1) above, every sale, assignment, conveyance, transfer, gift, devise, bequest, hypothecation, encumbrance or other disposition of a Unit or any part thereof shall be presumed to be a disposition of the entire Unit, together with all appurtenant rights and interests created by law or by the Declaration or any other Project Document. The transfer of any Unit shall operate to the new Owner of the Unit the interest of the prior Owner in all funds held by the Association even though not expressly mentioned or described in the instrument of transfer, and without any further instrument or transfer.

Notwithstanding the foregoing, for as long as Developer owns a Unit, Developer shall have the right to (1) relocate the boundaries of and between two adjoining Units, (2) physically combine a part of or combination of parts of the space of one Unit with a part of or combination of parts of the space within one or more adjoining Units, or (3) subdivide a Unit or part of a Unit to create additional Units (in each case, provided that the affected Units are owned by Developer or the Owners of the affected Units otherwise consent). Before exercising its rights herein, Developer must obtain all necessary approvals from any governmental authority having jurisdiction over the Units. The cost and expense incurred for legal, architectural and/or engineering fees and all other costs and expenses incurred by the Association in connection with Developer's exercise of rights under this Section shall be borne by Developer. Developer shall be permitted to execute and record any amendment to the Declaration or Condominium Map, or both, effectuating the relocation of boundaries of, combination or subdivision, or redesignation of Units. If Developer requires, whether for title purposes, governmental approvals or otherwise, the Board shall ratify the action in connection with effectuating such relocation of boundaries, combination or subdivision, or redesignation of Units, and take such necessary actions in connection therewith if the requirements in this Section have been satisfied. The rights reserved to Developer under this Section shall not apply to a Unit after Developer first conveys such Unit to an unaffiliated third-party purchaser.

J. **ADA COMPLIANCE.** To the extent required, the Project will be constructed in compliance with Americans With Disabilities Act (42 U.S.C. §§ 12101 et seq.) and, in accordance therewith, certain Residential Units designated as "**ADA Accessible Units**," as more specifically identified in Exhibit "A" to this public report will be designed and constructed to be accessible to disabled persons. All Residential Units that are designated as ADA Accessible Units, as well as all improvements therein, must at all times be in compliance with the Americans With Disabilities Act as well as all other laws, ordinances, building codes, rules, regulations, orders and directives of any governmental authority having jurisdiction now or in the future applicable to such ADA Accessible Units (collectively, "**Applicable Laws**"). Each Owner of an ADA Accessible Unit shall not modify such Unit without the prior written approval of the Front Desk Unit Owner and the Board, and shall be responsible, at such Owner's sole cost and expense, and shall take all actions required, to cause such ADA Accessible Unit to be in compliance in all respects with all Applicable Laws.

K. **NUISANCES.** No nuisances (as defined by the Front Desk Unit Owner or the Association, as applicable) shall be allowed on the Resort Amenities, nor shall any use or practice be allowed which is a source of annoyance to the occupants of Units or which interferes with the peaceful possession or proper use of the Resort Amenities by its residents or occupants. No activities or business conducted from the Front Desk Unit by or on behalf of the Front Desk Unit Owner shall be deemed a nuisance. Noises and uses which are typically encountered in a hotel setting, including, but not limited to (1) transient noise and guest or pedestrian traffic from passage through hallways; (2) transient noise from other Units; (3) opening and closing of doors; (4) cleaning and/or provision of other related services; and (5) special events taking place on the Resort Amenities such as luaus and other gatherings shall not be deemed a nuisance, as such noises and/or uses are deemed to be common and accepted occurrences in a hotel setting. Normal construction activities shall not be considered to violate the terms and conditions of this Section. By accepting a deed to a Unit, a Unit Owner acknowledges that the Project is adjacent to hotels and retail/entertainment facilities and that noise, lights and odors common to such activities and related commercial activities as well as construction activities, may exist on or near the Project, at any time and from time to time.

L. **WEIGHT AND SOUND RESTRICTION.** Hard and/or heavy surface floor coverings, including, but not limited to, tile, marble, wood or the like, may not be installed in any part of a Unit without the consent of the Front Desk Unit Owner. Furthermore, the Unit Owner must ensure that a sound control underlayment system is used, which system must be approved by the Front Desk Unit Owner. The installation of the foregoing insulation materials shall be performed in a manner that provides proper mechanical isolation of the flooring

materials from any rigid part of the Building Structure, whether of the concrete subfloor (vertical transmission) or adjacent walls and fittings (horizontal transmission) and must be installed prior to the Unit being occupied. Also, the installation of any improvement or heavy object must be submitted to and approved by the Front Desk Unit Owner, and be compatible with the overall structural design of the Building Structure. The Front Desk Unit Owner may require a structural engineer to review certain of the proposed improvements, with such review to be at the Owner's sole expense. Owners will be held strictly liable for violations of these restrictions and for all damages resulting therefrom and the Front Desk Unit Owner has the right to require immediate removal of the violations. Each Owner, by acceptance of a deed or other conveyance of his or her Unit, hereby acknowledges and agrees that sound transmission is very difficult to control, and that noises from adjoining or nearby Units and or mechanical equipment can often be heard from another Unit. Developer does not make any representation or warranty as to the level of sound transmission between and among Units and the portions of the Project, and each Unit Owner hereby waives and expressly releases any such warranty and claim for loss or damage resulting from such sound transmission.

M. **SIGNS.** Except as provided to Developer and the Front Desk Unit Owner under the Declaration, no sign, poster, billboard, advertising device or other display of any kind shall be displayed without the prior written approval of the Front Desk Unit Owner.

N. **ANTENNAS, SATELLITE DISHES.** To the extent permitted by applicable law, no Owner may install any antenna, satellite dish or other transmitting or receiving apparatus in or upon his or her Unit (and/or areas appurtenant thereto), without the prior written consent of the Front Desk Unit Owner.

O. **UNSIGHTLY ARTICLES.** No unsightly articles shall be permitted to remain upon or within any Unit, the Resort Amenities, or any Limited Common Element so as to be visible from any other portion of the Project.

P. **SPECIAL MANAGEMENT AREA PERMIT REQUIREMENTS.** The use of the Resort Amenities will be subject to any conditions imposed by the Special Management Area Permit covering the Project. Each Owner's ownership, use and occupancy is subject to, limited by and must conform and comply with Chapter 205A of the Hawaii Revised Statutes, as amended, and the terms, conditions, obligations and other provisions set forth in the Special Management Area Permit. Each Owner is further deemed to acknowledge that the Resort Amenities of the Project are subject to a shoreline setback imposed and regulated by Section 205A-41 of the Hawaii Revised Statutes, as amended, which prohibits certain structures and activities within the shoreline area.

Q. **PROHIBITION AGAINST INCREASING ENCLOSED LIVING AREA.** The enclosed living area of any Residential Unit (as such living area is depicted on the Condominium Map on the date the Unit is conveyed to an Owner by Developer) may not be increased. This prohibition includes any partial or full enclosure of any outdoor shower area or lanai that is adjacent to the Unit.

R. **NON-APPLICABILITY TO DEVELOPER AND FRONT DESK UNIT OWNER.** Notwithstanding anything provided herein to the contrary, as long as there are unsold Units in the Project, the provisions of Article VI of the Declaration shall not apply to the Units owned by Developer, the Front Desk Unit Owner, or the Limited Common Elements appurtenant thereto, or to any improvements proposed or made by Developer in connection with its development, construction, promotion, marketing, sales, or leasing of any Unit or any portion of the Project.

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance.
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION
DATED : January 17, 1975
FILED : Land Court Document No. 713123

Said Declaration was amended and/or supplemented by instruments dated December 31, 1975, filed as Land Court Document No. 748896, dated July 30, 1976, filed as Land Court Document No. 775417, and dated December 30, 1976, filed as Land Court Document No. 799269.

4. DESIGNATION of the following easements shown on Map 11, as set forth by Land Court Order No. 43594, filed December 31, 1975:

- (A) EASEMENT "18" for drainage purposes.
- (B) EASEMENT "19" for electrical utility purposes.
- (C) EASEMENT "20" for building setback purposes.
- (D) EASEMENT "21" for waterline purposes.
- (E) EASEMENT "22" for roadway and utility purposes.
- (F) EASEMENT "23" for electrical utility purposes.
- (G) EASEMENT "24" for drainage purposes.
- (H) EASEMENT "25" for electrical utility purposes.
- (I) EASEMENT "26" for parking, utility, drainage and landscaping purposes.
- (J) EASEMENT "27" for drainage, landscaping, pedestrian access, recreational and building setback purposes.
- (K) EASEMENT "28" for waterline purposes.
- (L) EASEMENT "29" for pedestrian access, recreational and landscaping purposes.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED
DATED : December 31, 1975

FILED : Land Court Document No. 748897

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, in the unrecorded WAILEA BEACH HOTEL DEVELOPMENT AGREEMENT dated July 30, 1976, of which a short form is also dated July 30, 1976, filed as Land Court Document No. 775419, by and between WAILEA DEVELOPMENT COMPANY, a joint venture (a Hawaii general partnership) comprised of Wailea Land Corporation, a Delaware corporation and The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, "Owner", and GROSVENOR INTERNATIONAL (HAWAII) LIMITED, a Hawaii corporation, "Developer".

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED

DATED : December 30, 1976

FILED : Land Court Document No. 799270

8. DESIGNATION OF EASEMENTS "37" and "38"

PURPOSE : electrical

SHOWN : on Map 14, as amended, as set forth by Land Court Order No. 46743, filed March 7, 1977

9. GRANT

TO : HAWAIIAN TELEPHONE COMPANY now known as VERIZON HAWAII INC.

DATED : September 19, 1977

FILED : Land Court Document No. 874667

GRANTING : an easement over said Easement "19"

10. DESIGNATION OF EASEMENT "36"

SHOWN : on Map 14, as amended, as set forth by Land Court Order No. 46743, filed March 7, 1977, as amended by Land Court Order No. 46744, filed March 7, 1977

11. GRANT

TO : BOARD OF WATER SUPPLY OF THE COUNTY OF MAUI

DATED : February 21, 1978

FILED : Land Court Document No. 874669

GRANTING : an easement for utility purposes over said Easement "22"

12. GRANT

TO : HAWAIIAN TELEPHONE COMPANY now known as VERIZON HAWAII INC.

DATED : September 21, 1977

FILED : Land Court Document No. 874672

GRANTING : an easement for utility purposes over said Easement "38"

13. GRANT
- TO : MAUI ELECTRIC COMPANY, LIMITED
- DATED : September 21, 1977
- FILED : Land Court Document No. 874676
- GRANTING : an easement for utility purposes over said Easement "37"
14. GRANT
- TO : MAUI ELECTRIC COMPANY, LIMITED and HAWAIIAN TELEPHONE COMPANY now known as VERIZON HAWAII INC.
- DATED : September 19, 1977
- FILED : Land Court Document No. 875227
- GRANTING : an easement for utility purposes over said Easements "23" and "25"
15. DESIGNATION OF EASEMENTS "132", "133" and "134"
- SHOWN : on Map 22, as set forth by Land Court Order No. 50929, filed August 14, 1978
16. GRANT
- TO : BOARD OF WATER SUPPLY OF THE COUNTY OF MAUI
- DATED : February 21, 1978
- FILED : Land Court Document No. 876976
- GRANTING : an easement for waterline purposes over said Easement "36"
17. GRANT
- TO : COUNTY OF MAUI
- DATED : October 20, 1978
- FILED : Land Court Document No. 908360
- GRANTING : easements for underground water pipelines over said Easements "132", "133" and "134"
18. DESIGNATION OF EASEMENT "199"
- SHOWN : on Map 31, as set forth by Land Court Order No. 58688, filed January 2, 1981
19. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:
- INSTRUMENT : WAILEA COMMUNITY ASSOCIATION AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS
- DATED : July 13, 1998
- FILED : Land Court Document No. 2479882

The foregoing Declaration restated the original Declaration dated December 19, 1986, filed as Land Court Document No. 1427923.

Said Declaration was amended by instrument dated April 6, 2004, filed as Land Court Document No. 3114057.

20. (A) 25 feet building setback line along the northerly and southerly boundaries of Lot 217, as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003.
- (B) 15 feet minimum front yard setback line along the easterly boundary (Wailea Alanui Drive) affecting Lot 217, as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003.
- (C) 150 feet Shoreline Setback based on edge of vegetation as located on July 13, 2003, as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003.
21. The following matters shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003, to-wit:
- (A) CRM Sign "Mokapu/Ulua Beach" crosses the southeast boundary for a maximum distance of 1.5 feet into Wailea Alanui Drive.
- (B) ME Box straddles boundary along Wailea Alanui Drive.
- (C) Concrete Pad straddles boundary along Wailea Alanui Drive.
22. The following encroachments of improvements into easements as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003:
- (A) CRM Sign "Mokapu/Ulua Beach" is within Easement "26".
- (B) Concrete slab and irrigation control valves cross into Easement "19".
- (C) Wooden Railing is within Easement "24".
- (D) Three (3) propane tanks, storage structures/enclosure, stage, jacuzzi tank, wooden deck, asphaltic concrete unit cross into Easement "26".
- (E) Imu, coffee bar, storage structures cross into Easements "26" and "27".
- (F) Tennis table, stage and steps cross into Easement "28".
- (G) Swimming pool, coffee bar, storage structures cross over into Easement "29".
- (H) Jacuzzi tank, stage and steps cross into Easement "199".
23. The following encroachments of improvements into building setback lines, as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003:
- (A) CRM Sign "Mokapu/Ulua beach" is within 15 feet minimum front yard setback line.
- (B) Three (3) propane tanks, CRM retaining wall, storage structures/enclosure, stage and imu are within the 25 feet building setback line along Lot 8.
- (C) Imu, stage and steps are within 25 feet building setback line along Lot 8.

(D) CRM wall, tile retaining wall and headwall are within 25 feet building setback line along Lot 216.

(E) Imu, coffee bar, storage structures, tennis table, steps, swimming pool, jacuzzi tank and building (25 feet in height) and planters are within 150 feet shoreline setback.

24. MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

MORTGAGOR : WAILEA HOTEL & BEACH RESORT, L.L.C., a Delaware limited liability company

MORTGAGEE : BANK OF AMERICA, N.A., a national banking association, as Administrative Agent

DATED : as of March 24, 2004

FILED : Land Court Document No. 3087805

AMOUNT : \$63,000,000.00

ABOVE MORTGAGE AMENDED AND RESTATED BY INSTRUMENT

DATED : May 11, 2007

FILED : Land Court Document No. 3600980

25. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : ASSIGNMENT OF LEASES AND RENTS

DATED : March 24, 2004

RECORDED : Document No. 2004-060044

PARTIES : WAILEA HOTEL & BEACH RESORT, L.L.C., a Delaware limited liability company ("Assignor"), and BANK OF AMERICA, N.A., a national banking association, as Administrative Agent ("Assignee")

26. FINANCING STATEMENT

DEBTOR : WAILEA HOTEL & BEACH RESORT, L.L.C., a Delaware limited liability company

SECURED PARTY : BANK OF AMERICA, N.A.

RECORDED : Document No. 2004-060045

RECORDED ON : March 24, 2004

27. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "WAILEA BEACH RESORT & RESIDENCES" CONDOMINIUM PROJECT

DATED : November 9, 2006

FILED : Land Court Document No. 3573894

MAP : 1830 and any amendments thereto

The foregoing Declaration restated the original Declaration dated June 23, 2006, filed as Land Court Document No. 3446757.

The foregoing includes, but is not limited to, matters relating to (i) other than as may be provided herein, no commercial business activity, or home occupation involving visitation by members of the public on a regular basis shall be conducted from any Residential Unit; and (ii) notwithstanding anything contained herein or in law to the contrary, the Units in the Project or any interest therein, shall not be the subject of or sold, transferred, conveyed, leased, occupied, rented or used at any time under a time share plan or similar arrangement or program.

28. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED BYLAWS OF THE ASSOCIATION OF WAILEA BEACH RESORT & RESIDENCES

DATED : November 9, 2006

FILED : Land Court Document No. 3573895

The foregoing Bylaws restated the original Bylaws dated June 23, 2006, filed as Land Court Document No. 3446758.

29. AS TO COMMERCIAL UNIT 1 ONLY:

The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANTS

DATED : August 16, 2006

FILED : Land Court Document No. 3469292

RE : to make and impose certain restrictions on the Property in order to protect the privacy, views, ambiance and value of Maluhia at Wailea condominium project as being more particularly set forth therein.

30. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT REGARDING AFFORDABLE HOUSING

DATED : August 21, 2006

RECORDED : Document No. 2006-190599

PARTIES : WAILEA HOTEL & BEACH RESORT, L.L.C., a Delaware limited liability company, and the COUNTY OF MAUI, a political subdivision of the State of Hawaii

31. Any unrecorded leases and matters arising from or affecting the same.

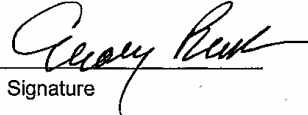
32. Encroachments or any other matters which a survey prepared after September 28, 2003, revised October 10, 2003, would disclose.

EXHIBIT "T"

BUDGET

ASSOCIATION OF WAILEA BEACH RESORT & RESIDENCES				
Forecasted Year 1 Budget (1)				
11/27/06				
	ALL UNITS		RESIDENTIAL UNITS	
CASH RECEIPTS	Monthly	Yearly	Monthly	Yearly
Maintenance Fees	\$450,378.42	\$5,404,541.07	\$150,317.18	\$1,803,806.12
Parking	\$0.00	\$0.00		
Telephone	\$0.00	\$0.00		
Commercial Space Rental	\$0.00	\$0.00		
Resort Use Fee	\$0.00	\$0.00		
Total Cash Receipts	\$450,378.42	\$5,404,541.07	\$150,317.18	\$1,803,806.12
CASH DISBURSEMENTS				
License Fee for Resort Amenities	\$439,442.64	\$5,273,311.70		
Hospitality Services Management			\$150,317.18	\$1,803,806.12
Audit/Tax fees	\$383.33	\$4,600.00		
Legal Fees	\$200.00	\$2,400.00		
Credit & Collections	\$1,000.00	\$12,000.00		
Custodial Services	\$4,166.64	\$49,999.68		
Fiscal & Administrative Management	\$2,052.07	\$24,624.84		
Office and Administrative Expenses	\$900.00	\$24,624.84		
Reserve Study	\$150.00	\$1,800.00		
Condo Fund	\$656.67	\$7,880.00		
Board Expense/Meetings	\$150.00	\$1,800.00		
Taxes-Income	\$0.00	\$0.00		
GET/Other	\$0.00	\$0.00		
Commercial Unit - allocations	\$0.00	\$0.00		
Real Property Taxes				
Insurance	\$125.00	\$1,500.00		
Comp General Liability	\$0.00	\$0.00		
Umbrella	\$0.00	\$0.00		
Directors & Officers	\$0.00	\$0.00		
Flood	\$0.00	\$0.00		
Fidelity Bond	\$0.00	\$0.00		
Boiler Machinery	\$0.00	\$0.00		
Capital Reserve Funding	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL DISBURSEMENTS	\$449,226.35	\$5,404,541.07	\$150,317.18	\$1,803,806.12
Less Misc Income	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL MAINTENANCE FEE (Net of Electricity, Propane & Water/Sewer for Units)	\$449,226.35	\$5,404,541.07	\$150,317.18	\$1,803,806.12
Electricity	\$0.00	\$0.00	\$0.00	\$0.00
Propane	\$0.00	\$0.00	\$0.00	\$0.00
Water/Sewer	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL MAINTENANCE FEES	\$449,226.35	\$5,404,541.07	\$150,317.18	\$1,803,806.12
(1) Forecasted budget based on AAA five diamond, first class resort standards.				

I, Emory Bush, as agent for Wailea Beach Resort & Residences, hereby certify that the above estimated budget was prepared on a cash basis in accordance with generally accepted accounting principles.


Signature

12-3-06
Date

* Pursuant to section 514B-148 of the Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the fiscal year that begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount is an estimate only.

The Budget is intended to show the estimated expenses of operating the Project, inclusive of the License Fee payable to the Front Desk Unit owner for the maintenance and operation of the resort Amenities, as discussed in the Declaration. All amounts set forth herein are estimates only, and may change for reasons beyond the control of the Developer. Such estimates are not intended to be and do not constitute any representation or warranty as to the accuracy of such estimates. The Budget may increase due to insurance premiums, utility costs, maintenance services, and other costs.

WAILEA BEACH RESORT & RESIDENCES					
License Fee Budget					
11/27/06					
				Monthly	Annually
Expenses					
Payroll (Note 1)					
		Rooms			
		Cleaning		\$73,652.29	\$883,827.51
		Valet		\$15,088.01	\$181,056.06
		Telephone		\$11,307.25	\$135,686.94
		Phone income		-\$3,991.88	-\$47,902.60
		Administrative & General			
		Executive Office		\$25,065.25	\$300,782.97
		Human Resources		\$4,230.34	\$50,764.08
		Security		\$38,673.74	\$464,084.83
		Engineering		\$50,854.14	\$610,249.72
			Total Payroll:	\$218,871.01	\$2,626,452.10
Utilities (Note 2)					
		Electricity		\$50,000.00	\$600,000.00
		Propane		\$2,500.00	\$30,000.00
		Water/Sewer		\$19,000.00	\$228,000.00
			Total Utilities:	\$71,500.00	\$858,000.00
Repairs & Maintenance (Note 3)					
		Building Material & Supplies		\$2,000.00	\$24,000.00
		Electrical & Mechanical		\$500.00	\$6,000.00
		Flooring		\$833.33	\$10,000.00
		Flowers		\$800.00	\$9,600.00
		Furniture and Fixtures		\$500.00	\$6,000.00
		Glazing		\$500.00	\$6,000.00
		Grounds & Landscaping		\$22,500.00	\$270,000.00
		Heating & Air Conditioning		\$2,208.33	\$26,500.00
		Light bulbs		\$2,083.33	\$25,000.00
		Locks and Keys		\$1,000.00	\$12,000.00
		Operating Supplies		\$1,000.00	\$12,000.00
		Pool & Spa		\$1,500.00	\$18,000.00
		Plumbing and Sewage		\$1,200.00	\$14,400.00
			Total Repairs and Maintenance	\$36,625.00	\$439,500.00
Service Contracts					
		Cable Television		\$6,755.00	\$81,060.00
		Internet Service		\$5,790.00	\$69,480.00
		Data Processing Equipment		\$2,000.00	\$24,000.00
		Elevators		\$6,900.00	\$82,800.00
		Equipment		\$4,000.00	\$48,000.00
		Exterminating		\$3,860.00	\$46,320.00
		Fire Alarm		\$2,000.00	\$24,000.00
		Heating and Air Conditioning		\$2,500.00	\$30,000.00
		Marble and Metal Maintenance		\$6,250.00	\$75,000.00
		Payroll Service		\$541.67	\$6,500.00
		Security Equipment		\$3,000.00	\$36,000.00
		Street Sweeping		\$1,500.00	\$18,000.00
		Telephone System		\$2,500.00	\$30,000.00

WAILEA BEACH RESORT & RESIDENCES			
License Fee Budget			
11/27/06			
	Tree trimming	\$2,000.00	\$24,000.00
	Waste Removal	\$6,500.00	\$78,000.00
	Window Washing	\$1,666.67	\$20,000.00
	Total Service Contracts:	\$57,763.33	\$693,160.00
	Administrative		
	Insurance - Property & GL	\$25,583.33	\$307,000.00
	Insurance - Flood	\$291.67	\$3,500.00
	Legal Fees	\$2,000.00	\$24,000.00
	Management Fee	\$5,208.30	\$62,499.60
	Contingency	\$666.67	\$8,000.00
	Reserve Study	\$150.00	\$1,800.00
	Printing Postage and Stationary	\$208.33	\$2,500.00
	Total Administrative Costs:	\$34,108.30	\$409,299.60
	Other		
	Bank Fees	\$50.00	\$600.00
	Credit and Collection	\$500.00	\$6,000.00
	Equipment leases	\$0.00	\$0.00
	Licenses and Permits	\$250.00	\$3,000.00
	Uniforms	\$5,000.00	\$60,000.00
	Total Other:	\$5,800.00	\$69,600.00
	RESERVE		
	Capital reserve*	\$14,775.00	\$177,300.00
	Total Expenses:	\$439,442.64	\$5,273,311.70

I, Emory Bush, as agent for Wailea Beach Resort & Residences, hereby certify that the above estimated Licensed Fee Disbursement was prepared on a cash basis in accordance with generally accepted accounting principles.

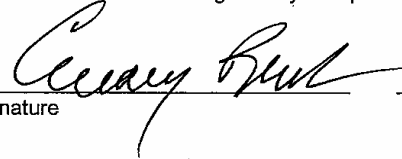

12-3-06
 Signature Date

* Pursuant to section 514B-148 of the Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the fiscal year that begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount is an estimate only.

The License Fee Budget is intended to show the estimated License Fee payable to the Front Desk Unit Owner for the maintenance and operation of the Resort Amenities, as discussed in the Declaration. The amounts set forth herein are common expenses of the Project as set forth in the Budget, and are separately itemized for illustrative purposes only. Purchasers shall not be relieved of the obligation to pay for any portion of the common expenses of the Project by waiving his or her rights to use the Resort Amenities or any portion thereof. All amounts set forth herein are estimates only, and may change for reasons beyond the control of the Developer. Such estimates are not intended to be and do not constitute any representation or warranty as to the accuracy of such estimates. The License Fee Budget may increase due to increases in insurance premiums, utility costs, maintenance services, and other costs.

WAILEA BEACH RESORT & RESIDENCES					
Hospitality Services					
11/27/06				Monthly	Annually
Expenses					
Payroll (Note 1)					
		Rooms			
		Front Desk		\$89,743.00	\$1,076,916.05
		Cleaning			
		Bell, Concierge, Greeter, Butler		\$60,574.17	\$726,890.07
		Telephone			
		Administrative & General			
		Business Center			
		Executive Office			
		Human Resources			
		Information Systems			
		Security			
		Engineering			
			Total Payroll:	\$150,317.18	\$1,803,806.12
			Total Expenses:	\$150,317.18	\$1,803,806.12

I, Emory Bush, as agent for Wailea Beach Resort & Residences, hereby certify that the above estimated budget was prepared on a cash basis in accordance with generally accepted accounting principles.


12-3-06
 Signature Date

ASSOCIATION OF WAILEA BEACH RESORT & RESIDENCES
Maintenance Fee Allocations
6/26/07

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
A200	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
A201	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
A202	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
A203	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
A300	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
A301	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
A302	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
A303	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
A400	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
A401	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
A402	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
A403	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
B100	2C	2/2.5	2,255	289	0.623450%	0.658751%	\$2,808.48	\$1,014.07	\$3,822.55
B103	1E	1/2	1,342	364	0.365678%	0.386400%	\$1,647.56	\$594.39	\$2,241.95
B200	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
B201	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
B202	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
B203	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
B300	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
B301	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
B302	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
B303	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
B400	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
B401	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
B402	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
B403	2B	2/3	2,153	290	0.586664%	0.619882%	\$2,642.76	\$954.23	\$3,596.99
C100	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
C101	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
C102	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
C103	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
C108	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
C109	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
C110	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
C111	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
C112	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
C113	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
C200	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C201	1A1	1/1	1,056	182	0.287746%	0.304039%	\$1,296.22	\$468.03	\$1,764.25
C202	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C203	1A1	1/1	1,056	182	0.287746%	0.304039%	\$1,296.22	\$468.03	\$1,764.25
C204	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C205	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C206	1B	1/2	988	246	0.269217%	0.284461%	\$1,212.75	\$437.89	\$1,650.64
C207	1B	1/2	988	163	0.269217%	0.284461%	\$1,212.75	\$437.89	\$1,650.64
C208	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C209	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C210	1A1	1/1	1,056	182	0.287746%	0.304039%	\$1,296.22	\$468.03	\$1,764.25
C211	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C212	1A1	1/1	1,056	182	0.287746%	0.304039%	\$1,296.22	\$468.03	\$1,764.25
C213	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C300	1A1	1/1	1,056	182	0.287746%	0.304039%	\$1,296.22	\$468.03	\$1,764.25
C301	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C302	1A1	1/1	1,056	182	0.287746%	0.304039%	\$1,296.22	\$468.03	\$1,764.25
C303	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C304	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C305	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C306	1B	1/2	988	246	0.269217%	0.284461%	\$1,212.75	\$437.89	\$1,650.64
C307	1B	1/2	988	163	0.269217%	0.284461%	\$1,212.75	\$437.89	\$1,650.64
C308	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C309	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C310	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C311	1A1	1/1	1,056	182	0.287746%	0.304039%	\$1,296.22	\$468.03	\$1,764.25
C312	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C313	1A1	1/1	1,056	182	0.287746%	0.304039%	\$1,296.22	\$468.03	\$1,764.25
C401	3C	3/3	1,996	364	0.543884%	0.574680%	\$2,450.05	\$884.65	\$3,334.70
C403	3C	3/3	1,996	364	0.543884%	0.574680%	\$2,450.05	\$884.65	\$3,334.70
C404	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C405	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C406	1B	1/2	988	246	0.269217%	0.284461%	\$1,212.75	\$437.89	\$1,650.64
C407	1B	1/2	988	163	0.269217%	0.284461%	\$1,212.75	\$437.89	\$1,650.64
C408	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C409	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
C410	3C	3/3	1,996	364	0.543884%	0.574680%	\$2,450.05	\$884.65	\$3,334.70
C412	3C	3/3	1,996	364	0.543884%	0.574680%	\$2,450.05	\$884.65	\$3,334.70
C506	1B	1/2	988	246	0.269217%	0.284461%	\$1,212.75	\$437.89	\$1,650.64

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
C507	1B	1/2	988	163	0.269217%	0.284461%	\$1,212.75	\$437.89	\$1,650.64
D100	4A	4/4.5	3,336	360	0.909017%	0.960486%	\$4,094.88	\$1,478.55	\$5,573.43
D101	2A	2/3	2,254	420	0.614186%	0.648962%	\$2,766.74	\$999.00	\$3,765.74
D200	4A	4/4.5	3,336	440	0.909017%	0.960486%	\$4,094.88	\$1,478.55	\$5,573.43
D201	2A	2/3	2,254	269	0.614186%	0.648962%	\$2,766.74	\$999.00	\$3,765.74
E100	2A	2/3	2,254	269	0.614186%	0.648962%	\$2,766.74	\$999.00	\$3,765.74
E101	3A	3/3.5	2,714	355	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
E102	3A	3/3.5	2,714	355	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
E103	3A	3/3.5	2,714	355	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
E200	2A	2/3	2,254	269	0.614186%	0.648962%	\$2,766.74	\$999.00	\$3,765.74
E201	3A	3/3.5	2,714	373	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
E202	3A	3/3.5	2,714	373	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
E203	3A	3/3.5	2,714	373	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
F200	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
F201	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
F202	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
F300	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
F301	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
F302	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
F400	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
F401	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
F402	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
G100	3A	3/3.5	2,714	355	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
G101	3A	3/3.5	2,714	355	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
G102	3A	3/3.5	2,714	355	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
G103	2A	2/3	2,254	269	0.614186%	0.648962%	\$2,766.74	\$999.00	\$3,765.74
G200	3A	3/3.5	2,714	355	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
G201	3A	3/3.5	2,714	355	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
G202	3A	3/3.5	2,714	355	0.739530%	0.781403%	\$3,331.38	\$1,202.87	\$4,534.25
G203	2A	2/3	2,254	269	0.614186%	0.648962%	\$2,766.74	\$999.00	\$3,765.74
H100	2A	2/3	2,254	269	0.614186%	0.648962%	\$2,766.74	\$999.00	\$3,765.74
H101	4A	4/4.5	3,336	340	0.909017%	0.960486%	\$4,094.88	\$1,478.55	\$5,573.43
H200	2A	2/3	2,254	269	0.614186%	0.648962%	\$2,766.74	\$999.00	\$3,765.74
H201	4A	4/4.5	3,336	440	0.909017%	0.960486%	\$4,094.88	\$1,478.55	\$5,573.43
J201	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
J202	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
J203	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
J300	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
J301	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
J302	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
J303	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
J400	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
J401	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
J402	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
J403	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K100	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K101	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K102	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K103	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K104	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K105	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K106	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K108	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K109	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K110	1C	1/1	1,070	182	0.291561%	0.308070%	\$1,313.40	\$474.24	\$1,787.64
K200	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K201	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K202	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K203	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K204	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K205	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K206	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K207	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K208	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K209	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K210	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K300	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K301	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K302	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K303	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K304	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K305	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K306	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K307	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K308	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K309	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K310	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
K401	3C	3/3	1,996	364	0.543884%	0.574680%	\$2,450.05	\$884.65	\$3,334.70

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
K403	3C	3/3	1,996	364	0.543884%	0.574680%	\$2,450.05	\$884.65	\$3,334.70
K407	1A	1/1	1,064	182	0.289926%	0.306342%	\$1,306.04	\$471.58	\$1,777.62
L200	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
L201	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
L300	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
L301	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
L400	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
L401	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
M200	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
M201	3B3	3/3.5	2,697	290	0.734897%	0.776508%	\$3,310.51	\$1,195.34	\$4,505.85
M202	3B2	3/3.5	2,735	372	0.745252%	0.787449%	\$3,357.16	\$1,212.18	\$4,569.34
M203	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
M300	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
M301	3B3	3/3.5	2,697	290	0.734897%	0.776508%	\$3,310.51	\$1,195.34	\$4,505.85
M302	3B2	3/3.5	2,735	372	0.745252%	0.787449%	\$3,357.16	\$1,212.18	\$4,569.34
M303	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
M400	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
M401	3B3	3/3.5	2,697	290	0.734897%	0.776508%	\$3,310.51	\$1,195.34	\$4,505.85
M402	3B2	3/3.5	2,735	372	0.745252%	0.787449%	\$3,357.16	\$1,212.18	\$4,569.34
M403	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
N200	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
N201	3B2	3/3.5	2,735	372	0.745252%	0.787449%	\$3,357.16	\$1,212.18	\$4,569.34
N202	3B3	3/3.5	2,697	290	0.734897%	0.776508%	\$3,310.51	\$1,195.34	\$4,505.85
N203	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
N300	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
N301	3B2	3/3.5	2,735	372	0.745252%	0.787449%	\$3,357.16	\$1,212.18	\$4,569.34
N302	3B3	3/3.5	2,697	290	0.734897%	0.776508%	\$3,310.51	\$1,195.34	\$4,505.85
N303	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
N400	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
N401	3B2	3/3.5	2,735	372	0.745252%	0.787449%	\$3,357.16	\$1,212.18	\$4,569.34
N402	3B3	3/3.5	2,697	290	0.734897%	0.776508%	\$3,310.51	\$1,195.34	\$4,505.85
N403	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
Q100	1D	1/1	1,140	137	0.310635%	0.328224%	\$1,399.33	\$505.26	\$1,904.59
Q101	2D	2/2.5	2,100	208	0.572223%	0.604623%	\$2,577.71	\$930.74	\$3,508.45
Q200	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
Q201	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
Q300	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
Q301	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
Q400	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
Q401	3B1	3/3.5	2,946	290	0.802747%	0.848199%	\$3,616.16	\$1,305.70	\$4,921.86
CU1			2,392		0.651796%		\$2,936.17		\$2,936.17
CU2			3,100		0.844710%		\$3,805.19		\$3,805.19
CU3			7,960		2.168996%		\$9,770.75		\$9,770.75
CU4			2,790		0.760239%		\$3,424.67		\$3,424.67
CU5			3,424		0.932995%		\$4,202.89		\$4,202.89
TOTAL	198		357,552	46,309	100.000000%	100.000000%	\$450,473.27	\$153,937.60	\$604,410.87

The Maintenance Fee allocations set forth herein are estimates of the monthly common expenses for a unit, which include both the maintenance fees and hospitality service fees payable by residential unit owners. Residential unit owners shall not be relieved of the obligation to pay for any portion of the common expenses of the project by waiving his or her rights to use the hospitality services or any portion thereof. The Maintenance Fee allocations set forth herein are not intended and do not constitute any representation or warranty by the Developer, including, but not limited to, any representation or warranty as to the accuracy of such estimates. These fees may increase due to increases in insurance premiums, utility costs, maintenance services, management fees and other costs.

EXHIBIT "J"

SUMMARY OF SALES CONTRACT

Capitalized terms have the same meaning as ascribed to such terms in the Sales Contract ("Sales Contract").

The specimen Sales Contract, filed with the State of Hawaii Real Estate Commission, provides for, among other things, a description of the Unit to be sold, the purchase price, the closing costs, the time, manner and place of payment, the Purchaser's obligations regarding financing, the Seller's warranties and disclaimers regarding the Condominium Map and the Project, and the remedies of the Seller and of the Purchaser in the event of a default under the Sales Contract. The Sales Contract further provides that any form of reservation agreement entered into between Purchaser and Seller prior to execution of the Sales Contract shall be automatically terminated upon execution of the Sales Contract and all deposits held under such reservation agreement shall be applied to the Sales Contract, in the manner set forth in the Sales Contract.

Among other provisions the specimen Sales Contract provides:

1. Prior to execution of the Sales Contract, Purchaser shall receive: (i) a true copy of the Public Report for the Project, either personally or by registered or certified mail with return receipt requested, and the Notice of Right to Cancel advising Purchaser of Purchaser's right to cancel the Sales Contract, the delivery of which is required by Hawaii Revised Statutes, Section 514B-86, and (ii) a copy of the Federal Property Report. Purchaser shall also have been given an opportunity to read said reports.

2. Purchaser may cancel the Sales Contract within thirty (30) days of Purchaser's receipt of the Public Report. It is understood that Purchaser may, at any time after Purchaser's receipt of the Notice of Right to Cancel, waive Purchaser's right to cancel the Sales Contract. If Purchaser shall fail to execute the Notice of Right to Cancel within thirty (30) days of Purchaser's receipt of the Public Report, Purchaser shall be deemed to have waived Purchaser's right to cancel the Sales Contract (by Purchaser's failure to give said written notice of cancellation). The conveyance of the Unit to the Purchaser within the thirty (30)-day period referenced above shall also be treated as a waiver by Purchaser of Purchaser's right to cancel the Sales Contract.

3. Notwithstanding the foregoing pursuant to the Federal Interstate Land Sales Full Disclosure Act Purchaser shall have the option to cancel the Sales Contract by notice to the Seller until midnight of the seventh (7th) day following the signing of the Sales Contract by Purchaser. If Purchaser does not receive a Federal Property Report prepared pursuant to the rules and regulations of the Office of Interstate Land Sales Registration, US Department of Housing and Urban Development, in advance of Purchaser signing the Sales Contract, the Sales Contract may be cancelled by Purchaser for two-years from the date of signing by Purchaser. The foregoing seven (7) day rescission period provided pursuant to the Federal Interstate Land Sales Full Disclosure Act shall commence upon Purchaser's execution of this Sales Contract and may run concurrent with the thirty (30)-day rescission period provided pursuant to Hawaii law, as discussed above.

4. If the Sales Contract shall become binding prior to the completion of construction, the Sales Contract shall provide a Completion Deadline for Seller's completion of the Project. If the Project is not completed by the Completion Deadline, Purchaser may cancel his or her Sales Contract at any time thereafter.

5. The Seller has entered into an Escrow Agreement, summarized in Exhibit "K" herein, with Title Guaranty Escrow Services, Inc. ("Escrow"), covering the deposit with Escrow of all funds paid by the Purchaser under the Sales Contract and the disbursement of the funds by Escrow. Escrow may charge a cancellation fee on account of escrow services performed not to exceed \$250.00.

6. The Sales Contract requires the Purchaser to pay the Total Purchase Price by a series of payments prior to Closing. Such payments include the initial payment when Purchaser signs the Sales Contract, a second

deposit, a third deposit and a fourth deposit. Purchaser shall then deposit at or prior to Closing, the remaining balance due.

7. The Sales Contract provides that Purchaser will receive interest on Purchaser's Deposits as set forth in the Sales Contract.

8. Purchaser's obligations under the Sales Contract are not contingent or conditional on Purchaser's ability to secure financing from a mortgage lender or on Purchaser's ability to sell Purchaser's current residence or any other property. Financing by Seller of any portion of the Total Purchase Price is not available.

9. The Sales Contract provides that Purchaser will pay all closing costs associated with the purchase and sale. The Sales Contract also provides that at Closing, Purchaser shall pay (a) one (1) month's maintenance fee for the Condominium Association, and (b) a non-refundable, non-transferable start-up fee to the Condominium Association in the amount equal to two (2) months of maintenance fee assessments. These start-up fees are one-time assessments at Closing and are not advance payments of common expenses or assessments, and shall be in addition to the normal monthly assessments.

10. The Sales Contract provides that it shall not be construed as a present transfer of any rights or of any interest in the Unit, but rather states that it is an agreement to transfer in the future. By execution of the Sales Contract, the Purchaser agrees to waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest arising under the Sales Contract in favor of the lien or charge on the Project of the security interests of the Lender, including but not limited to any lien, mortgage or charge securing a loan made to finance the acquisition of the land and the costs of construction (if applicable) and any and all advances therefore until the filing of the Unit Deed.

11. The Sales Contract provides that it may not be assigned by Purchaser. Any assignment of the Sales Contract is void and of no legal effect. Notwithstanding the foregoing, Purchaser may assign its rights under the Sales Contract to affiliated entities for estate planning purposes with the consent of Seller, provided that any such assignment shall not release Purchaser from its obligations under the Sales Contract. In the event that Purchaser decides to make such an assignment for estate planning purposes, Purchaser shall provide written notice thereof to Seller at least fifteen (15) days prior to the Closing Date, as defined in the Sales Contract, and shall provide to Seller copies of such documents as Seller, in its sole and absolute discretion, deems necessary to complete Closing.

12. The Sales Contract provides that any dispute by or between Seller and Purchaser arising out of or incident to the Sales Contract, or the development or management of the Project, the sale of the Unit or the use or occupancy thereof, or any other aspect of the relationship between Seller and Purchaser regarding the Project which is raised or otherwise asserted after Closing shall be submitted to mediation and, if necessary, to arbitration in accordance with the terms, conditions and procedures set forth in the Sales Contract. The Sales Contract also provides that any dispute by or between Seller and Purchaser arising out of or incident to the Sales Contract that is raised or otherwise asserted before Closing need not be submitted to arbitration, and Seller and Purchaser shall be free to pursue such dispute, as otherwise provided herein, in proceedings in a court of competent jurisdiction, provided that any judicial proceedings initiated shall be conducted in Honolulu, Hawaii.

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THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE SALES CONTRACT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE PURCHASER'S RIGHTS AND OBLIGATIONS UNDER THE SALES CONTRACT, PURCHASER MUST REFER TO THE SALES CONTRACT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE SALES CONTRACT, THE SALES CONTRACT WILL CONTROL.