CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:
Developer SCD Wailea Fairways, LLC
Address 745 Fort Street, Suite #2110 Honolulu, Hawaii 96813
ProjectName(*): WAILEA FAIRWAY VILLAS
Address: 3950 Kalai Waa Street, Kihei, Hawaii 96753

Registration No. 4009

Effectivedate: August 26, 1998
Expirationdate: May 26, 1999

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

X **CONTINGENT FINAL: (green)** The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.
[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.

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

___ **SUPPLEMENTARY: (pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[ ] Changes made are as follows:

SPECIAL ATTENTION

This Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5, HRS . The Real Estate Commission issued this report before the developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales contract executed pursuant to this report **are binding on the buyer under those conditions specified immediately below** and in Part V. B. of this report found on pages 18 &19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed.

STATUTORY NOTICE

"The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of a performance bond issued by a surety licensed in the State of not less than one hundred percent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public Report, then:

(1) The Developer will notify the Purchaser thereof by certified mail; and

(2) Either the Developer or the Purchaser shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchaser to secure a financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment." (§514A-64.5, HRS)

The developer is not required to submit but has for this registration submitted the following documents and information :

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EXHIBIT A: Apartment Data
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EXHIBIT D: Common Interest To Be Conveyed To Buyer
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EXHIBIT F: Maintenance Fees and Disbursements
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EXHIBIT H: Escrow Agreement Pertinent Provisions

General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer:	**SCD WAILEA FAIRWAYS, LLC**, a Hawaii limited liability company 745 Fort Street, Suite 2110 Honolulu, Hawaii 96813	Phone: (808) 537-5220
	Names of officers or general partners of developers who are corporations or partnerships:	
	Member of SCD Wailea Fairways, LLC: **SCD INTERNATIONAL**, a Hawaii limited liability company 745 Fort Street, Suite 2110 Honolulu, Hawaii 96813	Phone: (808) 537-5220
Real Estate Broker:	**PROPERTIES UNLIMITED, INC.**, a Hawaii corporation 4510 Salt Lake Boulevard, Suite B-4 Honolulu, Hawaii 96818, and	Phone: (808) 487-3855
	WAILEA REALTY CORPORATION, a Hawaii corportion 3750 Wailea Alanui, Suite G-27 Kihei, Hawaii 96753	Phone: (808) 879-1991
	MSY CORP., a Hawaii corporation doing business as **AINA MAUI PROPERTIES** 535 Lipoa Parkway, Suite 152 Kihei, Hawaii 96753	Phone: (808) 879-7774
Escrow:	**ISLAND TITLE CORPORATION**, a Hawaii corporation 1132 Bishop Street, Suite 400 Honolulu, Hawaii 96813	Phone: (808) 526-9171
General Contractor:	**ALBERT C. KOBAYASHI, INC.**, a Hawaii corporation 94-535 Ukee Street Waipahu, Hawaii 96797	Phone: (808) 671-6460
Condominium Managing Agent:	**ASSET PROPERTY MANAGEMENT, INC.**, a Hawaii corporation 369 Huku Li'i Place, Suite 202 Kihei, Hawaii 96753	Phone: (808) 879-0080
Attorney for Developer:	**KOBAYASHI, SUGITA & GODA** 999 Bishop Street, 26th Floor Honolulu, Hawaii 96813 ATTN: Kenneth Y. Sugita	Phone: (808) 539-8700

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
Book _____ Page _____
[X] Filed - Land Court: Document No. 2476897

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

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances Condo Map No. _____
[X] Filed - Land Court Condo Map No. 1253

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
Book _____ Page _____
[X] Filed - Land Court: Document No. 2476898

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

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do nor need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [X] Adopted [ ] Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only ff they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

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

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

2. Developer:

[ ] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

(1) At any time prior to the conveyance of all of the apartments in the Project to persons other than the Developer or any mortgagee of Developer, Developer reserves the right to modify the Project Documents as may be required by law, the Real Estate Commission of the State of Hawaii, a title insurance company, an institutional mortgagee or any governmental agency (other than the Developer);

(2) Developer has reserved the right to amend or change the common interest appurtenant to, the limited common interest assigned to, the configuration of, the number of rooms of, the size of or the location of any unit in the Project for which an apartment deed has not been recorded with the Recording Office;

(3) Developer had reserved the right to require alterations of the Project (and to modify any of such Project Documents accordingly) to change the configuration of, to alter the number of rooms of, to decrease or increase the size of, or to change the location of any other apartment and to make other minor changes in Buyer's Unit, any of the other apartments, or the common elements.

(4) Developer has expressly reserved the right to amend the By-Laws before the Association has been duly organized and before any apartment in the Project has been conveyed.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

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

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

Lease Term Expires:_____ Rent Renegotiation Date(s):_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

For Sub-leaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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

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

Lease Term Expires:_____ Rent Renegotiation Date(s):_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. **Underlying Land:**

Address: 3950 Kalai Waa Street
Kihei, Hawaii 96753

Tax Map Key (TMK): 2-1-008-126 (2)

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

Land Area: 12.374 [ ] square feet [X] acre(s)

Zoning: D-2
Duplex and
Open Space

Fee Owner: Wailea Fairways - Maui, LLC
Name
500 Ala Moana Blvd., 4th Floor
Address
Honolulu, Hawaii 96813

Lessor: _____
Name
_____
Address
_____

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 24 Floors Per Building 2

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other Stucco

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
[X] Residential	118	[X] Yes [ ] No	[ ] Ohana	___	[ ] Yes [ ] No
[ ] Commercial	___	[ ] Yes [ ] No	[ ] Industrial	___	[ ] Yes [ ] No
[ ] Mix Res/Comm	___	[ ] Yes [ ] No	[ ] Agricultural	___	[ ] Yes [ ] No
[ ] Hotel	___	[ ] Yes [ ] No	[ ] Recreational	___	[ ] Yes [ ] No
[ ] Timeshare	___	[ ] Yes [ ] No	[ ] Other:_____	___	[ ] Yes [ ] No

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

5. Special Use Restrictions:

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

[x] Pets: Dogs, cats and other household pets are permitted in reasonable number (See By-laws, §V.3.n & o; Rules & Regs §IV.4)

[x] Number of Occupants: Occupancy of any Apartment shall not exceed two (2) persons per bedroom contained in each Apartment, except that such occupancy may be exceeded by members of the immediate family of the apartment owner, of the apartment owner's tenant; provided that in no event shall the number of occupants be more than four (4) persons per bedroom in each Apartment. See Rules & Regs §IV.1

[x] Other: Residential use only See Declaration §9.03. No water beds without written approval of the Board See Rules & Regs §VI.12.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: 26 Trash Chutes: None

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
A	32	2/2	904.67	68	Lanai
AR-1	32	2/2	904.67	68	Lanai
A-1	14	2/2	904.67	68	Lanai
AR	14	2/2	904.67	68	Lanai
B	17	3/3	1,500.916	156	Lanai
BR	8	3/3	1,500.916	157.333	Lanai
B-1	1	3/3	1,500.916	157.333	Lanai

Total Apartments: 118

* **Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

There are **one hundred eighteen (118)** freehold estates established in the spaces within the perimeter walls, floors and ceilings of the **one hundred eighteen (118)** apartments in said building. Each of the **one hundred eighteen (118)** apartments include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the appurtenant lanai air space, the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; the inner perimeter of any lanai; and all fixtures originally installed therein. The **one hundred eighteen (118)** apartments do not include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements.

Permitted Alterations to Apartment: NONE

7. Parking Stalls:

Total Parking Stalls: 241

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each unit)		127		17			144
Guest							
Unassigned		66		30			96
Extra for Purchase							
Other: Handicap		1					1
Total Covered & Open:	194		47		0		241

Each apartment will have the exclusive use of at least 1 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit A & B contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[X] Swimming pool [ ] Storage Area [X] Recreation Area

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

[X] Other: Recreational Center: (14) Mail Kiosks

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

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

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

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

N/A

11. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. **Common Elements, Limited Common Elements, Common Interest:**

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

[X] described in Exhibit B.

[ ] as follows:

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

[ ] There are no limited common elements in this project.

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

[X] described in Exhibit C*.

[ ] as follows:

*NOTE: Land areas referenced herein are not legally subdivided lots.

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

[X] described in Exhibit D.

[ ] as follows:

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

Exhibit F describes the encumbrances against the title contained in the title report dated August 7, 1998

and issued by Island Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligations. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

Blanket (except for improvement district or utility assessments) must be release before the developer conveys the apartment to the buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Buyer's interest may be terminated, but in such event, Buyer will be entitled to a return of all deposits, less a nominal escrow cancellation fee.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, as follows:

1. **Building and Other Improvements**:

Developer has entered into a contract with a general contractor for the Project under which such general contractor has agreed to provide, for the benefit of the Developer and Buyer, a warranty to correct any work found defective within one (1) year after Date of Occupancy. This warranty does not extend to ordinary maintenance work nor to any appliances or consumer products within the Apartment. The Developer does not make any warranties but merely passes on the general contractor's warranties to the Buyer. The Developer's obligations with respect to any defects will be limited to assisting the Buyer in presenting to the general contractor any claims based on such warranty; it being understood that such warranty is limited to defects reported in writing to the Developer or general contractor within the first year following the Date of Occupancy.

2. **Appliances**:

The Developer will transfer to Buyer any manufacturer's or dealer's written warranties covering the furnishings, fixtures and appliances in the Apartment. The Developer is not adopting any such contractor's, manufacturer's or dealer's warranties, or acting as co-warrantor, but is only attempting to pass on to Buyer the benefit of any such warranties.

Except for the foregoing, the Developer makes no warranties or promises of "merchantability", "habitability", "workmanlike construction" or "fitness for a particular use or purpose" or any other warranties or promises of any kind, express or implied, about the unit, or the project (including the common elements and limited common elements of the project), or about any furnishings, fixtures, appliances or other consumer products or anything else installed, attached, affixed or otherwise contained in the unit, or the project (including the common elements and limited common elements thereof).

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

The Project consists of twenty-four (24) separate buildings containing a total of one hundred eighteen (118) units. The Developer plans to construct the buildings from a North to South construction sequence, based upon the sales velocity. The Developer intends to commence the construction of a building based upon the number of units sold within such building. Once the construction is started on a building, the completion date for such building is estimated at four (4) months. The sales of Apartments will close when the unit is completed, even though the entire Project may not then be completed.

The construction of the first building, which is to serve as the model units for the Project, commenced in August, 1998.

The Developer's estimated completion date for the entire Project is May 30, 2000.

H. Project Phases:

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

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

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

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

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

C. **Utility Charges for Apartments:**

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

[ ] None [X] Electricity (X Common Elements only _____ Common Elements & Apartments)
[ ] Gas (_____ Common Elements only _____ Common Elements & Apartments)
[X] Water [X] Sewer [ ] Television Cable
[X] Other Refuse collection

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

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

[ ] Notice to Owner Occupants

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

[X] Escrow Agreement dated May 1, 1998
Exhibit H contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. **Buyer's Right to Cancel Sales Contract:**

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

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

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

A) The Developer delivers to the buyer a copy of:
   1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
B) The buyer is given an opportunity to read the report(s); **AND**
C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs (DCCA). Supporting documents for this registration are on file with the DCCA for a period of ten years and one day from the effective date of the last public report. After that time, the DCCA will destroy the supporting documents except for the last public report. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4009 filed with the Real Estate Commission on August 11, 1998.

Reproduction of Report. When reproduced, this report must be on:

[ ] YELLOW paper stock [ ] WHITE paper stock [ ] PINK paper stock [X] GREEN paper stock

C. Additional Information Not Covered Above

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

1. The Project is covered by Special Management Area Use Permit (SM1 970024, PD1 970003) for the Project (the "**SMAUP**") issued by the Department of Planning of the County of Maui.

2. The SMAUP requires that the Association shall exercise reasonable due care as to third parties, with respect to all areas affected by the SMAUP, and shall procure at its own cost and expense, and shall maintain during the entire period of the SMAUP, a policy or policies of comprehensive liability insurance in the minimum amount of **ONE MILLION AND NO/100 DOLLARS (U.S. $1,000,000.00)** naming the County of Maui as an additional named insured, insuring and defending the Association and County of Maui against any and all claims or demands for property damage, personal injury and/or death arising out of the SMAUP, including, but not limited to: (1) claims from any accident in connection with the permitted use, or occasioned by any act or nuisance made or suffered in connection with the permitted use in the exercise by the Association and/or any Apartment Owner of said rights; and (2) all actions, suits, damages and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms and conditions of the SMAUP. The Association shall observe and perform all requirements of the SMAUP.

3. The SMAUP imposes no other conditions upon the Association which will run with the land after the completion of construction of the Project and the issuance of the Certificate of Occupancy.

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

SCD Wailea Fairways, LLC
Printed Name of Developer

By: _____ August 10, 1998
Duly Authorized Signatory — Date

Stanford S. Carr
Printed Name & Title of Person Signing Above

Distribution:

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

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

SCD Wailea Fairways, LLC
Printed Name of Developer

By: _____ August 10, 1998
Duly Authorized Signatory Date

Stanford S. Carr
Printed Name & Title of Person Signing Above

Distribution:

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

EXHIBIT A

APARTMENT DATA

	Bldg	Apt No.	Apt Type	Net Living Area (sq.ft.)	Lanai Area (sq.ft.)	Total Area	No. of Bdrms	No. of Baths	Parking Stall Number	Percentage Ownership
1	A	A-101	A	949	74	1,023	2	2	2	0.00734091
2	A	A-102	AR-1	949	74	1,023	2	2	3	0.00734091
3	A	A-103	B	1,568	172	1,740	3	3	4, 5	0.01248601
4	A	A-201	A	949	74	1,023	2	2	7	0.00734091
5	A	A-202	AR-1	949	74	1,023	2	2	8	0.00734091
6	B	B-101	A	949	74	1,023	2	2	28	0.00734091
7	B	B-102	AR-1	949	74	1,023	2	2	23	0.00734091
8	B	B-103	B	1,568	172	1,740	3	3	26C, 27	0.01248601
9	B	B-201	A	949	74	1,023	2	2	29	0.00734091
10	B	B-202	AR-1	949	74	1,023	2	2	30	0.00734091
11	C	C-101	A	949	74	1,023	2	2	19	0.00734091
12	C	C-102	AR-1	949	74	1,023	2	2	18	0.00734091
13	C	C-103	B	1,568	172	1,740	3	3	16C, 17	0.01248601
14	C	C-201	A	949	74	1,023	2	2	20	0.00734091
15	C	C-202	AR-1	949	74	1,023	2	2	21	0.00734091
16	D	D-101	A	949	74	1,023	2	2	31	0.00734091
17	D	D-102	AR-1	949	74	1,023	2	2	32	0.00734091
18	D	D-103	B	1,568	172	1,740	3	3	33, 34C	0.01248601
19	D	D-201	A	949	74	1,023	2	2	37	0.00734091
20	D	D-202	AR-1	949	74	1,023	2	2	38	0.00734091

	Bldg	Apt No.	Apt Type	Net Living Area (sq.ft.)	Lanai Area (sq.ft.)	Total Area	No. of Bdrms	No. of Baths	Parking Stall Number	Percentage Ownership
21	E	E-101	A	949	74	1,023	2	2	44	0.00734091
22	E	E-102	AR-1	949	74	1,023	2	2	43	0.00734091
23	E	E-103	B	1,568	172	1,740	3	3	39, 40	0.01248601
24	E	E-201	A	949	74	1,023	2	2	41	0.00734091
25	E	E-202	AR-1	949	74	1,023	2	2	42	0.00734091
26	F	F-101	BR	1,568	172	1,740	3	3	55C, 56	0.01248601
27	F	F-102	A-1	949	74	1,023	2	2	57	0.00734091
28	F	F-103	AR	949	74	1,023	2	2	53	0.00734091
29	F	F-201	A-1	949	74	1,023	2	2	52	0.00734091
30	F	F-202	AR	949	74	1,023	2	2	51	0.00734091
31	G	G-101	A	949	74	1,023	2	2	62	0.00734091
32	G	G-102	AR-1	949	74	1,023	2	2	89	0.00734091
33	G	G-103	B	1,568	172	1,740	3	3	63, 64C	0.01248601
34	G	G-201	A	949	74	1,023	2	2	60	0.00734091
35	G	G-202	AR-1	949	74	1,023	2	2	61	0.00734091
36	H	H-101	BR	1,568	172	1,740	3	3	65C, 66	0.01248601
37	H	H-102	A-1	949	74	1,023	2	2	67	0.00734091
38	H	H-103	AR	949	74	1,023	2	2	68	0.00734091
39	H	H-201	A-1	949	74	1,023	2	2	69	0.00734091
40	H	H-202	AR	949	74	1,023	2	2	70	0.00734091
41	J	J-101	A	949	74	1,023	2	2	76	0.00734091
42	J	J-102	AR-1	949	74	1,023	2	2	71	0.00734091
43	J	J-103	B	1,568	172	1,740	3	3	72, 73C	0.01248601
44	J	J-201	A	949	74	1,023	2	2	78	0.00734091
45	J	J-202	AR-1	949	74	1,023	2	2	77	0.00734091

	Bldg	Apt No.	Apt Type	Net Living Area (sq.ft.)	Lanai Area (sq.ft.)	Total Area	No. of Bdrms	No. of Baths	Parking Stall Number	Percentage Ownership
46	K	K-101	A	949	74	1,023	2	2	81	0.00734091
47	K	K-102	AR-1	949	74	1,023	2	2	104	0.00734091
48	K	K-103	B	1,568	172	1,740	3	3	82, 83C	0.01248601
49	K	K-201	A	949	74	1,023	2	2	79	0.00734091
50	K	K-202	AR-1	949	74	1,023	2	2	80	0.00734091
51	L	L-101	BR	1,568	172	1,740	3	3	85C, 86	0.01248601
52	L	L-102	A-1	949	74	1,023	2	2	106	0.00734091
53	L	L-103	AR	949	74	1,023	2	2	105	0.00734091
54	L	L-201	A-1	949	74	1,023	2	2	87	0.00734091
55	L	L-202	AR	949	74	1,023	2	2	88	0.00734091
56	M	M-101	A	949	74	1,023	2	2	192	0.00734091
57	M	M-102	AR-1	949	74	1,023	2	2	188	0.00734091
58	M	M-103	B	1,568	172	1,740	3	3	190C, 191	0.01248601
59	M	M-201	A	949	74	1,023	2	2	194	0.00734091
60	M	M-202	AR-1	949	74	1,023	2	2	193	0.00734091
61	N	N-101	A	949	74	1,023	2	2	154	0.00734091
62	N	N-102	AR-1	949	74	1,023	2	2	155	0.00734091
63	N	N-103	B	1,568	172	1,740	3	3	117, 118C	0.01248601
64	N	N-201	A	949	74	1,023	2	2	115	0.00734091
65	N	N-202	AR-1	949	74	1,023	2	2	116	0.00734091
66	P	P-101	BR	1,568	172	1,740	3	3	120C, 121	0.01248601
67	P	P-102	A-1	949	74	1,023	2	2	122	0.00734091
68	P	P-103	AR	949	74	1,023	2	2	123	0.00734091
69	P	P-201	A-1	949	74	1,023	2	2	125	0.00734091
70	P	P-202	AR	949	74	1,023	2	2	124	0.00734091

	Bldg	Apt No.	Apt Type	Net Living Area (sq.ft.)	Lanai Area (sq.ft.)	Total Area	No. of Bdrms	No. of Baths	Parking Stall Number	Percentage Ownership
71	Q	Q-101	A	949	74	1,023	2	2	131	0.00734091
72	Q	Q-102	AR-1	949	74	1,023	2	2	128	0.00734091
73	Q	Q-103	B	1,568	172	1,740	3	3	126, 127	0.01248601
74	Q	Q-201	A	949	74	1,023	2	2	133	0.00734091
75	Q	Q-202	AR-1	949	74	1,023	2	2	132	0.00734091
76	R	R-101	A	949	74	1,023	2	2	134	0.00734091
77	R	R-102	AR-1	949	74	1,023	2	2	175	0.00734091
78	R	R-103	B	1,568	172	1,740	3	3	137, 138C	0.01248601
79	R	R-201	A	949	74	1,023	2	2	136	0.00734091
80	R	R-202	AR-1	949	74	1,023	2	2	135	0.00734091
81	S	S-101	BR	1,568	172	1,740	3	3	140C, 141	0.01248601
82	S	S-102	A-1	949	74	1,023	2	2	178	0.00734091
83	S	S-103	AR	949	74	1,023	2	2	179	0.00734091
84	S	S-201	A-1	949	74	1,023	2	2	143	0.00734091
85	S	S-202	AR	949	74	1,023	2	2	142	0.00734091
86	T	T-101	BR	1,568	172	1,740	3	3	147, 148C	0.01248601
87	T	T-102	A-1	949	74	1,023	2	2	182	0.00734091
88	T	T-103	AR	949	74	1,023	2	2	146	0.00734091
89	T	T-201	A-1	949	74	1,023	2	2	144	0.00734091
90	T	T-202	AR	949	74	1,023	2	2	145	0.00734091
91	U	U-101	A	949	74	1,023	2	2	184	0.00734091
92	U	U-102	AR-1	949	74	1,023	2	2	183	0.00734091
93	U	U-103	B	1,568	172	1,740	3	3	150C, 151	0.01248601
94	U	U-201	A	949	74	1,023	2	2	153	0.00734091
95	U	U-202	AR-1	949	74	1,023	2	2	152	0.00734091

	Bldg	Apt No.	Apt Type	Net Living Area (sq.ft.)	Lanai Area (sq.ft.)	Total Area	No. of Bdrms	No. of Baths	Parking Stall Number	Percentage Ownership
96	V	V-101	BR	1,568	172	1,740	3	3	198, 199	0.01248601
97	V	V-102	AR-1	949	74	1,023	2	2	204	0.00734091
98	V	V-103	AR	949	74	1,023	2	2	197	0.00734091
99	V	V-201	A-1	949	74	1,023	2	2	196	0.00734091
100	V	V-202	AR	949	74	1,023	2	2	195	0.00734091
101	W	W-101	A	949	74	1,023	2	2	205	0.00734091
102	W	W-102	AR-1	949	74	1,023	2	2	206	0.00734091
103	W	W-103	B	1,568	172	1,740	3	3	202, 203	0.01248601
104	W	W-201	A	949	74	1,023	2	2	201	0.00734091
105	W	W-202	AR-1	949	74	1,023	2	2	200	0.00734091
106	X	X-101	A	949	74	1,023	2	2	215	0.00734091
107	X	X-102	AR-1	949	74	1,023	2	2	212	0.00734091
108	X	X-103	B	1,568	172	1,740	3	3	210, 211	0.01248601
109	X	X-201	A	949	74	1,023	2	2	213	0.00734091
110	X	X-202	AR-1	949	74	1,023	2	2	214	0.00734091
111	Y	Y-101	A	949	74	1,023	2	2	222	0.00734091
112	Y	Y-102	AR-1	949	74	1,023	2	2	221	0.00734091
113	Y	Y-103	B	1,568	172	1,740	3	3	226, 227C	0.01248601
114	Y	Y-201	A	949	74	1,023	2	2	223	0.00734091
115	Y	Y-202	AR-1	949	74	1,023	2	2	225	0.00734091
116	Z	Z-101	BR	1,568	172	1,740	3	3	230, 241	0.01248602
117	Z	Z-102	B-1	1,568	172	1,740	3	3	229, 240	0.01248601
118	Z	Z-103	B	1,568	172	1,740	3	3	228, 239	0.01248602

(**Note:** 1. There are 144 assigned Parking Stalls, of which 127 are regular sized stalls and 17 are compact sized stalls. In the chart above, the assigned Parking Stalls with a "C" as part of their number are compact sized stalls. All other assigned Parking Stalls are regular sized stalls.

2. There are 97 unassigned Parking Stalls, of which 60 are regular sized stalls, 30 are compact sized stalls and 7 are handicapped sized stalls. One of these handicapped sized stalls has been designated and marked for handicapped parking only.)

EXHIBIT B

COMMON ELEMENTS

One freehold estate is designated in all of the portions and appurtenances of the Project remaining after excluding the Apartments, including specifically, but not limited to:

(1) The land in fee simple.

(2) All foundations, floor slabs, floor supports, columns, girders, beams, supports, balconies, stairways, roof, unfinished perimeter, party and load-bearing walls, entries, entrances and exits of the building.

(3) All recreational/maintenance buildings and other similar areas not located inside apartments;

(4) All mailbox structures housing the mailboxes located on the grounds of the Project;

(5) All yards, grounds and landscaping, roads, walkways, parking areas and driveways.,

(6) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities, installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.

(7) The following parking stalls:

a. The **one hundred twenty-seven (127)** regular uncovered parking stalls and **seventeen (17)** compact uncovered parking stalls, each identified in **EXHIBIT B**, attached hereto and incorporated herein by this reference, as numbered and shown on the Condominium Map, which are hereinafter designated as limited common elements

b. The **sixty (60)** regular uncovered parking stalls and the **thirty (30)** compact uncovered parking stalls, as shown on the Condominium Map, which are unassigned parking stalls, for use of the apartment owners, tenants and guests, the Managing Agent, the resident manager, if any, and other employees of the Association of Apartment Owners, hereinafter referred to as the "**Association**".

c. The **one (1)** handicapped uncovered parking stall, as shown on the Condominium Map as **Parking Stall No. 129**, which is designated for handicap parking for guests and which is appropriately marked for handicapped parking.

d. **Six (6)** additional uncovered handicapped sized parking stalls, being **Parking Stall Nos. 1, 45, 74, 75, 130 and 224**, which shall be deemed to be common elements of the Project, which shall initially have no markings for handicapped parking use, and which may be designated from time to time by the Association as handicapped parking for use by disabled owners or occupants of the Project. Until and unless the Association, through its Board of Directors, hereinafter referred to as the "**Board**", shall assign or designate such handicapped sized parking stalls for handicapped use, such handicapped sized stalls shall be additional unassigned parking for the use of the apartment owners, tenants and guests, the

Managing Agent, the resident manager, if any, and other employees of the Association. The Association shall retain ownership of said handicapped sized parking stalls and shall adopt rules for the assignment and use of said handicap sized parking stalls.

5.8 Any and all apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT C

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein called and designated "**limited common elements**", are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(1) There are **one hundred forty-four (144) parking stalls**, identified in **EXHIBIT A** of this Condominium Public Report, are designated as limited common elements which shall be and are appurtenant to and reserved for the exclusive use of the respective apartments, as set forth in **EXHIBIT A** of this Condominium Public Report. Each two-bedroom apartment is assigned one regular sized parking stall as an appurtenant limited common element and each three-bedroom apartment is assigned one regular sized parking stall as an appurtenant limited common element.

(2) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments. Notwithstanding any provision herein to the contrary, all costs and expenses, including but not limited to, maintenance, repair, replacement, additions and improvements to any of the aforementioned limited common elements of the Project shall be charged to the owner of the apartment to which the limited common element is appurtenant.

EXHIBIT D

COMMON INTEREST TO BE CONVEYED TO BUYER

Each apartment shall have appurtenant thereto an **undivided interest** in and to all the common elements of the Project as set forth for such apartment in **EXHIBIT A** of this Condominium Public Report. Such interests are defined and referred to herein as the "**common interest**" and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting.

The common interest is based upon the ratio each apartment floor area bears to the total number of all apartments in the Project.

EXHIBIT E

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, County of Maui.

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

3. Easement for drainage purposes, in favor of the County of Maui, appurtenant to Lots 4, 5, 6, 8, 10 and 12, as set forth in that certain instrument dated April 18, 1973, filed April 19, 1973, with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 626880.

4. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in that certain Wailea Community Association Declaration of Covenants and Restrictions, dated December 19, 1986, filed December 29, 1986, as aforesaid as Document No. 1427923; said Declaration being amended by that certain instrument dated September 29, 1997, filed October 10, 1997, as aforesaid as Document No. 2408259.

5. Easement 390, for sewer purposes, as shown on Map 71, as set forth by land Court Order No. 125576, filed September 17, 1996.

6. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in that certain Declaration dated June 1, 1998, filed June 25, 1998, as aforesaid as Document No. 2466180.

7. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in that certain Deed dated May 27, 1998, filed June 30, 1998, as aforesaid as Document No. 2467606.

8. Condominium Map No. 1253, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

9. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in that certain Declaration of Condominium Property Regime dated July 16, 1998, filed on August 7, 1998, as aforesaid as Document No. 2476897.

10. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of Wailea Fairway Villas dated July 16, 1998, filed on August 7, 1998, as aforesaid as Document No. 2476898.

11. Any and all covenants, conditions, restrictions and easements encumbering the apartments herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, and/or as delineated on said Condominium Map.

EXHIBIT F

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartments	Monthly Maintenance Fee	Annual Maintenance Fee
92 2-BR Apartments	$269.38 X 92 = $24,782.96	$297,395.52
26 3-BR Apartments	$458.19 X 26 = $11,912.68	$142,955.28
TOTAL MAINTENANCE FEES	$36,695.64	$440,347.68

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

Estimate of Maintenance Fee Disbursements:

	Monthly x12 months = Yearly Total		
Utilities and Services			
Air Conditioning	N/A		
Electricity			
[x] common elements only	$3,300 x 12	=	$39,600
[ ] common elements and apartments	N/A		
Elevator	N/A		
Gas			
[x] common elements only	$85 x 12	=	$ 1,020
[ ] common elements and apartments	N/A		
Refuse Collection	$1,155 x 12	=	$13,860
Telephone	$60 x 12	=	$ 720
Water and Sewer	$5,492 x 12	=	$65,904
Maintenance, Repairs and Supplies			
Building	$ 1,214 x 12	=	$14,568
Grounds	$12,373 x 12	=	$148,476
Management			
Management Fee	$2,000 x 12	=	$24,000
Payroll and Payroll Taxes	$5,610 x 12	=	$67,320
Office Expenses	$ 592 x 12	=	$ 7,104
Insurance	$2,498 x 12	=	$29,976
Reserves(*)	$ 1,000 x 12	=	$12,000
Taxes and Government Assessments	$ 946 x 12	=	$11,352
Audit Fees	$ 370 x 12	=	$ 4,440
Other			
TOTAL	$36,695 x 12	=	$440,340

I, James Stephen Morgan, as agent, employed by Asset Property Management, Inc., the condominium managing agent for the Wailea Fairway Villas condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Signature

8-27-98
Date

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

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

Pursuant to the provisions of § 514A-83.6, Hawaii Revised Statutes, an new condominium association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

The foregoing Budget contains only nominal amounts for replacement reserves. The Developer, in arriving at the figure for "Reserves", has not conducted a replacement reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. Accordingly, the association will be required to conduct such replacement reserve study prior to the fiscal year which begins after the association's first annual meeting and will be required to include in its maintenance fee budget an appropriate amount for such replacement reserves.

EXHIBIT G

SALES CONTRACT PERTINENT PROVISIONS

1. The Sales Contract identifies the apartment, the common interest, the Purchase Price, the method of payment and the initial maintenance fees.

2. The Sales Contract provides that in the event that Buyer intends to finance the purchase of the Property, the Buyer shall absolutely and strictly comply with the following requirements:

(1) Buyer shall, unless already obtained and provided to Seller, within five (5) days following Buyer's execution of this Agreement, deliver to Seller a letter from a mortgage lender verifying that Buyer is "pre-qualified" for a mortgage loan in the amount which Buyer intends to finance.

(2) Buyer shall also, within five (5) business days from the acceptance of this Agreement by Seller, to apply to one (1) or more lending institutions for such loan. After the application has been made, Buyer will, on request, promptly execute and deliver all documents and take all steps necessary to complete the loan. If Buyer does not make the loan application within said five (5) business day period, Seller may, at its discretion elect to cancel this Agreement and refund Buyer's deposit, without interest, and less all Termination Costs.

(3) It is expressly understood and agreed that if the application for such loan or eligibility and credit approval therefore is rejected by the Lender at any time, or not approved, or notwithstanding Seller's acceptance of Buyer's written loan approval, if Buyer's written loan approval is subject to any contingency whatsoever, and if it reasonably appears that Buyer will not be able to satisfy such contingency on or before the Closing Date, Seller may, at its discretion and at any time, elect to cancel this Agreement and refund Buyer's deposit, without interest, and less all Termination Costs.

(4) At least thirty (30) calendar days prior to the Scheduled Closing Date, Buyer shall take all actions necessary, and pay all costs and fees required by Buyer's Lender, to obtain and close the mortgage loan on the Scheduled Closing Date. If Buyer has not obtained the mortgage loan, or the mortgage loan is not ready to close on the Scheduled Closing Date, Buyer shall be deemed in default under this Agreement and Seller shall be entitled to prosecute any remedy provided for under Hawaii law and/or Paragraph 26 of the Sales Contract (default remedies), and, in addition, at Seller's sole option, Seller may terminate the Sales Contract by written notice of termination to Buyer.

3. The Sales Contract provides for the Seller to increase the sales price if the development and construction of the Project is at any time delayed due to i) governmental restrictions or regulations, ii) the occurrence of fire, tsunami, rain, earthquake, act of God, the elements, war or civil disturbance, strikes or other labor disturbances, economic controls making it impossible to obtain necessary labor or materials, or other conditions beyond the control of Seller, or iii) Buyer's default; and if Seller determines that increases in the development and construction costs because of such delay require increases in the sales prices of the units in, the Project to maintain the financial feasibility of the Project, then and in such event the Seller may increase the Total Purchase Price for the Apartment, only to the extent necessitated

by said increases in the development and construction costs, and Seller shall notify the Buyer in writing of any such increases in the Total Purchase Price. After receipt of such notice, the Buyer shall have fifteen (15) calendar days within which to affirm or cancel this Agreement. If, within such fifteen (15) calendar day period, Buyer does not notify Seller in writing that Buyer elects to cancel or affirm this Agreement, Buyer shall be deemed to have affirmed this Agreement and the increased Total Purchase Price. The total amount of the increase shall be due and payable on the Scheduled Closing Date. If the Buyer notifies the Seller in writing, within such fifteen (15) calendar day period, of Buyer's election to cancel this Agreement, Seller shall cause escrow to refund to Buyer all deposits made pursuant hereto, without interest and less any escrow cancellation fee, and Seller may then offer said unit to other prospective buyers.

4. The Sales Contract provides that the Buyer shall pay, at the time of pre-closing, all Escrow fees, all costs in connection with Buyer's loan (including the costs of preparing the note and mortgage, and any points, fees, or other expenses payable to Buyer's Lender), the servicing fee, if any, all recording costs, all appraisal fees, charges for Buyer's credit reports, conveyance taxes or other fees for recording the Apartment Deed and any mortgage, cost of preparation of the Apartment Deed, the cost of any mortgagee's and owner's title insurance and title updates, all notary public fees, and Buyer's share of maintenance fees payable to the Association of Apartment Owners including the first month's maintenance fee and start-up fee equal to two (2) months' maintenance fees. The Sales Contract provides further that the Buyer will also pay Buyer's pro-rata share of the real property taxes and assessments, if any (pro-rated as of the Closing Date) and that any other closing costs shall be apportioned in a manner customary for real estate transactions of this nature in Honolulu, Hawaii.

5. The Sales Contract provides that any interest payable on monies deposited with Escrow Agent shall belong to and be payable to Developer.

6. The Sales Contract provides that all of the Buyer's rights, title and interest in the Sales Contract are subject and subordinate to the lien of any mortgage or mortgages now or later made in acquiring the fee simple interest in the land and to pay for construction and other associated development costs of the Project and to all advances made thereon.

EXHIBIT H

ESCROW AGREEMENT PERTINENT PROVISIONS

1. The Escrow Agreement by and between the Seller (the Developer of the condominium project) and **ISLAND TITLE CORPORATION**, a Hawaii corporation dated May 1, 1998, establishes how proceeds from sales of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

2. The Escrow Agreement provides that Escrow shall receive, deposit and hold in separate escrow accounts and disburse as herein set forth: (a) all payments received by it under Sales Contracts, (b) such sums received by it hereunder from or for the account of Seller and (c) all sums received by it from any other source with respect to' the Project, including sums received by Seller for up-grades to the unit, Escrow shall not at any time commingle or permit the commingling of any purchaser's funds with the funds belonging to or held for the benefit of Seller.

3. The Escrow Agreement provides for the collection of funds from the Buyer, as follows:

(a) Upon receipt of notice in writing from Seller that any payments are due under any Sales Contract, Escrow shall give notice in writing to the purchaser under any such Sales Contract and shall call for such payment to be made to Escrow.

(b) Escrow shall collect from each purchaser no later than the time of closing, real property taxes paid on the unit and to be reimbursed to Seller, interest on any portion of the purchase price not paid as and when due, and prorations and other sums due, as provided in the Sales Contract.

(c) Escrow shall also collect from each purchaser a start-up fee to Wailea Fairway Villas Association of Apartment Owners, in addition to the equivalent of two months maintenance fees.

4. The Escrow Agreement provides that the Escrow shall make no disbursements of purchaser's funds or proceeds from the sale of such units (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided hereinbelow, until Escrow has received a letter from Seller.

No disbursements of purchaser's funds shall be made from the balance of the escrow fund after payment of costs pursuant to this Agreement until Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared, unless sufficient funds are set aside for any bona fide dispute.

5. The Escrow Agreement provides that the purchaser shall be entitled to a return of any funds deposited by such purchaser, and Escrow shall pay such funds to such purchaser, without interest, as provided for in the Sales Contract, if one of the following has occurred:

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

(b) Seller notifies Escrow in writing of Seller's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Seller.

Should however a Sales Contract as specified above be cancelled, Escrow shall be entitled to a cancellation fee of $50.00. This compensation of Escrow shall be the sole expense of the individual purchaser and shall not in any way be the obligation of Seller.