CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer M-35 LLC, a Hawaii limited liability company
Address 150 N. Wacker Drive, Suite 1800, Chicago, Illinois 60606

Project Name (*): Maluhia at Wailea
Address: 3400 Wailea Alanui Drive, Wailea, Hawaii 96753

Registration No. 4421

Effective date: **November 27, 2000**
Expiration date: **December 27, 2001**

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 **FINAL: (white)** — The developer has legally created a condominium and has filed complete information with the Commission.
[ ] No prior reports have been issued.
[X] 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

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

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

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.

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

[x] Changes made are as follows:

1. **Page 5**: Goodfellow Bros., Inc. is identified as the General Contractor for the Project.

2. **Page 6**: The Declaration of Condominium Property Regime ("Declaration"), Condominium Map, and Bylaws of the Association of Apartment Owners of the Project ("Bylaws") have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, and the filing information therefor is provided.

3. **Page 7**: The Developer has adopted Community Rules for the Project.

4. **Page 10**: The buildings in the Project will have 1 floor (Greenhouse Apartments) or 2 floors (Multi-Use Facility).

5. **Page 14**: The title report for the Project site has been updated.

6. **Page 15**: There are now two (2) mortgages encumbering the Project site. Details on these mortgages are provided in Exhibit J to this Final Public Report.

7. **Page 16**: The description of the status of Construction and Estimated Date of Completion has been revised.

8. **Exhibit B**: Plans for the Multi-Use Facility have been finalized. The Multi-Use Facility will be a two-storey structure constructed primarily of concrete, CMU tiles, wood, aluminium, and glass.

9. **Exhibit C**: The Developer has made minor changes to conform the Special Use Restrictions - Pets to applicable statutory language.

10. **Exhibit J**: The list of Encumbrances Against Title was revised to reflect the current status of title. Exhibit J-1 to the Preliminary Public Report has been incorporated into the Unilateral Agreement which now encumbers the Project site.

11. **Exhibit L**: Exhibit L has been revised to reflect modifications to the Sales and Reservation Contract by the Developer

12. **Exhibit N**: Exhibit N has been revised by the addition of Sections 9, 10, and 11 thereof.

13. The **Declaration** has been amended, as follows:

a. Addition of Section 7.3.3, which reserves unto the Developer the right to cancel, terminate, or otherwise remove certain designated easements encumbering the Project site which, in the Developer's opinion, are unnecessary to development thereof.

b. Modification of Section 10.3.2B.6, to allow underground utility lines, trellises, and bay windows attached to Residential Apartments to be constructed outside of Buildable Areas.

c. Modification of Section 12.2.5, to permit an alternative method of computing and funding replacement reserves.

d. Modification of the Design and Construction Guidelines (Exhibit C), Section 7.3, to conform the provisions thereof to the provisions of Section 10.3.2.B.6 of the Declaration, as amended.

e. Modification of Exhibit 1 to Design and Construction Guidelines (Exhibit C), to realign the course of the sewerline easement at the southerly boundary of the Project Site, and to expand the Buildable Area for Site 14.

14. The **Bylaws** have been amended, as follows:

a. Addition of Section 2.12.1.8 regarding copies and facsimiles of proxies.

b. Modifications of Sections 2.13.1 and 2.13.3, regarding the distribution of proxies by officers, and by directors and Owners.

c. Modification of Section 6.5.6, to incorporate recently-enacted provisions of the Hawaii Condominium Property Act, Hawaii Revised Statutes Chapter 514A (the "Act"), regarding recovery of certain delinquent assessments from the purchaser of a foreclosed Apartment.

d. Modification of Section 6.5.9, to clarify the provisions thereof and conform said provisions to the relevant language of the Act.

e. Modification of Section 7.1.2(J), to clarify the provisions thereof and conform said provisions to the relevant language of the Act.

f. Modification of Section 7.1.3, to clarify the provisions thereof and conform said provisions to analogous provisions of the Declaration.

15. Section 9.3 of the **Community Rules** has been modified to clarify the provisions thereof and conform said provisions to the relevant language of the Act.

16. The **Reservation and Sales Contract** has been amended pursuant to the First Amendment to Reservation and Sales Contract, a copy of which is included with the Reservation and Sales Contract.

17. The **Warranty Deed** has been amended by deleting the reservation of rights set forth in Exhibit B to the prior form of the Warranty Deed, and by including language which clarifies that the title conveyed by the Warranty Deed is subject to certain rights of the Developer under the Declaration and Bylaws.

18. The **Management Contract** is included herewith.

19. The **Preliminary Report** for the Project site has been updated to reflect the current status of title.

20. The **Condominium Map** has been modified to realign the course of the sewerline easement at the southerly boundary of the Project Site, and to expand the Buildable Area for Site 14.

SPECIAL ATTENTON

This is a **CONDOMINIUM PROJECT**, not subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

1. This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have been complied with.

2. Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access of owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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EXHIBIT A:	Developer's Reserved Rights to Change the Declaration, Condominium Map, Bylaws, and/or Community Rules
EXHIBIT B:	Buildings and Other Improvements
EXHIBIT C:	Special Use Restrictions - Pets
EXHIBIT D:	Special Use Restrictions - Other
EXHIBIT E:	Boundaries of Apartments
EXHIBIT F:	Permitted Alterations to Apartments
EXHIBIT G:	Additional Information on Parking Stalls
EXHIBIT H:	Recreational and Other Common Facilities

EXHIBIT I: Common Elements of the Project
EXHIBIT J: Encumbrances Against Title
EXHIBIT K: Estimated Common Expenses
EXHIBIT L: Summary of Sales Contract
EXHIBIT M: Summary of Condominium Escrow Agreement
EXHIBIT N: Additional Information Not Covered Above

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: M-35 LLC
Name*
150 No. Wacker Drive, Suite 1800
Business Address
Chicago, Illinois 60606
Phone: (312) 704-0400
(Business)

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary)

I2H Management Company, LLC, a Delaware limited liability company, is the manager of M-35 LLC. Robert W. Harte is the sole member of I2H Management Company, LLC.

Real Estate Broker*: Maluhia Properties, LLC
Name
1955 Main Street
Business Address
Wailuku, Hawaii 96793
Phone: (808) 874-5851
(Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen Street
Business Address
Honolulu, Hawaii 96813
Phone: (808) 521-0211
(Business)

General Contractor: Goodfellow Bros., Inc.
Name
P.O. Box 220
Business Address
Kihei, Hawaii 96753-0220
Phone: (808) 879-5205
(Business)

Condominium Managing Agent*: Hawaiiana Management Company, Ltd.
Name
711 Kapiolani Blvd., Suite 700
Business Address
Honolulu, Hawaii 96813
Phone: (808)593-9100
(Business)

Attorney for Developer: Clifford J. Miller, Esq./Andrew W. Char, Esq.
Name
McCorriston Miller Mukai MacKinnon LLP
P.O. Box 2800
Business Address
Honolulu, Hawaii 96803-2800
Phone: (808) 529-7300
(Business)

For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

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. 2664565

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. 1384

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. 2664566

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

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [x] Adopted (Community Rules) [ ] Developer does not plan to adopt House Rules

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	—	Majority of the Board of Directors of the Association of Apartment Owners

* 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:

See Exhibit A attached hereto and by this reference incorporated herein.

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: 3400 Wailea Alanui
Wailea, Hawaii 96753

Tax Map Key (TMK): (2) 2-1-8-062

[ ] Address [ ] TMK is expected to change because n/a

Land Area: 10.578 [ ] square feet [X] acre(s) Zoning: H-2 (Hotel)

Fee Owner: M-35 LLC
Name
150 N. Wacker Drive, Suite 1800
Address
Chicago, Illinois 60606

Lessor: n/a
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: 15 Floors Per Building: 1 or 2

[x] Exhibit B contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [ ] Wood

[x] Other See Exhibit B attached hereto and by this reference incorporated herein.

4. Uses Permitted by Zoning:

		No. of Apts.	Use Permitted By Zoning	
[x]	Residential		[x] Yes	[ ] No
[ ]	Commercial		[ ] Yes	[ ] No
[x]	Mix Res/Comm	1	[x] Yes	[ ] No
[ ]	Hotel		[ ] Yes	[ ] No
[ ]	Timeshare		[ ] Yes	[ ] No
[ ]	Ohana		[ ] Yes	[ ] No
[ ]	Industrial		[ ] Yes	[ ] No
[ ]	Agricultural		[ ] Yes	[ ] No
[ ]	Recreational		[ ] Yes	[ ] No
[x]	Other (Green house)	14	[x] 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: See Exhibit C attached hereto and by this reference incorporated herein.

[ ] Number of Occupants: _____

[x] Other: See Exhibit D attached hereto and by this reference incorporated herein.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Greenhouse	14	0		89	
Commercial	1	0	110	0	

Total Number of Apartments: 15

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

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

Boundaries of Each Apartment: See Exhibit E attached hereto and by this reference incorporated herein.

Permitted Alterations to Apartments: See Exhibit F attached hereto and by this reference incorporated herein.

Apartments Designated for Owner-Occupants Only: *
Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has _____ elected to provide the information in a published announcement or advertisement.

*Pursuant to Hawaii Administrative Rules § 16-107-28, the Maluhia at Wailea condominium project is exempt from the provisions of Part VI, Sales to Owner-Occupants, of chapter 514A, HRS.

7. Parking Stalls:

Total Parking Stalls: 15

	Regular Covered	Regular Open	Compact Covered	Compact Open	Tandem Covered	Tandem Open	TOTAL
Assigned (for each unit)	0	0	0	0	0	0	0
Guest	0	0	0	0	0	0	0
Unassigned	0	15	0	0	0	0	15
Extra for Purchase	0	0	0	0	0	0	0
Other: _____	0	0	0	0	0	0	0
Total Covered & Open:	15		0		0		15

Each apartment will have the exclusive use of at least n/a parking stall(s). *See Exhibit G attached hereto and by this reference incorporated herein.
Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

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

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

[x] Other: See Exhibit H attached hereto and by this reference incorporated herein.

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 I attached hereto and by this reference incorporated herein.

[ ] 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 I attached hereto and by this reference incorporated herein.

[ ] as follows:

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

[ ] described in Exhibit _____.

[x] as follows:

Each of Apartments 1 through 9:	7.142%
Each of Apartments 10 through 13:	7.144%
Apartment 14:	7.146%
Commercial Apartment:	0.0%

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 J describes the encumbrances against the title contained in the title report dated November 17, 2000 and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
Mortgages (2)	If the Developer defaults under either Mortgage after entering into a Sales Contract for an apartment, but before such apartment is conveyed to the Buyer thereof, the mortgagee under such mortgage will have the right to decide whether to sell the apartment to such Buyer or to terminate such Buyer's interest under the Sales Contract. If the mortgagee elects to terminate such Buyer's interest under the Sales Contract, the Buyer's deposit will be refunded to such Buyer, less the escrow termination fee.

F. **Construction Warranties:**

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

1. Building and Other Improvements: None.

2. Appliances: None.

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

Construction, including grading and construction and installation of the project infrastructure, commenced on October 6, 2000. Such construction is estimated to take approximately six (6) months. Construction of the Greenhouse Residential Apartments should be completed either simultaneously with the completion of said grading, construction, and installation, or shortly thereafter. The Multi-Use Facility is expected to be completed in July 2001.

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 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 K 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 [ ] Electricity (___ Common Elements only ___ Common Elements & Apartments)

[ ] Gas (___ Common Elements only ___ Common Elements & Apartments)

[ ] Water [ ] Sewer [ ] Television Cable

[x] Other See below.

[x] Water (Common Elements, excluding Limited Common Elements)
[x] Sewer (Common Elements, excluding Limited Common Elements)
[x] Gas (Common Elements, excluding Limited Common Elements)
[x] Electricity (Common Elements, excluding Limited Common Elements)
[x] TV Cable (Common Elements, excluding Limited Common Elements)

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 L contains a summary of the pertinent provisions of the sales contract.

[x] Escrow Agreement dated April 25, 2000
Exhibit M contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

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

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

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

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

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

A) The Developer delivers to the buyer a copy of:
   1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

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

C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

B) The buyer has not waived the right to rescind.

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

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4421 filed with the Real Estate Commission on May 11, 2000.

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

[ ] YELLOW paper stock [x] WHITE paper stock [ ] PINK paper stock

C. **Additional Information Not Covered Above**

See Exhibit N attached hereto and by this reference incorporated herein.

D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report.)

E. 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.

M-35 LLC,
a Hawaii limited liability company

By: I2H MANAGEMENT COMPANY, LLC,
a Delaware limited liability company,
Its Manager

By: Robert W. Harte
Robert W. Harte
Its Member

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.

Exhibit A

Developer's Reserved Rights to Change
the Declaration, Condominium Map, Bylaws, and/or Community Rules

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), and/or Community Rules of Maluhia at Wailea ("Community Rules") (collectively, the "Condominium Documents"). The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

The Developer has reserved certain rights permitting it to amend or modify the Declaration, Condominium Map, Bylaws, and/or Community Rules, as follows:

1. Declaration, Section 10.1.1.A (Construction and/or Modification by the Developer).

The Developer may amend, in its sole discretion from time to time, the Declaration and the Condominium Map in connection with any construction or Modifications undertaken pursuant to **Section 10.1.1** of the Declaration. Said **Section 10.1.1** reserves to the Developer the right, up to and including the expiration of the Development Period, without the vote or consent of the Board or any other Person, to undertake any construction and/or Modifications of any Apartment owned by the Developer and the Limited Common Elements appurtenant thereto, and/or any Common Elements, excluding Limited Common Elements appurtenant to any Apartment owned by others. Said right, includes, without limitation:

a. The unrestricted right at any time, for so long as the Developer owns any Apartment, to alter the Buildable Area appurtenant to any such Apartment by one or more amendments to the Condominium Map, in any manner and to any extent which the Developer shall determine in its sole discretion; and

b. The right to combine, relocate, and otherwise reconfigure the Buildable Areas and Limited Common Elements which are appurtenant to two adjoining Apartments, if and so long as the Developer owns both of said Apartments. Such amendment(s) may be made unilaterally by the Developer and without requiring the consent or joinder of the Board of Directors or any other Apartment Owner.

2. Declaration, Section 18.2.1 (Consent; Special Power of Attorney).

The Developer has the right under **Section 18.2** of the Declaration to amend the Declaration, Bylaws, and/or Condominium Map in connection with the exercise by the Developer of any of the Developer's Reserved Rights under the Declaration and the Bylaws, which include, without limitation, the rights reserved to the Developer under Sections **7.1.4** through **7.1.7, 7.1.14, 27.3, 9.4, 10.1.1, 10.1.2, 11.1, 18** through **24,** and **26.4** of the Declaration, and under **Sections 7.4** and **10.2.2** of the Bylaws.

3. Declaration, Section19 (Developer's Reserved Right to Reconfigure Project).

The Developer may execute, acknowledge and record one or more amendments to the Declaration and to the Condominium Map in connection with the exercise of its rights under **Section 19** of the Declaration, which reserves unto the Developer the right, from time to time and at any time prior to the expiration of the Development Period, to reconfigure the Project by:

a. Increasing or decreasing the size of any Limited Common Elements and/or Buildable Area appurtenant to any Residential Apartment owned by the Developer, modifying the Height Restrictions, or otherwise reconfiguring such Buildable Area and/or Limited Common Elements;

b. Combining and reconfiguring Buildable Areas and Limited Common Elements which are appurtenant to two adjoining Residential Apartments, if and as long as the Developer owns both of said Apartments;

c. Relocating the Buildable Areas for Residential Apartments owned by the Developer;

d. Redesignating existing Limited Common Elements appurtenant to Apartments owned by the Developer; and

e. Increasing or decreasing the size of, and/or relocating, Common Elements or the Commercial Apartment; provided, however, that such increase, decrease, and/or relocation does not have a material adverse effect on any Owner's use or enjoyment of such Owner's Apartment or the Limited Common Elements appurtenant thereto. The above-described rights of the Developer are subject to certain limitations set forth in the Declaration, including without

limitation, the following terms and conditions: (1) Apartments which are to be relocated and Limited Common Elements which are to be redesignated must be owned by the Developer at the time of such relocation and redesignation; (2) any reconfiguration of Common Elements under said **Section 19** shall not have a material adverse effect on any Owner's use or enjoyment of Common Elements; and (3) the Developer shall pay all costs of associated with its exercise of the Developer's Reserved Rights under said **Section 19**.

Any Amendment to the Condominium Map authorized by said **Section 19** shall show (i) the floor plans and elevations of the additional building or buildings, and (ii) such additional or amended floor plans and elevations as may be necessary or appropriate. Such amendment shall be accompanied by the verified statement of a registered architect or professional engineer stating that such amendment is an accurate copy of portions of such floor plans or elevations as filed with and approved by the governmental agency having jurisdiction over the issuance of permits for the construction of such buildings.

4. Declaration, Section 20 (Developer's Reserved Right To Add Additional Improvements On The Land and To Modify Existing Improvements).

The Developer may record amendments to the Declaration and Condominium Map in connection with the Developer's exercise of the rights reserved to it under **Section 20** of the Declaration to design, develop, construct, add, and complete Additional Improvements on the Land, and to Modify any Improvements on the Land, including, without limitation, Apartments and Secondary Structures, from time to time and at any time prior to the expiration of the Development Period. Said rights include, without limitation, the rights to (a) to remove, Modify or add Common Elements (but not Limited Common Elements); (b) to remove, alter or add parking stalls; (c) to connect Additional Improvements to utilities; (d) to construct, relocate, expand, and/or Modify any Apartment or Secondary Structure; (e) to amend any prior instrument of conveyance of an Apartment to conform the same to the Declaration, as amended as aforesaid, and/or record a new instrument of conveyance for the same purpose; and (f) to undertake all actions described in **Section 22** of the Declaration.

Said rights are subject to certain limitations set forth in the Declaration, including, without limitation, the following terms and conditions:

a. Construction shall be in accordance with the plans and specifications therefor prepared by a licensed architect or engineer, approved by the governmental agency having jurisdiction over the issuance of building permits for the Improvements, and consistent with the Declaration (including, without limitation, the Design Guidelines) and the Bylaws, and shall be consistent with other Improvements in the Project in terms of quality of construction and finish, as determined by the Developer in its sole discretion;

b. No plans or specifications shall provide for the Modification or demolition

of any Apartments or Limited Common Elements not owned by the Developer unless approved in writing by the Owner thereof prior to the commencement of such demolition or Modification; provided, however, that the Developer shall have the right to utilize, relocate and realign existing, and/or to develop additional, central and appurtenant installations for services to the Additional Improvements for electricity, hot and cold water, air conditioning and other applicable utilities and services and, when applicable, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements as necessary or desirable in connection therewith; provided, however, that the same shall not cause any interruption, other than a temporary interruption, in the service of such utilities to any other part of the Project;

c. Construction of Additional Improvements shall be completed within a reasonable period of time following the commencement thereof, subject to extension for delays beyond the control of the Developer;

d. During the entire course of any construction pursuant to said **Section 20**, the Developer will cause to be maintained, at its expense, builder's risk insurance in an amount not less than the estimated cost of construction, which shall name the Association and Managing Agent as additional insureds, and evidence of such insurance shall be deposited with the Board and Managing Agent;

e. The Developer may assign, by way of security, its interest in any Apartments owned by the Developer in connection with the financing of such construction, but shall not in any way encumber Apartments not owned by the Developer;

f. The Developer shall not make any Modifications to any Residential Apartment not owned by the Developer or to the Limited Common Elements appurtenant to such Apartment, unless such Modifications are approved in writing by the Owner of such Apartment prior to the commencement of such Modifications; and

g. The Developer shall obtain bonds satisfying the requirements of the Condominium Property Act, if required thereunder.

5. Declaration, Section 21 (Developer's Reserved Right to Subdivide and Delete Areas).

The Developer may record amendments to the Declaration and Condominium Map in connection with the Developer's exercise of the rights reserved unto it under **Section 21** of the Declaration, which permit the Developer, from time to time and at any time prior to the expiration of the Development Period: to subdivide the Land; to alter the Project by withdrawing and deleting from the Project any Apartments owned by the Developer and the Limited Common Elements appurtenant to such Apartments; and to reserve in favor of and grant to such withdrawn Apartments and Limited Common Areas such easements as are granted thereto under **Section 7** hereinabove or any other recorded document or instrument.

Said rights are subject to certain limitations set forth in the Declaration, including, without limitation, the following terms and conditions:

a. The Developer may not delete any portion of the Land which (a) contains any Apartment not owned by the Developer or any Limited Common Element appurtenant to an Apartment not owned by the Developer, or (b) contains any Common Element; provided, however, that the Developer may reserve in favor of the Land and/or Improvements to be deleted from the Project any easements described in **Section 7** of the Declaration and/or by any other recorded document; and

b. The Developer shall pay all costs of any subdivision of and deletion from the Land; provided, however, that under no circumstances shall the Developer be required to pay any compensation or other sums on account of the portion of the Land deleted.

6. Declaration, Section 23 (Developer's Reserved Right to Modify Project to Comply With Law).

Under **Section 23** of the Declaration, the Developer may execute, record and deliver any amendments to the Declaration, Condominium Map, Bylaws, and Rules and Regulations, as may be necessary or required to bring the Improvements, Association, or Developer into compliance with Laws and Regulations which apply thereto, including, without limitation, the Fair Housing Act, as amended, 42 U.S.C. §§3601 *et seq.*, and any and all rules and regulations promulgated thereunder, the Americans With Disabilities Act, as amended, 42 U.S.C. §§12101 *et seq.*, and the Maui County Code and all rules and regulations promulgated thereunder.

7. Declaration, Section 24 (Developer's Reserved Right Regarding Permits and Licenses).

Under **Section 24** of the Declaration, the Developer may amend the Declaration and/or Condominium Map to satisfy the requirements of permits or licenses applicable to the Project, and in connection therewith, may designate, grant, convey, transfer, cancel, relocate, and otherwise deal with any easements over, under, across or through the Common Elements as necessary and desirable in connection therewith.

8. Declaration, Section 26.4 (Developer's Reserved Right to Amend In General).

a. The Developer may also amend the Declaration pursuant to **Section 26.4** of the Declaration, which provides:

i. The Developer acting alone shall have the reserved right, as to each phase or increment of the Project, to amend the Declaration to file the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Condominium Property Act; provided,

however, that (i) such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, Apartment numbers and dimensions of the Apartments as built, or (ii) any plans filed therewith involve only immaterial changes to the layout, location, Apartment numbers, or dimensions of the Apartments and Common Elements as built.

ii. The Developer shall have the reserved right to amend the Declaration and Condominium Map from time to time, as may be required in connection with any exercise of any of the Developer's Reserved Rights, including, without limitation, reconfiguration of the Project pursuant to **Section 19** of the Declaration, and construction or Modification of the Improvements as permitted by **Sections 10.1, 20**, and **22** of the Declaration. Said amendment(s) may be made unilaterally by Developer and without the consent or joinder of the Board of Directors or any other Owner.

iii. At any time prior to the recording of the first deed conveying an Apartment, or an undivided interest therein, to a party who is not a signatory to the Declaration and other than to any mortgagee of the Developer, the Developer shall have the reserved right to amend the Declaration, Bylaws and Condominium Map, without the consent, approval or joinder of any purchaser of an Apartment or any interest therein.

iv. The Developer shall have the right to amend the Declaration, Bylaws, and/or Condominium Map without the consent or joinder of any Apartment Owner, lienholder or other person for the purpose of (i) meeting any requirement imposed by any applicable law, any institutional mortgage lender or any governmental or quasi governmental agency, whether for purposes of registering the Project for sale or otherwise, or (ii) correcting any misstatements of fact in the Declaration, Bylaws and/or Condominium Map, including, but not limited to, the correction of errors in the legal description of the Land or on the Condominium Map.

b. The right of the Developer to amend the Declaration, Condominium Map, and/or Bylaws is subject to certain terms and conditions, including, without limitation, the following:

i. Except as otherwise provided in the Declaration, no amendment of the Declaration shall effect a change in: (1) the boundaries of any Apartment, Limited Common Element, or the exclusive easement rights appertaining thereto, (2) the Common Interest of any Apartment, or (3) the permitted uses and restrictions on the use of any Apartment or its appurtenant Limited Common Elements, unless the record Owner of the Apartment and any mortgagee of such Apartment shall join in the execution of the amendment.

9. Bylaws, Section 10.2.2 (Developer's Reserved Rights to Amend).

The Developer acting alone shall have the right to amend the Bylaws at the times and under the circumstances described in the Declaration.

10. Other Developer's Reserved Rights.

In addition to the Developer's Reserved Rights permitting the Developer to amend or modify the Declaration, Condominium Map, Bylaws, and/or Community Rules described in this **Exhibit A** hereinabove, the Declaration and Bylaws provide for other rights reserved unto the Developer.

Exhibit B

Buildings and Other Improvements

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), and/or Community Rules of Maluhia at Wailea ("Community Rules") (collectively, the "Condominium Documents"). The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

1. Number of Buildings.

The Project will consist initially of fifteen (15) buildings, as follows:

a. The Multi-Use Facility described in the Declaration, which will be a two-storey structure containing: (1) a Beach Club for the common use of Residential Apartment Owners; (2) the Commercial Apartment, which will serve as an office for the operation and management of the Project; and (3) the Residential Manager Dwelling Unit, which may serve as the residence of the Project's resident manager/concierge; and

b. Fourteen (14) Greenhouse Residential Apartments, as described in the Declaration.

2. Principal Construction Material.

a. The Multi-Use Facility will be a two-storey structure constructed primarily of concrete, CMU tiles, wood, aluminium and glass.

b. The Greenhouse Residential Apartments will be post-on-pier structures, constructed primarily of wood, with lattice and shade cloth for the doors, as more particularly described in **Exhibit B** to the Declaration.

3. Single-Family Condominium Residences.

It is contemplated that owners of Greenhouse Residential Apartments will replace such Apartments with single-family condominium residences, to be constructed in accordance with the requirements therefor set forth in the Condominium Map and Declaration, including, without limitation, the Design Guidelines, which contain detailed specifications on principal construction materials for, and styles of, and size and height restrictions for, such single-family condominium residences.

Exhibit C

Special Use Restrictions – Pets

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), and/or Community Rules of Maluhia at Wailea ("Community Rules") (collectively, the "Condominium Documents"). The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

1. No livestock, poultry, or other animals whatsoever shall be allowed or kept in any part of the Project, except as follows:

a. Subject to the conditions and restrictions of the Bylaws and Community Rules,, dogs, cats, or other typical household pets (each referred to hereinafter as a "pet" and more than one as "pets"), such as guinea pigs, rabbits, fishes, or birds, may be kept by occupants within their respective Apartments or Limited Common Elements.

b. Pets may enter upon Common Elements not constituting part of a Limited Common Element for purposes of ingress to and egress from the Apartments and Limited Common Elements in which they are kept; provided, however, that all such pets while upon such Common Elements shall be accompanied by its owner or keeper and shall be kept in a cage or on a leash.

c. Except for fishes and birds, no more than two (2) pets per Apartment shall be allowed without the express consent of the Board, which consent shall not be unreasonably withheld.

d. No animal described as pests under H.R.S. §150A-2 or prohibited from importation under H.R.S. §141-2, §150A-5, or150A-6 shall be kept in the Project.

2. No animals shall be kept, bred, or used in any Apartments or Limited Common Elements for any commercial purpose.

3. Notwithstanding any provision to the contrary contained in the Declaration, Bylaws, or Community Rules, certified guide dogs and signal dogs (as identified below) and other such animals trained to provide those life activities limited by the disability of a person (hereinafter collectively referred to as "service animals") shall be permitted in the Project, subject, however, to the following restrictions:

a. Such service animals shall not be kept, bred, or used at the Project for any commercial purpose.

b. Such service animals shall be permitted on Common Elements which do not constitute part of a Limited Common Element (including, but not limited to, the recreation areas), provided that the service animal is on a leash. The Board may from time to time promulgate such Rules and Regulations regarding the continued presence of service animals as the circumstances may require or the Board may deem advisable.

c. The term "guide dog" shall mean "any dog individually trained by a licensed guide dog trainer for guiding a blind person by means of a harness attached to the dog and rigid handle grasped by the person", as defined in H.R.S. §515-3(8), as the same may be amended from time to time.

d. The term "signal dog" shall mean "any dog trained to alert a deaf person to intruders or sounds," as defined in H.R.S. §515-3(8), as the same may be amended from time to time.

4. Any pet or service animal causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board or the Managing Agent; provided, however, that any such notice given with respect to a service animal shall provide that before such animal must be removed, the owner of such pet shall have a reasonable time to acquire a replacement service animal unless the Board determines that such animal poses an imminent serious threat of physical harm to other occupants of the Project.

5. A tenant of an Owner shall obtain the written consent of the Owner to keep any pet in such Owner's apartment. Notwithstanding such consent, a tenant may keep only the type of pet permitted by the Bylaws and Community Rules.

6. Any occupant who keeps a pet pursuant to the Bylaws and Community Rules may replace such pet upon its death, and may continue to replace such occupant's pets so long as the occupant continues to reside in the Apartment or another Apartment in the Project, subject to the Bylaws and Community Rules.

Exhibit D

Special Use Restrictions – Other

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), and/or Community Rules of Maluhia at Wailea ("Community Rules") (collectively, the "Condominium Documents"). The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

The Developer has set forth in the Declaration and Bylaws certain restrictions on the use and occupancy of the Apartments in the Project, as follows:

1. Purposes, Permitted Uses, and Restrictions On Use.

a. Permitted Uses of Residential Apartments and Limited Common Elements. Each Residential Apartment and its appurtenant Limited Common Element shall be used only for the following purposes: (a) as a greenhouse; (b) following suitable Modifications or expansion of an Apartment by its Owner(s) in accordance with the provisions of **Section 10** of the Declaration and applicable Laws and Regulations, as a detached single-family condominium residence in accordance with applicable laws, the Declaration and Bylaws; and (c) for any other purposes permitted by applicable zoning and land use laws and regulations, the Declaration, and Bylaws.

b. Permitted Uses of Common Elements. Subject to the rights reserved by the Developer elsewhere in the Declaration or Bylaws, each Apartment Owner may use the Common Elements in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of the other Apartment Owners, subject to the following:

i. Rights of the Association. The right of the Board, Association and/or Owners to change the use of the Common Elements or to lease or otherwise use the Common Elements for

the benefit of the Association; subject, however, to the limitations contained in the Condominium Property Act, including, without limitation, H.R.S. § 514A-13(d), as that section may be amended from time to time.

ii. Limited Common Elements. The exclusive use of the Limited Common Elements appurtenant to such Owner's Residential Apartment as provided in the Declaration.

iii. Resident Manager Dwelling Unit. The right of the Developer or Association to use the Resident Manager Dwelling Unit for the use and benefit of the Project as the Developer or Association may determine, including, without limitation, granting to any employees of the Association or Developer the right to the use thereof as a residence, and subject to such terms and conditions as may be set forth in the Declaration, Bylaws, Rules and Regulations, or any agreement entered into by and between such employee(s) and the Association or Developer.

c. Restrictions and Limitations on Use. Uses of the Project, Common Elements, and each of the Apartments and Limited Common Elements shall be subject to the following limitations and restrictions:

i. Expansion, Relocation, and Construction. The Owner(s) of each Apartment shall have the rights to construct, expand, and relocate such Apartment, subject to such limitations as are set forth in the Declaration or on the Condominium Map.

ii. Leasing and Conveyances. The Owner of each Apartment shall have the absolute right to sell, lease, rent or otherwise transfer such Apartment, subject to all provisions of the Act, Declaration, Bylaws and applicable law; provided, however, that the term of any lease, rental and other tenancy arrangement shall be for not less than sixty (60) consecutive calendar days. Any lease or agreement for the rental of an Apartment shall provide that it shall be subject in all respects to the provisions of the Condominium Documents, and that the failure of the lessee or tenant to comply with the terms of the Condominium Documents shall be a default under such lease or rental agreement.

iii. Nuisances. An Apartment Owner shall not use such Owner's Apartment for any purpose which will create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants, except for (i) the nuisances or disturbances for which such Owner has been granted an express easement under the Declaration, and (ii) the normal and reasonable inconveniences associated with construction or maintenance of a residence or other Improvements.

iv. Commercial Uses.

(1) No Residential Apartment or Limited Common Element shall be used for commercial or industrial purposes. Notwithstanding the foregoing, the Developer may promote the sale of Apartments and each Owner of an Apartment may promote the resale of such Owner's

respective Apartment, provided that such promotion shall be done in a reasonable manner and in conformity with the terms and conditions of the Declaration, Bylaws, and Rules and Regulations.

(2) The Commercial Apartment shall be used for commercial purposes; provided, however, that such commercial purposes shall be strictly limited to the management, maintenance, and operation of the Project, and other activities solely for the collective benefit of the Project, and Owners and occupants of Apartments.

v. No Ohana Dwellings. No residential dwellings other than the Residential Apartments shown on the Condominium Map, as such Residential Apartments may be relocated, expanded, or improved, and the Resident Manager Dwelling Unit shall be permitted in the Project. The prohibition applies to ohana dwellings.

vi. Vehicles, Boats and Trailers.

(1) No Owner shall park any automobile, truck, motorcycle, motor-scooter, golf-cart or other mechanized cart, trailer, boat, or any other vehicle or craft in any part of the Project other than in the Owner's Limited Common Elements.

(2) No Owner shall permit any trailer, boat, or other craft, or any motor vehicle other than vehicles intended primarily for the transport of seven (7) or fewer persons to be visible from any Apartment or Common Element other than such Owner's Apartment and Limited Common Elements designated for such purpose for more than ten (10) consecutive hours.

(3) No vehicle, boat, trailer, or other mechanical equipment shall be dismantled, serviced or repaired on any site within view of any Apartment or Common Element other than such Owner's Limited Common Elements.

vii. Pools. Pools, spas and water features shall be maintained in accordance with all applicable Laws and Regulations, including, without limitation, those of the Department of Health of the State of Hawaii. In the event that any pool, spa or water feature becomes a nuisance or is abandoned, such structure shall be removed by the owner thereof and the area restored and landscaped in accordance with plans and specifications approved by the Board prior to commencement of work. All pools, spas, water features and equipment shall be drained using appropriate government- and Association-approved measures, and in no way shall water be directed to other Apartments, Limited Common Elements, adjacent real property, the beach adjacent to the Land, or the ocean.

viii. Refuse. Each Owner shall ensure that all refuse receptacles are tightly covered and not visible from any Apartment or Common Element other than such Owner's Apartment or Limited Common Elements. Enclosures for refuse receptacles for each Apartment shall be located within the Limited Common Element appurtenant to such Apartment, and shall be

of a design and color which are compatible with the exterior design and color of such Apartment. No refuse, garbage, or trash of any kind shall be thrown, placed, or kept on any Common Elements of the Project outside of the disposal facilities provided for such purpose. All Owners and their tenants shall comply with all rules which may be promulgated by the Association regarding the sorting and disposal of various types of refuse, garbage and trash.

ix. Prohibition Against Uses Which Would Increase Insurance Rates. No Owner shall use any Apartment or Limited Common Element for any purpose or in any manner which would cause the cancellation of any policy of insurance, or increase the existing rate of insurance, for the Project.

x. No Obstruction of Common Elements. No Owner or occupant shall place, store, or maintain on walkways, roadways, grounds, or other Common Elements not constituting a part of any Limited Common Element any furniture, packages, or objects of any kind or otherwise obstruct transit through such Common Elements.

xi. Noise. Except as otherwise permitted in the Condominium Documents, no Apartment Owner shall make any noise or permit any noise to be made by such Owner's tenants, employees, guests, customers, or invitees, which will unreasonably annoy or interfere with the rights, comfort or convenience of other Apartment Owners or occupants of the Project. Without limiting the generality of the foregoing, the level of noise emanating from any Site shown on the Condominium Map ("Site"), as measured from any boundary of such Site shall not exceed the most restrictive of:

(1) The maximum noise level for single family residential districts under County ordinances,

(2) The maximum noise level permitted under recorded covenants applicable in the Wailea area, and

(3) The following levels:

(a) From 7:00 a.m. to 10:00 p.m.: Maximum noise level: 55 decibels at the "A" level.

(b) From 10:00 p.m. to 7:00 a.m.: Maximum noise level: 45 decibels at the "A" level.

xii. No Clotheslines, Etc. No clotheslines shall be erected in the Project. No garments, rugs, or other objects shall be hung from the windows or facades of any Apartment.

xiii. Outdoor Furniture. All furniture which is placed or maintained on the exterior

lanai of any Apartment and which is visible from any point outside such Apartment shall meet the design and color standards prescribed by the Board.

xiv. Antennas, Etc. Subject to applicable Laws and Regulations, including, without limitation, 47 Code of Federal Regulations (C.F.R.) §1.4000, no Apartment Owner or occupant shall without the written approval of the Board install any wiring for electrical or telephone installations, television antenna and/or "dishes" for the reception of electronic signals, machines, or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of an Apartment or Secondary Structure or protruding through the walls, windows, or roof of an Apartment or Secondary Structure.

Exhibit E

Boundaries of Apartments

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), and/or Community Rules of Maluhia at Wailea ("Community Rules") (collectively, the "Condominium Documents"). The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

The boundaries of the Residential Apartments and the Commercial Apartment are as follows:

(1) Residential Apartments (Apartments 1 through 14). Each of Apartments 1 through 14 (whether in its configuration as a Greenhouse Residential Apartment or as a single-family condominium residence constructed in accordance with the Declaration, including the Design Guidelines) is comprised of the exterior finished surfaces of all exterior walls, roofs, doors, windows; the exterior surfaces of all floors, basements, foundations, and underpinnings of the Apartment; and the interior spaces, structures, and fixtures bounded thereby.

(2) Commercial Apartment.

(a) The Commercial Apartment is comprised of walls and partitions which are not load-bearing and are within the perimeter or party walls of the Commercial Apartment; all movable lanai doors and their door frames, and louvers (if any); the inner decorated or finished surfaces of all perimeter walls, panels, windows and window frames, doors (except movable lanai doors) and their door frames, floors and ceilings; any lanai for the exclusive use of the Commercial Apartment shown on the Condominium Map extending to the inner decorated or finished surfaces of the exterior perimeter walls of such lanai and to the exterior edge of the exterior railings or other boundaries of such lanai; and all fixtures originally installed therein.

(b) The Commercial Apartment shall not include the undecorated or unfinished exterior surfaces of the perimeter or party walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, supports, floors and ceilings surrounding the Commercial Apartment, or any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or the spaces comprising the enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within the Commercial Apartment which are utilized for or serve the Beach Club, Resident Manager Dwelling Unit, or other Common Elements in the Multi-Use Facility, the same being deemed Common Elements as provided in the Declaration.

Exhibit F

Permitted Alterations to Apartments

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), and/or Community Rules of Maluhia at Wailea ("Community Rules") (collectively, the "Condominium Documents"). The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

The following alterations to Apartments are permitted:

1. Greenhouse Residential Apartments. Greenhouse Residential Apartments may be reconstructed, constructed, altered, expanded, relocated, and/or Modified to single-family condominium residences of at least four thousand (4,000) square feet of total floor area in accordance with the terms and conditions of the Declaration, including, without limitation, **Section 10** thereof, the Design Guidelines attached thereto as **Exhibit C**, and the Condominium Map.

2. Single-Family Condominium Residences. Apartments which are single-family condominium residences may be reconstructed, constructed, altered, expanded, relocated, and/or Modified from time to time in accordance with the terms and conditions of the Declaration, including, without limitation, **Section 10** thereof, the Design Guidelines attached thereto as **Exhibit C**, and the Condominium Map.

3. Restrictions on Alterations. The Declaration, including, without limitation, the Design Guidelines, establishes detailed specifications for the size, height, location, requisite setbacks, color, design, and building materials of all Apartments and other Improvements within the Project. The Design Guidelines also require that all architects and contractors retained to design and build the residences be approved by the Developer during the Development Period and the Board after the Development Period. All alterations to any Apartment or Secondary Structure which has

an effect on the structural integrity or exterior appearance of such Apartment or Secondary Structure shall comply with the requirements set forth in **Section 10** of the Declaration and the Design Guidelines, and shall be subject to the prior review and approval by the Developer during the Development Period and the Board after the Development Period in accordance with **Section 11** of the Declaration and **Section 10** of the Design Guidelines.

Exhibit G

Additional Information on Parking Stalls

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), and/or Community Rules of Maluhia at Wailea ("Community Rules") (collectively, the "Condominium Documents"). The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

The Common Elements (exclusive of the Limited Common Elements) will include five (5) parking spaces located adjacent to the Multi-Use Facility, and another ten (10) parking spaces located along the shoulder of the roadway which runs through the Project. In addition, each Residential Apartment (other than Greenhouse Residential Apartments) will have a garage capable of accommodating at least two (2) vehicles, and may have additional parking on its driveway.

Exhibit H

Recreational and Other Common Facilities

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), and/or Community Rules of Maluhia at Wailea ("Community Rules") (collectively, the "Condominium Documents"). The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

The Project will include a Beach Club located within the Multi-Use Facility, which will have restroom/changing room facilities, a lounge area, and kitchen facilities. The Beach Club and a landscaped beach access easement adjacent to the Multi-Use Facility shall be for the exclusive use of Owners and their guests.

Exhibit I

Common Elements of the Project

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), and/or Community Rules of Maluhia at Wailea ("Community Rules") (collectively, the "Condominium Documents"). The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

A. The Common Elements of the Project are all portions of the Project not constituting Apartments (the "Common Elements"), including specifically, but not limited to, the following:

1. The Land in fee simple;

2. The Beach Club;

3. The Resident Manager's Dwelling Unit;

4. The Landscape Buffer Easement and Beachwalk Buffer Easement;

5. All yards, grounds, walkways, walkway railings, landscaping, refuse facilities and gardens outside of the Apartments;

6. All roads, driveways, parking stalls and parking areas, access lanes, paved areas, ramps, and loading areas;

7. All Secondary Structures and Perimeter Walls;

8. All mailboxes;

9. All sewer lines, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations on, above, over, under and across the Project to the point of their respective connections to Improvements comprising a part of the Residential Apartments or the Limited Common Elements appurtenant thereto, including, without limitation, those providing Apartments with electricity, light, gas (if any), water, air conditioning, sewer, refuse, telephone, and radio and television signal distribution (if any); and

10. Any and all other apparatus and installations existing for common use by two (2) or more Owners, and any and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

B. Limited Common Elements.

1. Notwithstanding **Section A** hereinabove, certain parts of the Common Elements (the "Limited Common Elements") are designated and set aside for the exclusive use of the Residential Apartments, and each Residential Apartment shall have exclusive appurtenant easements for the use of its respective Limited Common Elements. All Secondary Structures affixed to the Land constituting a part of the Limited Common Elements shall be deemed to be Limited Common Elements. The Limited Common Elements of the Project are shown on the Condominium Map.

2. Each Residential Apartment shall have the exclusive use, possession and control of the Land comprising a part of the Limited Common Elements appurtenant to said Residential Apartment for all purposes, including, but not limited to, landscaping and recreation, and the construction, maintenance, repair, replacement and use of any residence, garage, driveway, parking area, accessory building, swimming pool or other Secondary Structure; subject, however, to the limitations set forth in the Declaration.

3. Any swimming pool, recreation area, sauna, and/or storage area located within a Limited Common Element shall be a Limited Common Element.

Exhibit J

Encumbrances Against Title

1. Real Property taxes which may be due and owing. Reference is made to the Real Property Tax Division, County of Maui.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. 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 and the effect, if any, upon the area of the land described herein.

4. DESIGNATION OF EASEMENT "M" (area 0.235 acre)

PURPOSE	:	roadway, telephone, electrical, gas line, sewer, waterline, cable TV and other utilities
SHOWN	:	on Maps 5 and 31, as set forth by Land Court Order No. 37357, filed April 27, 1973, as amended by Land Court Order No. 47774, filed July 26, 1977, and is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

5. GRANT

TO	:	BOARD OF WATER SUPPLY OF THE COUNTY OF MAUI
DATED	:	February 21, 1978
FILED	:	Land Court Document No. 874663
GRANTING	:	an easement for waterline purposes over said Easement "M", which easement is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

6. GRANT

TO	:	MAUI ELECTRIC COMPANY, LIMITED and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED
DATED	:	September 21, 1977
FILED	:	Land Court Document No. 874664
GRANTING	:	an easement for electrical purposes over said Easement "M", which

easement is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

7. 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 by Annexation 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

8. DESIGNATION OF EASEMENT "17" (0.046 acre)

PURPOSE	:	electrical utility
SHOWN	:	on Maps 11 and 31, as set forth by Land Court Order No. 43594, filed December 31, 1975, and is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

9. DESIGNATION OF EASEMENT "20" (area 0.404 acre)

PURPOSE	:	building setback
SHOWN	:	on Maps 11 and 31, as set forth by Land Court Order No. 43594, filed December 31, 1975, and is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

10. DESIGNATION OF EASEMENT "21" (area 0.222 acre)

PURPOSE	:	waterline
SHOWN	:	on Maps 11 and 31, as set forth by Land Court Order No. 43594, filed December 31, 1975, and, as to Lot 216, is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

11. GRANT

TO : MAUI ELECTRIC COMPANY, LIMITED and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED

DATED : September 19, 1977
FILED : Land Court Document No. 875227
GRANTING : an easement for electrical purposes over said Easement "17", which easement is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the unrecorded DEVELOPMENT AGREEMENT dated July 30, 1976, by and between WAILEA DEVELOPMENT COMPANY, a joint venture comprised of WAILEA LAND CORPORATION, a Delaware Corporation, and THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation, as "Owner", and GROSVENOR INTERNATIONAL (HAWAII) LIMITED, a Hawaii corporation, as "Developer", of which a SHORT FORM MEMORANDUM is filed as Land Court Document No. 775420.

13. 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

The foregoing includes, but is not limited to, matters relating to reservations affecting Easements "M", "17", "20" and "21".

14. DESIGNATION OF EASEMENT "35" (0.003 acre)

SHOWN : on Map 14, amended, and Map 31, 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, and is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

15. GRANT

TO : MAUI ELECTRIC COMPANY, LIMITED

DATED : September 19, 1977
FILED : Land Court Document No. 876974
GRANTING : an easement for electrical purposes over said Easement "35", which easement is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

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

INSTRUMENT : DEED

DATED : April 24, 1978
FILED : Land Court Document No. 871486

The foregoing includes, but is not limited to, matters relating to reservations affecting said Easements "M", "17", "21" and "35".

17. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Chapter of Incorporation and By-Laws of the Wailea Property Owners Association filed with the Department of Regulatory agencies of the State of Hawaii on December 9, 1974 and April 29, 1976, respectively, as mentioned in Deed dated April 24, 1978, filed as Land Court Document No. 871486.

-NOTE:- Filed with the Department of Commerce and Consumer Affairs of the State of Hawaii (Business Registration), is the involuntary dissolution of WAILEA PROPERTY OWNERS' ASSOCIATION on November 15, 1993.

18. DESIGNATION OF EASEMENT "29"

PURPOSE : pedestrian access, recreational and landscaping
SHOWN : on Maps 11 and 31, as set forth by Land Court Order No. 43594, filed December 31, 1975, and, as to Lot 216, is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

19. DESIGNATION OF EASEMENT "198"

SHOWN : on Map 31, as set forth by Land Court Order No. 58688, filed January 2, 1981 , which easement is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

20. GRANT

TO : GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED

DATED : March 11, 1993
FILED : Land Court Document No. 2022192
GRANTING : a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain, and operate underground facilities, etc., for the transmission and distribution of communications over Easement "1" as shown on the map attached thereto, which easement is limited to the boundaries as represented on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999

21. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

22. The following matters as shown on survey map prepared by Alden S. Kajioka, Land Surveyor, with ControlPoint Surveying, Inc., dated October 21, 1999:

(A) Roadway protrudes outside of Easement "M".

(B) Drainage outlet in Lot 217 drains into Lot 216.

(C) Chain gate and container protrude into Lot 216 from Lot 217.

(D) Concrete sidewalk crosses from Lot 217 into Lot 216.

(E) Mesh fence, sprinklers and hose bib protrude from Lot 217 into Lot 216.

(F) MECO box straddles boundary between Lot 216 and Wailea Alanui Drive.

23. MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF LEASES AND RENTS

MORTGAGOR : M-35 LLC, a Hawaii limited liability company

MORTGAGEE : MMBC DEBT HOLDINGS I, LLC, a Delaware limited liability company

DATED : December 20, 1999

FILED	:	Land Court Document No. 2598089
AMOUNT	:	$20,500,000.00

24. FINANCING STATEMENT

DEBTOR	:	M-35 LLC, a Hawaii limited liability company
SECURED PARTY	:	MMBC DEBT HOLDINGS I, LLC, a Delaware limited liability company
RECORDED	:	Document No. 99-205104
RECORDED ON	:	December 28, 1999

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

INSTRUMENT	:	UNILATERAL AGREEMENT
DATED	:	August 17, 2000
FILED	:	Land Court Document No. 2644957
PARTIES	:	M-35 LLC, a Hawaii limited liability company, and COUNTY OF MAUI, a political subdivision of the State of Hawaii

26. SECOND MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT AND ASSIGNMENT OF LEASES AND RENTS

MORTGAGOR	:	M-35 LLC, a Hawaii limited liability company
MORTGAGEE	:	MMBC DEBT HOLDINGS I, LLC, a Delaware limited liability company
DATED	:	August 29, 2000
FILED	:	Land Court Document No. 2648415
AMOUNT	:	$13,000,000.00

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

INSTRUMENT	:	DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR MALUHIA AT WAILEA

DATED	:	November 10, 2000
FILED	:	Land Court Document No. 2664565
MAP	:	No. 1384 and any amendments thereto

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

INSTRUMENT	:	BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF MALUHIA AT WAILEA
DATED	:	November 10, 2000
FILED	:	Land Court Document No. 2664566

Exhibit K

Maluhia at Wailea

Estimated Common Expenses

Utilities and Services	Monthly	Annually
Electricity *	5,974	71,688
Gas *	200	2,400
Water *	2,000	24,000
Sewer *	700	8,400
Telephone *	500	6,000
Cable *	100	1,200
Maintenance, Repairs and Supplies		
Building	2,000	24,000
Grounds	6,000	72,000
Water Feature/Koi Pond	1,680	20,160
Equipment Maintenance	500	6,000
Supplies/Misc	400	4,800
Trash Collection	400	4,800
Management		
General Manager	2,500	30,000
Roving Watchman Svc.	500	6,000
Management Fee	1,200	14,400
Misc/Office/Education Expenses	500	6,000
Legal & Other Professional Svcs.	200	2,400
Insurance		
Property	250	3,000
Liability & Umbrella	800	9,600
Flood	250	3,000
D & O	200	2,400
Medical	500	6,000
Worker's Comp.	125	1,500
TDI	10	120
Fidelity Bond	60	720
Taxes and Government Assessments	400	4,800
Real Property Taxes	500	6,000
Audit and Tax Preparation	200	2,400
Reserves	3,500	42,000
	32,149	385,788

*(Common Elements, excluding Limited Common Elements)

Maluhia at Wailea

Estimated Maintenance Fees per Unit

Unit	Common Interest	Monthly Maint. $ (a)	Annual Maint. (a)
1	0.07142	$ 2,296.08	27,552.96
2	0.07142	$ 2,296.08	27,552.96
3	0.07142	$ 2,296.08	27,552.96
4	0.07142	$ 2,296.08	27,552.96
5	0.07142	$ 2,296.08	27,552.96
6	0.07142	$ 2,296.08	27,552.96
7	0.07142	$ 2,296.08	27,552.96
8	0.07142	$ 2,296.08	27,552.96
9	0.07142	$ 2,296.08	27,552.96
10	0.07144	$ 2,296.72	27,560.64
11	0.07144	$ 2,296.72	27,560.64
12	0.07144	$ 2,296.72	27,560.64
13	0.07144	$ 2,296.72	27,560.64
14	0.07146	$ 2,297.37	27,568.44
Total	1.00	$ 32,148.97	385,787.64

In addition to the above costs, each Owner will be responsible for paying, as a component of Common Expenses for the Project, premiums for property insurance on such Owner's residence. The Developer has obtained preliminary estimates for such insurance of approximately $.30 - .50 per $100 of replacement cost (as such replacement costs shall be determined by the Owner). The figures for Flood Insurance set forth in this Exhibit K represent the premiums payable for flood insurance on the Multi-Use Facility only. Flood Insurance for residences, if desired, is to be obtained by each Owner at such Owner's discretion.

The Declaration of Condominium Property Regime of Maluhia at Wailea and the Bylaws of the Association of Apartment Owners of Maluhia at Wailea (both of which are attached to this Public Report) set forth additional provisions regarding insurance to be maintained by Owners.

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

CERTIFICATE

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

1. That I, Emory Bush, CMCA®, am the President of Hawaiiana Management Company, Ltd., a Hawaii corporation designated by the Developer Maluhia at Wailea condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference, are reasonable estimates for the one-year period commencing January 1, 2000, based on generally accepted accounting principles.

3. Hawaiiana Management Company, Ltd., on behalf of the Developer, has conducted a reserve study (per Section 514A-83.6 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules) which was based upon information furnished by the Developer.

DATED: Honolulu, Hawaii this first day of May, 2000.

Emory Bush, CMCA®
President
Hawaiiana Management Company, Ltd.,

Subscribed and sworn to
Before me this first day of May, 2000.

Notary Public, State of Hawaii
Typed or printed name: Annie C. Kekoolani

My commission expires: 02-16-2002

Exhibit L

SUMMARY OF SALES CONTRACT

Set forth below is a summary of certain provisions of the Reservation and Sales Contract ("Sales Contract"). This summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Sales Contract, a specimen copy of which is attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Sales Contract, all prospective purchasers must refer to the Sales Contract to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and the Sales Contract, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Sales Contract unless otherwise expressly defined herein.

1. All payments made by Borrower under the Sales Contract will be deposited with Escrow Agent under the terms of the Escrow Agreement. At Purchaser's request, Escrow Agent will establish a separate account for Purchaser's funds and, except as otherwise specifically provided in the Sales Contract, all interest earned from such separate account from the date of Seller's acceptance of the Sales Contract shall be credited to such Purchaser's account. Purchaser shall pay all processing fees required by Escrow Agent for purposes of establishing, maintaining and closing such separate account. Any interest on funds in escrow which is not required by the terms of the Sales Contract to be credited to the account of Purchaser will be paid to Seller.

2. Until (i) the Real Estate Commission has issued an effective date for a Final Public Report for the Project, (ii) Purchaser has receipted for or is deemed to have receipted for the Final Public Report, and (iii) Purchaser has waived or is deemed to have waived Purchaser's right to cancel under Hawaii Revised Statutes ("H.R.S.") §514A-62, the Sales Contract will not constitute a binding sales contract and may be terminated by either Purchaser or Seller by written notice of such termination delivered to the other party.

3. After Purchaser has receipted for or is deemed to have receipted for the Final Public Report, and Purchaser has waived or is deemed to have waived Purchaser's right to cancel the Sales Contract as permitted by H.R.S. §514A-62, Purchaser may terminate the Sales Contract if there is a material change in the Project (other than a change made pursuant to the Declaration) which directly, substantially, and adversely affects the use or value of the Apartment or appurtenant Limited Common Elements or the amenities of the Project available for Purchaser's use. The foregoing rescission right may be waived as provided in H.R.S. §514A-63.

4. After the Real Estate Commission's issuance of an effective date for this Final Public Report, upon written instructions given by Seller to Escrow Agent, the payments described

in Part IV.B of the Sales Contract may be disbursed after Closing by Escrow Agent subject to the terms of the Escrow Agreement and HRS Sections 514A-40(a) (6) and 514A-67; provided, however, that (A) all such disbursements made prior to completion of all Project Infrastructure other than "Deferred Infrastructure" (as such quoted term is defined in Section 17 hereinbelow) shall be used solely to pay for the costs of the Project, and (B) no disbursements shall be made after completion of all Project Infrastructure other than Deferred Infrastructure unless Seller shall have provided security for the completion of the Deferred Infrastructure as provided in Section 7.3.3(B) of the Sales Contract and described in Section 17 hereinbelow.

5. Within thirty (30) days after the Sales Contract is executed by Purchaser and Seller, Purchaser must submit to Seller evidence of Purchaser's ability to pay the Purchase Price. Within thirty (30) days after the Sales Contract becomes binding, Purchaser must submit to Seller written evidence reconfirming Purchaser's ability to pay the Purchase Price. If Seller, in its sole discretion, is not satisfied as to Purchaser's continued ability to pay the Purchase Price, Seller may terminate the Sales Contract.

6. The Purchase Price does not include the Project start-up fee equal to two (2) months' maintenance fees for the Apartment, closing costs and prorations payable by Purchaser under the Sales Contract.

7. Each Residential Apartment will consist of a greenhouse structure approximately ten (10) feet by ten (10) feet in size, which is shown on the Condominium Map, but which has not yet been constructed. The improvements constituting the Apartment shall consist solely of said greenhouse structure and the Apartment does not include any appliances, fixtures, furnishings or insulation.

8. Seller makes only those warranties, if any, regarding the Apartment, Property, Land and Project, which are set forth in the Sales Contract.

9. If Purchaser has agreed to enter into a Development Agreement pursuant to Section 5 of the Sales Contract, then, by not later than Closing, Purchaser shall enter into such Development Agreement with MDG. Purchaser's agreement to enter into such Development Agreement is an essential and material inducement to Seller to enter into the Sales Contract and to sell the Property to Purchaser upon the terms and conditions, and for the Purchase Price, stated therein.

10. Seller shall provide satisfactory evidence of a performance bond issued by a surety licensed in the State of Hawaii for not less than one hundred percent (100%) of the cost of construction of the Project, or such other substantially equivalent or similar instrument or security approved by the Real Estate Commission.

11. Purchaser shall acknowledge that, as set forth in the Declaration, Purchaser may not expand, relocate, construct, reconstruct or otherwise Modify (as defined in the Declaration) any Apartment, any Secondary Structure (as defined in the Declaration) or other Limited Common Elements, nor landscape or otherwise Modify the landscaping of any Limited Common Elements, without the approval of (i) Seller, prior to the expiration of the Development Period (as defined in the Declaration), or (ii) the board of directors of the Association following the expiration of the Development Period.

12. May 1, 2001, is the estimated completion date of the Project infrastructure, but is only an approximation given to the best of Seller's information and belief.

13. If, and only if, (a) the development and construction of the Project is at any time or from time to time delayed because of (i) any governmental restrictions or regulations enacted after the date on which the Seller accepts the First Amendment to Reservation and Sales Contract, or (ii) any condition in, on, or under the Land unknown to Seller as of said date which subsequently becomes known to Seller, then, and in any such event, prior to Closing Seller may increase the Purchase Price of the Apartment. After Purchaser's receipt of notice of such increase in the Purchase Price, Purchaser will have fifteen (15) calendar days within which to cancel the Sales Contract. Seller shall not retroactively increase the Purchase Price after Closing. Seller reserves the right, from time to time, to increase or decrease the listed purchase price of any unsold Apartment in the Project.

14. The date for the Closing shall be the forty-fourth (44th) day following the issuance of an effective date for this Final Public Report, or as otherwise agreed upon by Seller and Purchaser in writing. Seller shall have the right, in its sole discretion, to delay the Closing Date for up to thirty (30) calendar days.

15. On the earlier of the Preclosing Date and three (3) Business Days prior to the Closing Date, Purchaser must complete payment of the entire Purchase Price and execute all documents required to be executed by Purchaser for Closing.

16. Construction of the Apartment and appurtenant Limited Common Elements, Project Infrastructure, and Common Elements of the Project may not be fully completed at Closing, and construction activity at the Project may continue after Closing. In the event that Closing occurs prior to completion of construction of the Apartment and/or its appurtenant Limited Common Elements, Project Infrastructure, and/or Common Elements, then: (A) Purchaser will grant to Seller and Seller's employees, contractors, agents, and representatives an irrevocable right and license to enter into the Apartment and onto said Limited Common Elements and all other areas of the Project for the purpose of completing such construction until such time as such construction has been completed, and (B) Seller will require each contractor performing work on the Land to include Purchaser and the Association as additional insureds under such contractor's commercial general liability policy.

17. In an effort to control wear and tear from construction activities on the Land, including, without limitation, the operation of construction vehicles and equipment thereon, Seller will have the right to delay completion of the construction of certain Project Infrastructure (including, without limitation, installation of the roadway finish, landscaping of the Common Elements, water features, and the security gate at the main entrance of the Project) until after the earlier of (a) one hundred twenty (120) days after the substantial completion of construction of all single-family condominium residences within the Project, and (b) December 31, 2002.

To the extent that Seller elects to delay completion of the construction of such Project Infrastructure (collectively, the "Deferred Infrastructure") for the reasons set forth in this Section 17 hereinabove, Seller shall arrange for either of the following to secure payment to the contractor(s) constructing the Deferred Infrastructure (the "Contractor(s)") for the work of such Contractor(s):

(A) Seller may provide a letter of credit issued by a federally-insured bank, in an amount equal to the cost estimated by the Project Architect and Contractor(s) to complete construction of the Deferred Infrastructure, which shall include provisions for disbursements thereunder upon receipt by the issuer of said letter of credit of a certification by an officer of the Association that: (a) Seller has failed to complete the Deferred Infrastructure as provided for hereinabove, or (b) the Deferred Infrastructure has been completed, Seller has failed to pay any Contractor(s) for the Deferred Infrastructure in accordance with the construction contract(s) therefor, and any Contractor or Contractors that has not been paid has filed a mechanic's or materialmens' lien or liens against the Project pursuant to HRS Chapter 507. Subject to the foregoing, the form and substance of such letter of credit shall be commercially reasonable, as determined by Seller in its reasonable judgment.

(B) Seller may open an escrow account with Title Guaranty Escrow Services, Inc., a Hawaii corporation, or other Hawaii licensed escrow company, as escrow agent, and deposit into such account a sum of money equal to the cost estimated by the Project Architect and Contractor(s) for the Contractor(s) to complete construction of the Deferred Infrastructure, together with irrevocable written instructions regarding the disbursement of such money. Said instructions shall generally provide that said escrow agent shall be authorized to disburse said money to the Contractor(s) to pay the cost of completing the Deferred Infrastructure upon said escrow agent's receipt of written instructions from the Project Architect or the Association authorizing the disbursement of all or any portion to any Contractor; provided, however, that requests for payment from the Association shall be accompanied by (1) a certification by an officer of the Association that Seller has failed to complete the construction of the Deferred Infrastructure in accordance with the requirements set forth hereinabove, and (2) written approval of such request by the Project Architect.

18. Purchaser will not be permitted to take possession of the Apartment prior to the Closing Date and full satisfaction by Purchaser of all terms and conditions of the Sales Contract.

19. Purchaser will inspect the Apartment and sign an inspection sheet to be furnished by Seller or Seller's contractor, or will appoint the inspecting architect or engineer for the Project, or Seller or any agent of Seller, to inspect the Apartment and execute such inspection sheet on behalf of Purchaser. Purchaser will agree to accept possession of the Apartment despite the existence of damages and defects as long as such defects do not render the Apartment unusable as a greenhouse structure and Seller agrees to repair such defects or damage within a reasonable time. Purchaser will agree to indemnify Seller for any damages resulting from any wrongful refusal to accept possession of the Apartment.

20. Risk of loss to the Apartment shall be borne by Seller until the Closing Date.

21. Each owner of an Apartment shall be responsible for all taxes, maintenance, repair, replacement and operation of all structural elements of such owner's Apartment and the Limited Common Elements appurtenant thereto. Purchaser will acknowledge that Purchaser has examined and approved the estimate of monthly maintenance charges and assessments for the Apartment as shown in the Preliminary Public Report, Final Public Report and/or any Supplementary Public Reports provided to Purchaser, that Purchaser is aware that such amounts are only estimates, and are subject to change for various reasons, that Purchaser specifically accepts and approves any such changes, and that Purchaser agrees that such estimates are not intended to be and do not constitute any representation or warranty by seller, including but not limited to any representation or warranty as to the accuracy of such estimates.

22. Purchaser will acknowledge that Purchaser has received a copy of the Declaration, Bylaws, Condominium Map, Rules, public report(s) for the Project, form of warranty deed, and Escrow Agreement, that Purchaser has had an adequate opportunity to read those documents, and that Purchaser accepts those documents. Purchaser also will acknowledge that Purchaser has had an adequate opportunity to examine the Project plans and will accept such plans with such changes and modifications as the Project architect may deem necessary.

23. Seller has reserved the right to make certain modifications to the Declaration, Bylaws, Rules, form of warranty deed, and other documents relating to the Project as may be required by law, any title insurance company, any mortgagee, or any governmental agency, or as Seller otherwise deems appropriate.

24. Construction by Seller and/or the owners of Residential Apartments may continue on the Land after the Apartment has been conveyed to a Purchaser, and such activity may result in noise, dust or other annoyances to such Purchaser and may limit such Purchaser's access to portions of the Project.

25. Sales activities by Seller, which may include, without limitation, the use of model Apartments, sales offices, signage and extensive sales displays and activities, may continue in the Project until all Residential Apartments have been sold. Seller shall have the right to utilize

the Commercial Apartment as a sales office. Some of the parking areas in the Project may be used for parking for prospective purchasers until the sale of the last unsold Residential Apartment in the Project. If any Lender shall acquire any portion of the Project, such Lender may continue such use until the sales of at least ninety-five percent (95%) of all Residential Apartments in the Project have closed. Seller has the right, for itself, its sales representatives and prospective purchasers, to utilize the Common Elements, other than the Limited Common Elements of Apartments which have been sold to Purchasers, for ingress or egress to any such parking areas, sales offices and model Apartments, and in order to show to prospective purchasers the Common Elements, not including Limited Common Elements of Apartments which have been sold to Purchasers.

26. The Sales Contract shall not be construed as a present transfer of any interest in an Apartment, but is an agreement to transfer in the future.

27. Purchaser shall waive, relinquish, and subordinate the priority or superiority of any lien or any other legal or equitable interest arising under the Sales Contract in favor of the lien or charge on the Project or the security interests of Lender, including, but not limited to, any lien, mortgage, or other charge securing a loan made to finance the acquisition of the Land and the costs of construction and other costs during such construction and any and all advances therefor, whether contractual or voluntary, until the final closing and delivery by Seller of a deed for the Apartment to Purchaser.

28. Purchaser shall consent to Seller's assignment to Lender, as security, of Seller's interest in the Sales Contract and Purchaser's deposits with Escrow Agent. In the event Lender acquires Seller's interest in the Sales Contract pursuant to said assignment, Purchaser will, at Lender's option, attorn to and recognize Lender as the seller under the Sales Contract, and perform the Sales Contract as fully as if there had been no such attornment.

29. So long as Seller owns an interest in any Apartment in the Project, and until the election of the board of directors and officers of the Project's association of apartment owners, Seller may exercise all of the powers of said board of directors and officers.

30. Purchaser will agree to the appointment of Hawaiiana Management Company, Ltd., 711 Kapiolani Boulevard, Suite 700, Honolulu, Hawaii 96813, as Seller's initial managing agent for the Project, or, if at the time of the execution of the Sales Contract by Purchaser, an initial managing agent has not yet been designated, that Seller may appoint the initial managing agent for the Project.

31. Neither Seller nor any of Seller's representatives has made any representations or references as to rental of the Apartment, or the income, or any other economic benefit to be derived from the rental of the Apartment.

32. No taking by eminent domain of an easement or other limited right or of a portion of the Common Elements which does not in any such case substantially interfere with or diminish the practical enjoyment and use of the Common Elements by Purchaser shall be deemed grounds for cancellation of the Sales Contract.

33. Time is of the essence of the obligations of Purchaser under the Sales Contract.

34. Seller may terminate the Sales Contract if any of the following occurs:

(i) Purchaser fails to make any payment when due under the Sales Contract;

(ii) Purchaser fails to furnish to Seller satisfactory evidence of Purchaser's ability to pay the Purchase Price;

(iii) Purchaser fails to reconfirm Purchaser's ability to pay the Purchase Price as required by the Sales Contract;

(iv) Purchaser is not a natural person and fails to obtain the guaranty of its obligations under the Sales Contract by a person acceptable to Seller;

(v) Purchaser fails to execute and return the receipt and notice of right to cancel in connection with Purchaser's receipt of a copy of the Final Public Report within the time period specified in the Sales Contract;

(vi) Purchaser fails to perform any other obligation required under the Sales Contract and such failure continues for fifteen (15) calendar days after Seller gives written notice to Purchaser of such failure; or

(vii) any Purchaser under a Sales Contract dies prior to the performance of all Purchaser's obligations under such Sales Contract.

35. In the event of any default under the Sales Contract by Purchaser which occurs before the Sales Contract becomes a binding contract, Seller may cancel the Sales Contract and all moneys paid under the Sales Contract shall be refunded to Purchaser, with interest to the extent provided in the Sales Contract, less any cancellation fee imposed by Escrow and any other actual expenses incurred by reason of Purchaser having signed the Sales Contract up to a maximum of Two Hundred Fifty Dollars ($250.00). In the event of any default under the Sales Contract by Purchaser which occurs after the Sales Contract becomes a binding contract, Seller may cancel the Sales Contract and thereupon, at Seller's option, all sums previously paid by Purchaser, together with all accrued interest thereon, shall belong to Seller as liquidated damages.

36. (a) The Deed contains provisions requiring Purchaser to begin and diligently pursue construction, and to use best efforts to complete construction of a single family detached condominium residence of the type and quality contemplated by the Declaration within certain time periods, as follows:

(i) if the Apartment purchased is Apartment 1, 2, 3, 4, 5, 6, 7, 8, or 9, Purchaser must begin and diligently pursue construction of a single family detached condominium residence of the type and quality contemplated by the Declaration within twelve (12) months after the Closing Date, and use its best efforts to complete such construction no later than twenty-four (24) months after the Closing Date.

(ii) if the Apartment purchased is Apartment 10, 11, 12, 13, or 14, Purchaser must begin and diligently pursue construction of a single family detached condominium residence of the type and quality contemplated by the Declaration within eighteen (18) months after the Closing Date, and use its best efforts to complete such construction no later than thirty-six (36) months after the Closing Date.

(b) Each of the periods described in the foregoing subparagraphs 36(a)(i) and (ii) shall be tolled for the following reasons and time:

(i) for as long as there exists a valid and binding written agreement between Grantee and MDG providing for the development and construction of a single-family detached condominium residence of the type and quality contemplated by the Declaration; or

(ii) if the agreement referred to in the immediately preceding paragraph is terminated, for a reasonable period of time after such termination sufficient to permit Grantee to enter into a valid and binding written agreement to replace such agreement, which replacement agreement shall provide for the development and construction of a single-family detached condominium residence of the type and quality contemplated by the Declaration. If Grantee shall enter into such replacement agreement within such period of time, then each of such periods shall be further tolled for so long as Grantee causes such construction under such replacement agreement to be diligently pursued to completion.

(c) In the event that Purchaser fails to commence or complete such construction within the time periods described in this paragraph 36 hereinabove, Seller shall have the right to repurchase the Apartment at the fair market price of the Apartment, as determined in accordance with the provisions of the Deed.

EXHIBIT M

SUMMARY OF CONDOMINIUM ESCROW AGREEMENT

Set forth below is a summary of certain provisions of the Condominium Escrow Agreement ("Escrow Agreement") dated April 25, 2000, made by and between Title Guaranty Escrow Services, Inc. ("Escrow Agent"), and M-35 LLC ("Developer"). This summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Escrow Agreement, a copy of which is attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of the Escrow Agreement, all prospective purchasers must refer to the Escrow Agreement to determine the actual terms and provisions thereof. If any conflict or difference exists between this Exhibit and the Escrow Agreement, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Escrow Agreement, unless otherwise expressly defined herein.

1. Sales Contracts Deposited in Escrow. Whenever Developer enters into a sales contract ("Sales Contract") with a purchaser ("Purchaser") for the sale of an apartment in the Maluhia at Wailea condominium project (the "Project"), Developer shall deliver an executed copy of the Sales Contract to Escrow Agent. Such Sales Contract shall require all payments due thereunder to be made directly to Escrow Agent, and to be held and disbursed in accordance with the Escrow Agreement.

2. Receipt of Funds by Escrow. Escrow Agent will receive payments under the Sales Contracts and from any other source relating to the Project. Escrow Agent will deposit all funds within a reasonable time after receipt in an interest-bearing account or accounts at a federally insured bank, savings and loan association, or other financial institution. Any interest earned on such deposits shall accrue to the credit of Developer, unless Escrow Agent is asked to establish a separate account for a Purchaser, in which case interest on such account shall accrue to the credit of the Purchaser. (Pursuant to the Sales Contract, Purchaser and Developer will instruct Escrow Agent to credit to Purchaser all interest earned on funds deposited in such separate account, except as otherwise specifically provided for in the Sales Contract.)

3. Conditions to be Met Prior to Disbursement. Escrow Agent shall make no disbursement of funds deposited with it unless: (a) the Real Estate Commission has issued a Final Public Report on the Project; (b) Developer or Developer's attorney has notified Escrow Agent that the requirements of Hawaii Revised Statutes ("H.R.S.") §514A-62 and §514A-63 have been satisfied; and (c) Developer has given Escrow Agent a written waiver of any reserved option to cancel the Sales Contract.

4. Return of Funds and Documents.

Escrow Agent will return deposited sums, without interest (unless otherwise specified in the Sales Contract) and after first deducting Escrow Agent's cancellation fee and other costs up to a maximum of $250.00 if so provided in the Sales Contract, to a Purchaser if:

(i) Developer and such Purchaser notify Escrow Agent in writing to return the funds; or

(ii) Developer exercises any reserved option to cancel or rescind the Sales Contract and notifies Escrow Agent thereof; or

(iii) such Purchaser exercises such Purchaser's right to cancel the Sales Contract pursuant to H.R.S. §514A-62; or

(iv) such Purchaser exercises Purchaser's right to rescind the Sales Contract under H.R.S. §514A-63.

5. Unclaimed Funds. Escrow Agent shall notify each Purchaser entitled to a return of funds by registered or certified mail. If any Purchaser does not claim a refund to which Purchaser is entitled within sixty (60) days, Escrow Agent shall transfer an amount of money equal to such refund to a bank or depository selected by Escrow Agent in the name of Developer as trustee for said Purchaser. Thereafter, Escrow Agent shall have no further obligation or liability with respect to such refund or said Purchaser.

6. Closing. Except for Sales Contracts, Escrow Agent shall arrange for and supervise the execution, recording, and deliver all documents, as necessary, related to the sale of Residential Apartments.

7. Defects in Documents. Escrow Agent shall record all documents within five (5) business days of the schedule closing date for the sale of each Residential Apartment, provided said documents are not defective in any way. If any documents are defective, Escrow Agent will notify Developer thereof and correct such defects if they are within Escrow Agent's capacity to correct.

8. Purchaser's Default. Developer shall notify Escrow Agent when payments are due from a Purchaser, who shall then be notified by Escrow Agent. Escrow Agent shall notify Developer of any defaults by a Purchaser. If Developer certifies to Escrow Agent in writing that Developer has terminated a Sales Contract, Escrow Agent shall thereafter treat all funds of the Purchaser paid on account of said Sales Contract as funds of Developer. Upon the written request of Developer, Escrow Agent shall pay such funds to Developer, less any cancellation fee, and shall return any partially executed conveyance documents. Escrow Agent shall retain all other documents

for the period required by applicable law. Thereafter, Escrow Agent shall have no further obligation or liability with respect to such funds or Purchaser.

9. Protection of Escrow Agent. Escrow Agent shall have no liability for acting in accordance with the terms of the Escrow Agreement, notwithstanding notice to the contrary from Developer, any Purchaser, or any third person. Escrow Agent shall not be responsible for the validity or sufficiency of any documents received by it, shall assume that said documents have been properly executed, and shall assume that any written certification or instrument from Developer is true and accurate. In the event of any dispute, difference, or conflicting demand upon Escrow Agent, Escrow Agent shall not be required to determine the same or take any action in the premises, but may await settlement of the controversy by appropriate legal proceedings or otherwise, including the resolution of an interpleader action initiated by Escrow Agent. Developer and each Purchaser agree to pay Escrow Agent on demand and to indemnify and hold harmless Escrow Agent against all costs and damages arising out of the Escrow Agreement, except for any act or omission of Escrow Agent that is not generally accepted as a reasonable business practice. Escrow Agent shall not be required to mail any notice or keep any records required under H.R.S. Chapter 514A.

10. Miscellaneous. The Escrow Agreement shall be binding upon and inure to the benefit of Escrow Agent and Developer and their successors and assigns. The Escrow Agreement may be terminated by either Developer or Escrow Agent on fifteen (15) days' written notice to the other party. In the event of any conflict between the Escrow Agreement and H.R.S. Chapter 514A, the statutory provisions shall control. Escrow Agent shall furnish Developer with semi-monthly reports that cover the status of each Sales Contract in the Escrow Agreement.

11. Compensation. The compensation to Escrow Agent for closing the sale of each Apartment and the premiums for which title insurance insuring title to such Apartment shall be as follows:

Amount	Escrow Fee	Title Fee (Standard)	Title Fee (ALTA Owner's)
$2 million	$1,575	$2,100	$2,950
$3 million	$2,050	$2,600	$3,500
$4 million	$2,500	$2,950	$3,950
$5 million	$2,800	$3,250	$4,200
$8 million	$3,500	$4,000	$4,600
$11 million	$4,400	$4,750	$5,100

$13 million	$4,900	$5,100	$5,285

Endorsement(s) to the title policies may required additional fees.

ALTA Lender's Policies issues simultaneously with an owner's policy will cost an additional $250 per policy.

Escrow Fees are subject to State of Hawaii general excise tax.

The compensation to Escrow Agent specified above, with respect to the closing of the sale of any Apartment shall be due and payable upon the earlier or: (i) transfer to the Purchaser of such Apartment legal title to an apartment; and (ii) final disbursement of the purchase price of such Apartment and other sums held by Escrow Agent with respect hereto. Developer agrees to pay an additional charge for any changes to any closing statement or other document after the commencement of preclosing or closing proceedings, unless said changes are necessary due to the fault of Escrow Agent.

12. Owner-Occupant Provisions Not Applicable. The Escrow Agreement also contains certain provisions which apply to sales to "owner-occupants" pursuant to H.R.S. Chapter 514A, Part VI. However, the Developer does not intend to offer any apartments in the Project for sale to "owner-occupants".

Exhibit N

Additional Information Not Covered Above

Set forth below is a summary of certain provisions of the Declaration of Condominium Property Regime of Maluhia at Wailea (the "Declaration"), Condominium Map of Maluhia at Wailea (the "Condominium Map"), Bylaws of the Association of Apartment Owners of Maluhia at Wailea ("Bylaws"), Community Rules of Maluhia at Wailea ("Community Rules"), Reservation and Sales Contract ("Sales Contract"), Warranty Deed ("Warranty Deed"), and/or Condominium Escrow Agreement, dated April 25, 2000, entered in by and between the Developer and Title Guaranty Escrow Services, Inc. (the "Condominium Escrow Agreement") (collectively, the "Condominium Documents") and other issues relating to the Project. The summary is not intended to be a thorough and exhaustive explanation of all terms and provisions contained in the Condominium Documents, all of which are attached to this Condominium Public Report. While prospective purchasers can use this summary as a general summary of a purchaser's rights and obligations under the Condominium Documents, all prospective purchasers must refer to the Condominium Documents to determine a purchaser's actual rights and obligations thereunder. If any conflict or difference exists between this Exhibit and any of the Condominium Documents, the latter shall govern.

All capitalized terms used in this Exhibit shall have the same meanings as assigned to them in the Declaration, unless otherwise expressly defined herein.

Prospective purchasers of Residential Apartments at Maluhia at Wailea should be aware of the following matters:

1. Construction Activity. Construction activity by the Developer and/or the owners of other Apartments may continue on the Land after an Apartment has been conveyed to a purchaser thereof, and such activity may result in noise, dust or other annoyances to such purchaser and may limit purchaser's access to portions of the Project.

2. Sales Activities.

a. Sales activities of the Developer, including, without limitation, the use of model apartments, sales offices, signage and extensive sales displays and activities, may continue in the Project until all Residential Apartments have been sold.

b. The Developer shall have the right to use the Commercial Apartment as a sales office.

c. Some of the parking areas in the Project may be used for parking for prospective purchasers until the last Residential Apartment is sold.

d. The Developer has the right, for itself, its sales representatives and prospective purchasers, to utilize the Common Elements, other than the Limited Common Elements appurtenant to any Residential Apartments conveyed to any Purchaser for ingress and egress to any of the parking areas, sales offices and model apartments referred to in this **Section 2** hereinabove, and to show prospective purchasers such Common Elements.

e. If any Lender acquires any portion of the Project as a consequence of foreclosure or otherwise, such Lender may continue to use the Project and Residential Apartments as provided in this **Section 2** hereinabove until the sale of at least ninety-five percent (95%) of all Residential Apartments is closed.

3. Greenhouse Structures. Some Residential Apartments in the Project may remain as greenhouse structures for an indefinite time.

4. Wailea Resort.

a. The Project is a part of the Wailea resort area. Resort-related activities, such as golf tournaments, luaus, concerts and other outdoor music performances or broadcasts, outdoor cocktail parties and other public events, may result in noise and nuisances to persons or property in or about the Project.

b. Other parts of the Wailea resort area may be developed in the future. As a result, persons and property on or about the Project may be exposed to noise, dust, traffic, odors, vibrations and other construction-related nuisances or disturbances generated from or about such development.

c. The Project is located in an area zoned for mixed use, including, without limitation, condominium, apartment and hotel uses.

d. The Project is located next to the Renaissance Wailea Resort and near other hotels within the Wailea resort area. Hotel related activities, including, without limitation, guest vehicular and pedestrian traffic, luaus, outdoor music performances or broadcasts, outdoor cocktail parties and other public events, may result in noise and nuisances to persons or property in or about the Project.

5. Restrictions on Leasing. Purchaser's use and occupancy of the Apartment and the Project are subject to the covenants, conditions and restrictions set forth or referred to in the Condominium Documents, including, without limitation, prohibitions on leases, rentals or other tenancy arrangements of less than sixty (60) consecutive calendar days in duration.

6. Declaration of Covenants and Restrictions.

a. The Project is encumbered by that certain Declaration of Covenants and Restrictions dated January 17, 1975, made by Wailea Development Company, a joint venture between Wailea Land Corporation, a Hawaii corporation, and The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, filed in the Land Court as Document No. 713123. Said Declaration sets forth certain restrictions on and procedures regulating the use of the Land, including, without limitation, the requirements that plans for the development of any improvements thereon be reviewed by a committee appointed by the Wailea Property Owners' Association, a non-profit corporation established pursuant to said Declaration. Said Declaration also provides that said Wailea Property Owners' Association, said Wailea Development Company, and any owner of any lot or condominium unit encumbered by said Declaration shall each have the right to enforce compliance with the terms and conditions of said Declaration.

b. Said Wailea Property Owners' Association was involuntarily dissolved by the State of Hawaii in 1993, and therefore is not in existence to enforce said Declaration. Said Declaration provides that upon such dissolution, the Wailea Property Owners' Association was to have been succeeded by a nonprofit unincorporated association. Based on Seller's investigations, no such association has been formed and therefore does not exist to enforce said Declaration.

c. Said Wailea Development Company was dissolved prior to 1985, and also does not exist to enforce said Declaration.

d. Although any owner of a lot or condominium unit encumbered by said Declaration has the right to enforce compliance with its terms and conditions, it is not necessary to obtain any such owner's approval of the plans for the Project improvement.

e. Seller intends to comply with said Declaration by giving all notices and providing all information required by said Declaration.

7. Restrictions Contained in the Warranty Deed. Residential Apartments and the interests appurtenant thereto will be conveyed to purchasers thereof (collectively, "Grantees", and in the singular, a "Grantee") by Warranty Deed in the form as Item 8 attached to this Condominium Public Report. The Warranty Deed provides for certain restrictions on ownership, including, without limitation, the following:

(a) The Deed contains provisions requiring Grantee to begin and diligently pursue construction, and to use best efforts to complete construction of a single family detached condominium residence of the type and quality contemplated by the Declaration within certain time periods, as follows:

(i) if the Apartment purchased is Apartment 1, 2, 3, 4, 5, 6, 7, 8, or 9, Grantee must begin and diligently pursue construction of a single family detached

condominium residence of the type and quality contemplated by the Declaration within twelve (12) months after the Closing Date, and use best efforts to complete such construction no later than twenty-four (24) months after the Closing Date.

(ii) if the Apartment purchased is Apartment 10, 11, 12, 13, or 14, Grantee must begin and diligently pursue construction of a single family detached condominium residence of the type and quality contemplated by the Declaration within eighteen (18) months after the Closing Date, and use best efforts to complete such construction no later than thirty-six (36) months after the Closing Date.

(b) Each of the periods described in the foregoing subparagraphs 7(a)(i) and (ii) shall be tolled for the following reasons and time:

(i) for as long as there exists a valid and binding written agreement between Grantee and Maluhia Development Group, LLC ("MDG") providing for the development and construction of a single-family detached condominium residence of the type and quality contemplated by the Declaration; or

(ii) if the agreement referred to in the immediately preceding paragraph is terminated, for a reasonable period of time after such termination sufficient to permit Grantee to enter into a valid and binding written agreement to replace such agreement, which replacement agreement shall provide for the development and construction of a single-family detached condominium residence of the type and quality contemplated by the Declaration. If Grantee shall enter into such replacement agreement within such period of time, then each of such periods shall be further tolled for so long as Grantee causes such construction under such replacement agreement to be diligently pursued to completion.

(c) In the event that Grantee fails to commence or complete such construction within the time periods described in this paragraph 8 hereinabove, the Developer shall have the right to repurchase the Apartment at the fair market price of the Apartment, as determined in accordance with the provisions of the Deed.

8. Issues Relating to the Shoreline Setback Area. The portions of the Limited Common Elements appurtenant to Apartments 10 through 14 which are located between the certified shoreline of the Land and Shoreline Setback Line, and which are shown on the Condominium Map (the "Shoreline Setback Area"), are subject to Laws and Regulations pertaining to coastal zone management and environmental assessments, including, without limitation, the provisions of Hawaii Revised Statutes Chapter 205A and Chapter 343, Hawaii Administrative Rules Title 11, Chapter 200, and the Rules of the Maui Planning Commission Relating to the Shoreline Area of the Islands of Kahoolawe, Lanai, and Maui. These Laws and Regulations provide, *inter alia*, that development, construction, and installation of improvements and landscaping within the Shoreline Setback Area may be subject to review and approval by the Planning Director of the County of Maui, and may require a variance issued by said Planning Director. Current Laws and Regulations do not require

a variance for "minor, single-storied service and recreational buildings, paved lanais, swimming pools, and beach use facilities", provided that they do not affect beach processes, do not artificially fix the shoreline, and do not interfere with public access or public views to and along the shoreline; nevertheless, prospective purchasers of Apartments 10 through 14 are strongly advised to consult with an attorney regarding Laws and Regulations applicable to the Shoreline Setback Area and their ramifications.

9. Issues Relating to Easements.

a. The Developer is in the process of finalizing easements in favor of the Land allowing for (i) the connection of the Project's wastewater system to the County wastewater system, and (ii) the discharge of surface waters into a drainage gully designated for such purposes on the parcel of land immediately north of the Project. These easements are expected to be finalized and filed in the Land Court within the next thirty (30) to sixty (60) days.

b. The Developer intends to grant an easement for surface water drainage purposes in favor of the parcel of land immediately south of the Project (i.e., the parcel on which is located the Renaissance Wailea Resort). Surface water from portions of the Renaissance Wailea Resort will be directed into a storm drain on the Renaissance Wailea Resort parcel, in the vicinity of the Project's Multi-Use Facility, and channeled through the Project's underground drainage system into the drainage gully located to the north of the Project. In light of the relatively low amounts of rainfall in the Wailea area, the impact of this drainage easement on the Project is expected to be minimal.

c. The Developer has reserved the right and authority to cancel, terminate, or otherwise remove as encumbrances on title to the Land any and/or all of the following matters: (a) Designation of Easement "20", for building setback purposes, as shown on Maps 11 and 31, as set forth by Land Court Order No. 43594, filed in the Land Court on December 31, 1975; (b) Designation of Easement "21", for waterline purposes, as shown on Maps 11 and 31, as set forth by Land Court Order No. 43594, filed in the Land Court on December 31, 1975; (c) Designation of Easement "29", for pedestrian access, recreational and landscaping, as shown on Maps 11 and 31, as set forth by Land Court Order No. 43594, filed in the Land Court on December 31, 1975; and (d) Designation of Easement "198", as shown on Map 31, as set forth in Land Court Order No. 58688, filed in the Land Court on January 2, 1981, and in connection therewith, to execute and file in the Land Court or any other court, tribunal, or agency any and all documents necessary to accomplish such cancellation, termination, or removal. At the present time, Easements "20" and "21" extend through the Buildable Area appurtenant to Apartment 14. The Developer has contacted all private parties whose consent is required for the cancellation and termination of Easements "20" and "21", and expects that all such consents will be forthcoming, permitting the Developer to cancel and terminate said Easements by filing a petition therefor in the Land Court. In the event that the cancellation of such Easements cannot be arranged, it may be necessary to reconfigure the single-family condominium residence for Apartment 14. Except for Apartment 14, no other Residential Apartment is affected by any of the Easements referred to in this Paragraph 9.c.

10. Concierge Services. On behalf of the Association, the Developer reserves the right to defer concierge services at the Project until such time as eight (8) single-family condominium residences in the Project have been substantially completed and are ready for occupancy by the owners thereof, or such other time as the Association may determine in accordance with its Bylaws.

11. Financing. MMBC Debt Holdings I, LLC, a Delaware limited liability company ("MMBC"), has committed to provide up to $28 million in financing to the Developer for the Project land acquisition costs and costs of Project development. As of November 1, 2000, MMBC and Developer had entered into a Loan Agreement and ancillary documents relating to $20.5 million of said total amount of $28 million. Formal documentation relating to the remaining $7.5 million in additional financing will include an amendment to the existing First Mortgage, Security Agreement, Financing Statement and Assignment of Leases and Rents to provide for an increase in the amount of said mortgage to $28 million; however, title to the Apartments will be conveyed to Purchasers free and clear of the lien of said mortgage.

12. Special Management Area. 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 the Developer, on June 20, 2000, the Planning Commission of the County of Maui issued Special Management Area use permit SM1 2000/0005 for the Project, which principally permits the construction of a single-family residential condominium development on the Land. Any use of the Land for any other purpose may require an additional Special Management Area permit.

13. FEMA Flood Zones. Most of the Land is located in an area designated by the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM") as Flood Zone C, an area of minimal flooding. Certain portions of the Land located along a drainage gully on the northerly boundary of the Project site, which range in elevation from seven (7) to thirty-five (35) feet above mean sea level (1929 National Geodetic Vertical Datum), are identified by the FIRM as being within Flood Zone A4, which is a 100-year flood area. In addition, certain portions of the Limited Common Elements appurtenant to Apartments 13 and 14 located in the area of the seaward boundary of the Project site, having an elevation of seven (7) feet above mean sea level (1929 National Geodetic Vertical Datum), are identified by the FIRM as being within Flood Zone V10, which is an area of 100-year coastal flood with velocity (wave action).

14. Construction of Single-Family Detached Condominium Units by Purchaser. The Developer intends to allow each Purchaser to replace the Greenhouse constituting a part of the Residential Apartment with a single-family detached condominium dwelling unit as permitted by and subject to the Declaration.