CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer SVO Pacific, Inc.
Address 8801 Vistana Centre Drive, Orlando, Florida 32821-6353
Project Name(*) Ocean Resort Villas
Address Six Kai Ala Drive, Lahaina, Maui, Hawaii 96761

Registration No. 4652

Effective date: May 28, 2002
Expiration date: June 28, 2003

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.

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

_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.

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. Section I (Persons Connected with the Project): The list of officers and directors of Developer has been updated. See Exhibit A for list of current officers and directors of Developer.

2. Section I (Persons Connected with the Project): Developer has entered into two construction contracts for the construction of Phase 1 of the Project - one with Dick Pacific Construction Co, Ltd. and one with Hawaiian Dredging/Kajima KOR.

3. Section III.E (Encumbrances Against Title): The title report showing the list of encumbrances against the real property underlying the Ocean Resort Villas condominium project shown on the title report was updated as of March 12, 2002. An updated list of encumbrances shown in the title report dated March 12, 2002 is attached hereto as Exhibit H.

4. Section III.F (Construction Warranties): Developer is not making any warranties, either express or implied. Everything is being sold "as is".

   The general contractors have each given certain limited warranties to Developer. Developer has established a procedure intended to pass on to a purchaser some of the benefits of the general contractors' warranties given to Developer. However, the warranties provided to Developer by Dick Pacific Construction Co., Ltd. for the basement floor slab and walls for the Halekipa and the Kahakai buildings, along with related work such as piles, foundations, columns, plumbing and electrical work in connection with the pouring of the concrete, waterproofing, soil and related site work, expire on October 18, 2002. See Section III.F of this Public Report for further explanation.

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General Information on Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: SVO Pacific, Inc. — Phone: (407) 239-3000 (Business)
Name*
8801 Vistana Centre Drive
Business Address
Orlando, Florida 32821-6353

Names of officers or general partners 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):

See Exhibit A

Real Estate Broker*: SVO Pacific, Inc. — Phone: (808) 667-0586 (Business)
Name
10 Hoohui Street, Suite 307
Business Address
Lahaina, Hawaii 96761

Escrow: Hawaii Resort Escrow, Inc. — Phone: (808) 539-7550 (Business)
Name
1132 Bishop St., Suite 404
Business Address
Honolulu, HI 96813

General Contractor*: 1. Dick Pacific Construction Co. Ltd. — Phone: (808) 533-5000 (Business)
Name
707 Richards Street, Suite 400
Business Address
Honolulu, Hawaii 96813

2. Hawaiian Dredging/Kajima KOR — Phone: (808) 735-3211 (Business)
Name
614 Kapahulu Avenue
Business Address
Honolulu, Hawaii 96815

Condominium Managing Agent*: Self Managed for now ** — Phone: _____ (Business)
Name

Business Address

Attorney for Developer: Charles E. Pear, Jr., Esq.
McCorriston Miller Mukai MacKinnon LLP — Phone: (808) 529-7300 (Business)
Name
P.O. Box 2800
Business Address
Honolulu, HI 96803-2800

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

** The Developer intends to appoint SVO Hawaii Management, Inc., a Hawaii corporation, as the initial managing agent. It is an affiliate of the Developer. Its address is 10 Hoohui Street, Lahaina, Maui, Hawaii 96761; Phone (808) 665-0586. The form of the Management Agreement provides that the term of the Management Agreement begins on the "Starting Date", which is the date on which the Developer first conveys an apartment or Vacation Ownership Interest. SVO Hawaii Management, Inc., is not currently licensed as a real estate broker or condominium managing agent, but expects to be licensed and certified by the Starting Date.

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. 2734238

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

N/A

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. 1431

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

N/A

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. 2734239

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

N/A.

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 [ ] Adopted [x] Developer does not plan to adopt House Rules

E. **Changes to Condominium Document**. 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	---	N/A

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

2. Developer:

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

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

1. **Amendments in Connection with Exercise of Developer's Reserved Rights.** The Developer has the right to amend some or all of the Condominium Documents in connection with the exercise of some of the Developer's Reserved Rights. For example, the Developer may amend some or all Condominium Documents when using its reserved rights to build additional phases of the project, to create new apartments in those phases, to designate limited common elements for those apartments, to remove land from the Project, and so on. A summary of the Developer's Reserved Rights appears as Exhibit K.

2. **General Rights.** The Developer also has reserved the right to change the Condominium Documents:

- In any way and for any purpose before the date when the Developer first records a deed transferring an Apartment or a Vacation Ownership Interest to someone other than the Developer or its Lenders.
- To file the "as-built" statement (with plans, if necessary or convenient) required by Section 514A-12 of the Condominium Property Act. The Developer may do this each time a phase or increment of the Project, or any New Improvement is completed. It may also do this at any other time required by law or permitted by the Declaration.
- To comply with the real estate laws of any place (for example, the State of Hawaii) or the requirements of any government agency (such as the Hawaii Real Estate Commission or the California Department of Real Estate) in connection with the registration of the Project, or any Vacation Ownership Program (or any Adjacent Project), to permit the sale of Apartments or Vacation Ownership Interests (or any apartments, time share interests, or fractional ownership interests in an Adjacent Project);
- To satisfy requests for changes made by any institutional lender loaning money to the Developer or by any title company licensed to do business in the State of Hawaii; or
- To correct any misstatements of fact in the Condominium Documents.

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 a new lease of the land with the lessee (apartment owner). The developer may lease 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: Six Kai Ala Drive
Lahaina, Maui, Hawaii

Tax Map Key (TMK): (2) 4-4-14:03

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

Land Area: 13.998 [ ] square feet [x] acre(s) Zoning: Hotel

Fee Owner: SVO Pacific, Inc.
Name
8801 Vistana Centre Drive
Address
Orlando, Florida 32821-6353

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: 5 Floors Per Building _____

Phase I contains (a) the Halekipa Building (1 story plus basement), (b) the Kahakai Building (6 stories plus basement), and (c) the Snack Bar Building, chiller enclosure, and tennis pavilion (each 1 story without basement). Later Phases may add more major and support buildings.
[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[x] Concrete [ ] Hollow Tile [x] Wood (Snack Bar and Tennis Pavilion)

[x] Other gypsum board, steel reinforcing bar, and glass

4. Uses Permitted by Zoning:

		No. of Apts.	Uses Permitted By Zoning	
[x]	Residential	103*	[ ] Yes	[ ] No
[x]	Commercial	3	[x] Yes	[ ] No
[ ]	Mix Res/Comm		[ ] Yes	[ ] No
[x]	Hotel	103*	[ ] Yes	[ ] No
[x]	Timeshare	103*	[x] Yes	[ ] No
[ ]	Ohana		[ ] Yes	[ ] No
[ ]	Industrial		[ ] Yes	[ ] No
[ ]	Agricultural		[ ] Yes	[ ] No
[ ]	Recreational		[ ] Yes	[ ] No
[ ]	Other:		[ ] Yes	[ ] No

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

* The condominium declaration provides that the 103 resort apartments may be used (i) as a permanent or temporary residence, or (ii) for hotel or transient vacation rental purposes, or (iii) in a fractional ownership plan or in a time share plan if the Developer creates the plan or authorizes or consents to this use in a recorded document. The parts of Apartment 101 located in the Kahakai Building (and any apartments into which it may be divided) may also be used in a time share plan or fractional ownership plan created or approved by the Developer.

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: No pets or other animals of any kind, except animals specially trained to assist handicapped persons

[ ] Number of Occupants:

[x] Other: See Condominium Declaration and Bylaws generally. Especially Section 9 of the Declaration and Section 9 of the Bylaws. See also that certain Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (Land Court Document No. 2513420), the first amendment thereto (Document No. 2668965), and the Declaration of Covenants, Conditions, Easements, and Restrictions for Ka'anapali North Beach (Document No. 2668967. Copies have been filed with the Real Estate Commission and are available upon request.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 5 Stairways: 5 Trash Chutes: 1

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
See Exhibit B					

Total Number of Apartments: 105 in first phase plus gazebo apartment for a total of 106.

***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. All floor area figures are approximate.

Boundaries of Each Apartment: See Exhibit C

Permitted Alterations to Apartments: See Exhibit D

Apartments Designated for Owner-Occupants Only: N/A
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 N/A elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 200

	Regular		Compact		Tandem*		TOTAL
	Covered	Open	Covered	Open	Covered	Open	
Assigned (for each unit)	8	70		50	8		136
Guest							
Unassigned	43	9	6	6			64
Extra for Purchase							
Other:							
Total Covered & Open	130		62		8		200

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

*"Tandem" is used to refer to the back (less accessible) stall of a pair of inline stalls.

**Because the Project will be used as a time share resort, time share owners or occupants may be allowed to use any parking stall belonging to a time share apartment or not otherwise specifically identified as being reserved. Also, the developer, commercial apartment, and the Ocean Resort Villas Master Association each have an easement for the use of unassigned parking stalls for their own use or for use by prospective purchasers, members, guests, and other persons for various purposes including, among others, use in connection with sales activities.

Note that the Condominium Map reflects the presence of 24 additional "grass parking" stalls. These are expected to be temporary stalls and they are unassigned, uncovered stalls.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[x] Swimming pool [ ] Storage Area [x] Recreation Area** **See Exhibit F

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

[x] Other: See Exhibit F

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

[x] Variance(s) to zoning code was/were granted as follows: A shoreline setback variance (88/SSV-002) was granted by the County of Maui. This is discussed in the following Special Management Area permits: Special Management Area Permit No. 88/SM1-023, dated July 19, 1988, and SM1 970006 having an effective date of December 14, 1988.

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:

[ ] described in Exhibit _____

[x] as follows: All parts of the Condominium except the Apartments are designated as "Common Elements".

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 G

   [ ] 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:

   [x] described in Exhibit B

   [ ] as follows:

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

Exhibit H described the encumbrances against the title contained in the title report dated March 12, 2002 and issued by First American Title Insurance Company.

Blanket Liens:

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

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

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

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

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

F. **Construction Warranties:**

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

1. Building and Other Improvements: None. Developer is not making any warranties, either express or implied.

There are two construction contracts for construction of the Project. The contract with Dick Pacific Construction Co., Ltd., pertains to construction of the basement floor slab and walls for the Halekipa and the Kahakai buildings and related work (such as foundations, plumbing, waterproofing, etc.). That contract provides that for one year after the date of "Substantial Completion", Dick Pacific will correct "Work" that is "found to be not in accordance with the requirements of the Contract Documents" as those terms are defined in the construction contract. That warranty expires October 18, 2002.

The contract with Hawaiian Dredging/Kajima KOR provides that for one year after the date of "Final Completion", Hawaiian Dredging/Kajima KOR will correct "Work" that is "found to be not in accordance with the requirements of the Contract Documents" as those terms are defined in the construction contract.

If a purchaser gives Developer written notice of any such condition promptly after discovering it and before the one-year warranty by the relevant contractor has expired (and before Developer accepts the condition), then Developer will forward the purchaser's notice to the contractor together with a notice from Developer asking the contractor to correct the Work. However, Developer is not joining in the contractors' warranties or guarantying that the contractors will fix any defects or honor their warranties.

2. Appliances: None

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

Construction of Phase I of the Project began in December, 2000 and is expected to be completed on or about September 21, 2003.

Construction has not begun on any other phases. The Developer has no obligation to build any phase beyond Phase 1. The Developer can develop the phases in any order that it wishes. It can also develop more than one phase at a time. The Developer can also divide a phase into separate smaller phases. For example, the Developer may develop the Makani Kai Building in two phases.

H. **Project Phases**:

The developer [x] has [ ] 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):

The Developer plans to develop the Project in stages. Each stage is called a "*phase*" or an "*increment*". Each phase may include Apartments and other Improvements. The phases are described as follows:

PHASE 1. The first phase consists of the Halekipa Building, the Kahakai Building, the Snack Bar Building, the Courtyard, the Tennis Courts and Tennis Pavilion, and related Improvements.

PHASE 2. The second phase, if it is constructed, is presently planned to consist of the Makani Kai Building and related Improvements. The Makani Kai Building is planned to be a six-story building. It may also have a basement. It is likely to be constructed principally of steel-reinforced concrete, gypsum board, and glass. It will contain Apartments.

PHASE 3. The third phase, if it is constructed, is presently planned to consist of the Ahelani Building and related Improvements. The Ahelani Building is planned to be a six-story building. It may also have a basement. It is likely to be constructed principally of steel-reinforced concrete, gypsum board, and glass. It will contain Apartments.

PHASE 4. The fourth phase, if it is constructed, is presently planned to consist of a Gazebo. The Gazebo is likely to consist of a concrete slab floor, wood roof framing, and concrete masonry unit block columns. It contains one Commercial Apartment (the Gazebo Apartment).

ORDER OF DEVELOPMENT. The Developer has no obligation to build any phase beyond phase 1. The Developer can develop the phases in any order that it wishes. It can also develop more than one phase at a time. The Developer can also divide a phase into separate smaller phases. For example, the Developer might decide to develop the Makani Kai Building in two phases. The Developer may also change its plan of development without the consent or approval of anyone else.

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 of 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:

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

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

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

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

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

C. **Utility Charges for Apartments**:

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

[ ] None [X] Electricity (___ Common Elements only __X__ Common Elements & Apartments)

[X] Gas (___ Common elements only __X__ Common Elements & Apartments)

[X] Water [X] Sewer [ ] Television Cable

[X] Other: Trash Disposal, Telephone (local calls only)

V. MISCELLANEOUS

A. **Sale 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 J contains a summary of the pertinent provisions of the sales contract

[x] Escrow Agreement dated August 31, 2001
Exhibit J contains a summary of the pertinent provisions of the Escrow Agreement.

[x] Other: Vacation Ownership Deed; Buyer's Certification

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.

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

A) The Developer delivers to the buyer a copy of:
   1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent 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.

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.

**Does not apply to the offer or sale of vacation ownership interests made in the State of Hawaii.

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 issues 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: Declaration of Merger of Condominium Phases of Ocean Resort Villas; Declaration of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association; Vacation Ownership Deed; Declaration of Covenants, Conditions, Easement and Restriction for Kaanapali North Beach (Doc. No. 2668967); Unilateral Declaration of Restrictions (Doc. No. 2683897); Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions, (North Beach Shoreline Setback Area) (Doc. No. 2513420), as amended (Doc. No. 2668965); Declaration of Restrictions (Doc. No. 2688326); Notice of Time Share Plan (Doc. No. 2669185); Special Management Area Permit No. 88/SM1-023 and Shoreline Setback Variance No. 88/SSV-002, dated July 19, 1988, and Special Management Area Permit No.SM1 970006 having an effective date of December 14, 1988.

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 part of Registration No. 4652 filed with the Real Estate Commission on June 22, 2001 .

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

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

C. **Additional Information Not Covered Above**

See Exhibit K

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 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.

SVO Pacific, Inc.
Printed Name of Developer

By: _____, VP 5/23/02
Duly Authorized Signatory* Date

Victoria H. Carter, Vice President
Printed Name & Title of Person Signing Above

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
(To Final Public Report)

Officers and Directors of SVO Pacific, Inc.

NAME	TITLE	ADDRESS
Raymond L. Gellein, Jr.	Chairman of the Board	8803 Vistana Centre Drive Orlando, FL 32821
Jeffrey A. Adler	President	8803 Vistana Centre Drive Orlando, FL 32821
Dale Curtin	Senior Vice President, Chief Financial Officer, Treasurer, Assistant Secretary	8803 Vistana Centre Drive Orlando, FL 32821
Susan Werth	Senior Vice President/Law, Secretary	8803 Vistana Centre Drive Orlando, FL 32821
James A. McKnight	Senior Vice President/Construction & Development	8803 Vistana Centre Drive Orlando, FL 32821
David E. Broderick	Senior Vice President	74-000 Country Club Drive, Building D, Palm Desert, CA 92260
Victoria H. Carter	Vice President, Assistant Secretary	8803 Vistana Centre Drive Orlando, FL 32821
Lisa Cassin	Vice President	8803 Vistana Centre Drive Orlando, FL 32821
David Branson	Divisional Vice President of Finance, Assistant Treasurer	8803 Vistana Centre Drive Orlando, FL 32821
Peter Morrow	Assistant Treasurer	2231 E. Camelback Road Suite 400 Phoenix, AZ 86016
Jared T. Finkelstein	Assistant Secretary	777 Westchester Avenue White Plains, NY 10604
Raymond L. Gellein, Jr.	Director	8803 Vistana Centre Drive Orlando, FL 32821
Jeffrey A. Adler	Director	8803 Vistana Centre Drive Orlando, FL 32821

EXHIBIT B
(To Public Report)

Description Of The Apartments

A. RESORT APARTMENTS:

The Resort Apartments are divided into the following apartment types:

1. Two Bedroom Villa: The Two Bedroom Villa and Two Bedroom Villa Oceanfront apartments have one master bedroom, one combination bedroom and living area, two bathrooms, a combination living room and dining room, a kitchen, and two lanais. Two Bedroom Villa Reverse apartments contain the same rooms and areas, and are the mirror image of Two Bedroom Villa apartments. The Two Bedroom Villa Accessible apartments contain the same rooms and areas but have been modified to accommodate persons with certain disabilities.

2. Two Bedroom Deluxe Villa: The Two Bedroom Deluxe Villa apartments have one master bedroom, one combination bedroom and living area, two bathrooms, a combination living room and dining room, a kitchen, and two lanais. Two Bedroom Deluxe Villa Reverse apartments contain the same rooms and areas, and are the mirror image of Two Bedroom Deluxe Villa apartments. The Two Bedroom Deluxe Villa Accessible apartments contain the same rooms and areas but have been modified to accommodate persons with certain disabilities.

3. One Bedroom Villa: The One Bedroom Villa apartments have one bedroom, one bathroom, a combination living room and dining room, a kitchen, a foyer, and a lanai. The One Bedroom Villa Reverse apartments contain the same rooms and areas, and are the mirror image of One Bedroom Villa apartments. The One Bedroom Villa Accessible apartments contain the same rooms and areas but have been modified to accommodate persons with certain disabilities.

B. COMMERCIAL APARTMENTS:

1. Arcade Apartment: The Arcade Apartment (Apartment 102) is located in the basement of the Kahakai Building. It consists of loft space that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of one (1) room having a net living area of approximately 699 square feet. It has no lanai.

2. Gazebo Apartment: The Gazebo Apartment (Apartment 103) is located in a separate structure called the Gazebo Building as shown on the Condominium Map. It consists of covered loft space that currently has no perimeter walls but the Owner may

change this from time to time. The initial configuration consists of no enclosed rooms and has a net living area of approximately 504 square feet. It has no lanai.

3. Commercial Apartment Number 101: Commercial Apartment Number 101 is located partly in the basement of the Halekipa Building and Kahakai Building, partly on the first floors of those buildings, and partly in the Snack Bar Building. Apartment 101 has no lanai. It consists of the following:

(a) A loft space in the basement of the Halekipa Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of one (1) room but the Owner may change this from time to time. The net living area is approximately 533 square feet.

(b) A loft space in the basement of the Halekipa Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of twelve (12) rooms but the Owner may change this from time to time. The net living area is approximately 2,688 square feet.

(c) A loft space in the basement of the Halekipa Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of four rooms and a storage room but the Owner may change this from time to time. The net living area is approximately 5,309 square feet.

(d) A loft space in the basement of the Kahakai Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of one (1) room but the Owner may change this from time to time. The net living area is approximately 1,164 square feet.

(e) A loft space on the first floor of the Halekipa Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration contains twenty-nine (29) rooms but the Owner may change this from time to time. The net living area is approximately 22,080 square feet.

(f) A loft space on the first floor of the Kahakai Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration contains twelve (12) rooms but the Owner may change this from time to time. It has a net living area of approximately 6,887 square feet.

(g) A loft space in the Snack Bar Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration contains one room surrounded by covered loft space that currently has no perimeter walls. The net living area is approximately 1,656 square feet.

IMPORTANT NOTE: THE FLOOR AREAS FOR RESORT AND COMMERCIAL APARTMENTS AS SHOWN IN THIS EXHIBIT ARE ALL APPROXIMATE. THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACTUAL AREA OF ANY PARTICULAR APARTMENT. THE AREAS OF PARTICULAR APARTMENTS ARE LIKELY TO VARY.

The following pages list the Apartments by apartment number and show the apartment type, net interior floor area, net lanai floor area, net living area, valuation, common interest and assigned parking stall.

EXHIBIT B
TO
FINAL PUBLIC REPORT

Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanai Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
First Floor							
2108/10	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	67
2109/11	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	68
2112/14	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	69
2113/15	Two Bedroom Villa (Accessible)	1,299	95	1,394	52,000.00	0.003382575	70
2116/18	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	71
2117/19	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	72
2120/22	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	73
2121/23	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	74
2124	One Bedroom Villa (Reverse)	873	87	960	43,873.44	0.002853946	75
2125	One Bedroom Villa	874	87	961	43,873.44	0.002853946	76
2126/28	Two Bedroom Deluxe (Reverse)	1,479	270	1,749	71,653.10	0.004661000	77
2127/29	Two Bedroom Deluxe	1,479	270	1,749	71,653.10	0.004661000	78
2130/31	Two Bedroom Villa Ocean Front	1,297	333	1,630	52,000.00	0.003382575	79
Second Floor							
2200/02	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	80
2201	One Bedroom Villa	874	87	961	43,873.44	0.002853946	81
2203	One Bedroom Villa	874	87	961	43,873.44	0.002853946	82
2204/06	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	83
2205/07	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	84
2208/10	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	85
2209/11	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	86
2212/14	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	87
2213/15	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	88
2216/18	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	89
2217/19	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	90
2220/22	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	91
2221/23	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	92
2224	One Bedroom Villa (Reverse)	873	87	960	43,873.44	0.002853946	93
2225	One Bedroom Villa	874	87	961	43,873.44	0.002853946	94
2226/28	Two Bedroom Deluxe (Reverse)	1,479	270	1,749	71,653.10	0.004661000	95
2227/29	Two Bedroom Deluxe	1,479	270	1,749	71,653.10	0.004661000	96
2230/31	Two Bedroom Villa Ocean Front	1,297	333	1,630	52,000.00	0.003382575	97

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Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanai Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
Third Floor							
2300/02	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	98
2301	One Bedroom Villa	874	87	961	43,873.44	0.002853946	99
2303	One Bedroom Villa (Accessible)	865	87	952	43,873.44	0.002853946	100
2304/06	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	101
2305/07	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	102
2308/10	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	103
2309/11	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	104
2312/14	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	105
2313/15	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	106
2316/18	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	107
2317/19	Two Bedroom Villa (Accessible)	1,299	95	1,394	52,000.00	0.003382575	108
2320/22	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	109
2321/23	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	110
2324	One Bedroom Villa (Reverse)	873	87	960	43,873.44	0.002853946	111
2325	One Bedroom Villa	874	87	961	43,873.44	0.002853946	112
2326/28	Two Bedroom Deluxe (Reverse)	1,479	270	1,749	71,653.10	0.004661000	113
2327/29	Two Bedroom Deluxe (Accessible)	1,484	270	1,754	71,653.10	0.004661000	114
2330/31	Two Bedroom Villa Ocean Front	1,297	333	1,630	52,000.00	0.003382575	115
Fourth Floor							
2400/02	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	116
2401	One Bedroom Villa	874	87	961	43,873.44	0.002853946	117
2403	One Bedroom Villa	874	87	961	43,873.44	0.002853946	118
2404/06	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	119
2405/07	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	120
2408/10	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	121
2409/11	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	122
2412/14	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	123
2413/15	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	124
2416/18	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	125
2417/19	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	126
2420/22	Two Bedroom Villa (Reverse)	1,295	95	1,390	52,000.00	0.003382575	127
2421/23	Two Bedroom Villa	1,302	95	1,397	52,000.00	0.003382575	128c
2424	One Bedroom Villa (Reverse)	873	87	960	43,873.44	0.002853946	129c
2425	One Bedroom Villa	874	87	961	43,873.44	0.002853946	130c
2426/28	Two Bedroom Deluxe (Reverse)	1,479	270	1,749	71,653.10	0.004661000	131c
2427/29	Two Bedroom Deluxe	1,479	270	1,749	71,653.10	0.004661000	132c
2430/31	Two Bedroom Villa Ocean Front	1,297	333	1,630	52,000.00	0.003382575	133c

EXHIBIT B
TO
FINAL PUBLIC REPORT

Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanai Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
Fifth Floor							
2500/02	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	134c
2501	One Bedroom Villa (Corner)	874	101	975	43,873.44	0.002853946	135c
2503	One Bedroom Villa	874	101	975	43,873.44	0.002853946	136c
2504/06	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	137c
2505/07	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	138c
2508/10	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	139c
2509/11	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	140c
2512/14	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	141c
2513/15	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	142c
2516/18	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	143c
2517/19	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	144c
2520/22	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	145c
2521/23	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	146c
2524	One Bedroom Villa (Reverse)	873	101	974	43,873.44	0.002853946	147c
2525	One Bedroom Villa	874	101	975	43,873.44	0.002853946	148c
2526/28	Two Bedroom Deluxe (Reverse)	1,479	256	1,735	71,653.10	0.004661000	149c
2527/29	Two Bedroom Deluxe	1,479	256	1,735	71,653.10	0.004661000	150c
2530/31	Two Bedroom Villa Ocean Front	1,297	333	1,630	52,000.00	0.003382575	151c
Sixth Floor							
2600/02	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	152c
2601	One Bedroom Villa (Corner)	874	101	975	43,873.44	0.002853946	153c
2603	One Bedroom Villa	874	101	975	43,873.44	0.002853946	154c
2604/06	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	155c
2605/07	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	156c
2608/10	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	157c
2609/11	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	158c
2612/14	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	159c
2613/15	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	160c
2616/18	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	161c
2617/19	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	162c
2620/22	Two Bedroom Villa (Reverse)	1,295	110	1,405	52,000.00	0.003382575	163c
2621/23	Two Bedroom Villa	1,302	110	1,412	52,000.00	0.003382575	164c
2624	One Bedroom Villa (Reverse)	873	101	975	43,873.44	0.002853946	165c
2625	One Bedroom Villa	874	101	975	43,873.44	0.002853946	166c
2626/28	Two Bedroom Deluxe (Reverse)	1,479	256	1,735	71,653.10	0.004661000	167c
2627/29	Two Bedroom Deluxe	1,479	256	1,735	71,653.10	0.004661000	168c
2630/31	Two Bedroom Villa Ocean Front	1,297	333	1,630	52,000.00	0.003382575	169c

EXHIBIT B
TO
FINAL PUBLIC REPORT

Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanai Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
Commercial Apartments							
Arcade	Commercial	673	None	673	5,133.63	0.000333940	170c
Gazebo	Commercial	504	None	504	9,647,180.10	0.627544409	171c
Apt. 101	Commercial	40,317	None	40,317	307,537.37	0.020005158	58, 59, 60hc, 61hc, 62hc, 63hc, 64, 65, 66, 2hc, 2A*, 4, 4A*, 5, 5A*, 7, 7A*, 9, 9A*, 11, 11A*, 13, 13A*, 15, 15A*, 172, 173, 174, 175, 176c, 177c
					Unassigned Parking Stalls		1, 3c, 6, 8, 10, 12, 14, 16c, 17, 18, 19, 20hc, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33c, 34, 35, 36, 37, 38, 39, 40, 41c, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 178c, 179c, 180c, 181c, 182c, 183c, 184c, 185c, 186c, 187, 188, 189, 190, 191, 192
NOTE:							
	c - compact						
	* - tandem						
	hc - handicap						

Exhibit C
APARTMENT BOUNDARIES

RESORT APARTMENT BOUNDARIES:

The Resort Apartments consist of an Apartment interior and a lanai.

The boundaries of the Apartment interior consist of the interior surface of the perimeter walls, windows, doors, floors, and ceilings.

The lanai boundaries consist of these things:

- The decorated or finished surfaces of the outside walls of the building that separate the lanai from the Apartment;
- The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Apartment; and
- The interior decorated surface of any railings or support posts, and any other walls or other Improvements enclosing the lanai.

THINGS THAT ARE PART OF THE RESORT APARTMENTS. These things are part of each Resort Apartment:

- All of the walls and partitions that are not load-bearing and that are located inside of the Apartment's boundaries.
- All movable lanai doors and the door frames.
- All doors and door frames located inside of the Apartment's boundaries.
- The inner decorated or finished surfaces of all boundary walls, panels, windows and window frames, doors and their door frames, floors and ceilings.
- All fixtures originally installed in the Apartments and all replacements of those fixtures.

THINGS THAT ARE NOT PART OF THE RESORT APARTMENTS. These things are not part of the Resort Apartments:

- The undecorated or unfinished surfaces of the boundary walls.
- Any load-bearing walls or columns inside of the Apartment. However the decorated or finished surfaces are part of the Apartment.
- The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each Resort Apartment.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within an Apartment if they are used for or serve the Common Elements or more than one Apartment.

All of these things are Common Elements. This is so regardless of the net living areas listed in Exhibit B and the way in which they were measured.

COMMERCIAL APARTMENT BOUNDARIES:

The Commercial Apartments consist of an Apartment interior only. They have no lanai.

The boundaries of the Apartment interior consist of: (i) the centerline of all perimeter walls that separate one commercial apartment from another, (ii) the interior surface of all other perimeter walls, and (iii) the interior surface of all perimeter windows, doors, floors, and ceilings. If the Condominium Map does not use walls or other physical improvements to mark the boundaries of the Apartment, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map. Note that the Commercial Apartments include any crawl space or plenum between the "ceiling" and any acoustic tiles or other ceiling system.

THINGS THAT ARE PART OF THE COMMERCIAL APARTMENTS. These things are part of each Commercial Apartment:

- All of the walls and partitions that are not load-bearing and that are located inside of the Apartment's boundaries.
- All movable lanai doors and the door frames.
- All doors and door frames located inside of the Apartment's boundaries.
- The inner decorated or finished surfaces of all boundary walls, panels, windows and window frames, doors and their door frames, floors and ceilings.
- All fixtures originally installed in the Apartments and all replacements of those fixtures.

THINGS THAT ARE NOT PART OF THE COMMERCIAL APARTMENTS. These things are not part of the Commercial Apartments:

- The undecorated or unfinished surfaces of the boundary walls (except for any part within the

centerline of the boundary walls that separate one commercial apartment from another).

- Any load-bearing walls or columns inside of the Apartment. However the decorated or finished surfaces are part of the Apartment.

- The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each Commercial Apartment.

- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within an Apartment if they are used for or serve the Common Elements or more than one Apartment.

All of these things are Common Elements. This is so regardless of the net living areas listed in Exhibit B and the way in which they were measured.

Exhibit D
ALTERATION OF APARTMENTS

1. ADDITIONS OR CHANGES WITHIN AN APARTMENT OR LIMITED COMMON ELEMENT:

Each Owner has the right to make any of the following changes, additions and improvements solely within the Owner' Apartment or within any Limited Common Element that the Owner controls:

- The Owner may install, maintain, remove and rearrange partitions and other structures from time to time within the Apartment or Limited Common Element.
- The Owner may finish, change or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors or walls as appropriate for the use of the Apartment or Limited Common Element.
- The Owner may decorate, paint, repaint, wallpaper or otherwise change the appearance of the walls, floors and ceilings of the Apartment or Limited Common Element.
- The Owner may tile, finish, carpet, re-carpet, and install, change, or remove other flooring in the Apartment or Limited Common Element.
- The Owner may install, change or remove the ceiling system of a Commercial Apartment or its Limited Common Element.

In addition, an Owner may make "nonmaterial structural additions to the Common Elements" as that term is used in §514A-89 of the Condominium Property Act.

The Developer's Reserved Rights include the right to do any or all of these things with respect to any Apartment that the Developer owns or the Limited Common Elements of an Apartment that it owns.

2. THE MASTER ASSOCIATION APARTMENT.

The Owner of the Master Association Apartment has the right to do these things:

- It may plant, change and remove grasses, shrubs, trees, gardens, and other landscaping within the Limited Common Elements of the Master Association Apartment.
- It may install, change and remove waterfalls, ponds, streams, or foot bridges, benches, decorative rocks, and other landscaping enhancements within the Limited Common Elements of the Master Association Apartment.
- It may install, change and remove, from time to time, automatic sprinkler systems and other systems for the maintenance and upkeep of the landscaping within the Limited Common Elements of the Master Association Apartment.
- It may install, change and remove walkways, walkway railings, pathways, driveways, and other accessways within the Limited Common Elements of the Master Association Apartment.
- It may install, change and remove tiki torches within the Limited Common Elements of the Master Association Apartment.
- It may install, change and remove special lighting, security, and/or sound systems within the Master Association Apartment or its Limited Common Elements.
- It may install electric lines, gas lines, water lines, and other utilities to serve the Master Association Apartment and/or its Limited Common Elements.
- It may install, change and remove tile, carpet, flooring, paint, or other products that change the finish or appearance of the pool and pool deck.
- It may install, change and remove Master Association Amenities within the Master Association Apartment or its Limited Common Elements. This includes, for example, changes to the pools or water slides, whether for safety reasons, updating, or for other reasons, installation of new waterfalls, slides, volleyball courts, putting greens, shuffleboard courts, or other new amenities, removal of the existing amenities, and so on.

The Developer's Reserved Rights include the right to do any or all of these things while the Developer owns the Master Association Apartment.

During the Development Period, the Master Association must first get the Developer's consent before making any material changes to the Limited Common Elements of the Master Association Apartment.

3. CHANGES BETWEEN APARTMENTS AND/OR LIMITED COMMON ELEMENTS.

The Owner of a Commercial Apartment has the right and an easement to do these things:

- ❖ It can change or remove all or any part of any Common Element wall, floor, or ceiling that separates the Apartment from its Limited Common Elements.
- ❖ It can install doors, stairways and other improvements in any opening that it makes.
- ❖ It can seal hallways or other openings.
- ❖ It can make other reasonable changes or additions.

The Developer's Reserved Rights include the right to do the same things with respect to any Commercial Apartment that it owns.

The Owner of two (2) Commercial Apartments which are separated by a Common Element that is a wall, floor or a ceiling, or whose Limited Common Elements are separated from each other or from such Commercial Apartments by a Common Element that is a wall, floor or ceiling, has the right and an easement to do these things:

- ❖ It can change or remove all or part of the intervening wall, floor and/or ceiling.
- ❖ It can install doors, stairways and other improvements in such opening or openings in the intervening Common Element.
- ❖ It can seal hallways or other openings.
- ❖ It can make other reasonable changes or additions.

The Developer's Reserved Rights include the right to do the same things with respect to any two (2) Commercial Apartments that it owns. Before terminating its common ownership of any of the adjacent Apartments, the Owner or Developer must restore the Common Element wall, floor, ceiling, hallway and/or other openings to substantially the same condition as before the change or removal unless the new Owners each agree otherwise in writing.

4. SUBDIVISION OF APARTMENT.

The Owner of a Commercial Apartment has the right to do these things:

- ❖ It can subdivide the Apartment to create two or more Apartments.
- ❖ It can designate which Limited Common Elements of the subdivided Apartment will be appurtenant to the Apartments resulting from the subdivision.
- ❖ It can convert parts of the existing Apartment to Common Element status to facilitate the subdivision.

If the Owner of Apartment 101 subdivides that Apartment, the Owner can decide whether one or more than one of the resulting Apartments will have any special rights or easements of Apartment 101 under this Declaration, or it can divide some or all of those rights among the resulting Apartments.

The Developer's Reserved Rights include the right to do the same things with respect to any Commercial Apartment that it owns.

5. CONSOLIDATION OF APARTMENTS.

An Owner who owns any two (2) Commercial Apartments has these rights:

- ❖ The Owner may consolidate the Apartments into a single Apartment (whether or not the Apartments are adjacent to each other).
- ❖ If the Apartments are adjacent to each other, the Owner may make any Common Element walls, floors or ceilings between the Apartments part of the Apartment or its Limited Common Elements.

The Developer's Reserved Rights include the right to do the same things with respect to any two (2) Commercial Apartments that it owns.

Exhibit E
INFORMATION ABOUT PARKING STALLS

1. The Board will provide for periodic resurfacing and other routine maintenance of parking stalls. This does not relieve an Owner from the obligation to pay for damages beyond normal wear and tear to his or her parking stall. Costs and expenses relating to parking stalls that are Limited Common Elements may be (i) divided into equal shares for each stall, (ii) allocated based on a comparison of relative square footage (using actual areas, or estimated areas, or estimated average stall sizes), or (iii) allocated in some other fair and equitable manner determined by the Board from time to time with the consent, during the Development Period, of the Developer.

2. Unassigned parking stalls may be used by:

A. Commercial Apartment Owners, their Representatives, vendors, licensees, and invitees have the right, for the purposes of the business conducted in the Commercial Apartment or its appurtenant Limited Common Elements.

B. The Master Association, Master Association Members, occupants of property participating in the Master Association, and each of their guests.

C. Purchasers and prospective purchasers of Apartments, Vacation Ownership Interests, or other property from the Developer and its Representatives, licensees, and invitees.

5. The Owner of Apartment 101 has an exclusive right (but not an obligation) to provide valet parking services to the Apartment occupants and their guests, and to customers and other invitees of the Commercial Apartments. This includes the right to control the flow of vehicles through the port cochere and semi-circular driveway in front of the Halekipa building, and the loading, unloading, and parking of vehicles in the semi-circular driveway. If the Owner of Apartment 101 requests it, the Board must designate thirty (30) of the unassigned parking stalls for exclusive use as valet parking stalls. The Board may set aside any greater number of stalls that the Board reasonably determines to be necessary and, during the Development Period, as the Developer approves.

6. When building new phases or adding other new improvements to the Project, the Developer may add remove or change parking structures or parking stalls provided that:

A. At all times each Resort Apartment must have at least one parking stall as a Limited Common Element;

B. The Developer cannot materially reduce the size of a parking stall for an Apartment not owned by the Developer unless the Apartment Owner consents in writing.

C. The Developer cannot remove a parking stall for an Apartment not owned by the Developer unless the Developer provides a replacement stall. The replacement stall cannot be a compact stall unless it replaces a compact stall.

7. When creating new apartments, the Developer may assign any unassigned parking stalls to the new apartments.

8. The Developer can remove from the Condominium certain parts of the Land. The Developer may not, however, delete any part of the Land that contains a parking stall that is a Limited Common Element of an Apartment no longer owned by the Developer unless either: (i) the Apartment Owner consents in writing, or (ii) the Developer provides a replacement stall. The replacement stall cannot be a compact stall unless it replaces a compact stall.

9. Owners have the right to exchange parking stalls with other Owners. They may also transfer their stall to another Owner. But each Resort Apartment must always have at least one stall.

10. If a parking stall designated or designed for handicap use (a "handicap stall") is a Limited Common Element to an Apartment, then the Owner of that Apartment must exchange the handicap stall for a stall that is not a handicap stall if certain conditions are met.

Exhibit F

RECREATIONAL AND COMMON FACILITIES

Master Association. The Developer intends to build the Project in phases. The Developer also has the right to develop Adjacent Projects on the Adjacent Parcels. The Developer may also develop one or more hotels, vacation ownership or time share plans, and/or fractional ownership plans on the Adjacent Parcels or elsewhere in Ka'anapali North Beach.

The Developer wants to be sure that certain amenities can be shared by Owners in this Project, and owners and occupants of Adjacent Projects, or other Ka'anapali North Beach real estate developments. These amenities may be part of the Project, an Adjacent Project, or another of the Ka'anapali North Beach projects.

The Developer also wants a way to be sure that these amenities, and the landscaping and grounds of the Project and any Adjacent Projects provide a complementary vacation ambience consistent with a first class destination resort, and that they can be updated and enhanced over the years to keep up with modern trends for first class destination resorts.

Finally, the Developer intends to reserve the right to use some of these amenities for its own purposes. For example, the Developer wants to be able to do these things:

- It wants to be able to show the amenities and the Project grounds to persons who might buy an Apartment or Vacation Ownership Interest in the Project or an apartment, time share interest, or fractional ownership interest in any Adjacent Project.
- It wants to be able to offer activities to these prospective purchasers.
- It wants to be able to establish booths or concessions for the sale of tourist activities or other incentives intended to encourage prospective purchasers to attend a sales presentation.
- It wants to be able to conduct receptions for purchasers and prospective purchasers for the purpose of promoting the sales of Apartments or Vacation Ownership Interests in the Project or apartments or time share interests or fractional ownership interest in any Adjacent Project.

To accomplish these things, the Developer created the Master Association Apartment and the Master Association.

Nature of Master Association. The name of the Master Association is Ocean Resort Master Association. It is a non-profit Hawaii corporation. The Master Association is governed by the Master Association Documents. They consist of: the "Declaration of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association", the Articles of Incorporation of the Ocean Resort Master Association, the Bylaws of the Ocean Resort Master Association, and any rules and regulations of the Master Association.

Master Association Apartment. The Master Association owns the Master Association Apartment. Many of the amenities of the Project are set aside as Limited Common Elements of the Master Association Apartment. These include, for example, the various waterfalls, water slide, slide mountain, swimming pool, koi ponds, spa, pool decks, pool bathrooms, beach and pool showers, fitness center, late departure guest lounge, and tennis courts and a tennis pavilion, among other things. They also include the landscaping and grounds of the Project.

Master Association Membership. Each Owner of a Resort Apartment (including, for example, Owners of Vacation Ownership Interests) is required to be a member of the Master Association. Membership in the Master Association entitles the Resort Apartment Owners to use the Master Association Amenities.

The Developer has the right to permit or require owners of apartments or of time share interests or fractional ownership interests elsewhere in Ka'anapali North Beach to be members of the Master Association. The Developer also has the right to permit any hotel developed by the Developer in Ka'anapali North Beach to be a member of the Master Association and to permit the hotel guests to use the Master Association Amenities.

The Master Association Documents govern the Master Association. Among other things, they set the terms and conditions of membership, the rights to use the Master Association Amenities, limitations on those rights, and so on. The Master Association Documents are binding on each Resort Apartment and on each Resort Apartment Owner.

Because the Owners of the Commercial Apartments will not be participating in the Master Association, they may not use the Master Association Amenities and they will not share in the costs of owning, operating, and maintaining the property owned by the Master Association.

Master Association Amenities. For now, the Master Association Amenities consist of certain of the amenities that are Limited Common Elements of the Master Association Apartment. The Developer has the right to add to the Master Association Amenities any amenities located on any other project participating in the Master Association, but the Developer does not promise to do so. The Master Association has the rights stated in the Master Association Declaration to add, continue, change or remove any of the Master Association Amenities. This includes the right to change any Master Association Amenities located on the Project.

Master Association Dues and Fees. The Master Association Documents require that each Owner of a Resort Apartment pay a share of the costs to operate, maintain, repair, replace, change, and upgrade the Master Association Amenities and other Master Association property, and the costs to operate and maintain the Master Association. All other Master Association Members must also pay a share of these costs as provided in the Master Association Declaration. Each Owner of a Resort Apartment must pay the fees, charges, and expenses charged by the Master Association in accordance with the Master Association Documents.

Exhibit G
LIMITED COMMON ELEMENTS

All parts of the Condominium except the Apartments are called "*Common Elements*". Some Common Elements, called "*Limited Common Elements*", are designated and set aside for the exclusive use of certain Apartments. Except as otherwise specifically provided in the Declaration, those Apartments have the exclusive right (in legal terms, an "*exclusive easement*") to use the Limited Common Elements set aside for their use. These Common Elements are Limited Common Elements:

1. PARKING STALLS. Each Apartment has the exclusive right to use the parking stall or stalls assigned to it.

2. MAILBOXES. Each Apartment has the exclusive right to use the mailbox having the same number as the Apartment.

3. RESORT LIMITED COMMON ELEMENTS. "*Resort Limited Common Elements*" are Limited Common Elements appurtenant to all of the Resort Apartments and to the Arcade Apartment.

A. THINGS THAT ARE RESORT LIMITED COMMON ELEMENTS. Except as provided below, all Common Elements contained in or that are part of a building containing Resort Apartments are Resort Limited Common Elements.

B. THINGS THAT ARE NOT RESORT LIMITED COMMON ELEMENTS. The following Common Elements are contained in or are part of the Kahakai Building. Even so, they are not Resort Limited Common Elements.

- The parking stalls located in the basement of the Kahakai Building.
- The driveways and ramps within or leading to parking stalls located in the basement of the Kahakai Building.
- The areas in the basement of the Kahakai Building colored in green or gray on the Condominium Map.
- Terrace No. 2 on the first floor of the Kahakai Building. It is colored yellow on the Condominium Map.
- The corridor leading from Terrace No. 2 to the corridor in the middle of the Kahakai Building. It is colored yellow on the Condominium Map.
- The telecom rooms located between stairway no. 2 and elevator no. 2 on all floors of the Kahakai Building. They are colored green on the Condominium Map.
- The electrical room on the first floor of the Kahakai Building. It is colored yellow on the Condominium Map.
- The elevator shown on the Condominium Map as elevator no. 4, the elevator lobbies for that elevator, and the stairway adjacent to those lobbies. They are colored yellow on the Condominium Map.

4. HALEKIPA LIMITED COMMON ELEMENTS. "*Halekipa Limited Common Elements*" are Limited Common Elements appurtenant to all of the Commercial Apartments located in the Halekipa Building. Initially this consists of only Apartment 101.

A. THINGS THAT ARE HALEKIPA LIMITED COMMON ELEMENTS. Except as provided below, all Common Elements contained in or that are part of the Halekipa Building are Halekipa Limited Common Elements. In addition, the supporting columns and roof of the porte cochere are Halekipa Limited Common Elements.

B. THINGS THAT ARE NOT HALEKIPA LIMITED COMMON ELEMENTS. The following Common Elements are contained in or are part of the Halekipa Building. Even so, they are not Halekipa Limited Common Elements:

- The parking stalls located in the basement of the Halekipa Building.
- The driveways and ramps within or leading to parking stalls located in the basement of the Halekipa Building.
- The areas in the basement of the Halekipa Building colored in green or gray on the Condominium Map.
- The trash room in the basement of the Halekipa Building. It is colored yellow on the Condominium Map.

- The corridors of the basement of the Halekipa Building. They are colored yellow on the Condominium Map.

- The areas on the first floor of the Halekipa Building. They are colored green on the Condominium Map.

- Terrace No. 3 on the first floor of the Halekipa Building. It is colored yellow on the Condominium Map.

- The driveway and entryway beneath the porte cochere adjacent to Apartment 101. They are colored green on the Condominium Map.

5. MASTER ASSOCIATION APARTMENT. These Common Elements are Limited Common Elements of the Master Association Apartment:

- The Land and Improvements located within the boundaries of the Courtyard as designated on the Condominium Map. This does not include the Snack Bar Building. It also does not include the lanai surrounding the Snack Bar Building or the bridge leading from it to terrace no. 3. It is colored green on the Condominium Map.

- The amenities located within the Courtyard. This includes, among other things, the waterfalls, water slide, slide mountain, swimming pool, koi pond, spa, pool decks, pool bathrooms, towel pavilion, and beach and pool showers.

- The tennis courts and tennis pavilion.

- The fitness center, late departure guest lounge, bathrooms, and locker rooms in the basement of the Kahakai Building. These are colored gray on the Condominium Map.

- The pool laundry room, water feature equipment room, and the water feature pump room in the basement of the Halekipa Building. These are colored gray on the Condominium Map.

- All Common Element yards, grounds, walkways, walkway railings, waterfalls, ponds, gardens, decorative rocks, and other landscaping not located in the Shoreline Setback Area.

- All apparatus and installations, as described in Sections 5.3G and 5.3H of the Declaration, that serve only the Master Association Apartment or any of its Limited Common Elements as listed above.

6. APARTMENT 101. These Common Elements are Limited Common Elements appurtenant to and are set aside for the exclusive use of Apartment 101:

- The driveway and entryway beneath the porte cochere adjacent to Apartment 101. This does not include the roof and supporting columns.

- Terrace nos. 1, 4, 5, and 6 on the first floor of the Halekipa Building. They are colored green on the Condominium Map.

- Stairway nos. 7 and 7a and ramp no. 2 leading from the terrace to the Courtyard. They are colored green on the Condominium Map.

- The lanai surrounding the Snack Bar Building and the bridge leading from it to terrace no. 5. They are colored green on the Condominium Map.

- The telecom rooms located between stairway no. 2 and elevator no. 2 on all floors of the Kahakai Building.

- The areas in the basements of the Halekipa Building and the Kahakai Building colored green on the Condominium Map.

- The attic of the Halekipa Building.

Exhibit H
ENCUMBRANCES

1. Real Property Taxes: Reference is made to the Tax Assessor's Office, County of Maui.

2. Reservation of all mineral or metallic mines of every description to the Hawaiian Government; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 29, 1960, as contained in that certain instrument dated January 29, 1960, recorded in the office of the Registrar of Conveyances in Book 3822, page 37.

3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.

4. Designation of Easement "42", for road, utility and pedestrian purposes, as shown on Maps 15 and 74, as set forth by Land Court Order No. 29190, filed November 7, 1968.

5. EASEMENT

Dated:	March 9, 1970
Filed:	Document No. 498923
In favor of:	Kaanapali Development Corporation.
Purpose:	Right of way over Easement "42".

6. Covenants, conditions, restrictions, reservations, agreements, obligations easements and other provisions contained in Subdivision Agreement (Large Lots):

Dated:	August 6, 1990
Filed:	August 20, 1990 Document No. 1756822
Recorded:	August 20, 1990 Document No. 90-127827

7. Covenants, conditions, restrictions, reservations, agreements, obligations easements and other provisions contained in Private Water System Agreement:

Dated:	October 2, 1991
Recorded:	October 7, 1991 Document No. 90-136263
By and between:	Amfac Property Investment Corp, a Hawaii corporation, and Tobishima Pacific, Inc., a Hawaii corporation, "Developers"; and Department of Water Supply of the County of Maui,

(Not noted on Transfer Certificate of Title No. 569,700)

Amendment to the Agreement

Dated:	October 14, 1992
Recorded:	October 20, 1992 Document No. 92-169921
Re:	To incorporate certification into a agreement.

(Not noted on Transfer Certificate of Title No. 569,700)

8. Restriction of Access Rights, as shown on Maps 2 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.

9. A 40 feet Building Setback, as shown on Maps 71 and 74, as set forth by Land Court Order No. 109618, Filed November 27, 1992.

10. Designation of Easement "172" (area 4,432 square feet), for sewer force purposes, as shown Maps 71 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.

11. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions contained in Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions, (North Beach Shoreline Setback Area):

Dated:	December 29, 1998 (effective December 14, 1998)
Filed:	January 13, 1999 Document No. 2513420
Recorded:	January 13, 1999 Document No. 99-005138
By:	Amfac Property Investment Corp., a Hawaii corporation.

Amendment to Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area):

Dated:	December 6, 2000
Filed:	December 6, 2000 Document No. 2668965
Recorded:	December 6, 2000 Document No. 2000-170916

12. Designation of Easement "246" (area 1.072 acres), for roadway (bikeway and trolley included) and utility purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.

13. Designation of Easement "247" (area 2.057 acres), for shoreline setback purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.

14. Designation of Easement "248" (area 0.252 acre), for drainage purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.

15. Designation of Easement "250" (area 0.037 acre), for drainage purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.

16. Designation of Easement "251" (area 0.262 acre), for wetland purposes, as shown on Map 86, as set forth by Land Court Order No.138359, filed May 8, 2000.

17. Designation of Easement "252" (area 0.387 acre), for slope preservation, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.

18. Restriction of Vehicular Access Rights, as shown on Map 86, as set forth by Land Court Order No. 138359, Filed May 8, 2000.

19. Reservations of the State of Hawaii, as set forth in Land Court Order No. 138359, filed May 8, 2000, including matters relating to the following:

(a) Claims, if any, of native tenants.

(b) Claims, if any, to any historic, religious and archaeological sites.

(c) Claims, if any, to rights of access through public highways, trails and pathways and historical uses on and across the parcels to the shoreline be determined, protected and not restricted.

(d) Claims, if any, to waters having their source upon or flowing under the parcels.

20. Encroachments shown on survey map dated May 12, 2000, prepared by James R. Thompson, Licensed Professional Land Surveyor.

21. Covenants, conditions, restrictions, reservations, agreements, obligations, easements, and other provisions set forth in Declaration for Kaanapali North Beach:

Dated:	December 6, 2000
Filed:	December 6, 2000 Document No. 2668967
Recorded:	December 6, 2000 Document No. 2000-170917

Designation of Successor Declarant and Assignment of Declarant's Rights and Interest:

Dated:	December 21, 2000
Filed:	February 20, 2001 Document No. 2684122
Recorded:	February 20, 2001 Document No. 2001-022804
By:	Amfac Property Investment Corp., a Hawaii corporation ("APIC").
To:	Amfac/Jmb Hawaii, L.L.C., a Hawaii limited liability company("A/JMB"), and Kaanapali Development Corp., a Hawaii corporation ("KDC").

22. Grant of Easement and Agreement (Roadway and Utility Purposes):

Dated:	December 6, 2000
Filed:	December 6, 2000 Document No. 2668969
By and between:	SVO PACIFIC, INC., a Florida corporation, and AMFAC PROPERTY INVESTMENT CORP., a Hawaii corporation.

23. EASEMENT

Dated:	December 6, 2000
Filed:	December 6, 2000 Document No. 2668970
Purpose:	Roadway, bikeway, pedestrian and utility.
In favor of:	AMFAC PROPERTY INVESTMENT CORP., a Hawaii corporation ("APIC"), and KAANAPALI NORTH BEACH MASTER ASSOCIATION, INC., a Hawaii nonprofit corporation ("Association").

24. Grant of Easements and Covenants to Share Costs (Roadway Lot 34 - Lots 98 and 101):

Dated: December 6, 2000
Filed: December 6, 2000
Document No. 2668971
By and between: AMFAC PROPERTY INVESTMENT CORP., a Hawaii corporation ("APIC"), SVO PACIFIC INC, a Florida corporation ("SVO"), and KAANAPALI OPERATIONS ASSOCIATION, INC., a Hawaii nonprofit corporation ("KOA").

25. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions contained in Notice of Time Share Plan:

Dated: December 4, 2000
Filed: December 6, 2000
Document No. 2669185
Recorded: December 6, 2000
Document No. 2000-171389

26. Terms, provisions and conditions contained in that certain Unilateral Declaration of Restrictions; Joinder Agreement (North Beach Unit Count and Drainage):

Dated: February 15, 2001
Filed: February 16, 2001
Document No. 2683897
Recorded: February 16, 2001
Document No. 2001-022448
By and between: Kaanapali Development Corp., a Hawaii corporation ("KDC"); Amfac/Jmb Hawaii, L.L.C., a Hawaii limited liability company ("Amfac"); and Pioneer Mill Company, Limited, a Hawaii corporation ("PMCo").

27. Terms, provision and conditions contained in that certain Declaration of Restrictions (Unit Count):

Dated: February 15, 2001
Filed: March 8, 2001
Document No. 2688326
Recorded: March 8, 2001
Document No. 2001-032604
By and Between: SVO Pacific, Inc., a Florida corporation ("SVOP"); Kaanapali Development Corp., a Hawaii corporation ("KDC"); and Amfac/Jmb Hawaii, L.L.C., a Hawaii limited liability company ("A/JMB").

28. Designation of Easement "261", as shown on Map 87, as set forth by Land Court Order No. 142094, filed May 25, 2001.

29. Condominium Map No. 1431, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii.

30. Terms, provisions and conditions contained in the Declaration of Merger of Condominium Phases of Ocean Resort Villas:

Dated: August 28, 2001
Filed: August 31, 2001
Document No. 2734237

31. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Condominium Property Regime of Ocean Resort Villas:

Dated: August 24, 2001
Filed: August 31, 2001
Document No. 2734238
(Establishing 103 Resort Apartments and 3 Commercial Apartments)

32. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of Ocean Resort Villas:

Dated: August 24, 2001
Filed: August 31, 2001
Document No. 2734239

33. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration for Ocean Resort Master Association:

Dated: September 5, 2001
Filed: September 18, 2001
Document No. 2737946
(Affects Apartment 102 "Arcade Apartment" and all 103 Resort Apartments)

34. Covenants, conditions, restrictions, reservations, agreements, obligations, easements, By-Laws and other provisions set forth in the Declaration of Ocean Resort Villas Vacation Ownership Plan:

Dated: September 14, 2001
Filed: September 18, 2001
Document No. 2737947
(Affects all 49 Resort Apartments on First, Third and Sixth Floors of Kahakai Building)

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

Exhibit "I"

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months =	Yearly Total
One Bedroom Villa	$ 1,152.31	$ 13,827.75
Two Bedroom Villa	$ 1,365.69	$ 16,388.33
Two Bedroom Deluxe Villa	$ 1,881.98	$ 22,583.78
Apartment 101	$ 13,100.52	$ 157,206.27
Apartment 102 (Arcade Apartment)	$ 139.01	$ 1,668.15
Apartment 103 (Gazebo Apartment)	$ 177.97	$ 2,135.68

NOTE: Resort apartments must also pay Master Association Assessments, in addition to Condominium Assessments, as follows:

Apartment	Monthly Fee x 12 months =	Yearly Total
One Bedroom Villa	$ 931.68	$ 11,180.14
Two Bedroom Villa	$ 1,104.42	$ 13,253.01
Two Bedroom Deluxe Villa	$ 1,521.87	$ 18,262.42

I THORP THOMAS, as agent for/and/or employed by SVO Hawaii Management, Inc., the condominium managing agent/developer for the Ocean Resort Villas condominium project, hereby certify that the attached estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Signature

THORP THOMAS

Name

Pursuant to Section 514A-83.6, H.R.S., the Developer has completed a reserve study.

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

OCEAN RESORT VILLAS APARTMENT OWNERS ASSOCIATION
ESTIMATED BUDGET OF OPERATING EXPENSES
JANUARY 1, 2003 through DECEMBER 31, 2003

Description	Annual Amount	Monthly Amount	Annual per Unit Week: Two Bedroom Lock-off Unit (1)	Two Bedroom Lock-off Deluxe Unit (1)	One Bedroom Unit (1)	Annual Commercial Unit(s) (2)
REVENUES:						
Maintenance Fee Revenue	$ 1,661,772	$ 138,481	$ 292.84	$ 403.54	$ 247.08	$ 91,800.46
Interest Revenue	36,400	3,033	6.41	8.84	5.41	2,010.83
Late Fee Revenue						
Every-Other-Year Service Fee Revenue						
Miscellaneous Revenue	26,000	2,167	4.58	6.31	3.87	1,436.31
Total Operating Revenue	$ 1,724,172	$ 143,681	$ 303.83	$ 418.69	$ 256.36	$ 95,247.60
EXPENSES:						
Housekeeping & Rooms	$ 251,747	$ 20,979	$ 44.36	$ 61.13	$ 37.43	$ 13,907.14
Administrative & General	7,000	583	1.23	1.70	1.04	386.70
Financial Services	6,000	500	1.06	1.46	0.89	331.46
Data Processing						
Annual Audit	6,000	500	1.06	1.46	0.89	331.46
Activities & Security	307,166	25,597	54.13	74.59	45.67	16,968.62
Reserve for Bad Debt	20,900	1,742	3.68	5.08	3.11	1,154.57
Repairs & Maintenance						
Utilities (Electricity, Gas Water, Sewer, Cable & Telephone)	552,417	46,035	97.35	134.14	82.14	30,516.91
Contingency	54,380	4,532	9.58	13.21	8.09	3,004.11
Insurance	187,745	15,645	33.09	45.59	27.92	10,371.53
Income Taxes	16,027	1,336	2.82	3.89	2.38	885.37
Management Fee	164,789	13,732	29.04	40.02	24.50	9,103.35
Personal Property Tax						
Reservation and Exchange Fee						
Ad Valorem Taxes	n/a	n/a	n/a	n/a	n/a	n/a
Ka'anapali North Beach Master Assoc., Inc.	150,000	12,500	26.43	36.42	22.30	8,286.38
Total Operating Expenses	$ 1,724,172	$ 143,681	$ 303.83	$ 418.69	$ 256.36	$ 95,247.60

OCEAN RESORT VILLAS APARTMENT OWNERS ASSOCIATION
ESTIMATED BUDGET OF RESERVES FOR REPLACEMENT
JANUARY 1, 2003 through DECEMBER 31, 2003

Description	Annual Amount	Monthly Amount	Annual per Unit Week: Two Bedroom Lock-off Unit (1)	Two Bedroom Lock-off Deluxe Unit (1)	One Bedroom Unit (1)	Annual Commercial Unit(s) (2)
REVENUES:						
Reserve Fee Revenue	$ 205,287	$ 17,107	$ 25.38	$ 34.98	$ 21.42	$ 69,209.64
EXPENSES:						
Replacement Reserves:						
a. Roof Replacement	$ 1,941	$ 162	0.28	0.39	0.24	429.96
b. Pavement Resurfacing	8,404	700	1.48	2.04	1.25	464.27
c. Building Painting	17,111	1,426	1.73	2.38	1.46	7,858.59
d. Unit Furnishings and Equipment, Deferred Maintenance & Other Capital Expenditures	177,831	14,819	21.89	30.17	18.47	60,456.82
Total Reserve Expenses	$ 205,287	$ 17,107	$ 25.38	$ 34.98	$ 21.42	$ 69,209.64
Less: Developer Guaranty	$ 454,334	$ 37,861	$ 84.75	$ 116.79	$ 71.49	$ -
Total Maintenance & Reserve Fee	$ 1,412,725	$ 117,727	$ 233.47	$ 321.73	$ 197.01	$ 161,010.10

(1) With respect to a Every-Other-Year Unit Week, these figures will be one-half of those shown.

(2) The operating and reserve budget combined for the Commercial Unit(s) are as follows: Arcade Apartment $1,668.15; Apartment 101 $157,206.27; Gazebo Apartment $2,135.68.

SVO Pacific, Inc., as the developer of Ocean Resort Villas, hereby guarantees that the operating and reserve budget combined for the assessment period January 1, 2003 through December 31, 2003, shall not exceed $233.47 per annual unit week for a Two Bedroom Lockoff Unit and $321.73 per annual unit week for a Two Bedroom Lockoff Deluxe and $197.01 per annual unit week for a One Bedroom Unit.

The amount of the developer guaranty as set forth in this operating and reserve budget is an estimated amount only. The actual amount of the developer guaranty to be paid by SVO Pacific, Inc. will be equal to the amount necessary to pay the difference between the actual expenses less the sum of the amount of operating assessments collected from the owners and income from other sources. SVO Pacific, Inc. shall pay any amount of common expenses incurred during the guaranty period in excess of total revenue of the Vacation Ownership Plan, including guaranteed assessments collected from owners and Association income from other sources.

Initially, the Developer intends to deed the equivalent of one Every-Other-Year Vacation Ownership Interest in each Vacation Unit to the Association. It is doing this to comply with the requirements of the California Department of Real Estate and so that the Association will have a guaranteed opportunity to maintenance and repairs on each Unit.

The Assessments for each Vacation Ownership Interest deeded to the Association will be included in the budget as a Plan Expense. This means that the other Vacation Ownership Interests must all pay a share of the Assessments for any Vacation Ownership Interest deeded to the Association.

In the event that the California Department of Real Estate no longer requires that an Every-Other-Year Vacation Ownership Interest be deeded to the Association for maintenance purposes, then it is the Developer's intent to end this practice.

OCEAN RESORT VILLAS MASTER ASSOCIATION
ESTIMATED BUDGET OF OPERATING EXPENSES
JANUARY 1, 2003 through DECEMBER 31, 2003

Description	Annual Amount	Monthly Amount	Annual per Unit Week: Two Bedroom Lock-off Unit (1)	Two Bedroom Lock-off Deluxe Unit (1)	One Bedroom Unit (1)
REVENUES:					
Maintenance Fee Revenue	$ 1,305,138	$ 108,761	$ 243.45	$ 335.47	$ 205.37
Interest Revenue	36,200	3,017	6.75	9.30	5.70
Late Fee Revenue					
Every-Other-Year Service Fee Revenue					
Miscellaneous Revenue					
Total Operating Revenue	$ 1,341,338	$ 111,778	$ 250.20	$ 344.77	$ 211.07
EXPENSES:					
Housekeeping & Rooms					
Administrative & General	$ 7,100	$ 592	$ 1.32	$ 1.82	$ 1.12
Financial Services	6,000	500	1.12	1.54	0.94
Data Processing					
Annual Audit	6,000	500	1.12	1.54	0.94
Activities & Security					
Reserve for Bad Debt	18,700	1,558	3.49	4.81	2.94
Repairs & Maintenance	803,480	66,957	149.87	206.52	126.45
Utilities (Electricity, Gas Water, Sewer, Cable & Telephone)	289,069	24,089	53.92	74.30	45.49
Contingency	40,183	3,349	7.50	10.33	6.32
Insurance	42,285	3,524	7.89	10.87	6.65
Income Taxes	6,754	563	1.26	1.74	1.06
Management Fee	121,767	10,147	22.71	31.30	19.16
Ad Valorem Taxes	n/a	n/a	n/a	n/a	n/a
Total Operating Expenses	$ 1,341,338	$ 111,778	$ 250.20	$ 344.77	$ 211.07

OCEAN RESORT VILLAS MASTER ASSOCIATION
ESTIMATED BUDGET OF RESERVES FOR REPLACEMENT
JANUARY 1, 2003 through DECEMBER 31, 2003

Description	Annual Amount	Monthly Amount	Annual per Unit Week: Two Bedroom Lock-off Unit (1)	Two Bedroom Lock-off Deluxe Unit (1)	One Bedroom Unit (1)
REVENUES:					
Reserve Fee Revenue	$ 74,481	$ 6,207	$ 13.89	$ 19.14	$ 11.72
EXPENSES:					
Replacement Reserves:					
a. Roof Replacement					
b. Pavement Resurfacing					
c. Building Painting					
d. Unit Furnishings and Equipment, Deferred Maintenance & Other Capital Expenditures	74,481	6,207	13.89	19.14	11.72
Total Reserve Expenses	$ 74,481	$ 6,207	$ 13.89	$ 19.14	$ 11.72
Less: Developer Guarantee	$ 897,827	$ 74,819	$ 167.48	$ 230.79	$ 141.27
Total Maintenance & Reserve Fee	$ 481,792	$ 40,149	$ 89.86	$ 123.82	$ 75.82

(1) With respect to a Every-Other-Year Unit Week, these figures will be one-half of those shown.

SVO Pacific, Inc., as the developer of Ocean Resort Villas, hereby guarantees that the operating and reserve budget combined for the assessment period January 1, 2003 through December 31, 2003, shall not exceed $89.86 per annual unit week for a Two Bedroom Lockoff Unit and $123.82 per annual unit week for a Two Bedroom Lockoff Deluxe and $75.82 per annual unit week for a One Bedroom Unit.

The amount of the developer guaranty as set forth in this operating and reserve budget is an estimated amount only. The actual amount of the developer guaranty to be paid by SVO Pacific, Inc. will be equal to the amount necessary to pay the difference between the actual expenses less the sum of the amount of the operating assessments collected from the owners and income from other sources. SVO Pacific, Inc. shall pay any amount of common expenses incurred during the guaranty period in excess of total revenue of the Vacation Ownership Plan, including guaranteed assessments collected from owners and Association income from other sources.

Initially, the Developer intends to deed the equivalent of one Every-Other-Year Vacation Ownership Interest in each Vacation Unit to the Association. It is doing this to comply with the requirements of the California Department of Real Estate and so that the Association will have a guaranteed opportunity to maintenance and repairs on each Unit.

The Assessments for each Vacation Ownership Interest deeded to the Association will be included in the budget as a Plan Expense. This means that the other Vacation Ownership Interests must all pay a share of the Assessments for any Vacation Ownership Interest deeded to the Association.

In the event that the California Department of Real Estate no longer requires that an Every-Other-Year Vacation Ownership Interest be deeded to the Association for maintenance purposes, then it is the Developer's intent to end this practice.

Exhibit J

SUMMARY OF PURCHASE AGREEMENT AND ESCROW AGREEMENT

Copies of the specimen Purchase Agreement, and Buyer's Certification, and the executed Escrow Agreement have been submitted as part of the Registration. The Escrow Agreement is dated August 31, 2001, and identifies Hawaii Resort Escrow, Inc., as the Escrow Agent for the handling of purchase money for sales of time share interests in the Project.

It is incumbent upon purchasers and prospective purchasers to read these documents with care. The Escrow Agreement establishes how the proceeds from the sale of time share interests are placed into escrow, as well as the retention and disbursement of these funds. The specimen Purchase Agreement also determines the time for and the amount of payments on the purchase price, and for the payment of all closing costs.

ESCROW AGREEMENT

ESCROW AGREEMENT.

When a Buyer signs a Purchase Agreement, the Buyer also adopts the Escrow Agreement, just as if the Buyer had signed it. Buyers should make time to read the Escrow Agreement. It contains the Developer's and Buyer's instructions for the handling of the Buyer's Funds, Notes and Loan Documents, and for Closing the Buyer's purchase.

Some of the key provisions of the Escrow Agreement may be summarized as follows:

DEFINITIONS.

"*Blanket liens*" are certain kinds of encumbrances as defined in the Hawaii Time Share Law (Chapter 514E, H.R.S.) that affect two or more Vacation Ownership Interests. For example, a mortgage on Vacation Ownership Interests is a blanket lien.

"*Closing*" refers to completing the sale of a Vacation Ownership Interest. This normally includes recording the Buyer's Vacation Ownership Deed and any mortgage that the Buyer signs, and payment to the Developer of all sums due under the Buyer's Purchase Agreement.

"*Funds*" means money.

"*Loan Documents*" means any "purchase money contract" as defined in the Time Share Law, other than a Note. In general, purchase money contract refers to things like a promissory note, an agreement of sale, or other contract in which the Buyer agrees to repay a loan made to finance the Buyer's purchase of a Vacation Ownership Interest and made to the Buyer by the Developer or by a lender that is (i) affiliated with the Developer or (ii) to whom the Developer referred the Buyer.

"*Notes*" means any "negotiable instrument" as defined in the Time Share Law. A check is an example of a negotiable instrument. A "negotiable instrument" generally is a document that the Developer could give to someone else who could then force the Buyer to keep his or her promise to pay free from any claim or defense that the Buyer might have against the Developer.

DEPOSIT OF FUNDS.

Hawaii Law requires that: (a) Buyer's Funds, Notes, and Loan Documents be put in escrow before closing and that the Buyer's Funds be refunded if the Buyer cancels; (b) Buyer's Funds must be refunded in the other circumstances described later; and (c) Closing cannot occur until the Buyer is protected from Blanket Liens.

The Developer or the sales agent must give each Buyer's Funds, Notes and Loan Documents to the Escrow Agent to hold in this account. But, as permitted by Hawaii Law, the Developer or any sales agent may initially hold all Notes (such as Buyer's check) and Loan Documents (a) that are payable to the Escrow Agent, or (b) that are not negotiable instruments, until: (1) the Seven-Day Cancellation Period expires; and (2) the expiration of any longer period stated in the Purchase Agreement in which a Buyer may cancel.

RELEASE OF BUYER'S FUNDS.

No matter what else the contract documents say, the Escrow Agent may not release the Buyer's Funds, Notes or Loan Documents to the Developer or a sales agent, or to someone else for the benefit of the Developer or a sales agent, until the last of these events occurs:

1. The Hawaii Real Estate Commission has issued an effective date for a Final Public Report on the Condominium.

2. The Buyer's Purchase Agreement "has become binding, and the requirements of sections 514A-40, 514A-39.5 and 514A-63 have been met" as that phrase is used in the Condominium Property Act.

3. If the offer and sale is made in Hawaii:

   a. The Escrow Agent has received a copy of a Receipt for Disclosure Statement signed by the Buyer whose Funds are being released; and

   b. The Seven-Day Cancellation Period under Section 514E-8, H.R.S., expires as to the Buyer whose Funds are being released; and

   c. If, and only if: (x) the Buyer's Purchase Agreement was made prior to the date the Hawaii Real Estate Commission issues an effective date for a Final Public Report on the Condominium, and (y) the Hawaii Real Estate Commission does not issue an effective date for the Final Public Report by the date on which the Contingent Final Public Report expires:

      (i) The Seller has given written notice to the Buyer, by certified mail, that the Buyer has the right to rescind the Sales Contract because the Real Estate Commission did not issue an effective date for a Final Public Report for the Condominium by the date on which the Condominium's Contingent Final Public Report expired, and

      (ii) Both the Seller and the Buyer have waived their rights to rescind in writing; and

   d. The Escrow Agent has not received from that Buyer a valid notice of cancellation sent or delivered before the end of the Seven-Day Cancellation Period; and

   e. The Escrow Agent receives a sworn statement from the Developer stating, among other things, that the Developer has not received a valid notice of cancellation from the Buyer.

4. If the offer and sale is not made in Hawaii:

   a. The Escrow Agent has received a copy of a Receipt for Public Report signed by the Buyer whose Funds are being released; and

   b. The Condominium Cancellation Period under Section 514A-62, H.R.S., has ended as to the Buyer whose Funds are being released; and

   c. If, and only if: (x) the Buyer's Purchase Agreement was made prior to the date the Hawaii Real Estate Commission issues an effective date for a Final Public Report on the Condominium, and (y) the Hawaii Real Estate Commission does not issue an effective date for the Final Public Report by the date on which the Contingent Final Public Report expires:

      (i) The Seller has given written notice to the Buyer, by certified mail, that the Buyer has the right to rescind the Sales Contract because the Real Estate Commission did not issue an effective date for a Final Public Report for the Condominium by the date on which the Condominium's Contingent Final Public Report expired, and

      (ii) Both the Seller and the Buyer have waived their rights to rescind in writing; and

      (iii) The Buyer has received and signed a Receipt for the Final Public Report; and

   d. The Escrow Agent has not received from that Buyer a valid notice of cancellation sent or delivered before the end of the Condominium Cancellation Period; and

   e. The Escrow Agent receives a sworn statement to that effect from the Developer stating, among other things, that the Developer has not received a valid notice of cancellation from the Buyer.

5. If the offer and sale is made partly in Hawaii and partly outside of Hawaii:

   a. The Escrow Agent has received a copy of a Receipt for Disclosure Statement and a Receipt for Public Report signed by the Buyer whose Funds are being released; and

b. The Condominium Cancellation Period under Section 514A-62, H.R.S., has ended as to the Buyer whose Funds are being released; and

c. If, and only if: (x) the Buyer's Purchase Agreement was made prior to the date the Hawaii Real Estate Commission issues an effective date for a Final Public Report on the Condominium, and (y) the Hawaii Real Estate Commission does not issue an effective date for the Final Public Report by the date on which the Contingent Final Public Report expires:

   (i) The Seller has given written notice to the Buyer, by certified mail, that the Buyer has the right to rescind the Sales Contract because the Real Estate Commission did not issue an effective date for a Final Public Report for the Condominium by the date on which the Condominium's Contingent Final Public Report expired, and

   (ii) Both the Seller and the Buyer have waived their rights to rescind in writing; and

   (iii) The Buyer has received and signed a receipt for the Final Public Report.

d. The Seven-Day Cancellation Period under section 514E-8, HRS, expires as to the Buyer whose Funds are being released; and

e. The Escrow Agent has not received from that Buyer a valid notice of cancellation sent or delivered before the end of the Seven-Day Cancellation Period or the Condominium Cancellation Period; and

f. The Escrow Agent receives a sworn statement from the Developer stating, among other things, that the Developer has not received a valid notice of cancellation from the Buyer.

CLOSING CONDITIONS.

The Escrow Agent will close the sale on the closing date if all of the "*closing conditions*" listed in the Escrow Agreement (including the following, among others) have happened:

1. The Escrow Agent has not received a valid notice of cancellation from the Developer or from the Buyer; and

2. The Escrow Agent has received enough money to pay the Purchase Price stated on the Buyer's Purchase Agreement less (i) any credits allowed by the Developer and (ii) the amount of any loan made by the Developer to the Buyer; and

3. The Escrow Agent has received all necessary Closing documents; and

4. All requirements set by Seller or anyone else loaning money to the Buyer for the purchase have been met, provided that Escrow Agent is notified of those requirements in writing; and

5. The Buyer's Unit is included in the Plan if it isn't already; an

6. The County of Maui has issued a temporary or permanent certificate of occupancy for the Buyer's Unit; and

7. A title insurance company authorized to do business in Hawaii is committed to issue, after the Buyer's Vacation Ownership Deed is recorded, a policy of title insurance on the the Buyer's Vacation Ownership Interest insuring that it is subject only to any mortgage signed by the Buyer, the "Permitted Encumbrances", and anything else that doesn't make the Buyer's title unmarketable; and

8. As to each existing Blanket Lien, (i) the Escrow Agent is prepared to record or can confirm that someone else has already recorded a release of the Buyer's Vacation Ownership Interest from the Blanket Lien, or (ii) in the case of mechanics' or materialmens' lien, the Buyer's title policy includes an attachment (in legal terms, an "endorsement") providing coverage against such liens; and

9. The requirements for release of the Buyer's Funds, as described above, have been met or will be met when the Buyer's Vacation Ownership Deed is recorded. The Escrow Agent will Close before the end of the Buyer's Condominium Cancellation Period under Section 514A-62, H.R.S., if the other Closing Conditions are then met. If it does so, this will end the Buyer's right to cancel during the Condominium Cancellation Period.

FUNDS IN ESCROW.

The Escrow Agreement provides that any interest earned on Funds in escrow will belong to the Developer. It also provides that the Escrow Agent will disburse the Buyer's Funds from time to time to pay

for construction costs of the buildings and improvements in proportion to the valuation of the work completed by the contractor in accordance with the contract documents, as certified by a registered architect or professional engineer and approved for payment by the construction lender. However, no disbursements of Buyer's Funds may be made by the Escrow Agent for payment of construction costs unless bills are submitted with the request for disbursements that have been approved or certified for payment by the project lender or an otherwise qualified financially disinterested person. The Escrow Agent has the right to rely on a certificate of a person that says that the person is a qualified financially disinterested person.

REFUNDS.

The Escrow Agent will refund the Buyer's Funds (without interest) if and only if:

1. The offer and sale is made wholly or partly in Hawaii and either the Buyer or the Developer gives a valid notice of cancellation during the Seven-Day Cancellation Period under Section 514E-8, H.R.S.

2. The offer and sale is made wholly or partly outside of Hawaii and the Buyer gives a valid notice of cancellation during the Condominium Cancellation Period under Section 514A-62, H.R.S.

3. If: (x) the Buyer's Purchase Agreement was made prior to the date the Hawaii Real Estate Commission issues an effective date for the Condominium; and (y) the Hawaii Real Estate Commission does not issue an effective date for the Final Public Report by the date on which the Contingent Final Public Report expires; and (z) the Buyer or the Seller gives a valid notice of rescission under Section 514A-64.5, H.R.S.

4. The Buyer gives a valid notice of cancellation under Section 514A-63 of the Condominium Property Act.

5. The Developer gives notice to the Escrow Agent that the Buyer has used any right to cancel that the Buyer has under the Purchase Agreement (except the right to under paragraphs 1, 2, 3, or 4, above). In that case, the Escrow Agent will refund the Buyer's funds less any escrow cancellation fee.

5. The Buyer gives notice to the Escrow Agent that the Buyer has exercised any right to cancel that the Buyer has under the Purchase Agreement (except the right to under paragraphs 1, 2, or 3, above). In that case, the Escrow Agent will notify the Developer of the Buyer's decision to cancel. If the Developer approves the Buyer's cancellation in writing, then the Buyer's Funds, less any escrow cancellation fee, will be refunded. Otherwise, the Escrow Agent may deposit the Buyer's money in court.

6. If the Developer instructs the Escrow Agent to do so, the Escrow Agent will refund the Buyer's Funds.

CANCELLATION BECAUSE THE BUYER DEFAULTS.

If the Buyer defaults and the Developer cancels the Buyer's Purchase Agreement then the Buyer's Funds will be delivered as provided in the Buyer's Purchase Agreement. If the Purchase Agreement provides that the Buyer's Funds are to be paid to the Developer as liquidated damages, then before doing so the Escrow Agent must give the Buyer notice, by registered or certified mail, stating that the Developer has declared that the Buyer is in default. If the Escrow Agent receives an objection from the Buyer within thirty (30) days after sending the notice to the Buyer, then the Escrow Agent may deposit the Buyer's Funds in court. Otherwise, the Escrow Agent may pay the Buyer's Funds to the Developer.

PROTECTION OF THE ESCROW AGENT.

The Escrow Agreement contains various protections for the Escrow Agent such as the following:

- If there is any dispute or conflicting claims, the Escrow Agent may deposit the Buyer's Funds with a court, which would then resolve the dispute or conflict.

- Both the Developer and the Buyer agree to protect and pay (or, in legal terms, "*indemnify*") the Escrow Agent for losses it suffers as a result of performing its duties. But this indemnity does not include losses due to the Escrow Agent's negligence or misconduct.

PURCHASE AGREEMENT

1. The Buyer's Certification is part of the Purchase Agreement.

2. The Purchase Agreement is a legally binding agreement between the Buyer and Developer. Under the Purchase Agreement, the Buyer promises to buy the Vacation Ownership Interest from the Developer, and the Developer promises to sell the Vacation Ownership Interest to the Buyer, under certain terms and conditions.

3. The Purchase Agreement specifies the apartment number, its unit type, the reservation right, the use right, and the frequency of reservation and use applicable to the Vacation Ownership Interest purchased by the Buyer. The Purchase Agreement also specifies the amount and time for payment of the purchase price, closing costs, and financing terms for any amounts of the purchase price which are financed by the Buyer.

4. The Developer must pick the day for the closing. That date is called the "*closing date*". It must occur within 90 days after satisfaction of the closing conditions. The Developer, however, can postpone the closing if it wishes to do so. Neither the Developer nor the Escrow Agent have to give the Buyer notice of the closing date.

5. The Escrow Agent may not close until the "closing conditions" stated in the Escrow Agreement have been met. These are discussed above.

6. Buyers must pay the Cash Balance on the date shown on the first page of the Purchase Agreement. If the Developer is financing the Buyer's purchase, then the Buyer must begin making monthly payments on the loan starting on the date stated in the Purchase Agreement. Until the closing the Buyer must make these payments to the Escrow Agent. Interest will be charged at the rate of 1% per month until closing and at the rate stated in the Buyer's note after closing. Payments made before closing will be applied first to interest on the Cash Balance and then to reduce the Cash Balance.

7. If Buyer defaults, the Developer can (a) cancel the Purchase Agreement, or (b) enforce it, or (c) do anything else permitted by the contract or by law. If the Developer decides to cancel, then it may keep all amounts paid by the Buyer. If the event of a dispute, the losing party must pay the winner's cost and expenses, including legal fees.

8. Things not written in the Purchase Agreement or Buyer's Certification are not part of the agreement, no matter what anyone says.

9. Any lawsuit or other legal proceedings will be handled in Hawaii and without a jury.

10. The Developer is making no warranties. Everything is being sold "as is".

11. The Ocean Resort Villas Vacation Ownership Plan is part of the Starwood Pacific Club (the *Club*) and each Buyer will be a member of the Club. The Club is not a legal entity or association of any kind. It is a business owned and operated by SVO Hawaii Management, Inc. (the *Club Operator*). A Buyer's reservation rights are subject to the priorities, limitations, and restrictions contained in the documents governing the Club (the "Club Documents"). A Buyer's rights and duties as a Club Member are defined, limited and governed by them and can be changed as provided in them.

12. The Association, the Seller and the Club Operator have signed a *Club Affiliation Agreement*. The Plan will be a part of the Club (and each buyer will be a Club Member) for so long as the Club Affiliation Agreement stays in effect. A buyer's membership in the Club ends when the Club Affiliation Agreement ends or when the Buyer is no longer the Owner of a Vacation Ownership Interest. The Club Operator or the Association may terminate the Club Agreement under certain limited circumstances as stated in the Club Affiliation Agreement.

13. The Club is part of the Starwood Vacation Network (the *Network*) and as a member of the Club each Buyer is also a member of the Network. The Network is not a legal entity or association of any kind. It is a business owned and operated by Starwood Vacation Exchange Company (the *Network Operator*). A Buyer's reservation rights are subject to the priorities, limitations, and restrictions contained in the documents governing the Network (the "Network Documents"). A buyer's rights and duties as a Network Member are defined, limited and governed by them and can be changed as provided in them.

14. The Club Operator and the Network Operator have signed a *Network Affiliation Agreement.* The Plan will be a part of the Network (and each Buyer will be a Network Member) for so long as the Network Affiliation Agreement and the Club Affiliation Agreement stay in effect. A Buyer's membership in the Network ends when the Club Affiliation Agreement or the Network Affiliation Agreement ends or when the Buyer is no longer the Owner of a Vacation Ownership Interest. The Network Operator or the Club Operator may terminate the Network Affiliation Agreement under certain limited circumstances as stated in the Network Affiliation Agreement.

15. Ownership and use of the Vacation Ownership Interest are subject to the Vacation Plan Documents, the Condominium Documents, the Ka'anapali North Beach Documents, the Master Association Documents, the Club Documents, and the Network Documents (the "Important Documents"). By signing the Purchase Agreement, each Buyer accepts and approves of such documents and the Escrow Agreement. In addition, the Important Documents could change under certain circumstances. By signing the Purchase Agreement, each Buyer agrees to keep all of its promises in the Purchase Agreement even though some or all of the Important Documents may change after the Purchase Agreement is signed. However, the Buyer does not give up its right to cancel under H.R.S. § 514A-63(a) of the Condominium Property Act.

16. The Managing Agent for the Condominium has a licensing arrangement with Westin License Company to use the name "Westin" and other service marks and trademarks (the *Marks*) owned or licensed to the Westin License Company. As a result, (i) the Plan will be designated as a Westin resort while the licensing arrangement is in effect, and (ii) the Condominium and the Vacation Ownership Plan must be operated, managed, and maintained according to the standards established by the Westin License Company to protect its Marks (the *Westin Standards*). The fees, costs, and expenses to maintain the affiliation with Westin License Company are included in the Common Expenses of the Condominium and/or the Plan Expenses of the Plan. If the licensing arrangement ends for any reason, the Condominium and the Plan will not be able to use the Marks (including the Westin name). This may happen if, for example (i) the management agreements with the Managing Agents or the Plan Manager end for any reason; or (ii) the Condominium or the Plan is not managed, operated, and maintained in a manner consistent with the Westin Standards, or (iii) the licensing arrangement expires and is not renewed, or (iv) if other normal business defaults occur.

17. The Network Operator has arranged for Interval International, Inc. (*II*) of Miami, Florida, to make its exchange program available to Owners in the Plan. A Buyer will have access to II's exchange program so long as the Buyer is a member of the Network and the Network Operator's contract with II remains in effect. While the Network Operator expects that its relationship with II will continue, there is no assurance that it will do so for any particular time period.

18. In addition to the initial Purchase Price for the Vacation Ownership Interest, Buyers must pay the Regular and any Special Assessments charged by the Association, the Condominium Association, the Master Association, or the Ka'anapali North Beach Association. These fees are used to pay the cost of operating and maintaining those associations or the properties that they manage. Buyers must also pay any Club Fees charged by the Club Operator and any Network Fees charged by the Network Operator. The Club Fees include the "Annual Club Dues" and "Transaction Fees" based on how a Buyer uses his or her reservation and use rights. The Network Fees include the "Annual Network Dues" and "Transaction Fees" based on how a Buyer uses his or her reservation and use rights. *Buyers must pay these fees in full before they can may make a reservation or use or exchange their use rights.* Buyers must pay the fees whether or not they use a unit in any particular year. These fees may be increased subject to the limits in the Governing Documents.

Exhibit K
ADDITIONAL INFORMATION NOT COVERED ABOVE

KA'ANAPALI NORTH BEACH

The Project is part of a larger community known as Ka'anapali North Beach. The former owner of the land of the Project recorded the Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach (the "Ka'anapali North Beach Declaration") against all of the lands in Ka'anapali North Beach to ensure that such lands would be used and developed in accordance with the standards and restrictions described the Ka'anapali North Beach Declaration. The Ka'anapali North Beach Declaration applies to the Project and to all owners of apartments or time share interests in the Project.

The Ka'anapali North Beach Declaration provides for the use, administration, repair and maintenance of the "Common Area" which includes: (i) Kahekili Park (adjacent to and south of the Project); (ii) North Park (a five acre improved, public beach park to be located at the north end of Ka'anapali North Beach); (iii) Lot 34 as shown on Map 7 of Land Court Application No. 1744 (Kai Ala Drive); (iv) Easement 249 as shown on Map 86 of Land Court Application No. 1744; and (v) the Public Open Space Area designated in the Ka'anapali North Beach Declaration. In addition, the Ka'anapali North Beach Declaration provide for the implementation of a monitoring program for Hawksbill turtles in the Shoreline Setback Area. These functions will be performed by the Ka'anapali North Beach Master Association, Inc., a non-profit Hawaii corporation (the "Ka'anapali North Beach Association") whose members consist of the owners of the lands in the Ka'anapali North Beach Area.

Each owner of an Apartment or Vacation Ownership Interest in the Project will be a member of the Ka'anapali North Beach Association. Members may use the Common Areas of Ka'anapali North Beach subject to the conditions and restrictions imposed by the Ka'anapali North Beach Declaration, rules and regulations adopted by the Ka'anapali North Beach, and other documents and laws. The Apartment Owners Association, not the individual Apartment Owners, has the right to vote in the Ka'anapali North Beach Association. The Apartment Owners Association must pay the amounts charged to it by the Ka'anapali North Beach Association. Those amounts will be a common expense of the condominium and each Owner will pay a share of it.

DEVELOPER'S RESERVED RIGHTS

The Developer has reserved various rights under the Condominium Documents. Some of the Developer's Reserved Rights are or may be necessary or helpful to developing the Project in phases as described above. Even so, the exercise of the Developer's Reserved Rights is not limited to the development of the Project in phases except to the extent that the Declaration expressly states otherwise. The Developer's Reserved Rights under the Condominium Documents include, among others, the right:

- To subdivide the land of the Condominium into two or more lots (see section 20 of the Condominium Declaration);
- To delete from the Condominium any land designated in the Condominium Declaration for possible removal (see section 21);
- To add back into the Condominium any "Adjacent Parcel", meaning a parcel previously deleted or any part or all of Lot 101 as shown on Map 86 of Land Court Application No. 1744 (section 22);
- To consolidate the land of the Condominium and any Adjacent Parcel into a single lot (section 20);
- To design, develop, construct and add new buildings and improvements on the land of the Condominium or on any Adjacent Parcel (sections 19 and 23) and to merge any condominium on an Adjacent Parcel with the Condominium;
- To create new apartments in any new buildings and improvements constructed on the land or on any Adjacent Parcel added into the Condominium (section 18) and to create parking stalls or other limited common elements and assign them to those apartments;

- To expand Apartment 101 to include any new improvements constructed on the Project or on any Adjacent Parcel annexed into the Project (section 18).

- To create new apartments and/or common elements from the limited common elements of any commercial apartment (section 24);

- To convert any part of any apartment owned by the Developer into limited common elements for that apartment (section 25);

- To convert all or any part of any apartment owned by the developer or its limited common elements into general common elements (section 25).

- To divide any commercial apartment into two or more apartments, and to combine two or more commercial apartments into one apartment (section 17);

- To change or remove any wall, floor or ceiling between two adjacent commercial apartments or between a commercial apartment and its limited common elements;

- To change the ownership share (in legal terms, the "common interest in the common elements") of each apartment when apartments are created, divided, or combined;

- To change the Condominium as needed or helpful to comply with law or with certain governmental permits, approvals or zoning requirements (sections 25 and 26);

- To create, grant, accept or otherwise deal (i) with any easements over, under, across or through the common elements, or (ii) easements in favor of the Condominium or its land (section 7.4);

- To enter the Condominium and to permit its employees, agents, contractors, and so on, to do so; and

- To make noise, dust, vibrations and do other annoying things when using these or other reserved rights of the developer.

This is only a summary of certain Developer's Reserved Rights. The nature and extent of these rights is described in and governed by the Condominium Documents.

The Developer may exercise the Developer's Reserved Rights separately or in one or more combinations and at one or more times. The Developer has no duty to exercise the Developer's Reserved Rights. For example, the Developer has no duty to develop any new phases of the Project. Conversely, the use of these rights on one occasion does not limit or otherwise affect the Developer's right to use them again from time to time.

The Developer may use the Developer's Reserved Rights without being required to obtain the approval, consent, or joinder of anyone else, and without having to give notice to anyone else. This includes, but is not limited to, the Association, any Apartment Owner, any Lender, or any other Interested Person.

A. When an Apartment Owner or any other Interested Person acquires an Apartment or any other interest in the Project, he or she automatically does each of these things:

1) He or she takes his or her interest in the Project subject to the Developer's Reserved Rights, and each and every exercise and/or assignment of them.

2) He or she acknowledges, approves, consents to, agrees to and accepts:

- The Developer's Reserved Rights and its use of them from time to time;

- That this may change the Project;

- That this may result in the recalculation of the Common Interest of some or all Apartments in some cases; and

- That the Developer can file and/or record any and all documents that the Developer deems necessary or convenient to the use of its rights. This includes, but it is not limited to, amendments to some or all of the Condominium Documents.

3) He or she agrees, promptly after being asked to do so, to join in, consent to, sign (and have notarized if asked), deliver, and record all documents and do all other things that the Developer in its sole discretion determines to be necessary or convenient to the use of the Developer's Reserved Rights or to accomplish the purposes for which those rights were reserved (as determined by the Developer).

4) He or she appoints the Developer as his or her attorney-in-fact to join in, consent to, sign, have notarized, deliver and record all documents and to do all things on his, her or its behalf. This means that the Developer can act in the place of the Owner or other

Interested Person. The Developer can do anything that they could do, and they ratify, accept and confirm anything that the Developer does using this power of attorney.

- ❖ This power of attorney appointment is permanent. It cannot be revoked and will not be affected by the disability of the Owner or any other Interested Person who gives it.

- ❖ The Developer can let someone else act in its place as a substitute attorney-in-fact.

- ❖ Each Owner and every other Interested Person gives the Developer this power of attorney whether or not it expressly says so in any deed, mortgage, or other document by which he or she obtained an interest in the Project.

- ❖ The Developer has the power to do only the things stated or intended by the Condominium Documents (as determined by the Developer). This includes, however, the power to do anything else that the Developer deems necessary or convenient to accomplish the stated or intended goal and anything incidental to it. Ambiguities must be resolved in favor of giving, not denying, the Developer the power to act.

Each Owner also appoints the Association as his or her attorney-in-fact with full right and power to receive and accept on his or her behalf any legal notice required by Chapter 501, Hawaii Revised Statutes, and to accept service of process (meaning legal papers) on his or her behalf in connection with any Land Court petition or other legal proceeding in the Land Court. This power of attorney appointment is permanent and it includes full power of substitution.

EASEMENTS

"Easement" is a legal term. In general, it refers to the right of one person to use property in the possession of someone else. The Condominium Documents create various easements. Some of them can be summarized as follows:

1. The Shoreline Setback Area is subject to an existing easement. This easement requires that the Shoreline Setback Area remain open and available to the public as open space, for recreational access and passive recreational uses, and for Native Hawaiian use for traditional and customary uses of the shoreline and near-shore ocean waters. The Native Hawaiian uses include fishing, diving, ho'okupu ceremonies (ritual prayers on the shoreline) and gathering.

2. The Project is located adjacent to a parcel of land currently owned by a private landowner but open to the public for beach access and park use. A road crossing the Project is used for access to that park.

3. Employees, customers, and so on, of a Commercial Apartment, can come onto the Project, park in unassigned parking stalls, make deliveries, make casual use (such as after dinner strolls) of the walkways, and do other things reasonably necessary in connection with the ordinary conduct of business operations.

4. Persons authorized by the Master Association may come onto the Project as necessary or convenient to use, operate, maintain, add to, install, or replace the Master Association's properties. They may also park in unassigned parking stalls, make deliveries, and use the Shoreline Setback Area and any other recreation areas and facilities adjacent to the beach (e.g., showers).

5. The Developer and persons authorized by it may use the Limited Common Elements of the Master Association Apartment to conduct educational, cultural, entertainment or sporting events, and other activities of general community interest.

6. The Developer and persons authorized by it have the ***exclusive*** right and an easement to conduct extensive marketing and sales activities on the Common Elements (including but not limited to the Resort Limited Common Elements and the Limited Common Elements of the Master Association Apartment) and from any Apartment owned by it. This right includes but it is not limited to the right to permit purchasers and prospective purchasers to come onto the project and to park in unassigned parking stalls, the right to show the project to those persons, the right to use Apartments owned by the Developer as model Apartments, sales, management, and/or administrative offices, the right to establish and operate tour or activity desks or other businesses intended to promote sales, and the right to use banners, signs or other extensive sales displays and activities at the Project.

   This easement applies to activities conducted in connection with the initial sale and/or any resale of (i) one or more Apartments and/or Vacation

Ownership Interests in the Project, and (ii) one or more apartments, time share interests and/or fractional ownership interests in any Adjacent Project.

7. The Developer and persons authorized by it have an easement as may be reasonably necessary or convenient to complete any improvements and to correct any defects and other punchlist items in the common elements or any Apartment or to use any of the other Developer's Reserved Rights.

8. The Owner of Apartment 101 has the exclusive right (but no duty) to provide (i) bellhop service, (ii) room service, (iii) valet parking service, and (iv) food and beverage services in the Courtyard.

9. The Developer and the Master Association have the right (but no duty) to operate one or more children's programs. They may make these programs available to children of Owners, occupants, other Master Association Members and occupants of their property, potential Master Association Members, and guests of any of these persons. The programs may involve use of the Master Association Amenities, the Project amenities, the Shoreline Setback Area (subject to the requirements of the SMA Permits) and the beach.

10. The Developer and persons authorized by it have an easement to create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with (a) the use of its other easement rights, (b) the development of any Adjacent Parcel, or (c) the use of the Developer's Reserved Rights or any other rights of the Developer described in the Declaration.

11. The Developer has the right to establish, operate and maintain in the Shoreline Setback Area no more than three beach or beach side (meaning on the parts of the Project near the beach) concession stands.

Each Interested Party (i) understands, acknowledges and accepts that some or all of these easements activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards, (ii) consents to this activity, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that he or she may have, now or in the future, against the Developer and various other persons. Each Owner and other Interested Person assumes the risk of any property damage, personal injury or loss in property value arising from the exercise of these easements.

MISCELLANEOUS

The property is subject to that certain Special Management Area (SMA) Permit 88/SM1-023 and Shoreline Setback Variance (SSV) 88/SSV-002 dated July 19, 1988, issued by the County of Maui, as confirmed by letter of July 22, 1988, issued by Christopher L. Hart, Planning Director.

The property is also subject to Special Management Area Permit SM1 970006 issued by the County of Maui, having an effective date of December 14, 1998.

Copies of these permits are on file with the Hawaii Real Estate Commission and available for inspection by purchasers and prospective purchasers. The property is subject to these permits. Purchasers and/or the owners association must comply with these permits on an ongoing basis. The permits require, among other things, that the Association buy and maintain a policy or policies of comprehensive liability insurance in the minimum amount of one million dollars naming the County of Maui as an additional insured. The policy must cover all claims or demands for property damage, personal injury and/or death arising out of the permits. The cost of the policy will be a common expense.

The property is located in a tsunami inundation area. It is also located in a flood zone and flood control measures may be required. Certain areas in the Shoreline Setback Area (as that term is defined in the condominium declaration) have been designated and must be preserved as wetlands.

The County of Maui has not made a determination as to whether any portions of the Project may contain historical sites. The Project is subject to certain public access requirements providing access to the beach in front of the Project. The Project is also subject to a 150 foot setback from the ocean. Please note that any further development may require additional Special Management Area approval by the County of Maui.

END OF EXHIBIT "K"