

CONDOMINIUM PUBLIC REPORT

Prepared & issued by: Developer: Wailea Town Center Investors LLC and Wailea Residential Partners, L.P., as co-developers
Address: 5000 Quorum Drive, Suite 210
Dallas, Texas 75254

Project Name(*): Wailea Town Center
Address: Wailea Ike Place, Wailea, Kihei, Maui, Hawaii 96753

Registration No. 5275 Effective date: December 7, 2005
Expiration date: January 7, 2007

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 governmental agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

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

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

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

Type of Report:

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

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

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

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

(*) Exactly as named in the Declaration

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

FORMRECO-30 1297 / 0298 / 0800 / 0203 / 0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

☒ Required and attached to this report ☐ Not Required-Disclosures covered in this report.
See Exhibit H.

Summary of Changes from Earlier Pubic 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. [Prior reports have been issued but have expired as of the date hereof.]

☐ Changes made are as follows:

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

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines on the Condominium Map bounding each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

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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: Wailea Town Center Investors, LLC and Phone: (972) 490-9190
Wailea Residential Partners, L.P., co-developers (Business)
Name*
5000 Quorum Drive, Suite 210
Dallas, Texas 75254
Business Address

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

The members of Wailea Town Center Investors LLC are two companies, both of which also act as co-managers: (1) Shea Wailea, LLC, an Arizona limited liability company, 890 E. Raintree #200, Scottsdale, Arizona 85260 (Its manager is Jonathan Vento); and (2) American Medical-Wailea Partners, Ltd., a Texas limited partnership, 5000 Quorum Drive, Dallas, Texas 75254 (Its manager is Jeffrey Jones). Jeffrey Jones has day-to-day managerial authority of Developer in connection with this project. The members of Wailea Residential Partners, L.P. are Jeffrey Jones and David Ford.

Real Estate Broker*: The Gresham Company Inc. Phone: (808) 879-7283
Name (Business)
35 Halekuai Street, Suite 201
Kihei, Hawaii 96753-8100
Business Address

Escrow: Old Republic Title & Escrow of Hawaii, Ltd. Phone: (808) 875-6950
Name (Business)
380 Huku Li'i Place, Suite 206
Kihei, Hawaii 96753
Business Address

General Contractor*: Arita-Poulson General Contracting LLC Phone: (808) 871-4787
Name (Business)
P. O. Box 1035
Puunene, Hawaii 96784
Business Address

Condominium Managing Agent*: The Gresham Company Inc. Phone: (808) 879-7283
Name (Business)
35 Halekuai Street, Suite 201
Kihei, Hawaii 96753-8100
Business Address

Attorney for Developer: Thomas D. Welch, Jr. Phone: (808) 871-8351
Mancini, Welch & Geiger LLP (Business)
Name
33 Lono Avenue, Suite 470
Kahului, Hawaii 96732
Business Address

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

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

☐ Proposed
☐ Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
☒ Filed - Land Court Document No. 3133820

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment dated August 26, 2004, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3162195; Second Amendment dated July 11, 2005, filed as Document No. 3296958; and Third Amendment dated October 7, 2005, filed as Document No. 3340121.

- 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. _____
☒ Filed - Land Court Condo Map No. 1649

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment of Declaration referred to in Paragraph A above, recorded with the revised and restated Condominium Map, and Third Amendment of Declaration referred to in Paragraph A above, recorded with amended pages 2 and 3 of the Condominium Map.

- 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 _____
☒ Filed - Land Court: Document No. 3133821

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

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

The House Rules for this condominium are:

☐ Proposed ☒ Adopted ☐ Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only 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:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%**</u>
Bylaws	65%	<u>65%</u>
House Rules	<u> </u>	<u>Majority of Board of Directors</u>

* 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.

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

See Exhibit A.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- ☒ 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 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 buildings(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: The County has not approved the subdivision of the units and their limited common elements into individual subdivided lots. They are being sold as condominiums only.

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 the subject to renegotiation. Renegotiation may be based on a formula by arbitration set in the lease agreement by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

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

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

B. Underlying Land:

Address: Wailea Ike Place Tax Map Key (TMK): (2) 2-8-1-103
Wailea, Kihei, Maui, Hawaii 96753

☒ Address ☐ TMK is expected to change because specific address numbers will be assigned upon completion of the development.

Land Area: 4.159 ☐ square feet ☒ acre(s) Zoning: B-2*

*Under B-2 zoning, general commercial, business and residential uses are permitted on this property as set forth in Maui County Code Chapter 19.18.

Fee Owner: Wailea Town Center Investors LLC
Name

5000 Quorum Drive, Suite 210
Dallas, Texas 75254
Address

Lessor: N/A
Name

Address

Note: Co-Developer Wailea Residential Partners, L.P. is participating in the development of the residential apartments pursuant to a Joint Development Agreement, dated August 19, 2004. Wailea Residential Partners, L.P. will complete all the internal and finish work within the residential apartments and will act as seller of all residential apartments.

C. **Buildings and Other Improvements:**

1. ☒ New Building(s)
☐ Conversion of Existing Building(s)
☐ Both New Building(s) and Conversion

2. Number of Buildings: 4 Floors Per Building Buildings A & B = one story
Buildings C & D = two stories

☒ Exhibit D contains further explanations.

3. Principal Construction Material:

☒ Concrete ☐ Hollow Tile ☒ Wood
☒ Other metal, masonry, glass and related materials

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>7</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>20</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Hotel	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Timeshare	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Ohana	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Industrial	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Agricultural	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Recreational	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Other:	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

☒ Yes ☐ No

5. Special Use Restrictions:

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

☒ Pets: No pets are permitted except in the residential apartments, and subject to limitations on size (30 pounds) and other restrictions set forth in the House Rules.

☐ Number of Occupants: _____

☒ Other: The Declaration contains restrictions on use, storage and production of hazardous materials, industrial liquids and emissions, and requirements for design approval for all signs and alterations to the building.

☐ There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 2 Stairways: 4 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
See Exhibit B-2					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 27 (See Exhibits B-1, B-2 and D)

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

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

Boundaries of Each Apartment:

See Exhibit B-1

Permitted Alterations to Apartments: Commercial apartments are sold as open bays. Owners of commercial and residential apartments may make interior alterations, provided that building structure shall not be affected. See Exhibit C.

Apartments Designated for Owner-Occupants Only:

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

7. Parking Stalls:

Total Parking Stalls: 145 *

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	<u>1*</u>	<u>1*</u>	_____	_____	_____	_____	<u>14</u>
Guest	_____	_____	_____	_____	_____	_____	_____
*Unassigned	_____	<u>124</u>	_____	_____	_____	_____	<u>124</u>
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other: <u>Handicap</u>	_____	<u>7</u>	_____	_____	_____	_____	<u>7</u>
Total Covered & Open:	<u>7</u>	<u>138</u>	_____	_____	_____	_____	<u>145</u>

*Covered (garage) parking stalls shall be assigned only to individual residential apartments. Garage spaces will be assigned in the first apartment deed to each residential apartment. In addition, seven (7) open stalls are assigned to the seven (7) residential apartments as a group for residential parking only. There will be no assigned parking for the commercial apartments. All parking areas shall be common elements under the management and control of the Association of Apartment Owners.

☐ Commercial parking garage permitted in condominium project.

☒ Exhibit D contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

☐ There are no recreational or common facilities.

☒ Swimming pool and spa ☐ Storage Area ☐ Recreation Area
(residential apartments)

☐ Laundry Area ☐ Tennis Court ☐ Trash Chute/Enclosure(s)

☒ Other: Parking areas, driveway, loading areas and landscaping

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

☒ 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.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>all</u>	_____	_____
Structures	<u>all</u>	_____	_____
Lot	<u>yes</u>	_____	_____

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 D.

☐ as follows:

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

☐ There are no limited common elements in this project.

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

☒ described in Exhibit D.

☐ as follows:

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

☒ described in Exhibit B-2.

☐ 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 E describes the encumbrances against the title contained in the title report dated October 10, 2005 and issued by Old Republic Title Corporation.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage to First Hawaiian Bank dated July 2, 2004, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3131760 in the amount of \$8,095,580.00	Buyer may lose his or her unit but buyer's deposit to be refunded less any escrow cancellation fees. All mortgage liens will be paid out of the proceeds of the sale of each apartment and each apartment will be released from the mortgage at that time.
Additional Charge Mortgage to First Hawaiian Bank dated August 26, 2005, filed in the said Land Court as Document No. 3318141 in the additional amount of \$1,019,065.00	
Mortgage to First Hawaiian Bank dated September 21, 2005, filed in the said Land Court as Document No. 3329584 in the amount of \$11,723,000.00	

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:

Each apartment buyer shall receive from the general contractor the customary one-year warranty against defects in workmanship and materials in said apartment for a period of one year from the date of substantial completion of the building in which said apartment is located. See Exhibit H.

2. Appliances:

Developer shall transfer to residential apartment buyers all manufacturers' warranties on appliances. there are no appliances or appliance warranties provided to commercial apartment buyers.

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

Buildings A and B were completed on August 28, 2005. Buildings C and D have been started and will be completed by October 15, 2006.

H. **Project Phases:**

The developer ☐ 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):

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

Exhibits F and H contain a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

- C. **Utility Charges for Apartments:**

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

☐ Notice to Owner Occupants

☒ Specimen Sales Contract
Exhibit G contains a summary of the pertinent provisions of the sales contract.

☒ Escrow Agreement dated December 20, 2003, as amended September 1, 2004 and September 27, 2005
Exhibit E contains a summary of the pertinent provisions of the escrow agreement.

☐ Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other: (i) Amended and Restated Wailea Community Association Declaration of Covenants, Conditions and Restrictions dated July 13, 1998, filed as Land Court Document No. 2479882; (ii) Declaration dated December 22, 1986, filed as Land Court Document 1427924; (iii) Grants of Easements filed as Land Court Documents Nos. 626880, 875227, 1427926, 1562570, 1592058, and 1618321, (iv) Unilateral Agreement and Declaration for Conditional Zoning filed as Land Court Document No. 2606718; (v) Easement dated June 17, 2004, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-152465; (vi) Easement dated May 27, 2005, filed as Land Court Document No. 3289591.
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Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5275 filed with the Real Estate Commission on January 4, 2004.

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

☐ YELLOW paper stock ☒ WHITE paper stock ☐ PINK paper stock ☐ GREEN paper stock

C. **Additional Information Not Covered Above**

1. Water. The condominium is served by a single 2" water meter. Cost of water service to each apartment shall be assessed to each apartment by the Wailea Town Center Association of Apartment Owners based upon actual use as measured by submeters, or upon some other allocation method which shall be reasonably determined by the Board of Directors to be fair and equitable.
2. Sewer. The condominium shall be served by the County's public sewer system. Sewer fees shall be assessed with the water use charges discussed above.
3. Residential Elements. The Declaration establishes certain limited common elements appurtenant to the residential apartments only, including swimming pool, deck, spa, trellis, planters, walls, garage buildings, stairways, and elevators. The maintenance and operation of these elements shall be under the control of the Association and Board of Directors, but the cost of maintenance, repair and replacement shall be budgeted and administered separately from the general common elements and assessed against the residential apartments only, as a group.
4. Wailea Community Association. Wailea Town Center is a member of the Wailea Community Association. The owner(s) of each apartment shall be a member of the Wailea Community Association and be subject to the Wailea Community Association Declaration of Covenants, Conditions and Restrictions, dated December 19, 1986, as amended. This association was formed for the Wailea development as a whole for the purpose of holding, maintaining, operating and managing all of the common areas and facilities of the land. These consist of roadways, drainage areas and other common facilities.

Each condominium owner will be a member of said Association along with all property owners in Wailea. Each owner will pay its share of Association assessments as administered by the Association and shall be subject to all applicable rules and regulations of said Association. IT IS RECOMMENDED THAT THE BUYER OBTAIN COPIES OF ALL ASSOCIATION DOCUMENTS AND LEARN ABOUT ASSOCIATION FINANCES, ASSESSMENTS AND PROCEEDINGS.
5. Road Maintenance Costs. Certain roadways providing access between the project and the government roads are held by A & B Wailea Inc. and administered by Wailea Community Association. The roadway maintenance costs are allocated and charged to all lots served by said roadways.
6. Special Management Area. The project is located within the Special Management Area (SMA). The Developer holds an SMA Permit for the project. Any additional or future construction or development on or changes to the site will be subject to SMA approval requirements.
7. Mail Delivery. The U.S. postal service has informed the Developer that upon completion and occupancy of the project, mail will be delivered directly to each apartment. Mail drop facilities will be provided at each apartment entrance.

- 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-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Wailea Town Center Investors LLC and Wailea Residential Partners, L.P.


Printed Name of Developer

WAILEA TOWN CENTER INVESTORS LLC

By: 
Its MANAGER

Date: 10.3.05

WAILEA RESIDENTIAL PARTNERS, L.P.

By: 
Its MANAGER

Date: 10.3-05

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

RIGHTS RESERVED BY DEVELOPER

Among other rights, the Developer will have the following reserved rights with respect to the Project which are more particularly set forth in the Declaration. Capitalized terms have the same meaning described as such terms in the Declaration.

1. Reserved Rights of Developer to Use the Common Elements and to Grant Easements. Under Section 6 and Section 15A of the Declaration the Developer has reserved several rights to occupy and use the common elements of the Project for various purposes, including the construction of the Project, conducting sales operations, general ingress and egress and utility services. Also, Section 15A provides that the Developer has reserved the right in the future to designate, grant and relocate easements for access, utility services and drainage over the condominium Land as needed in connection with the development of the Project and also to benefit or assist in the development of adjacent and nearby lands, regardless of whether or not they are owned by Developer.

2. Reserved Right to Change Apartments. Section 16.4 allows the Developer to amend the condominium documents to reflect the changes in layout and floor area of any apartment or apartments to reflect "as built" conditions, recognizing that during the course of construction changes and deviations are bound to occur. Also, Section 15A.2 permits the Developer to amend the condominium documents to increase or decrease the number of apartments in the project, to change boundaries between apartments and to make interior alterations to floor plans.

Any of these changes may result in a change in the common interest percentage applicable to each unit, based on the formula set forth in Article 7 of the Declaration under which the common interest appurtenant to each apartment is determined by the ratio of that apartment's net living floor area to the net living floor areas of all apartments in the Project, in the aggregate.

3. Consent to Developer's Reserved Rights and Developer's Authority to Act For Owners and Others. Under Section 18 of the Declaration, each and every person acquiring an interest in the Project, by such acquisition, consents to the Developer's exercise of all of its reserved rights and to the execution, delivery and recording of all documents necessary to implement or exercise these rights including all easements affecting the condominium Land, all amendments to the Condominium Declaration, Bylaws or Condominium Map and other documents. These reserved rights may be exercised without the consent or joinder of any person holding an interest in an apartment of the Project. If the joinder or consent of any such person shall be required by law or any other document, each such person appoints the Developer as his, her or their attorney-in-fact to execute any such document on behalf of such owner as attorney-in-fact.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL GUIDE, THE PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. THE PURCHASER SHOULD CONSULT WITH HIS, HER OR ITS ATTORNEY CONCERNING THESE RIGHTS AND THEIR EXERCISE.

IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION SHALL CONTROL.

END OF EXHIBIT A

EXHIBIT B-1

BOUNDARIES OF EACH APARTMENT

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

The boundaries of each apartment include (i) all the walls, partitions and components thereof which are not load-bearing within its perimeter walls; (ii) all non-load bearing, non-structural interior components of the apartment's perimeter and party walls; (iii) the interior decorated or finished surfaces and all load bearing walls, floors and ceilings, including all plasterboard components and floor coverings; (iv) all doors and windows with associated frames which are located along the perimeters; (v) all fixtures originally installed in the apartment; and (vi) all pipes, plumbing, wiring, fixtures, outlets and switches located within or which serve only that apartment. Residential apartments shall also include each lanai attached to the apartment.

Concerning measurements and floor area, the net living areas set forth in the Declaration and Exhibit "B-2" are based on measurements taken from the interior surface of all perimeter walls, but no reduction is made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls. The stated areas of lanais are based on measurements taken from the exterior surface of each wall which separates the interior living areas of the apartments from the lanai or porch and the exterior edge of the floor or concrete slab of the lanai. The areas of garages (which are assigned limited common elements) are based in measurements taken from the interior surfaces of the perimeter walls and a vertical plane defined by the exterior surface of the exterior garage door.

All stated dimensions and areas are approximate in nature. Actual floor areas and dimensions upon completion of construction may vary as a result of reasonable construction tolerances and changes, which do not materially adversely affect the value of the apartment.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL GUIDE, THE PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. THE PURCHASER SHOULD CONSULT WITH HIS, HER OR ITS ATTORNEY CONCERNING THESE RIGHTS AND THEIR EXERCISE.

IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION SHALL CONTROL.

END OF EXHIBIT B-1

Exhibit B-2 (Revised)

**SCHEDULE OF APARTMENT AREAS AND
COMMON INTERESTS OF ALL APARTMENTS**

Apartment Number	Apartment Type	Net Living Area	Lanai Area	Apartment Area	Common Interest Percentage
A-101	Business	1,901		1,901	4.0%
A-102	Business	761		761	1.6%
A-103	Business	1,151		1,151	2.4%
A-104	Business	1,926		1,926	4.0%
A-105	Business	2,331		2,331	4.9%
A-106	Business	1,165		1,165	2.4%
A-107	Business	2,436		2,436	5.1%
B-101	Business	2,311		2,311	4.9%
B-102	Business	1,921		1,921	4.0%
B-103	Business	1,921		1,921	4.0%
B-104	Business	1,165		1,165	2.4%
B-105	Business	1,001		1,001	2.1%
B-106	Business	947		947	2.0%
B-107	Business	764		764	1.6%
C-101	Business	1,908		1,908	4.0%
C-102	Business	1,900		1,900	4.0%
C-103	Business	1,900		1,900	4.0%
C-104	Business	1,900		1,900	4.0%
D-101	Business	1,384		1,384	2.9%
D-102	Business	1,608		1,608	3.4%
D-103	Business	1,299		1,299	2.7%
C-201	Residential	1,910	323	2,233	4.7%
C-202	Residential	1,910	176	2,086	4.4%
C-203	Residential	1,910	176	2,086	4.4%
C-204	Residential	1,910	323	2,233	4.7%
D-201	Residential	1,616	171	1,787	3.8%
D-202	Residential	1,616	169	1,785	3.8%
D-203	Residential	1,616	171	1,787	3.8%
Total		46,088	1,509	47,597	100.0%

NUMBERS OF BEDROOMS AND BATHS IN RESIDENTIAL APARTMENTS

Apartment	Bedroom/Bath
C-201	3/3
C-202	3/3
C-203	3/3
C-204	3/3
D-201	2/2
D-202	2/2
D-203	2/2

END OF EXHIBIT B-2

EXHIBIT C

PERMITTED ALTERATIONS TO APARTMENTS

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

1. General Provisions. Reference is made to Exhibit "A" for a description of certain rights reserved by the Developer to alter apartments. Also the Declaration provides for the restoration and replacement of the Project or any portion thereof, and the construction of additional improvements in certain cases where the Project has been damaged by fire or other casualty or by eminent domain taking. Refer to Articles 13 and 14.

2. Additions or Alterations Solely Within an Apartment or Limited Common Element. Section 8.4 permits each owner to make certain interior, non-structural changes to the apartment provided that such changes do not jeopardize the soundness or safety of any portion of the Project, reduce its value, or adversely affect other apartments or the use and enjoyment of the common elements by others.

3. Changes Between Adjoining Apartments. Section 8.3 permits the owner(s) of two adjoining apartments to merge the apartments into a single apartment or to reconfigure them by removing or relocating the common wall between them, provided that structural integrity shall not be affected and other stated conditions are satisfied.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL GUIDE, THE PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. THE PURCHASER SHOULD CONSULT WITH HIS, HER OR ITS ATTORNEY CONCERNING THESE RIGHTS AND THEIR EXERCISE.

IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION SHALL CONTROL.

END OF EXHIBIT C

EXHIBIT "D"

DESCRIPTION OF BUILDINGS; DESCRIPTIONS OF APARTMENTS AND LIMITED COMMON ELEMENTS AND PARKING

DESCRIPTION OF BUILDINGS: The project contains four separate buildings, each with no basement. Each building is constructed primarily of concrete, masonry, metal, wood, glass and related materials.

Building A is the southernmost building containing approximately 12,800 square feet and is a single story building containing all business apartments numbered A-101 through A-107, inclusive.

Building B is located northerly of Building A and is the easternmost building, containing approximately 10,600 square feet and is a single story building containing all business apartments numbered B-101 through B-107, inclusive.

Building C is the northernmost building, containing approximately 17,985 square feet. Building C contains two stories. The ground floor contains four business apartments, numbered C-101 through C-104, inclusive. The second story contains four residential apartments, numbered C-201 through C-204, inclusive.

Building D is the westernmost building, containing approximately 10,150 square feet. Building D contains two stories. The ground floor contains three business apartments, numbered D-101 through D-103, inclusive. The second story contains three residential apartments, numbered D-201 through D-203, inclusive.

NUMBER OF APARTMENTS AND ACCESS: The project contains twenty one (21) business apartments and seven (7) residential apartments. Each business apartment is located on the ground floor of its building and has immediate access to the driveway and parking areas of the project. Each residential apartment is located on the second floor of its building. Each residential apartment has immediate access to one or more stairways and an elevator to the driveway and parking areas of the project. The driveway and parking areas of the project have the right of ingress and egress to easements over Wailea Iki Place which in turn provide access to the public highway.

LOCATION AND LAYOUT OF BUSINESS APARTMENTS: The locations of the business apartments are shown on the Condominium Map. Each business apartment has a single open room or bay and no interior partitions, drop ceilings or mezzanines. All interior improvements shall be the responsibility of the owner of each business apartment.

LOCATIONS AND LAYOUTS OF RESIDENTIAL APARTMENTS:

(a) **Locations of Apartments.** Residential apartments C-201 through C-204, inclusive, are located on the second story of Building C which is the northernmost building in the project. These apartments are numbered consecutively from south to north with C-201 being the southernmost and C-204 being the northernmost. For access they are served by two stairways, one at the northerly end of the building and one at the southerly end of the building, an elevator at the northerly end of the building and a covered walkway running the length of the easterly side of the building on the second story.

Apartments D-201 through D-203, inclusive, are located on the second story of Building D which is the westernmost building in the project. Apartments D-201 through D-203

are numbered consecutively from south to north which D-201 being the southernmost apartment and D-203 being the northernmost apartment. For access they are served by a stairway located between Apartments D-202 and D-203 and an elevator on the easterly side of the building at its approximate center, and a covered walkway fronting Apartment D-202 on the second story of the building, fronting Apartment D-202 and the stairway, and connecting all three residential apartments in Building D.

(b) Layouts of Apartments: Each of the residential apartments in Building C contains a master suite with master bath and walk-in closet, two additional bedrooms each with its own bathroom, a kitchen and living/dining room, and a laundry room, foyer and lanai. Each of Apartments C-201 through C-204, inclusive have essentially the same layout with the following exceptions:

- (i) Each of Apartments C-201 and C-204 is the mirror image of the other.
- (ii) Each of Apartments C-201 and C-204 has a corner lanai containing 323 square feet. Each of Apartments C-202 and C-203 has a lanai with 176 square feet.
- (iii) The windows on the end units differ from those on the interior units as shown on the Condominium Map.

Each of the residential apartments in Building D contains a master suite with master bath and walk-in closet, one additional bedroom with its own bathroom, a kitchen and living/dining room and a laundry room, foyer and lanai. Each of Apartments D-201 through D-203, inclusive have essentially the same layout with the following exceptions:

- (i) Each of Apartments D-201 and D-203 is a mirror image of the other.
- (ii) Apartments D-201 and D-203 each has a corner lanai containing 171 square feet. Apartment D-202 has a non-corner lanai with 167 square feet.
- (iii) The interior layout of Apartment D-202 is the same as Apartment D-201 except rotated 90 degrees.
- (iv) The windows in Apartments D-201 and D-203 differ from those in Apartment D-202 as shown on the Condominium Map.

COMMON ELEMENTS: The common elements of the condominium are defined in Section 5.1 of the Declaration. In general, the common elements include all buildings, land, water meters, parking areas, loading zones, landscaping, trash enclosures, utility rooms, underground drainage structures, above-ground structures and elements of the condominium which are not included within the definition of any apartment (subject to the special uses of and other provisions relating to the limited common elements as defined in the body of the Declaration), and within each building include all party and perimeter walls, all structural elements and all utilities serving more than one apartment.

The project has one or more common water meters which (together with the water distribution lines providing service to each apartment) shall be common elements appurtenant to all apartments. All charges for water use and sewer fees which are charged to each building shall be allocated among and paid by the apartments in said building based on a fair and equitable method of allocation reasonably determined by the board of directors of the Association from time to time, including but not limited to sub-meters to measure water use by individual apartments.

LIMITED COMMON ELEMENTS:

(a) Business Apartments: Business Storefronts. Each business apartment shall have the exterior surface of the perimeter walls fronting said apartment in the public area as a limited common element appurtenant to said apartment. Said apartment shall have the right to alter and maintain said exterior wall with appropriate signage, fenestration and entrance to serve as a commercial storefront to enhance the commercial attractiveness, operation and value of said apartment (collectively the "Alterations"). All plans for said Alterations must be reviewed and approved by the Design Review Committee of the Association and by the Wailea Community Association under Section 5A of the Declaration. The composition, authority and procedures of the Design Review Committee are set forth in Exhibit "C" of the Declaration. All Alterations shall be maintained in neat and attractive condition, subject to the standards and enforcement authority of the Design Review Committee of the Association and the Wailea Community Association. All costs associated with the alteration and maintenance of each such limited common element shall be assessed to and paid by the apartment to which said limited common element is appurtenant.

(b) Residential Apartments, Recreational Facilities and Elevators. The following areas and structures as shown on the Condominium Map are limited common elements appurtenant to, and for the exclusive use and enjoyment of, all of the residential apartments as a group:

(i) The swimming pool, pool deck, spa, wood trellis, planters, anchor wall and retaining walls associated with the pool structure.

(ii) The garage structures shown on the Condominium Map as "Garage 1" and "Garage 2".

(iii) The stairways and elevators serving Buildings C and D are limited common elements appurtenant only to all residential apartments as a group.

(iv) All of the foregoing limited common elements listed in this sub-section (b) are referred herein and in the Declaration collectively as the "Residential Elements".

(v) All costs of maintaining, operating, repairing and replacing the Residential Elements shall be assessed to all the residential apartments as a group as specially assessed common expenses, each residential apartment paying a portion thereof equal to a fraction, the numerator of which is the common interest appurtenant to said apartment and the denominator is the common interests appurtenant to all of the residential apartments. However, the cost of insuring all Residential Elements for liability and casualty risks shall be a general common expense of the Association under the management of the Association as set forth in the Declaration and Bylaws.

PARKING:

(a) Parking For Business Apartments. There shall be no assigned parking for business apartments.

(b) Parking For Residential Apartments. Each residential apartment shall have the exclusive use of a garage. The individual garages are numbered G-101 through G-107 as shown on the Condominium Map and are located in the structures shown on the Condominium Map as "Garage 1 (three stalls)" and "Garage 2 (four stalls)". The assignment of each garage to each residential apartment shall be made by the Declarant in the deed initially conveying title of said residential apartment to its first purchaser. If in the future the owners of any two residential

apartments desire to trade their respective garage assignments, they may do so by an exchange document signed by the owners of each such residential apartment and recorded in the State of Hawaii Bureau of Conveyances; provided, however, that at all times each residential apartment shall be assigned and shall have the exclusive right to use one of the garages.

In addition, there are seven parking stalls shown on the Condominium Map as "Residential Parking Only". Said stalls shall be reserved for overflow or guest parking for the exclusive use of the residential apartments as a group.

There are parking restrictions established on the Condominium Map for the maximum times of parking in certain specified unassigned stalls.

END OF EXHIBIT D

EXHIBIT E

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes which may be due and owing. Reference is made to the Tax Assessor's Office, County of Maui.

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

3. Easement for drainage purposes, as contained in that certain Deed dated April 18, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 626880. This affects the parking and driveway areas and does not impact any building or apartment or impair the use or enjoyment of any common area.

4. Easement "H" for roadway, telephone, electrical, gas line, sewer, waterline, cable television and other utility purposes, as shown on Map 5, as set forth by Land Court Order No. 37357, filed April 27, 1973, as amended by Land Court Order No. 47774, filed July 26, 1977. Easement H does not impact any building or apartment or impair the use or enjoyment of any common area.

5. Access in favor of Lot 304 over said Easement "H", as set forth by Land Court Order No. 37357, filed April 27, 1973, as amended.

6. Access in favor of Lots 75, 76 and 77 over said Easement "H", as set forth by Land Court Order No. 45440, filed September 20, 1976. This affects the driveway areas only.

7. Grant of Easement dated September 19, 1977, filed in the said Land Court as Land Court Document No. 875227, in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, now known as Verizon Hawaii Inc., granting an easement over said Easement "H".

8. Easement "116" for utility purposes, as shown on Map 21, as set forth by Land Court Order No. 50723, filed July 25, 1978. This easement does not affect any building or apartments or the use or enjoyment of any common area.

9. Easement "117" for electrical, telephone and TV purposes, as shown on Map 21, as set forth by Land Court Order No. 50723, filed July 25, 1978. This easement does not affect any building or apartments or the use or enjoyment of any common area.

10. Wailea Community Association Declaration of Covenants, Conditions and Restrictions dated December 19, 1986, filed in the said Land Court as Land Court Document No. 1427923.

Said Declaration was amended by instruments dated September 2, 1994, filed as Land Court Document No. 2180541, and dated September 29, 1997, filed as Land Court Document No. 2408259.

Amended and Restated Wailea Community Association Declaration of Covenants, Conditions and Restrictions dated July 13, 1998, filed as Land Court Document No. 2479882.

11. Declaration dated December 22, 1986, filed in the said Land Court as Land Court Document No. 1427924.

12. Grant of Easement dated December 15, 1986, filed in the said Land Court as Land Court Document No. 1427926, in favor of Grand Champions Resort Development Corporation and The Bergheer Company, granting an easement over Easement "256". These easements do not affect any building or apartment and do not affect the use or enjoyment of any common area.

Amendment thereof by instrument dated March 2, 1989, filed as Land Court Document No. 1618321, re: any reference to Easement "256" shall be and is hereby changed to refer to Easements "314" and "315".

13. Grant of Easement dated May 23, 1988, filed in the said Land Court as Land Court Document No. 1562570, in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, granting an easement over Easement "256". These easements do not affect any building or apartment and do not affect the use or enjoyment of any common area.

14. Easement "315", as shown on Map 48, as set forth by Land Court Order No. 92501, filed February 1, 1989. These easements do not affect any building or apartment and do not affect the use or enjoyment of any common area.

15. Grant of Easement dated October 14, 1988, filed in the said Land Court as Land Court Document No. 1592058, in favor of Grand Champions Villas Venture, a Hawaii general partnership, granting Easement "315". These easements do not affect any building or apartment and do not affect the use or enjoyment of any common area.

16. That certain Unilateral Agreement and Declaration for Conditional Zoning dated February 7, 2000, filed in the said Land Court as Land Court Document No. 2606718, between South Maui Business Park Partners, a Hawaii partnership, "Declarant", and the County of Maui, "Council". This relates to the development of the land, the conditions of which shall be complied with by Developer.

17. Any rights, easements, interests or claims which may exist or arise by reason of or reflected by the facts shown on the plat of a survey map made by Erik S. Kaneshiro, Licensed Professional Land Surveyor with Austin, Tsutsumi & Associates, Inc., on June 26, 2004, designated as Job No. 03-551.3, as follows:

(A) Concrete headwall crosses into Lot 339 of Land Court Application 1804 (map 48) from Lot 336 (map 48) no more than 16.4 feet.

(B) Chainlink fence meaders between Lot 339 and adjoining Lot 75 by as much as 1.4 feet.

(C) Concrete wall crosses into Lot 338 of Land Court Application 1804 (map 48) from Lot 339 (map 48) 0.0 to 2.4 feet.

(D) 20.0 foot building setback line.

18. Condominium Map No. 1649, filed in the said Land Court.

19. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Condominium Property Regime dated June 23, 2004, filed in the said Land Court as Document No. 3133820.

Said Declaration was amended by instruments dated August 26, 2004, filed as Document No. 3162195, dated July 11, 2005, filed as Document No. 3296958, and dated October 7, 2005, filed as Document No. 3340121.

20. By-Laws of the Association of Apartment Owners of Wailea Town Center dated June 23, 2004, filed in the said Land Court as Document No. 3133821.

21. Grant of Easement dated June 17, 2004, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-152465, in favor of County of Maui, a political subdivision of the State of Hawaii, to construct, maintain, operate, repair, and remove a waterline and related appurtenances, referred to as the "Water System Improvements", installed in connection with the construction of Wailea Town Center, Easement A. These easements do not affect any building or apartment and do not affect the use or enjoyment of any common area.

22. Grant of Easement dated May 27, 2005, filed in the said Land Court as Document No. 3289591, in favor of A&B Wailea LLC, a Hawaii limited liability company, granting a perpetual non-exclusive easement for flowage and drainage purposes over and across the easement areas. These easements do not affect any building or apartment and do not affect the use or enjoyment of any common area.

23. Designation of Easements 564 and 565 for drainage purposes, as shown on Map 48, as set forth by Land Court Order No. 162679, filed August 15, 2005. This easement does not affect any building or apartments or the use or enjoyment of any common area.

END OF EXHIBIT E

EXHIBIT "F"

COMMON INTERESTS AND ESTIMATED MONTHLY MAINTENANCE FEES

Apt. No.	Apartment Type	Apartment Area *	Common Interest Percentage	Monthly Base Common Expense	Monthly Reserve Contribution	Residential Common Expense	Residential Reserve Contribution	Total Monthly Assessment
A-101	Business	1,901	4.0%	\$ 454.39	\$ 89.75	\$ -	\$ -	\$ 544.14
A-102	Business	761	1.6%	181.90	35.93	-	-	217.83
A-103	Business	1,151	2.4%	275.12	54.34	-	-	329.46
A-104	Business	1,926	4.0%	460.36	90.93	-	-	551.29
A-105	Business	2,331	4.9%	557.17	110.05	-	-	667.22
A-106	Business	1,165	2.4%	278.46	55.00	-	-	333.47
A-107	Business	2,436	5.1%	582.26	115.01	-	-	697.28
B-101	Business	2,311	4.9%	552.39	109.11	-	-	661.50
B-102	Business	1,921	4.0%	459.17	90.70	-	-	549.86
B-103	Business	1,921	4.0%	459.17	90.70	-	-	549.86
B-104	Business	1,165	2.4%	278.46	55.00	-	-	333.47
B-105	Business	1,001	2.1%	239.26	47.26	-	-	286.52
B-106	Business	947	2.0%	226.36	44.71	-	-	271.07
B-107	Business	764	1.6%	182.61	36.07	-	-	218.69
C-101	Business	1,908	4.0%	456.06	90.08	-	-	546.14
C-102	Business	1,900	4.0%	454.15	89.70	-	-	543.85
C-103	Business	1,900	4.0%	454.15	89.70	-	-	543.85
C-104	Business	1,900	4.0%	454.15	89.70	-	-	543.85
D-101	Business	1,384	2.9%	330.81	65.34	-	-	396.15
D-102	Business	1,608	3.4%	384.35	75.92	-	-	460.27
D-103	Business	1,299	2.7%	310.49	61.33	-	-	371.82
C-201	Residential	2,233	4.7%	533.74	105.43	108.48	222.09	969.74
C-202	Residential	2,086	4.4%	498.61	98.49	101.34	207.47	905.90
C-203	Residential	2,086	4.4%	498.61	98.49	101.34	207.47	905.90
C-204	Residential	2,233	4.7%	533.74	105.43	108.48	222.09	969.74
D-201	Residential	1,787	3.8%	427.14	84.37	86.82	177.73	776.05
D-202	Residential	1,785	3.8%	426.66	84.28	86.72	177.53	775.18
D-203	Residential	1,787	3.8%	427.14	84.37	86.82	177.73	776.05
Total		47,597	100.0%	\$ 11,376.86	\$ 2,247.20	\$ 680.00	\$ 1,392.10	\$ 15,696.16

* For residential apartments, "apartment area" includes lanai areas.

EXHIBIT G

SUMMARY OF PURCHASE AGREEMENT

A specimen Deposit Receipt and Sales Contract (the "Sales Agreement", has been submitted to the Real Estate Commission and is available in the Sales Office of the Developer ("Seller"). ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. Lender Priority. Seller has given to and/or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual apartments. All of the rights and interests which Seller gives to the lender or lenders will have priority over the Buyers' rights and interests under the Sales Agreements. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The Buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed apartment deeds to the Buyers. If Seller's lender or lenders ask the Buyers to do so, the Buyers will sign other documents to confirm the promises and agreements mentioned above.

2. Buyer's Failure to Obtain Loan Approval. Seller may (but does not have to) cancel the Sales Agreement (a) if the Buyer's mortgage loan application is rejected or not approved within thirty (30) days after application, or (b) if the Buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the Buyer's ability to make the cash payments.

3. Warranties. The limited warranties are set forth. These are described in Exhibit "I" ("Disclosure Abstract") to this Public Report.

4. REPRESENTATIONS. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS REPRESENTED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED HEREIN AND IN THE DECLARATION, THE BYLAWS, AND ANY OTHER DOCUMENTS AFFECTING THE PROPERTY. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

5. Closing Costs. Buyer will pay the following closing costs: 100% of the escrow fee, all of Buyer's notary fees, all appraisal fees, all recording costs (except for documents to clear Seller's title), all charges for Buyer's credit report, all costs of preparing any mortgages and promissory notes, Buyer's title insurance premium and two-months common expense assessments. Buyer will also pay all mortgage costs. Buyer will also pay a non-refundable start-up fee which will be held and used by the Seller and the first managing agent of the Association as a working capital fund for the benefit of all the apartment owners. Buyer agrees that Seller does not have to pay any start-up fee for any apartment in the Project, but Seller will cause all Buyers to pay the start-up fee when apartments are sold and closed in escrow.

Proration of real property taxes will be made as of the scheduled closing date. Proration of maintenance charges will be made as of the scheduled closing date or later at Seller's option.

6. Buyer's Default. If Buyer fails to make any payment when it is due or fails to keep any of Buyer's other promises or agreements contained in the Sales Agreement, then Seller will have the right, at Seller's sole option and in addition to any other rights contained in the Sales Agreement, to do any one or more of the following:

(a) Seller may cancel the Sales Agreement by giving to Buyer written notice of cancellation and Seller may keep all sums paid by Buyer under the Sales Agreement as liquidated damages. If Seller cancels the Sales Agreement, Buyer agrees that it will be difficult and expensive to determine the amount of loss or damage Seller will suffer. This is because of, among other things, Seller's commitments relating to the financing of the Project, the effect of default and cancellation of one sale on other apartment sales, and the nature of the real estate market in Hawaii. Buyer agrees that the sums paid by Buyer under the Sales Agreement are a reasonable estimate of a fair payment to Seller for Seller's loss or damage resulting from Buyer's default.

(b) Seller may file a lawsuit for damages.

(c) Seller may file a lawsuit for "specific performance" (in other words, a lawsuit to make Buyer keep all of Buyer's promises and agreements, including, without limitation, closing the purchase of the property).

(d) Seller may take advantage of any other rights which the law allows or which Seller may have under the Sales Agreement.

Buyer also agrees to pay for all costs, including Seller's reasonable lawyers' fees (for both in-house and outside counsel) and the escrow cancellation fee, which are incurred because of Buyer's default.

7. Seller's Default. If Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, Buyer may require Seller to go through with the Sales Agreement, or Buyer may cancel the Sales Agreement. If Buyer cancels the Sales Agreement because of Seller's default, Seller will repay to Buyer all sums paid by Buyer to Seller or escrow under the Sales Agreement, without interest.

BUYER AGREES THAT IF SELLER DEFAULTS UNDER THE SALES AGREEMENT AT ANY TIME, BUYER WILL ONLY HAVE THE RIGHTS MENTIONED IN THIS SECTION. BUYER GIVES UP ANY OTHER RIGHTS BUYER MIGHT OTHERWISE HAVE.

8. Certain Acknowledgments and Waivers by Buyer Concerning "Property Conditions". The Buyer acknowledges and agrees to the following (which are hereafter referred to as the "Property Conditions"):

(a) Development Operations. All owners and occupants of the Project are hereby notified that any or all of the apartments may be subject to noise, dust, emissions, traffic and other nuisances resulting from site grading, road building and construction of the Project, in the roads or common areas or on adjacent or nearby lands. The Declarant and others performing such work shall not have any liability to the owners and occupants of any apartment for damages and inconvenience resulting from said operations. Each owner of an apartment, by taking title to said apartment, thereby waives all such rights and claims.

(b) Construction Deflection, Defects and Changes. During the course of construction of each building, certain apartment or garage floors may be subject to a small

degree of "deflection" from construction and settling. Deflection is a condition whereby a floor is not perfectly flat. Deflection is typical in concrete construction. In this instance, such deflection, if not treated, might be noticeable to some people. Much of the practical effect of deflection can be mitigated through the use of floor coverings. Given the nature of the soil upon which the building is constructed, it is possible some further settling may occur. Deflection (and any anticipated additional settling) typically does not detract from the structural integrity of the building, and Seller is not responsible to correct such deficiencies.

Minor cracking, flaking or discoloration of concrete or drywall within the building floors, walls, ceilings and/or soffits and the garage, driveways and walkways are not covered by warranty, and Seller is not responsible to correct such deficiencies.

Seller reserves the right in its sole discretion to make non-substantial changes to the area, layout, materials or configuration of each apartment including but not limited to adjustments to meet construction tolerances and conditions, substitution of materials, equipment, appliances or details, and variations in color, brand, grade and dimensions. All such non-substantial changes shall be in compliance with the applicable building standards and codes and shall be of equal or better quality and value.

Seller shall also have the right to make substantial changes, to the apartment in Seller's discretion and if any such change shall have been made without Buyer's consent, and if Buyer shall object to such changes, Buyer's sole remedy shall be to cancel this contract by written notice to Seller in which event all deposits shall be refunded to Buyer and Buyer and Seller shall have no further obligations or liabilities to each other under the sales contract.

(c) Waiver, Release and Indemnity. Buyer represents and warrants to Seller that Buyer, in Buyer's sole discretion, has determined that the benefits of owning and enjoying the apartment outweigh the risks of the "Property Conditions". Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Property Conditions. Buyer hereby covenants and agrees to assume all risks of impairment of Buyer's use and enjoyment of the apartment and the Project, loss of market value of the apartment, and property damage or personal injury resulting from the Property Conditions, and Buyer, for the Buyer and Buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Project through the Buyer for any period of time (collectively, the "Occupants"), hereby waives any claims or rights of action or suits against Seller, its successors and assigns, arising from such impairment of the Occupants' use and enjoyment of the apartment or the Project, loss of market value of said property, and property damage or personal injury arising from one or more of the Property Conditions. Buyer further covenants that Buyer will notify all Occupants and transferees of the apartment of the risks of the Property Conditions.

(d) Other Rights. Seller has also reserved certain easement rights affecting the Project land and common elements for access and utility services in connection with the future development of lands in the vicinity of the Project.

9. Landscaping. Buyer understands and agrees that (i) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (ii) installation of the plant materials and irrigation system may be completed after the closing date; (iii) full maturity of the plant materials will only be reached over an extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; (iv) the Association of

apartment owners of the Project will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity.

10. Contract Not Transferable. The Buyer agrees that Buyer may not transfer the Sales Agreement or any of Buyer's rights or interests under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

11. Conclusions and Summary. NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

The Deposit Receipt and Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Deposit Receipt and Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.

(b) That the purchaser acknowledges having received and read a Public Report (either Preliminary, Contingent Final or Final) for the Project.

(c) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(d) Requirements relating to the purchaser's financing of the purchase of an apartment.

(e) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(f) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project. Only the Developer's contractor makes construction warranties.

(g) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the sales price.

The Deposit Receipt and Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Deposit Receipt and Sales Contract on file with the Real Estate Commission.

END OF EXHIBIT G

EXHIBIT H

CONDOMINIUM PUBLIC REPORT ON WAILEA TOWN CENTER

DISCLOSURE ABSTRACT

1. (a) PROJECT: Wailea Town Center
Kihei, Hawaii
- (b) DEVELOPER: Wailea Town Center Investors, LLC
and Wailea Residential Partners, L.P. (as to
the Residential Units)
- (c) REAL ESTATE BROKER: The Gresham Company Inc.
35 Halekuai Street, Suite 201
Kihei, Maui, Hawaii 96753-8100
- (d) PROJECT MANAGER: The Gresham Company Inc.
35 Halekuai Street, Suite 201
Kihei, Maui, Hawaii 96753-8100

2. USE OF APARTMENTS:

- (a) Number of apartments in Project for residential use: seven (7)
- (b) Proposed number of apartments in Project for hotel use: -0-
- (c) Extent of commercial or other non-residential development in Project: twenty (20)
office and commercial apartments.

3. WARRANTIES:

Developer is referred to herein as "Seller".

(a) Inspection. Inspection of apartments for building defects and deficiencies will take place on dates and at times as determined by Seller upon the phased completion of construction. Buyer will receive written notice of the date and time of the inspection of Buyer's apartment prior to such inspection.

(b) Limited Warranty by Seller and Procedure For Inspection. If Buyer cooperates in the inspection program to be instituted by Seller and Buyer's apartment is inspected on the date and at the time specified by Seller, Seller warrants to Buyer that Seller shall exercise its best efforts to have all legitimate defects or damages listed by Buyer on the inspection sheet furnished by Seller corrected by the Seller's general contractor within a reasonable time thereafter. This warranty (called "Seller's Limited Warranty") shall survive the closing. Seller's Limited Warranty is conditioned on Buyer's full cooperation in making the inspection pursuant to Seller's inspection program. See Section 4.2 of Exhibit "A" of the Deposit Receipt and Sales Contract for Residential Apartments and Sections C.2 and C.3 of Exhibit "A" to the Deposit Receipt and Sales Contract for Business Apartments.

(c) Contractor's Warranty. The Seller will enter into an agreement with the general contractor for the Project whereby the general contractor will agree to provide, for the benefit of the Seller, the Buyer and the Association, the customary AIA warranty to correct any defects in

workmanship or materials of which general contractor or Seller shall have received notice from Buyer within one (1) year after the date of substantial completion of each apartment (as such terms are defined in the construction contract) (called the "Contractor's Warranty"). The Seller does not make this warranty but merely passes on the Contractor's Warranty to the Buyer and the Association. The Seller's obligations with respect to any defects (other than those listed on the inspection sheet described in Section (b) above) will be limited to assisting the Association or Buyer in presenting to the general contractor any claims based on such warranty; it being understood that such Contractor's Warranty is limited to defects reported in writing to the Seller or contractor within the first year following the phased dates of substantial completion of the work. In the event of the breach of any of the subcontractors', suppliers' or manufacturers' warranties, Buyer shall have no claim against Seller on account of such breach, but Buyer's sole remedy shall be against such subcontractors, suppliers and manufacturers.

(d) The Condominium Map is Not a Warranty. The Condominium Map for the Project is intended to show only the layout, location, apartment numbers and dimensions of the apartments in the Project. BUYER AGREES THAT THE CONDOMINIUM MAP IS NOT INTENDED TO BE AND IS NOT A WARRANTY OR PROMISE OF ANY KIND BY SELLER.

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Public Report as Exhibit "1" is a breakdown of the annual maintenance charges and the monthly estimated cost for the Project, prepared by the Project Manager for the one-year period commencing January 1, 2006 and certified to have been based on generally accepted accounting principles. The estimated cost for each apartment is set forth in Exhibit "F" to this Public Report. All figures are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Project Manager, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments.

The breakdown of the estimated maintenance cost for each apartment contained in the Public Report does not include individual charges for trash removal, cable TV or any metered utilities or the Buyer's obligation for real property taxes and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

* NOTE: THE DEVELOPER ADVISES THAT COSTS AND *
* EXPENSES OF MAINTENANCE AND OPERATION OF A *
* CONDOMINIUM PROJECT ARE VERY DIFFICULT TO *
* ESTIMATE INITIALLY AND EVEN IF SUCH *
* MAINTENANCE CHARGES HAVE BEEN ACCURATELY *
* ESTIMATED, SUCH CHARGES WILL TEND TO *
* INCREASE IN AN INFLATIONARY ECONOMY AND AS *
* THE IMPROVEMENTS AGE, MAINTENANCE CHARGES *
* CAN VARY DEPENDING ON SERVICES DESIRED BY *
* APARTMENT OWNERS. THE BUYER SHOULD *
* EXAMINE THE MAINTENANCE CHARGE SCHEDULE *
* TO SEE WHAT SERVICES ARE INCLUDED IN THE *
* SCHEDULE. *

5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer may assume all the actual common expenses of the Project (and therefore an apartment owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states that after a date certain, the respective apartment owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his apartment; provided, however, that such amended Disclosure Abstract shall be filed at least thirty (30) days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the apartment owners whose maintenance expenses were assumed by the Developer. The Developer shall have no obligation to pay any start-up fees or to pay for any cash reserves or other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

END OF EXHIBIT H

EXHIBIT "1"

Apt. No.	Common Interest Percentage	General Condominium Expenses	Residential Element Expenses	Total Annual Cost	Total Monthly Cost
A-101	4.0%	\$ 6,529.66	\$ -	\$ 6,529.66	\$ 544.14
A-102	1.6%	2,613.92	-	2,613.92	217.83
A-103	2.4%	3,953.52	-	3,953.52	329.46
A-104	4.0%	6,615.53	-	6,615.53	551.29
A-105	4.9%	8,006.64	-	8,006.64	667.22
A-106	2.4%	4,001.60	-	4,001.60	333.47
A-107	5.1%	8,337.92	-	8,337.92	694.83
B-101	4.9%	7,937.95	-	7,937.95	661.50
B-102	4.0%	6,598.35	-	6,598.35	549.86
B-103	4.0%	6,598.35	-	6,598.35	549.86
B-104	2.4%	4,001.60	-	4,001.60	333.47
B-105	2.1%	3,438.29	-	3,438.29	286.52
B-106	2.0%	3,252.81	-	3,252.81	271.07
B-107	1.6%	2,624.23	-	2,624.23	218.69
C-101	4.0%	6,553.70	-	6,553.70	546.14
C-102	4.0%	6,526.22	-	6,526.22	543.85
C-103	4.0%	6,526.22	-	6,526.22	543.85
C-104	4.0%	6,526.22	-	6,526.22	543.85
D-101	2.9%	4,753.84	-	4,753.84	396.15
D-102	3.4%	5,523.24	-	5,523.24	460.27
D-103	2.7%	4,461.87	-	4,461.87	371.82
C-201	4.7%	7,670.03	3,966.85	11,636.88	969.74
C-202	4.4%	7,165.10	3,705.71	10,870.81	905.90
C-203	4.4%	7,165.10	3,705.71	10,870.81	905.90
C-204	4.7%	7,670.03	3,966.85	11,636.88	969.74
D-201	3.8%	6,138.08	3,174.55	9,312.63	776.05
D-202	3.8%	6,131.21	3,170.99	9,302.21	775.18
D-203	3.8%	6,138.08	3,174.55	9,312.63	776.05
Total	100.0%	\$ 163,488.70	\$ 24,865.21	\$ 188,324.52	\$ 15,693.71
		29.38			

Estimate of Maintenance Fee Disbursements (For All Apartments):

	<u>Monthly</u>	x 12 months=	<u>Yearly Total</u>
Utilities and Services			
Air Conditioning			
Electricity			
<input checked="" type="checkbox"/> common elements only	<u>\$1,068.14</u>		<u>\$12,817.68</u>
<input type="checkbox"/> common elements and apartments			
Elevator			
Gas			
<input type="checkbox"/> common elements only			
<input type="checkbox"/> common elements and apartments			
Refuse Collection	<u>\$1,000.00</u>		<u>\$12,000.00</u>
Telephone/ Fire Alarm	<u>\$76.85</u>		<u>\$919.85</u>
Water			
for water service	<u>\$1,036.21</u>		<u>\$12,434.47</u>
Maintenance, Repairs and Supplies			
Building	<u>\$909.02</u>		<u>\$10,908.24</u>
Grounds	<u>\$1,714.53</u>		<u>\$20,574.36</u>
Water lines			
Common Elements			
Management			
Management Fee	<u>\$1,300.00</u>		<u>\$15,600.00</u>
Payroll and Payroll Taxes			
Office Expenses			
Legal	<u>\$644.19</u>		<u>\$7,730.25</u>
Insurance (liability/ property for common elements)	<u>\$1,750.00</u>		<u>\$21,000.00</u>
(including Bond & Director Liability)			
Reserves(*)	<u>\$2,247.20</u>		<u>\$26,966.43</u>
Taxes and Government Assessments			
Audit Fees	<u>\$485.13</u>		<u>\$5,821.58</u>
Other: Wailea Community Association Dues	<u>\$1,392.99</u>		<u>\$16,715.84</u>
TOTAL	<u>\$13,624.06</u>	/month x 12 =	<u>\$163,488.70</u>

We, the undersigned condominium developers for the Wailea Town Center project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

WAILEA TOWN CENTER INVESTORS LLC

By: 
 Its: Member / Manager

10 - 3 - 05
 Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.


(**) This reserve amount is not based on a reserve study required by Hawaii law. The reserve study will be performed by the Association of Apartment Owners.

Estimate of Additional Maintenance Fees For Residential Apartments only, for the Residential Elements: Disbursements

	<u>Monthly</u>	<u>x 12 months=</u>	<u>Yearly Total</u>
Utilities and Services			
Air Conditioning			
Electricity			
<input checked="" type="checkbox"/> common elements only			
<input type="checkbox"/> common elements and apartments			
Elevator	<u>\$150.00</u>		<u>\$1,800.00</u>
Gas			
<input type="checkbox"/> common elements only			
<input checked="" type="checkbox"/> common elements and apartments	<u>\$200.00</u>		<u>\$2,400.00</u>
Refuse Collection			
Telephone	<u>\$30.00</u>		<u>\$360.00</u>
Water			
for water service			
Maintenance, Repairs and Supplies			
Building			
Grounds			
Water lines			
Common Elements (Pool, Stairways, Garages)	<u>\$300.00</u>		<u>\$3,600.00</u>
Management			
Management Fee			
Payroll and Payroll Taxes			
Office Expenses			
Legal			
Insurance (liability for common elements)			
(including Bond & Director Liability)			
Reserves(*)	<u>\$1,392.10</u>		<u>\$16,705.21</u>
Taxes and Government Assessments			
Audit Fees			
Other: Wailea Community Association Dues			
TOTAL	<u>\$2,072.10</u>	<u>/month x 12 =</u>	<u>\$24,865.21</u>

We, the undersigned condominium developers for the Wailea Town Center project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

WAILEA TOWN CENTER INVESTORS LLC

By: 
 Its: Member / David P. Peltzman

10-3-05
 Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

(**) This reserve amount is not based on a reserve study required by Hawaii law. The reserve study will be performed by the Association of Apartment Owners.

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Agreement will be held up by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Agreement.
- (d) After a Sales Agreement becomes final and binding after the issuance of the Final Public Report for the Project, Developer may withdraw Buyer's deposits to pay for Project construction costs.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Agreement. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

END OF EXHIBIT "I"

RECEIPT FOR PUBLIC REPORT(S) AND NOTICE OF RIGHT TO CANCEL

I acknowledge receipt of the Developer's _____ Final _____ Public Report(s) and Disclosure
(Preliminary, Contingent Final, Final &/or Supplementary)
Abstract, contained in the public report, in connection with my purchase of apartment(s) _____
(Apt. No.)
in the _____ Wailea Town Center _____
(Name of Condominium Project)

I understand that I have a legal right under Hawaii law to cancel my purchase, if I desire to do so, without any penalty or obligation within thirty (30) days from the date the above Public Report(s) was delivered to me. If I cancel, I understand that I will be entitled to receive the refund of any down payment or deposit, less any escrow cancellation fees and other costs, up to \$250.

If I decide to cancel, I understand that I can do so by notifying _____, by mail or telegram sent before: (1) the conveyance of my apartment(s) to me; or (2) midnight of the thirtieth day after delivery of the Public Report(s) to me, whichever is earlier. If I send or deliver my written notice some other way, it must be delivered to the above address no later than that time. I understand that I can use any written statement that is signed and dated by me and states my intention to cancel, or I may use this notice by checking the appropriate box and by signing and dating below.

I understand that if I do not act within the above thirty-day period or if the apartment is conveyed to me within the above thirty-day period, I will be considered to have executed this receipt and to have waived my right to cancel my purchase. I also understand that I can waive my right to cancel by checking the appropriate box, by signing and dating below, and by returning this notice to _____.

I HAVE RECEIVED A COPY OF:

- (1) THE DEVELOPER'S _____ FINAL _____ PUBLIC REPORT(S) ON _____; AND
(2) THE DISCLOSURE ABSTRACT CONTAINED IN THE PUBLIC REPORT.

Purchaser's Signature

Date

Purchaser's Signature

Date

=====

I HAVE HAD AN OPPORTUNITY TO READ THE PUBLIC REPORT(S) AND

[] I WAIVE MY RIGHT TO CANCEL. [] I HEREBY EXERCISE MY RIGHT TO CANCEL.

Purchaser's Signature

Date

Purchaser's Signature

Date