CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Waipouli Beach Resorts, LLC
Address 6748 Waipouli Road, Kapaa, Kauai, Hawaii 96746

Project Name(*): WAIPOULI BEACH RESORT (report covers Phase V consisting of 21 of 204 apartments) **
Address: 4-818 Kuhio Highway, Kapaa, Kauai, Hawaii 96746

Registration No. 5412

Effective date: February 16, 2005
Expiration date: April 22, 2005

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

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

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

X **SUPPLEMENTARY: (pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[X] Contingent Final Public Report dated: July 22, 2004
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

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

(*)Exactly as named in the Declaration

** The entire condominium project described in the Declaration contains a total of 204 apartments. However, this Supplementary Public Report shall, for marketing and sales purposes, cover only 21 of the 204 apartments as follows: E101-106 (inclusive), E201-206 (inclusive), E301-304 (inclusive), E306, E401-402 (inclusive), E404, E406. The Developer shall obtain, for marketing and sales purposes, one or more separate Contingent Final Public Reports and/or Final Public Reports for the remaining apartments of the Project.

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

FORM: RECO-30 1297/0298/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

1. Page 6, Section II was revised to add the First Amendment to Declaration of Condominium Property Regime of Waipouli Beach Resort ("First Amendment"). The amendment was done to reflect revised types and square footages for Apartments D104 and D208. These 2 apartments are Type G units rather than Type D units. The percentage common interests for all apartments have also been revised due to such change.

2. Exhibit "D" was amended to reflect the revisions caused by the First Amendment.

3. Exhibit "H" was amended to reflect the revised maintenance fees based on the new common interests caused by the First Amendment.

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded -Bureau of Conveyances: Document No _____
Book_____Page_____
[X] Filed - Land Court: Document No.____3124205_____

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

First Amendment to Declaration of Condominium Property Regime of Waipouli Beach Resort dated February 1, 2005, recorded in said Office as Document No. 3226301.

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

The Condominium Map for this condominium project is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances Condo Map No._____
[X] Filed - Land Court Condo Map No. _____1642____

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

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

The Bylaws for this condominium are:

[ ] Proposed
[ ] Recorded -Bureau of Conveyances: Document No. _____
Book_____Page_____
[X] Filed - Land Court: Document No.____3124206_____

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer 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. 5412 filed with the Real Estate Commission on July 1, 2004

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

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

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

WAIPOULI BEACH RESORTS, LLC, a Hawaii limited liability company

By _____
CHRISTOPHER SINGLETON
Its Manager

"Developer"

2-1-05
Date

Distribution:

Department of Finance, County of Kauai
Planning Department, County of Kauai

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 "D"

Apartment Numbers, Apartment Types, Number of Bedrooms and Bathrooms, Approximate Net Living Square Footages, Approximate Net Lanai Square Footages, Percentage Common Interest

Apartment Number[1]	Apartment Type	Bedrooms/ Bathrooms	Approximate Net Living Square Footages[2]	Approximate Net Lanai Square Footages[3]	Percentage Common Interest[4]
A101	C	1/2	824	75	0.375433%
A102	D	2/3	1158	154	0.527611%
A103	D	2/3	1158	154	0.527611%
A104	D	2/3	1158	154	0.527611%
A105	BR	1/2	823	75	0.374977%
A106	D	2/3	1158	154	0.527611%
A107	ER	2/3	1414	439	0.644250%
A201	C	1/2	824	75	0.375433%
A202	D	2/3	1158	154	0.527611%
A203	D	2/3	1158	154	0.527611%
A204	D	2/3	1158	154	0.527611%
A205	BR	1/2	823	75	0.374977%
A206	D	2/3	1158	154	0.527611%
A207	ER	2/3	1414	439	0.644250%
A301	C	1/2	824	75	0.375433%
A302	D	2/3	1158	154	0.527611%

[1] The letter in each Resort Apartment and Hotel Apartment Number indicates the building in which such Apartment is located (i.e. Buildings A, B, C, D, E, F, G and H). The first number in each Resort Apartment and Hotel Apartment Number indicates the floor on which such Apartment is located. All Apartments described in this Exhibit are Resort Apartments, except for Apartments E101, E102, E201, E202, E302 and E402 which are all Hotel Apartments and which are all identified as such with an "*" after the Apartment Number, and except for Apartments C-1, C-2, C-3, C-4, C-5, Snack Bar, Pool Bar, and Spa which are all Commercial Apartments and which are all identified as such with an "**" after the Apartment Number. The Commercial Apartments are depicted on the Condominium Map.

[2] The approximate net square footage of each Resort Apartment and Hotel Apartment in the Project was determined by measuring the area between the interior surface of the perimeter walls of each Apartment.

[3] Each Resort Apartment and Hotel Apartment has adjacent to it lanai area(s) in approximately the aggregate size described in this Exhibit. The lanais are limited common elements appurtenant to the Resort Apartment or Hotel Apartment to which they abut. Specifics on use and control of the lanais are set forth in the Declaration, Bylaws, House Rules, and other Project documents.

[4] The percentage common interest attributable to each Apartment was calculated by dividing the net living square footage of each such Apartment by the total net living square footage of all Resort, Hotel and Commercial Apartments within the Project, rounding the quotient to the nearest 8th decimal place, and multiplying the result by 100. In order to permit the common interest for all Apartments to equal exactly hundred percent (100%), the common interest attributable to C-1 was decreased by 0.000031%.

Apartment Number[1]	Apartment Type	Bedrooms/ Bathrooms	Approximate Net Living Square Footages[2]	Approximate Net Lanai Square Footages[3]	Percentage Common Interest[4]
A303	D	2/3	1158	154	0.527611%
A304	D	2/3	1158	154	0.527611%
A305	BR	1/2	823	75	0.374977%
A306	D	2/3	1158	154	0.527611%
A401	C	1/2	824	75	0.375433%
A402	D	2/3	1158	154	0.527611%
A403	D	2/3	1158	154	0.527611%
A404	D	2/3	1158	154	0.527611%
A405	BR	1/2	823	75	0.374977%
A406	D	2/3	1158	154	0.527611%
B101	D	2/3	1158	154	0.527611%
B102	D	2/3	1158	154	0.527611%
B103	F	2/3	1155	124	0.526244%
B104	D	2/3	1158	154	0.527611%
B201	D	2/3	1158	154	0.527611%
B202	D	2/3	1158	154	0.527611%
B203	F	2/3	1155	124	0.526244%
B204	D	2/3	1158	154	0.527611%
B301	D	2/3	1158	154	0.527611%
B302	D	2/3	1158	154	0.527611%
B303	F	2/3	1155	124	0.526244%
B304	D	2/3	1158	154	0.527611%
B401	D	2/3	1158	154	0.527611%
B402	D	2/3	1158	154	0.527611%
B403	F	2/3	1155	124	0.526244%
B404	D	2/3	1158	154	0.527611%
C101	D	2/3	1158	154	0.527611%
C102	DR	2/3	1158	154	0.527611%
C103	D	2/3	1158	154	0.527611%
C104	DR	2/3	1158	154	0.527611%
C105	D	2/3	1158	154	0.527611%
C106	B	1/2	823	75	0.374977%
C201	D	2/3	1158	154	0.527611%
C202	DR	2/3	1158	154	0.527611%
C203	D	2/3	1158	154	0.527611%
C204	DR	2/3	1158	154	0.527611%
C205	D	2/3	1158	154	0.527611%
C206	B	1/2	823	75	0.374977%
C301	D	2/3	1158	154	0.527611%
C302	DR	2/3	1158	154	0.527611%
C303	D	2/3	1158	154	0.527611%
C304	DR	2/3	1158	154	0.527611%
C305	D	2/3	1158	154	0.527611%

Apartment Number[1]	Apartment Type	Bedrooms/ Bathrooms	Approximate Net Living Square Footages[2]	Approximate Net Lanai Square Footages[3]	Percentage Common Interest[4]
C306	B	1/2	823	75	0.374977%
C401	D	2/3	1158	154	0.527611%
C402	DR	2/3	1158	154	0.527611%
C403	D	2/3	1158	154	0.527611%
C404	DR	2/3	1158	154	0.527611%
C405	D	2/3	1158	154	0.527611%
C406	B	1/2	823	75	0.374977%
D101	BR	1/2	823	75	0.374977%
D102	DR	2/3	1158	154	0.527611%
D103	DR	2/3	1158	154	0.527611%
D104	G	2/3	1465	154	0.667487%
D105	B	1/2	823	75	0.374977%
D201	D	2/3	1158	154	0.527611%
D202	BR	1/2	823	75	0.374977%
D203	D	2/3	1158	154	0.527611%
D204	DR	2/3	1158	154	0.527611%
D205	D	2/3	1158	154	0.527611%
D206	DR	2/3	1158	154	0.527611%
D207	D	2/3	1158	154	0.527611%
D208	G	2/3	1465	154	0.667487%
D209	D	2/3	1158	154	0.527611%
D210	B	1/2	823	75	0.374977%
D301	D	2/3	1158	154	0.527611%
D302	BR	1/2	823	75	0.374977%
D303	D	2/3	1158	154	0.527611%
D304	DR	2/3	1158	154	0.527611%
D305	D	2/3	1158	154	0.527611%
D306	DR	2/3	1158	154	0.527611%
D307	D	2/3	1158	154	0.527611%
D308	G	2/3	1465	154	0.667487%
D309	D	2/3	1158	154	0.527611%
D310	G	2/3	1465	154	0.667487%
D311	D	2/3	1158	154	0.527611%
D312	B	1/2	823	75	0.374977%
D401	D	2/3	1158	154	0.527611%
D402	BR	1/2	823	75	0.374977%
D403	D	2/3	1158	154	0.527611%
D404	DR	2/3	1158	154	0.527611%
D405	D	2/3	1158	154	0.527611%
D406	DR	2/3	1158	154	0.527611%
D407	D	2/3	1158	154	0.527611%
D408	G	2/3	1465	154	0.667487%
D409	D	2/3	1158	154	0.527611%

Apartment Number[1]	Apartment Type	Bedrooms/ Bathrooms	Approximate Net Living Square Footages[2]	Approximate Net Lanai Square Footages[3]	Percentage Common Interest[4]
D410	G	2/3	1465	154	0.667487%
D411	D	2/3	1158	154	0.527611%
D412	B	1/2	823	75	0.374977%
E101*	A	1/1	323	72	0.147166%
E102*	A	1/1	323	72	0.147166%
E103	D	2/3	1158	154	0.527611%
E104	B	1/2	823	75	0.374977%
E105	D	2/3	1158	154	0.527611%
E106	B	1/2	823	75	0.374977%
E201*	A	1/1	323	72	0.147166%
E202*	A	1/1	323	72	0.147166%
E203	D	2/3	1158	154	0.527611%
E204	B	1/2	823	75	0.374977%
E205	D	2/3	1158	154	0.527611%
E206	B	1/2	823	75	0.374977%
E301	D	2/3	1158	154	0.527611%
E302*	A	1/1	323	72	0.147166%
E303	D	2/3	1158	154	0.527611%
E304	B	1/2	823	75	0.374977%
E306	B	1/2	823	75	0.374977%
E401	D	2/3	1158	154	0.527611%
E402*	A	1/1	323	72	0.147166%
E404	B	1/2	823	75	0.374977%
E406	B	1/2	823	75	0.374977%
F101	C	1/2	824	75	0.375433%
F102	DR	2/3	1158	154	0.527611%
F103	D	2/3	1158	154	0.527611%
F104	DR	2/3	1158	154	0.527611%
F201	C	1/2	824	75	0.375433%
F202	DR	2/3	1158	154	0.527611%
F203	D	2/3	1158	154	0.527611%
F204	DR	2/3	1158	154	0.527611%
F301	C	1/2	824	75	0.375433%
F302	DR	2/3	1158	154	0.527611%
F303	D	2/3	1158	154	0.527611%
F304	DR	2/3	1158	154	0.527611%
F401	C	1/2	824	75	0.375433%
F402	DR	2/3	1158	154	0.527611%
F403	D	2/3	1158	154	0.527611%
F404	DR	2/3	1158	154	0.527611%
G101	E	2/3	1414	439	0.644250%
G102	DR	2/3	1158	154	0.527611%
G103	B	1/2	823	75	0.374977%

Apartment Number[1]	Apartment Type	Bedrooms/ Bathrooms	Approximate Net Living Square Footages[2]	Approximate Net Lanai Square Footages[3]	Percentage Common Interest[4]
G104	DR	2/3	1158	154	0.527611%
G105	D	2/3	1158	154	0.527611%
G106	DR	2/3	1158	154	0.527611%
G107	CR	1/2	824	75	0.375433%
G201	E	2/3	1414	439	0.644250%
G202	DR	2/3	1158	154	0.527611%
G203	B	1/2	823	75	0.374977%
G204	DR	2/3	1158	154	0.527611%
G205	D	2/3	1158	154	0.527611%
G206	DR	2/3	1158	154	0.527611%
G207	CR	1/2	824	75	0.375433%
G301	E	2/3	1414	439	0.644250%
G302	DR	2/3	1158	154	0.527611%
G303	B	1/2	823	75	0.374977%
G304	DR	2/3	1158	154	0.527611%
G305	D	2/3	1158	154	0.527611%
G306	DR	2/3	1158	154	0.527611%
G307	CR	1/2	824	75	0.375433%
G401	E	2/3	1414	439	0.644250%
G402	DR	2/3	1158	154	0.527611%
G403	B	1/2	823	75	0.374977%
G404	DR	2/3	1158	154	0.527611%
G405	D	2/3	1158	154	0.527611%
G406	DR	2/3	1158	154	0.527611%
G407	CR	1/2	824	75	0.375433%
H101	E	2/3	1414	439	0.644250%
H102	DR	2/3	1158	154	0.527611%
H103	D	2/3	1158	154	0.527611%
H104	DR	2/3	1158	154	0.527611%
H105	D	2/3	1158	154	0.527611%
H106	DR	2/3	1158	154	0.527611%
H107	BR	1/2	823	75	0.374977%
H201	E	2/3	1414	439	0.644250%
H202	DR	2/3	1158	154	0.527611%
H203	D	2/3	1158	154	0.527611%
H204	DR	2/3	1158	154	0.527611%
H205	D	2/3	1158	154	0.527611%
H206	DR	2/3	1158	154	0.527611%
H207	BR	1/2	823	75	0.374977%
H301	D	2/3	1158	154	0.527611%
H302	DR	2/3	1158	154	0.527611%
H303	D	2/3	1158	154	0.527611%
H304	DR	2/3	1158	154	0.527611%

Apartment Number[1]	Apartment Type	Bedrooms/ Bathrooms	Approximate Net Living Square Footages[2]	Approximate Net Lanai Square Footages[3]	Percentage Common Interest[4]
H305	BR	1/2	823	75	0.374977%
H306	DR	2/3	1158	154	0.527611%
H401	D	2/3	1158	154	0.527611%
H402	DR	2/3	1158	154	0.527611%
H403	D	2/3	1158	154	0.527611%
H404	DR	2/3	1158	154	0.527611%
H405	BR	1/2	823	75	0.374977%
H406	DR	2/3	1158	154	0.527611%
C-1**[5]	---	0/0	1270	---	0.578609%
C-2**	---	0/0	1270	---	0.578640%
C-3**	---	0/0	1270	---	0.578640%
C-4**	---	0/0	1059	---	0.482504%
C-5**	---	0/0	1456	---	0.663386%
Snack Bar**	---	0/0	352	---	0.160379%
Pool Bar**	---	0/0	1235	---	0.562694%
Spa**	---	0/0	460	---	0.209586%
		TOTAL	**219480**		**100.000000%**

Location of Apartments.

a. Building A

Twenty-six (26) Resort Apartments are located in Building A as the same are depicted on the Condominium Map. Building A is comprised of four (4) floors with seven (7) Resort Apartments on each of floors one and two, and six (6) Resort Apartments on each of floors three and four.

b. Building B

Sixteen (16) Resort Apartments are located in Building B as the same are depicted on the Condominium Map. Building B is comprised of four (4) floors with four (4) Resort Apartments on each floor.

c. Building C

Twenty-four (24) Resort Apartments are located in Building C as the same are depicted on the Condominium Map. Building C is comprised of four (4) floors with six (6) Resort Apartments on each floor.

[5] C-1 has appurtenant to it, as limited common elements, parking stalls R1 through R118, inclusive, and parking stalls P1 through P10, inclusive, all as depicted on the Condominium Map.

d. Building D

Thirty-nine (39) Resort Apartments and five (5) Commercial Apartments (i.e. C-1, C-2, C-3, C-4 and C-5) are located in Building D as the same are depicted on the Condominium Map. Building D is comprised of four (4) floors. There are five (5) Resort Apartments and five (5) Commercial Apartments (i.e. Apartments C-1, C-2, C-3, C-4 and C-5) on floor one, ten (10) Resort Apartments on floor two, and twelve (12) Resort Apartments on each of floors three and four.

e. Building E

Fifteen (15) Resort Apartments and six (6) Hotel Apartments (i.e. Apartments E101, E102, E201, E202, E302 and E402) are located in Building E as the same are depicted on the Condominium Map. Building E is comprised of four (4) floors. There are four (4) Resort Apartments and two (2) Hotel Apartments (i.e. Apartments E101 and E102) on floor one, four (4) Resort Apartments and two (2) Hotel Apartments (i.e. Apartments E201 and E202) on floor two, four (4) Resort Apartments and one (1) Hotel Apartment (i.e. Apartment E302) on floor three, and three (3) Resort Apartments and one (1) Hotel Apartment (i.e. Apartment E402) on floor four.

f. Building F

Sixteen (16) Resort Apartments are located in Building F as the same are depicted on the Condominium Map. Building F is comprised of four (4) floors with four (4) Resort Apartments on each floor.

g. Building G

Twenty-eight (28) Resort Apartments are located in Building G as the same are depicted on the Condominium Map. Building G is comprised of four (4) floors with seven (7) Resort Apartments on each floor.

h. Building H

Twenty-six (26) Resort Apartments are located in Building H as the same are depicted on the Condominium Map. Building H is comprised of four (4) floors with seven (7) Resort Apartments on each of floors one and two, and six (6) Resort Apartments on each of floors three and four.

i. Snack Bar

The Snack Bar Commercial Apartment is deemed to include the entire structure marked "Snack Bar" on the Condominium Map (as more particularly defined herein) at the location depicted on the Condominium Map.

j. Pool Bar

The Pool Bar Commercial Apartment is deemed to include the entire structure marked "Pool Bar" on the Condominium Map (as more particularly defined herein) at the location depicted on the Condominium Map.

k. Spa

The Spa Commercial Apartment is deemed to include the entire structures marked "Spa" on the Condominium Map (as more particularly defined herein) at the location(s) depicted on the Condominium Map.

Layout of Apartments.

i. Apartment Type "A"

All type "A" Apartments are "studio" apartments and have the number of bedroom(s) and bathroom(s) indicated in the table above, an entry area and a heater and a/c area, all as depicted on the Condominium Map. Type "AR" is a reverse layout of Type "A".

ii. Apartment Types "B" and "BR"

All type "B" and type "BR" Apartments have the number of bedroom(s) and bathroom(s) indicated in the table above, one (1) bedroom closet, an entry area, a washer/dryer and heater area, an a/c area, one (1) kitchen and one (1) living room, all as depicted on the Condominium Map. Type "BR" is a reverse layout of Type "B".

iii. Apartment Types "C" and "CR"

All type "C" and type "CR" Apartments have the number of bedroom(s) and bathroom(s) indicated in the table above, one (1) bedroom closet, an entry area, a heater area, a washer/dryer area, an a/c area, one (1) kitchen and one (1) living room, all as depicted on the Condominium Map. Type "CR" is a reverse layout of Type "C".

iv. Apartment Types "D" and "DR"

All type "D" and type "DR" Apartments have the number of bedroom(s) and bathroom(s) indicated in the table above, two (2) bedroom closets, one (1) bathroom closet, an entry area, a heater and washer/dryer area, an a/c area, one (1) kitchen and one (1) living room, all as depicted on the Condominium Map. Type "DR" is a reverse layout of Type "D".

v. Apartment Type "E" and "ER"

All type "E" and type "ER" Apartments have the number of bedroom(s) and bathroom(s) indicated in the table above, one (1) bedroom closet, one (1) bathroom closet, one (1) hallway closet, an entry area and side closet, a heater area, a washer/dryer area, an a/c area, one (1) kitchen and one (1) living room, all as depicted on the Condominium Map. Type "ER" is a reverse layout of Type "E".

vi. Apartment Type "F"

All type "F" Apartments have the number of bedroom(s) and bathroom(s) indicated in the table above, two (2) bedroom closets, one (1) hallway closet, an entry area, a heater area, a washer/dryer area, an a/c area, one (1) kitchen and one (1) living room, all as depicted on the Condominium Map. Type "F" does not have a reverse layout type.

vii. Apartment Type "G"

All type "G" Apartments have the number of bedroom(s) and bathroom(s) indicated in the table above, two (2) bedroom closets, one (1) bathroom closet, an entry area, a heater and washer/dryer area, an a/c area, one (1) kitchen and one (1) living room, all as depicted on the Condominium Map. Type "G" does not have a reverse layout type.

Parking Stall Assignments.

Each Resort, Hotel and Commercial Apartment will have the right to use one (1) unassigned parking stall in the Project. The Managing Agent will be responsible for maintaining and administering such parking stalls.

Commercial Apartment C-1 has appurtenant to it, as limited common elements, parking stalls R1 through R118, inclusive, and parking stalls P1 through P10, inclusive, all as depicted on the Condominium Map.

Accessible Rooms.

Pursuant to ADA requirements, two (2) units will have roll in showers and five (5) units will have bathtubs with grab bars. These units will also be equipped to accommodate the hearing impaired.

EXHIBIT "H"

ESTIMATED ANNUAL COMMON EXPENSES AND MONTHLY ASSESSMENT

ASSOCIATION OF APARTMENT OWNERS -
Waipouli Beach Resort
Budget for the Period 01/01/06 - 12/31/06

	Monthly	Annual
-REVENUE-		
General Assessment	224,870	2,698,440
Interest Income	10	120
Office Rental Income	0	0
Other Rental Income	0	0
Vending Income	25	300
Other Income	0	0
Total Revenue	224,905	2,698,860
-EXPENSES-		
Salaries & Wages Administration	6,763	81,151
Salaries & Wages Accounting	1,489	17,868
Salaries & Wages Security	6,865	82,381
Salaries & Wages Maintenance	15,440	185,276
Salaries & Wages Housekeeping	9,425	113,104
Vacation Pay, Holiday & Sick Pay	2,531	30,368
Payroll Taxes & Benefits	14,130	169,562
E/B-Housing Allowance	0	0
Total Payroll & Related	56,643	679,710
-OPERATING-		
Accounting Fees	3,187	38,244
Provision for Bad Debt	100	1,200
Director's Expense - Fee	0	0
BRD Telephone	150	1,800
Board Travel & Meetings	1,738	20,850
Dues & Publications	58	700
Employee Motivation	218	2,620
General Excise Tax	1	12
Legal Fees	417	5,000
Licenses & Permits	39	471
Copier Expense	450	5,400
Office Equipment	200	2,400
Office Supplies	350	4,200
Housekeeping Supplies	400	4,800
Other Professional Fees	792	9,500
Outside Contract Services	6,588	79,060
Postage & Freight	220	2,640
Telephone - Local Service	605	7,260
Telephone - Long Distance	250	3,000
Telephone Maintenance	180	2,160
Travel	83	1,000
Meetings	0	0
Business Entertainment	163	1,950
Automobile Expense	37	444
Rent	0	0
Total Administrative	16,226	194,711

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ASSOCIATION OF APARTMENT OWNERS -
Waipouli Beach Resort
Budget for the Period 01/01/06 - 12/31/06

	Monthly	Annual
-MAINTENANCE-		
Building, FF&E Maintenance	900	10,800
Electrical, Plumbin & Mechanical	900	10,800
Cable Television	5,345	64,137
Decorations	404	4,850
Elevator	2,724	32,684
Equipment Rental, Maint Supplies	465	5,580
Grounds & Landscaping	21,809	261,708
Life/Safety, Lock & Key, Lighting	1,555	18,658
Other Professional Fees	150	1,800
Painting	200	2,400
Pest Control	551	6,616
Refuse Removal	2,995	35,940
Swimming Pool Maintenance	11,744	140,928
Uniforms	260	3,120
Total Maintenance	50,002	600,022
-UTILITIES-		
Electricity	30,638	367,658
Gas	7,550	90,602
Sewer	17,663	211,956
Water	10,258	123,096
Total Utilities	66,109	793,312
-OTHER-		
Liability Insurance	2,521	30,254
Property Insurance	30,216	362,587
Management Fees	3,187	38,250
Bank Charges	1	12
Total Other Expenses	35,925	431,103
Total Operating Expenses	224,905	2,698,857
Total Operating Cash Flow	0	3
-NON-CASH-		
Depreciation	100	1,200
Total Non-Cash	100	1,200
NET PROFIT/(LOSS)	(100)	(1,197)
TOTAL EXPENSES (EXCL. OTHER INCOME)	224,870	2,698,437

EXHIBIT "H"

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ASSOCIATION OF APARTMENT OWNERS -
Waipouli Beach Resort
Budget for the Period 01/01/06 - 12/31/06

Unit Sq Ft	Unit Type	# Units in Type	% Common Interest	% Total Assess.	2006 General Assessment	2006 Reserve Assessment	2006 Total Monthly Assessment
323	A - Hotel	6	0.147166%	0.882996%	330.93	14.89	345.82
823	B - 1 Bedrm	32	0.374977%	11.999264%	843.21	37.94	881.15
824	C - 1 Bedrm, Side Entry	12	0.375433%	4.505196%	844.24	37.99	882.23
1158	D - 2 Bedrm	128	0.527611%	67.534208%	1,186.44	53.39	1,239.83
1414	E - 2 Bedrm Beachside	8	0.644250%	5.154000%	1,448.72	65.19	1,513.91
1155	F - 2 Bedrm Special End	4	0.526244%	2.104976%	1,183.37	53.25	1,236.62
1465	G - 2 Bedrm Long	6	0.667487%	4.004922%	1,500.98	67.54	1,568.52
1270	C - 1 Sales Office	1	0.578609%	0.578609%	1,301.12	58.55	1,359.67
1270	C - 2 Admin Office	1	0.578640%	0.578640%	1,301.19	58.55	1,359.74
1270	C - 3 Office/Registration	1	0.578640%	0.578640%	1,301.19	58.55	1,359.74
1059	C - 4 Service Area	1	0.482504%	0.482504%	1,085.01	48.83	1,133.84
1456	C - 5 Service Area w/loading dock	1	0.663386%	0.663386%	1,491.76	67.13	1,558.89
352	Snack Bar Apt	1	0.160379%	0.160379%	360.64	16.23	376.87
1235	Pool Bar Apt	1	0.562694%	0.562694%	1,265.33	56.94	1,322.27
460	Spa Apt	1	0.209586%	0.209586%	471.30	21.21	492.51
	Total	204		100.000000%			

I, Michelle Burdick, as agent for Outrigger Hotels Hawaii, the condominium managing agent for the Waipouli Beach Resort condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Michelle Burdick — Signature

1/31/05 — Date

EXHIBIT "H"

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