

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Douglas E. Myers, Trustee of The Douglas E. Myers Revocable Trust dated June 8, 2005
Business Address PMB 106, 3350 Lower Honoapiilani Rd., Lahaina, HI 96761
Project Name(*): The Breakers
Address: 3702 Lower Honoapiilani Rd., Lahaina, HI 96761

Registration No. 5474 (partial conversion)

Effective date: July 8, 2010

Expiration date: August 8, 2011

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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [] Supersedes all prior public reports

(*) 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.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report 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.

Changes made are as follows:

1. The Developer, Douglas E. Myers, has transferred the 24 units covered by this registration to his trust, the Douglas E. Myers Revocable Trust dated June 8, 2005.

2. The name of the Project has been changed from "The West Maui Breakers" to "The Breakers".

3. The requirement that sales and resales of Apartments be subject to a transfer fee has been removed.

4. The pet provisions in the Bylaws have been amended to delete the weight restriction on pet dogs to 25 pounds or less.

5. The Developer has amended the project documents to provide that owners of units in the new buildings in this Project, Buildings B, C, D, E and F (all of which are not covered by this registration) will not be assessed for reserves and capital costs of maintaining Building A, which is approximately 30 years old. Those costs will be paid exclusively by owners of units in Building A.

6. The Real Estate Broker for the Project has changed to Locations Maui LLC doing business as Prudential Locations Maui.

7. The initial managing agent has been changed to Commercial Properties of Maui Management, Inc.

8. The Developer has provided an update of the estimated maintenance budget and assessments (Exhibit D).

9. The Developer has changed the parking stall assignments for some unsold apartments (Exhibit C). Developer continues to reserve the right to modify the parking plan, if necessary, to provide a turn-around area for emergency vehicles.

10. Apartment descriptions have been updated and modified (Exhibit C).

11. An indoor recreation center is no longer planned for the Project.

Special Notes:

1. This Final Public Report covers 24 units in Building A of The Breakers condominium project that was constructed in 1978. Douglas E. Myers ("Myers") originally registered The Breakers Project in its entirety with the Real Estate Commission, State of Hawaii, under Registration No. 5474. Myers subsequently transferred the 90 new units to 3702 Honoapiilani, LLC in a bulk sale, and those units are now covered by a different registration, Registration No. 6392. Buildings D, E and F covers 60 of the 90 new units under Registration No. 6392. Two additional buildings, Buildings B and C which are planned to contain the remaining 30 units will be covered under a different registration. This Condominium Public Report covers only the 24 units in Building A of the Project.

2. Ongoing construction. The construction on Buildings D and E of the Project are complete and the construction on Building F of the Project is expected to be complete by approximately June 2010. Construction of Buildings B and C has not commenced and the schedule for construction and completion of those buildings is currently undetermined. Until construction is complete, units in Building A will be exposed to construction noise, dust and other nuisances and disruptions.

3. THE PRELIMINARY CONDOMINIUM PUBLIC REPORT EXPIRED ON MARCH 1, 2008. PURSUANT TO SECTION 16-107-19, HAWAII ADMINISTRATIVE RULES, SALES CONTRACTS EXECUTED DURING THE PERIOD THAT THE PUBLIC REPORT WAS NOT IN EFFECT MAY BE RESCINDED AT THE OPTION OF THE PURCHASER AND ALL MONIES REFUNDED TO THE PURCHASER. THE PURCHASER'S RIGHT TO RESCIND UNDER THIS RULE SHALL BE VOID THIRTY (30) DAYS AFTER RECEIPT OF WRITTEN NOTIFICATION OF THESE RIGHTS FROM THE DEVELOPER OR HIS REAL ESTATE AGENT.

TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: Developer's Reserved Rights	
EXHIBIT B: Common and Limited Common Elements	
EXHIBIT C: Maintenance Fee Estimates	
EXHIBIT D: Schedule of Apartments	
EXHIBIT E: Encumbrances on Title	
EXHIBIT F: Escrow Agreement Summary	
EXHIBIT G: Summary of Sales Agreement	
EXHIBIT H: Sample Apartment Deed	
EXHIBIT I: Disclosure Abstract	
EXHIBIT J: Lead Paint Disclosure	
EXHIBIT K: Architect's Report on Condition of Building A	

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 owner/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: Douglas E. Myers, Trustee of The Douglas E. Myers Revocable Trust dated June 8, 2005 Phone: (808) 298-6295
Name* (Business)
PMB 106, 3350 Lower Honoapiilani Rd.
Business Address
Lahaina, HI 96761

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

Real Estate Broker*: None selected at this time. See page 20A. Phone: _____
Name (Business)

Business Address

Escrow: Hawaii Escrow and Title, Inc. Phone: (808) 532-2977
Name (Business)
700 Bishop Street, Suite 1600
Business Address
Honolulu, HI 96813

General Contractor*: N/A (Apartments already exist) Phone: _____
Name (Business)

Business Address

Condominium Managing Agent*: Commercial Properties of Maui Management, Inc. Phone: (808) 243-8600
Name (Business)
1962 Wells St. #B
Business Address
Wailuku, Hawaii 96793

Attorney for Developer: Richard J. Kiefer, Kiefer & Garneau LLC Phone: (808)871-6016
Name (Business)
444 Hana Hwy., #204
Business Address
Kahului, Hawaii 96732

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

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

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

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

Proposed
 Recorded - Bureau of Conveyances: Document No. 2005-069181
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

1st Amendment to Declaration of Condominium Property Regime of The West Maui Breakers, dated January 22, 2007, and recorded in the Bureau as Document No. 2007-020183; 2nd Amendment to the Declaration of Condominium Property Regime of The West Maui Breakers, dated March 22, 2007, and recorded in the Bureau as Document No. 2007-078772; 3rd Amendment to the Declaration of Condominium Property Regime of The West Maui Breakers, dated June 1, 2007, and recorded in the Bureau as Document No. 2007-111924; and 4th Amendment to the Declaration of Condominium Property Regime of The Breakers, dated September 24, 2009, and recorded in the Bureau as Document No. 2009-148543.

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. 813
 Filed - Land Court Condo Map No. _____

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

Amendments to Condominium Map No. 813 for the West Maui Breakers filed in the Bureau of Conveyances of the State of Hawaii on February 2, 2007, June 22, 2007 and September 28, 2009.

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. 2005-069182
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

First Amendment to the Bylaws of the Association of Apartment Owners of The Breakers, dated September 24, 2009 and recorded in the Bureau of Conveyances as Document No. 2009-148544.

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>67%**</u>
House Rules	---	<u>Board Vote</u>

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

**Please see note entitled Recodification of Hawaii Condominium Act on page 20 of this Report.

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 includes the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which includes the underlying land will be leasehold.

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

For Sub-leaseholds:

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

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: Month Year

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 3702 Lower Honoapiilani Rd. Tax Map Key (TMK): (2)4-3-6-69
Lahaina, HI 96761

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

Land Area: 3.05 [] square feet; [X] acre(s) Zoning: Apartment (A-2)

Fee Owners: Douglas E. Myers, Trustee of The Douglas E. Myers Revocable Trust dated June 8, 2005
(owner of condominium units)

Name

Address

Lessor: N/A

Name

Address

C. Buildings and Other Improvements:

1. New Building(s) (Existing building already a condominium)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Number of Buildings: 6 Floors Per Building: Bldg A (existing) – 4 stories; Bldg B* – 4 stories; Bldg C* – 3 stories; Bldg D* – 4 stories; Bldg E* – 4 stories; Bldg F* – 4 stories. Note: Buildings B - F contain loft spaces

* This registration does not cover the apartments in Building B, C, D, E and F. Buildings D and E were completed in 2009, and Building F is expected to be completed in early 2010. Buildings B and C have not been built at this time.

Exhibit B contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted by Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>24</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other (Resort)*	_____	<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: Owners may have one cat or dog.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 1 Stairways: 2 Trash Chutes: 1

<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>
<u>X-2</u>	<u>6</u>	<u>1/1</u>	<u>616</u>	<u>103</u>	<u>lanai</u>
<u>X-3</u>	<u>12</u>	<u>1/1</u>	<u>607</u>	<u>103</u>	<u>lanai</u>
<u>Y-6</u>	<u>2</u>	<u>2/2</u>	<u>829</u>	<u>103</u>	<u>lanai</u>
<u>Y-7</u>	<u>4</u>	<u>2/2</u>	<u>814</u>	<u>103</u>	<u>lanai</u>
<u>Total Number of Apartments:</u>		<u>24</u>			

***Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. Other documents and maps may give floor area figures which differ from those above because of different method of determining the floor area may have been used.**

See Exhibit C for more information regarding the Apartments.

Boundaries of Each Apartment: Interior surface of walls, floor, ceiling. (See Declaration Section B.2.b.)

Permitted Alterations to Apartments: Interior alterations of apartments and combination of two adjoining apartments permitted with prior Board approval. (See Declaration Section M.)

Apartments Designated for Owner-Occupants Only: 12 of 24 when apartments are for sale.

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

X elected to provide the information in a published announcement or advertisement.

See Exhibit C for detained information on the Apartments.

7. Parking Stalls:

Total Parking Stalls: 30

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		TOTAL
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned	_____	<u>30</u>	_____	_____	_____	_____	<u>30</u>
Guest Unassigned	<u>1</u>	<u>16</u>	_____	<u>13</u>	_____	_____	<u>30</u>
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>47</u>		<u>13</u>				<u>60</u>

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

Commercial parking garage permitted in condominium project.

Exhibit C contains additional information on parking stalls for this condominium project.
The parking stall assignments are contained in **Exhibit C**.

8. Recreational and Other Common Facilities.

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute/Enclosure(s)*

Other: Central Open Area; Outdoor barbeque area; Fitness area; Storage closets on some lanais.

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):

See Report of Present Conditions of Structural Components and Mechanical and Electrical Installations to the Use and Enjoyment of the Project known as The West Maui Breakers prepared by Hillhouse Architects, Inc. attached as Exhibit K. The structure is in good condition with no signs of major insect damage or structural damage, and is in general compliance with applicable codes. Declarant makes no representations regarding the expected useful life of building components.

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> X </u>	_____	_____
Structures	<u> X </u>	_____	_____
Lot	<u> X </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 B.**

as follows:

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

There are no limited common elements in this project.

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

described in **Exhibit B.**

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 C.**

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 7, 2009, and issued by Hawaii Escrow & Title, Inc.

Blanket Liens:

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

- There are no blanket liens affecting title to the individual apartments.
- 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 only 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>
Construction Mortgage	The 24 apartments covered by this registration are subject to a mortgage securing the construction loan for the 90 new apartments in the project, in the principal amount of \$25,000,000. The units in Building F are also subject to a mortgage in the principal amount of \$2,500,000 to Flatirons Bank. The mortgage is a "blanket lien" on the entire project, including all units. Upon conveyance of a unit to a buyer, the mortgage will be released as to the unit being conveyed. If there is a default and foreclosure of the mortgage prior to conveyance, the buyer may lose the right to buy the unit, and may also lose his or her deposit.
Mortgage	The apartments are also subject to a mortgage by Douglas E. Myers, Trustee of The Douglas E. Myers Revocable Trust dated June 8, 2005 (co-developer/mortgagor) in favor 3702 Lower Honoapiilani LLC (co-developer/mortgagee), which is a "blanket lien." Upon conveyance of a unit to a buyer, the mortgage will be released as to the unit being conveyed. If there is a default and foreclosure of the mortgage prior to conveyance, the buyer may lose the right to buy the unit.
Mechanic's and Materialman's Lien	The units covered by this registration are subject to mechanic's and materialman's lien applications filed in the Second Circuit Court. Upon conveyance of a unit to a buyer, the liens will be released as to the unit being conveyed. If the liens are foreclosed prior to conveyance, the buyer may lose the right to buy the unit and the buyer's deposit will be refunded.

F. Construction Warranties:

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

1. Building and Other Improvements:
None. The Building was constructed in 1978.
2. Appliances:
None.

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

The 24 existing condominium units in Building A were completed in 1978.

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):

See Exhibit A (Developer's Reserved Rights.)

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:

- 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.

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

C. Utility Charges for Apartments:

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

- None Electricity (Common Elements only** ___ Common Elements & Apartments)
 Gas (___ Common Elements only ___ Common Elements & Apartments)
 Water Sewer Television Cable **
 Other Refuse collection; **Electricity and Television Cable is a common expense for Building A.

*Buildings D, E & F each have a common hot water heater for all the apartments. Common electrical costs for running those water heaters will be billed only to the owners in those buildings. The apartments in Building A share a single electrical meter. Common electrical costs for that building will be billed only to the owners in that building.

Only the 24 units in Building A are included in this registration.

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 (See **Exhibit G**)

Escrow Agreement dated August 16, 2004.

Exhibit F contains a summary of the pertinent provisions of the escrow contract.

Other **Exhibit H** contains a sample Apartment Deed.

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Charter 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 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: Agreement, recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 13745, Page 711; Declaration of Covenants, Conditions, and Restrictions (Flood Zone), recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 15525, Page 171; and Section 14.12.080 Agreement for Central Maui Areas, recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 18904, Page 505.

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 5474 filed with the Real Estate Commission on September 15, 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

Flood Zone/Tsunami. The Project is located approximately one block from the ocean and has an elevation ranging between 10 feet to 50 feet above mean sea level. According to Panel Number 150003 0151 B of the Flood Insurance Rate Map, June 1, 1981, prepared by the United States Federal Emergency Management Agency, the Project is situated in Flood Zone "C," which represents an area of minimal flooding.

Special Management Area ("SMA"). The Project is located in the Special Management Area (SMA). The Maui County Planning Commission granted a SMA permit on August 10, 2004. Any future improvements may require a SMA permit to be filed with the County of Maui Department of Public Works Development Services Administration.

Adjoining Development Site. The County of Maui obtained a parcel of land ("County Parcel") adjoining the Project pursuant to a dedication from the State of Hawaii for the purpose of constructing affordable housing and providing emergency evacuation routes from the shoreline. Although the County Parcel is currently vacant, it may be improved at some point in the future. The Developer has no control over what improvements, if any, may be constructed on the County Parcel. Buyers should be aware that improvements on the County Parcel, including the construction of affordable housing rental apartments, could affect the views from and the amount of open space around the Project.

Lead Paint Disclosure. Initial construction of Building A of the Project was in 1978. Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that the property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in the property of said Project is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Hazardous Materials. The Declarant has not prepared or commissioned a Phase 1 Environmental Site Assessment and makes no warranties or representations whatsoever regarding the presence or absence of hazardous materials. The developer has made no independent investigation as to asbestos or other hazardous substances the apartments in Building A or in, under, or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of Building A, there may be hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer may wish to have Building A and/or the underlying property inspected to determine the extent, if any, of hazardous materials and if any remedial action is necessary. The Declarant will not correct any defects in the apartment or in the Project or anything installed therein, and Buyer expressly releases Declarant from any liability to Buyer related to hazardous materials.

Recodification of Hawaii Condominium Act. On January 1, 2007, the recodification of Hawaii's Condominium Act took effect and HRS Chapter 514A, the old act, was replaced by HRS Chapter 514B. This Condominium is registered under the old Hawaii Condominium Act, HRS 514A, but certain provision of the new Condominium Act apply. Portions of Chapter 514B that apply to this Condominium include: Sections 514B-4(Separate Titles and Taxation), 514B-5 (Conformance with County Land Laws), 514B-35 (Unit/Apartment Boundaries), 514B-41(c) (Assessing costs for limited common elements), 514B-46 (Merger of Project and Increments), 514B-72 (Education Trust Fund and Payments), all of part VI of 514B (Management of Condominium), and those portions of 514B-3 (Definitions) that are necessary to interpret other applicable portions of Chapter 514B.

Security Cameras. Security cameras have been installed on the top of Building A and overlook the parking areas, the pool and other open common areas, so owners and occupants should be aware that they are subject to video surveillance.

Disclosure Re: Non Selection of Real Estate Broker. As of the effective date of this Public Report, the Developer has not executed a listing agreement for the sale of this condominium project with any duly licensed Hawaii real estate broker.

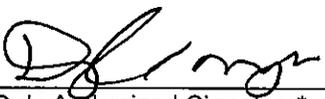
Disclosure Re: Selection of Real Estate Broker. The Developer plans to sell the apartments in the project but is not prepared to make any current offerings of sale.

When the Developer begins selling or offers to sell, the Developer will use a real estate broker for the sale of an apartment. Prior to entering into a binding contract for such sale, the Developer shall (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed disclosure abstract identifying the designated broker, and (2) provide a copy of the disclosure abstract to the purchaser together with a copy of this public report.

- 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.

Douglas E. Myers, Trustee of The Douglas E. Myers Revocable Trust dated June 8, 2005

Printed Name of Developer

By: 
Duly Authorized Signatory*

December 1, 2009
Date

By: _____
Duly Authorized Signatory*

Date

Douglas E. Myers, Trustee as aforesaid
Print Name & Title of Person Signing Above

Distribution:

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

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

EXHIBIT A

Developer's Reserved Rights

As set forth in Sections N and O of the Project's Declaration, the Developer has reserved the following rights:

1. Reservation of Power to Grant Easements. The Developer reserves to itself the non-exclusive right to grant from time to time within the Common Elements (other than the Limited Common Elements), easements and rights-of-way over, under, and across the Common Elements (other than the Limited Common Elements) for utilities, sanitary and storm sewers, drains, cable television and other utility services for two (2) or more Apartments and the right to relocate, realign or cancel the same, on such terms and conditions as the Developer may determine in Developer's reasonable discretion, provided that such easements, their use, relocation, realignment, or cancellation shall not materially impair or interfere with the use of any Apartment.
2. Reservation of Power to Grant Access to TMK (2) 4-4-1-106. The Developer reserves to itself the non-exclusive right to grant from time to time easements over and across the internal roadways of the Project (a) for access to and from Lower Honoapiilani Road by owners and residents of any future residential project developed on the parcel adjacent to the Project bearing Tax Map Key No. (2) 4-4-1-106, provided that such owners' use shall be subject to the same rules, regulations and use restrictions applicable to owners and residents of the Project, and (b) for emergency public access from Lower Honoapiilani Road to Honoapiilani Highway, all on such terms and conditions as the Developer may determine in Developer's reasonable discretion.
3. Reservation of Power to Grant Recreational Facilities Use Rights. The Developer reserves to itself the exclusive right to grant the owners in any future residential project developed by Developer or an affiliate of Developer on the parcel adjacent to the Project bearing Tax Map Key No. (2) 4-4-1-106 a license to use the Project's pool, recreation center, and other recreational facilities on such terms and conditions as the Developer may determine in Developer's reasonable discretion, provided that such owners' use shall be subject to the same rules, regulations and use restrictions applicable to owners and residents of the Project.
4. Reservation of Power to Amend Parking Plan to Create Emergency Vehicle Turnaround. The Declarant reserves to itself the exclusive right to amend the parking plan to create a "turnaround" area for emergency vehicles. The amendment, if made, would move parking stalls number 29 and 30 to a currently vacant area between Building E and Building F. The area currently reserved for parking stalls number 29 and 30 would be used for the turnaround area.
5. Required Amendments. The Developer reserves the right to make, at any time prior to the recordation of an Apartment Deed for the last Apartment in the Project, amendments to the Declaration, the Bylaws, or the Condominium Map that are required by law, by the Real Estate Commission, by a title insurance company, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA and/or FHLMC), provided that such amendments shall not change the Common Interest appurtenant to an Apartment or substantially change the design, location or size of any Apartment for which an Apartment Deed has been recorded.
6. Declaration Amendments. The Developer acting alone may amend the Declaration to: (1) file the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Act, so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, Apartment numbers and dimensions of the Apartments as built, or so long as any plans filed therewith involve only non-material changes to the layout, location, Apartment numbers and dimensions of the Apartments as built; (2) assign or change, from time to time, the assignments of individual parking stalls to individual Apartments for which an Apartment Deed has not been recorded, which assignments or changes in assignments shall be accomplished by an amendment to the Declaration; and (3) exercise the rights reserved to the Developer in Article N of the Declaration.
7. Reserved Right to Change Floor Plans and Areas of Apartments. The Developer has reserved the right to amend the condominium documents to change the floor area and layout of any apartment to reflect marketing considerations and the exercise of any options offered to purchasers.
8. Reserved Right to Develop the Buildings In Phases. The Developer shall have the reserved right to develop the Buildings in phases and to reduce or increase the number of Buildings and Apartments in the Project notwithstanding anything provided to the contrary. As of September 1, 2009, Buildings A, D and E are complete and shall be deemed the first phase of the Project. Building F shall be deemed the second phase of the Project, and Developer may elect to develop Buildings B and C as one or two additional phases.

a. Rights Incident to Exercise of this Reserved Right. Subject to the provisions above and in furtherance of the rights reserved to Developer hereunder, Developer, its successors and assigns, and their respective contractors and subcontractors, and their respective employees and agents, shall have the right and an easement to enter upon and use the Common Elements of the Project and do all things reasonably necessary, desirable or useful for designing, developing, constructing or completing such additional Buildings or phases, connecting the same to the utility installations of prior phase(s) of the Project, and selling the Apartments contained within the additional Buildings and phases, upon and subject to the following terms and conditions:

i. All additional Buildings, if constructed, shall be constructed in accordance with plans and specifications prepared by a licensed architect and in accordance with the floor plans and elevations contained in the Condominium Map; provided, however, that such plans and specifications shall not require the alteration or demolition of any existing Apartments for which a Apartment Deed has been recorded unless the Apartment Owner consents thereto;

ii. Developer shall have the right, without notice to, or the approval, consent or joinder of, the Association, any Owner, or any other person, to add, delete, relocate, realign, reserve and grant all easements and rights-of-way and to otherwise make alterations in and use the Common Elements for such development and construction, and to designate Limited Common Elements over, under and on the Common Elements, necessary or desirable with respect to the construction or use of any additional Building, including but not limited to easements and rights-of-way for utilities, sanitary and storm sewers, refuse disposal, driveways, parking areas and roadways; provided, that such easements, rights-of-way and limited common elements, upon completion, shall not unreasonably and materially impair the use of any existing Apartment;

iii. Every Owner and all holders of liens affecting any of the Apartments in the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Apartment, lien or other interest, consents to and agrees that he/she/it shall, if required by law or by Developer, join in, consent to and execute all instruments and documents necessary or desirable to effect the granting of easements and/or rights-of-ways and/or covenants or restrictions affecting the Common Elements or Limited Common Elements and/or the designation of Limited Common Elements or recharacterization of Common Elements provided for hereinabove; and appoints the Developer and its assigns as attorney-in-fact with full power of substitution to execute such documents and to do such things on his/her/its behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by disability of any such party; and

iv. The Developer, its contractors and subcontractors, and their respective employees and agents, shall not cause any interruption in utility service other than a temporary interruption in the service of utilities to the Project and shall use reasonable efforts without additional cost to the Developer and consistent with maintaining the progress of the design, development, construction, completion and sale, to minimize interference with the Apartment Owners' use and enjoyment of the Project.

The Developer shall further have the right to amend the Declaration, Bylaws and Condominium Map (notwithstanding the lease, sale or conveyance of any or all of the Apartments), without being required to obtain the consent or joinder of the Association, any Owner, lienholder or other persons, and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers, or privileges herein reserved to the Developer. Any such action shall be deemed taken by Developer as the true and lawful attorney-in-fact of the respective Owners. Each and every party acquiring an interest in the Project, by such acquisition, consents to the expansion of the Project by construction of all additional Buildings or phases, and to the recording of such documents as may be necessary to effect the same; agrees to execute such documents and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its assigns his attorney-in-fact with full power of substitution to execute such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by disability of any such party.

b. Effect of Exercise of This Reserved Right. Developer is under no obligation to construct any additional phases. However, if Developer should, in its sole discretion, elect to develop any Buildings or phases, the following consequences shall result:

i. This Declaration, the Bylaws and the Condominium Map, as any of them may be amended from time to time, shall be the Declaration, Bylaws, Condominium Map and Administrative Rules applicable to the expanded or modified Project, and there shall be only one Association, one Board and one Managing Agent for the entire Project;

ii. The Developer shall for all purposes be deemed the Owner of the newly created or constructed Apartments and the Common Interest and other rights and easements appurtenant to such Apartments

iii. All Owners of newly created or constructed Apartments shall have the right to use the Common Elements of all of the Project to the same extent and subject to the same limitations as are imposed upon all Owners of Apartments in the initial phases of the Project;

iv. Each Apartment within the Project shall have appurtenant thereto an undivided Common Interest in the Common Elements of the Project as set forth in Exhibit B to the Declaration for the applicable phase of the development. The Common Interest assignments for the initial phase consisting of the Apartments in Buildings A, D and E is set forth in Schedule B-1; the Common Interest assignments when the second phase, Building F, is completed, is set forth in Schedule B-2; and the Common Interest assignments when the final phase, consisting of Buildings B and C is complete, is set forth in Schedule B-3. Upon addition of each additional phase, the Common Interest appurtenant to all Apartments that previously existed shall be deemed to be automatically adjusted to the revised Common Interest set forth in the applicable schedule attached to Exhibit B without the need for any joinder or consent by the Owners of such Apartments and without modification or amendment of the Apartment Deeds therefor. Each Owner, and any other person or entity that acquires any interest in an Apartment, by acquiring the Apartment or any interest therein shall be deemed to have irrevocably consented and agreed to such adjustments in the Apartment's Common Interest in accordance with this provision and Exhibit B. Each Apartment's undivided percentage Common Interest shall constitute such Apartment's proportionate interest in the common profits and common expenses of the expanded Project and such Apartment's proportionate representation for all other purposes, including voting in the Project; provided, however, that newly added Apartments shall not be assessed for Common Expenses nor shall they have any obligation with respect to debts or obligations incurred prior to the issuance of a temporary or permanent certificate of occupancy covering such Apartments. Except as provided in Section B.4(c), all reserve funds shall be consolidated and maintained as a single fund for the expanded Project; and if necessary so that the interest in such reserve funds attributable to each Apartment in the expanded Project shall be equal to that Apartment's Common Interest the Board may make adjustments to the account of each Apartment Owner from time to time as each additional Building or phase is constructed by: (i) refunding in whole or in part; and/or (ii) credit in whole or in part against future assessments; and/or (iii) special assessments or series of assessments; and/or (iv) any other means consistent with generally accepted accounting principles; provided, however, that the Board shall make such adjustments without charging any Apartment Owner a special assessment for reserves in any one month which exceeds more than twenty percent (20%) of the monthly assessment for other common expenses, after excluding any assessments for reserves.

9. Consent to Developer's Reserved Rights and Developer's Authority to Act for Owners and Others. 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, Condominium 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.

THIS 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 AN 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.

EXHIBIT B

Common and Limited Common Elements

As set forth in Section B.3 of the Declaration, the following are the Project's Common Elements:

1. The land underlying the Project, in fee simple, and any and all easements and appurtenances thereto.
2. All unfinished, undecorated portions of all perimeter (including party) walls and interior load-bearing walls, the undecorated or unfinished surfaces of floors and ceilings, all lanai slabs and railings, all structural components, foundations, floor slabs, columns, girders, beams, supports, shafts, ceilings and spaces between the ceiling and the floor slab or roof above, roofs, exterior surfaces of the Project, including any paint or coating thereon, and all exterior windows.
3. All yards, grounds planters, trellises and landscaping and other refuse facilities, if any, whether within or appurtenant to the Project. All roads, covered and uncovered parking areas, driveways, ramps, loading areas or zones, and walkways which are rationally of common use by Owners of more than one Apartment, including the following parking stalls shown on the Condominium Map which shall be guest parking stalls: Stall Nos. 14, 12, 27, 28, 29, 35, 73, 88, 89, 90, 94, 96, 100, 101, 168, 169, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 200 and 201.
4. All ducts, pumps, valves, sewer lines, drain lines, electrical equipment, cables, wiring, chutes, pipes, shafts, wires, conduits or other utility or service lines which are utilized for or serve more than one Apartment and other central and appurtenant transmission facilities over, under and across the Project which serve more than one Apartment for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution.
5. The individual electrical meters for each of the Apartments, together with the electrical lines from such meters to the Apartments, but only to the point where such lines enter the Apartments.
6. The utility rooms in the Project as shown on the Condominium Map.
7. The pool and pool area.
8. All storage areas, hallways, corridors, stairs, stairways, mechanical rooms, electrical rooms, communications rooms, trash rooms, and other similar areas which are not part of an Apartment.
9. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.
10. Common area percentage ownership is set forth in the table on the immediately following page.

As set forth in Section B.4 of the Declaration, the following are the Project's Limited Common Elements:

1. Parking Stalls. Each Apartment shall have one or more parking stall(s) assigned to it as a limited common element as stated in Exhibit C.
2. Mailboxes. Each Apartment shall have as a limited common element the mailbox located at the Project that bears the same number as the Apartment.
3. Building Structure. The Building Structure of Building A shall be a Limited Common Element appurtenant to the Apartments in Building A collectively. The Building Structures of Buildings B, C, D, E & F, collectively, shall be a Limited Common Element appurtenant to the Apartments in Buildings B, C, D, E & F, collectively. For purposes of this Declaration, a "Building" means a building in the Project that contains Apartments, which are shown on the Condominium Map as Buildings A through F, inclusive, and "Building Structure" means all portions of a Building that are not included within the Apartments as defined in Section B.2.b, including all perimeter and party walls, load bearing walls, columns, beams, trusses, foundations, footings, floor slabs, girders, supports, elevators, hallways, stairs and stairways, exterior walls, roofs and exterior paint or coating, and all other apparatus and installations existing for common use or support of the Apartments in the Building. Notwithstanding anything to

the contrary herein or in the Bylaws, (1) the costs and expenses of maintaining, repairing, renovating, and replacing the Building Structure of Building A, including reserves for such costs and expenses, shall be assessed only to the Owners of the 24 Apartments in Building A in proportion to their respective Common Interests, and (2) the costs and expenses of maintaining, repairing, renovating, and replacing the Building Structures of Buildings B, C, D, E & F, including reserves for such costs and expenses, shall be assessed only to the Owners of the 90 Apartments in Buildings B, C, D, E & F, collectively, in proportion to their respective Common Interests.

AOAO The Breakers
 OPERATING BUDGET Building ADEF
 Prepared on a Cash basis
 9/3/09 prepared

Exhibit C
 Estimates of Initial Maintenance Fees and Disbursements

	January	February	March	April	May	June	July	August	September	October	November	December	Total
INCOME:													
Maintenance Fees	23363.33	23363.33	23363.33	23363.33	23363.33	23363.33	23363.33	23363.33	23363.33	23363.33	23363.33	23363.33	280359.96
Building A reserve	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	24300.00
Building D-E-F reserve	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	95760.00
TOTAL INCOME	33,368.33	400,419.96											
ADMINISTRATION FEES ALL													
Bank Fees	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
Annual/Board Meetings	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
Audit/Tax Fees	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Legal Fees	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
Management Fees	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	16,800.00
Office Expenses	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Payroll Services (GM)	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	21,600.00
General Excise Tax	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	60.00
Dues & Fees	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
TOTAL ADMINISTRATION	3,630.00	43,560.00											
COMMON EXPENSES ALL													
Electricity	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00
Cable	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Insurance-Property/Liability	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00
Insurance-D&O & Bond	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00
Fire Safety	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Janitorial Services (includes park)	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
Grounds Maintenance	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Pest Control	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	5,100.00
Maintenance - Building	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	10,800.00
Pool/Spa Maintenance/supplies	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Refuse	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
Reserves	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	25,200.00
Water & Sewer	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
TOTAL COMMON	22,025.00	19,525.00	236,800.00										
BUILDING A EXPENSES													
Elevator	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	7,200.00
Reserves per study	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	17,100.00
TOTAL BUILDING A	2,025.00	24,300.00											
RESERVE - Building D-E-F													
Hot Water System	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	74,160.00
	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	21,600.00
TOTAL BUILDING D-F	7,980.00	95,760.00											

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

AOAO BREAKERS
Buildings A,D,E,F

Exhibit C
Estimates of Initial Maintenance Fees and Disbursements

TOTAL ANNUAL ADMIN COSTS \$43,560.00
 TOTAL ANNUAL COMMON \$236,800.00
 TOTAL ANNUAL BUILDING A \$24,300.00
 TOTAL ANNUAL BUILDING D-F \$95,760.00

BLDG/ UNIT NO. Building A	Square Footage	% Allocation	Admin/Common	Monthly % Share	Monthly % Share by Building	Monthly Building A ONLY	Monthly Building B-C ONLY	Monthly Building D-F ONLY	Total Monthly Recovery
125	616	1.0555%	246.60	246.60	3.87568%	78.48			325.08
126	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
127	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
128	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
129	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
130	616	1.0555%	246.60	246.60	3.87568%	78.48			325.08
225	616	1.0555%	246.60	246.60	3.87568%	78.48			325.08
226	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
227	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
228	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
229	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
230	616	1.0555%	246.60	246.60	3.87568%	78.48			325.08
325	616	1.0555%	246.60	246.60	3.87568%	78.48			325.08
326	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
327	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
328	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
329	607	1.0401%	243.00	243.00	3.81905%	77.34			320.34
330	616	1.0555%	246.60	246.60	3.87568%	78.48			325.08
425	829	1.4204%	331.85	331.85	5.21580%	105.62			437.47
426	814	1.3947%	325.85	325.85	5.12143%	103.71			429.56
427	814	1.3947%	325.85	325.85	5.12143%	103.71			429.56
428	814	1.3947%	325.85	325.85	5.12143%	103.71			429.56
429	814	1.3947%	325.85	325.85	5.12143%	103.71			429.56
430	829	1.4204%	331.85	331.85	5.21580%	105.62			437.47
TOTALS	15,894				100%	2,025.00	0.00	0.00	

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

Exhibit C
Estimates of Initial Maintenance Fees and Disbursements

Building D									
D-20	584	1.0007%	233.80	1.37515%	109.74	343.53			
D-21	578	0.9904%	231.39	1.36102%	108.61	340.00			
D-22	578	0.9904%	231.39	1.36102%	108.61	340.00			
D-23	584	1.0007%	233.80	1.37515%	109.74	343.53			
D-24	584	1.0007%	233.80	1.37515%	109.74	343.53			
D-25	578	0.9904%	231.39	1.36102%	108.61	340.00			
D-26	582	0.9972%	232.98	1.37044%	109.36	342.34			
D-27	584	1.0007%	233.80	1.37515%	109.74	343.53			
D-30	584	1.0007%	233.80	1.37515%	109.74	343.53			
D-31	578	0.9904%	231.39	1.36102%	108.61	340.00			
D-32	578	0.9904%	231.39	1.36102%	108.61	340.00			
D-33	584	1.0007%	233.80	1.37515%	109.74	343.53			
D-34	584	1.0007%	233.80	1.37515%	109.74	343.53			
D-35	578	0.9904%	231.39	1.36102%	108.61	340.00			
D-36	578	0.9904%	231.39	1.36102%	108.61	340.00			
D-37	584	1.0007%	233.80	1.37515%	109.74	343.53			
D-40	903	1.5472%	361.48	2.12631%	169.68	531.16			
D-41	436	0.7471%	174.55	1.02666%	81.93	256.47			
D-42	825	1.4136%	330.26	1.94264%	155.02	485.29			
D-43	809	1.3862%	323.86	1.90496%	152.02	475.88			
D-44	809	1.3862%	323.86	1.90496%	152.02	475.88			
D-45	825	1.4136%	330.26	1.94264%	155.02	485.29			
D-46	436	0.7471%	174.55	1.02666%	81.93	256.47			
D-47	903	1.5472%	361.48	2.12631%	169.68	531.16			
TOTALS	15,246				2864.82				
				0.00					

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

Exhibit C
Estimates of Initial Maintenance Fees and Disbursements

Building E									
E-20	584	1.0007%	233.80	1.37515%	109.74	343.53			
E-21	582	0.9972%	232.98	1.37044%	109.36	342.34			
E-22	578	0.9904%	231.39	1.36102%	108.61	340.00			
E-23	584	1.0007%	233.80	1.37515%	109.74	343.53			
E-24	584	1.0007%	233.80	1.37515%	109.74	343.53			
E-25	578	0.9904%	231.39	1.36102%	108.61	340.00			
E-26	578	0.9904%	231.39	1.36102%	108.61	340.00			
E-27	584	1.0007%	233.80	1.37515%	109.74	343.53			
E-30	584	1.0007%	233.80	1.37515%	109.74	343.53			
E-31	578	0.9904%	231.39	1.36102%	108.61	340.00			
E-32	578	0.9904%	231.39	1.36102%	108.61	340.00			
E-33	584	1.0007%	233.80	1.37515%	109.74	343.53			
E-34	584	1.0007%	233.80	1.37515%	109.74	343.53			
E-35	578	0.9904%	231.39	1.36102%	108.61	340.00			
E-36	578	0.9904%	231.39	1.36102%	108.61	340.00			
E-37	584	1.0007%	233.80	1.37515%	109.74	343.53			
E-40	903	1.5472%	361.48	2.12631%	169.68	531.16			
E-41	436	0.7471%	174.55	1.02666%	81.93	256.47			
E-42	825	1.4136%	330.26	1.94264%	155.02	485.29			
E-43	809	1.3862%	323.86	1.90496%	152.02	475.88			
E-44	809	1.3862%	323.86	1.90496%	152.02	475.88			
E-45	825	1.4136%	330.26	1.94264%	155.02	485.29			
E-46	436	0.7471%	174.55	1.02666%	81.93	256.47			
E-47	903	1.5472%	361.48	2.12631%	169.68	531.16			
Totals	15,246				2,864.82				

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

Exhibit C
Estimates of Initial Maintenance Fees and Disbursements

Building F							
F-20	1,111	1.9036%	444.74	2.61609%	208.76	653.51	
F-21	1,344	2.3020%	537.82	3.16474%	252.55	790.37	
F-22	1,055	1.8077%	422.34	2.48422%	198.24	620.58	
F-23	1,055	1.8077%	422.34	2.48422%	198.24	620.58	
F-24	1,344	2.3020%	537.82	3.16474%	252.55	790.37	
F-25	1,111	1.9036%	444.74	2.61609%	208.76	653.51	
F-40	809	1.3862%	323.86	1.90496%	152.02	475.88	
F-41	654	1.1206%	261.81	1.53998%	122.89	384.70	
F-42	1,015	1.7392%	406.34	2.39003%	190.72	597.06	
F-43	1,015	1.7392%	406.34	2.39003%	190.72	597.06	
F-44	654	1.1206%	261.81	1.53998%	122.89	384.70	
F-45	809	1.3862%	323.86	1.90496%	152.02	475.88	
Totals	11,976				2,250.36		
TOTAL ALL	58,362	100%	23,363.33			32,722.91	

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

AOAO The Breakers
 OPERATING BUDGET
 Prepared on a Cash basis
 9/1/09 prepared

Exhibit C

Estimates of Initial Maintenance Fees and Disbursements

	January	February	March	April	May	June	July	August	September	October	November	December	Total
INCOME:													
Maintenance Fees	30676.33	30676.33	30676.33	30676.33	30676.33	30676.33	30676.33	30676.33	30676.33	30676.33	30676.33	30676.33	368115.96
Building A	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	2025.00	24300.00
Building B-C	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00	48000.00
Building D-E-F	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	7980.00	95760.00
TOTAL INCOME	44,681.33	536,175.96											

	January	February	March	April	May	June	July	August	September	October	November	December	Total
ADMINISTRATION FEES ALL													
Bank Fees	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
Annual/Board Meetings	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
Audit/Tax Fees	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Legal Fees	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
Management Fees	1,875.00	1,875.00	1,875.00	1,875.00	1,875.00	1,875.00	1,875.00	1,875.00	1,875.00	1,875.00	1,875.00	1,875.00	22,500.00
Office Expenses	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Payroll Services (GM)	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
General Excise Tax	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	60.00
Dues & Fees	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
TOTAL ADMINISTRATION	4,455.00	53,460.00											

	January	February	March	April	May	June	July	August	September	October	November	December	Total
COMMON EXPENSES ALL													
Electricity	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
Cable	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	35,400.00
Insurance-Property/Liability	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	26,400.00
Insurance-D&O & Bond	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
Fire Safety	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Jenitorial Services (includes parki	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	42,000.00
Grounds Maintenance	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Pest Control	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	8,400.00
Maintenance - Building	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00
Pool/Spa Maintenance/supplies	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Retuse	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00
Reserves	2,063.00	2,063.00	2,063.00	2,063.00	2,063.00	2,063.00	2,063.00	2,063.00	2,063.00	2,063.00	2,063.00	2,063.00	24,756.00
Water & Sewer	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
TOTAL COMMON	28,513.00	314,656.00											

	January	February	March	April	May	June	July	August	September	October	November	December	Total
BUILDING A EXPENSES													
Elevator	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	7,200.00
Reserves per study	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	1,425.00	17,100.00
TOTAL BUILDING A	2,025.00	24,300.00											

	January	February	March	April	May	June	July	August	September	October	November	December	Total
BUILDING B/C EXPENSES													
Elevators	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00
RESERVE - Building B/C (estimate)	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
TOTAL BUILDING B/C	4,000.00	48,000.00											
BUILDING D-F EXPENSES													
RESERVE - Building D-F	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	6,180.00	74,160.00
Hot Water System	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	21,600.00
TOTAL BUILDING D-F	7,980.00	95,760.00											

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

AOAO BREAKERS

Exhibit C
Estimates of Initial Maintenance Fees and Disbursements

TOTAL ANNUAL ADMIN COSTS \$53,460.00
 TOTAL ANNUAL COMMON \$314,656.00
 TOTAL ANNUAL BUILDING A \$24,300.00
 TOTAL ANNUAL BUILDING B-C \$48,000.00
 TOTAL ANNUAL BUILDING D-F \$95,760.00

BLDG/ UNIT NO.	Square Footage	% Allocation	Admini/Common	Monthly % Share	Monthly % Share by Building	Monthly Building A ONLY	Monthly Building B-C ONLY	Monthly Building D-F ONLY	Total Monthly Recovery
Building A									
125	616	0.7651%	234.70	234.70	3.87568%	78.48			313.19
126	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
127	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
128	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
129	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
130	616	0.7651%	234.70	234.70	3.87568%	78.48			313.19
225	616	0.7651%	234.70	234.70	3.87568%	78.48			313.19
226	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
227	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
228	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
229	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
230	616	0.7651%	234.70	234.70	3.87568%	78.48			313.19
325	616	0.7651%	234.70	234.70	3.87568%	78.48			313.19
326	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
327	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
328	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
329	607	0.7539%	231.27	231.27	3.81905%	77.34			308.60
330	616	0.7651%	234.70	234.70	3.87568%	78.48			313.19
425	829	1.0296%	315.84	315.84	5.21580%	105.62			421.46
426	814	1.0110%	310.14	310.14	5.12143%	103.71			413.85
427	814	1.0110%	310.14	310.14	5.12143%	103.71			413.85
428	814	1.0110%	310.14	310.14	5.12143%	103.71			413.85
429	814	1.0110%	310.14	310.14	5.12143%	103.71			413.85
430	829	1.0296%	315.84	315.84	5.21580%	105.62			421.46
TOTALS	15,894				100%	2,025.00	0.00	0.00	

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

Exhibit C
Estimates of Initial Maintenance Fees and Disbursements

Building B

B-20	584	0.7253%	222.50	2.636333%	105.45	327.95
B-21	582	0.7229%	221.76	2.62730%	105.09	326.85
B-22	578	0.7179%	220.23	2.60925%	104.37	324.60
B-23	584	0.7253%	222.50	2.636333%	105.45	327.95
B-24	584	0.7253%	222.50	2.636333%	105.45	327.95
B-25	578	0.7179%	220.23	2.60925%	104.37	324.60
B-26	578	0.7179%	220.23	2.60925%	104.37	324.60
B-27	584	0.7253%	222.50	2.636333%	105.45	327.95
B-30	584	0.7253%	222.50	2.636333%	105.45	327.95
B-31	578	0.7179%	220.23	2.60925%	104.37	324.60
B-32	578	0.7179%	220.23	2.60925%	104.37	324.60
B-33	584	0.7253%	222.50	2.636333%	105.45	327.95
B-34	584	0.7253%	222.50	2.636333%	105.45	327.95
B-35	578	0.7179%	220.23	2.60925%	104.37	324.60
B-36	578	0.7179%	220.23	2.60925%	104.37	324.60
B-37	584	0.7253%	222.50	2.636333%	105.45	327.95
B-40	903	1.1215%	344.04	4.07638%	163.06	507.09
B-41	436	0.5415%	166.11	1.96822%	78.73	244.84
B-42	825	1.0247%	314.34	3.72427%	148.97	463.31
B-43	809	1.0048%	308.24	3.65204%	146.08	454.32
B-44	809	1.0048%	308.24	3.65204%	146.08	454.32
B-45	825	1.0247%	314.34	3.72427%	148.97	463.31
B-46	436	0.5415%	166.11	1.96822%	78.73	244.84
B-47	903	1.1215%	344.04	4.07638%	163.06	507.09
TOTALS	15,246				2,752.98	0.00

Building C

C-21	1,399	1.7376%	533.03	6.31546%	252.62	785.65
C-22	1,399	1.7376%	533.03	6.31546%	252.62	785.65
C-23	1,399	1.7376%	533.03	6.31546%	252.62	785.65
C-24	1,399	1.7376%	533.03	6.31546%	252.62	785.65
C-30	655	0.8135%	249.55	2.95684%	118.27	367.83
C-31	655	0.8135%	249.55	2.95684%	118.27	367.83
TOTALS	6,906		1,247.02		0.00	

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

Exhibit C
Estimates of Initial Maintenance Fees and Disbursements

Building D

D-20	584	0.7253%	222.50	1.37515%	109.74	332.23
D-21	578	0.7179%	220.23	1.36102%	108.61	328.84
D-22	578	0.7179%	220.23	1.36102%	108.61	328.84
D-23	584	0.7253%	222.50	1.37515%	109.74	332.23
D-24	584	0.7253%	222.50	1.37515%	109.74	332.23
D-25	578	0.7179%	220.23	1.36102%	108.61	328.84
D-26	582	0.7229%	221.76	1.37044%	109.36	331.12
D-27	584	0.7253%	222.50	1.37515%	109.74	332.23
D-30	584	0.7253%	222.50	1.37515%	109.74	332.23
D-31	578	0.7179%	220.23	1.36102%	108.61	328.84
D-32	578	0.7179%	220.23	1.36102%	108.61	328.84
D-33	584	0.7253%	222.50	1.37515%	109.74	332.23
D-34	584	0.7253%	222.50	1.37515%	109.74	332.23
D-35	578	0.7179%	220.23	1.36102%	108.61	328.84
D-36	578	0.7179%	220.23	1.36102%	108.61	328.84
D-37	584	0.7253%	222.50	1.37515%	109.74	332.23
D-40	903	1.1215%	344.04	2.12631%	169.68	513.71
D-41	436	0.5415%	166.11	1.02666%	81.93	248.04
D-42	825	1.0247%	314.34	1.94264%	155.02	469.36
D-43	809	1.0048%	308.24	1.90496%	152.02	460.25
D-44	809	1.0048%	308.24	1.90496%	152.02	460.25
D-45	825	1.0247%	314.34	1.94264%	155.02	469.36
D-46	436	0.5415%	166.11	1.02666%	81.93	248.04
D-47	903	1.1215%	344.04	2.12631%	169.68	513.71
TOTALS	15,246				2864.82	
				0.00		

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

Exhibit C
Estimates of Initial Maintenance Fees and Disbursements

Building E

E-20	584	0.7253%	222.50	1.37515%	109.74	332.23
E-21	582	0.7229%	221.76	1.37044%	109.36	331.12
E-22	578	0.7179%	220.23	1.36102%	108.61	328.84
E-23	584	0.7253%	222.50	1.37515%	109.74	332.23
E-24	584	0.7253%	222.50	1.37515%	109.74	332.23
E-25	578	0.7179%	220.23	1.36102%	108.61	328.84
E-26	578	0.7179%	220.23	1.36102%	108.61	328.84
E-27	584	0.7253%	222.50	1.37515%	109.74	332.23
E-30	584	0.7253%	222.50	1.37515%	109.74	332.23
E-31	578	0.7179%	220.23	1.36102%	108.61	328.84
E-32	578	0.7179%	220.23	1.36102%	108.61	328.84
E-33	584	0.7253%	222.50	1.37515%	109.74	332.23
E-34	584	0.7253%	222.50	1.37515%	109.74	332.23
E-35	578	0.7179%	220.23	1.36102%	108.61	328.84
E-36	578	0.7179%	220.23	1.36102%	108.61	328.84
E-37	584	0.7253%	222.50	1.37515%	109.74	332.23
E-40	903	1.1215%	344.04	2.12631%	169.68	513.71
E-41	436	0.5415%	166.11	1.02666%	81.93	248.04
E-42	825	1.0247%	314.34	1.94264%	155.02	469.36
E-43	809	1.0048%	308.24	1.90496%	152.02	460.25
E-44	809	1.0048%	308.24	1.90496%	152.02	460.25
E-45	825	1.0247%	314.34	1.94264%	155.02	469.36
E-46	436	0.5415%	166.11	1.02666%	81.93	248.04
E-47	903	1.1215%	344.04	2.12631%	169.68	513.71
Totals	15,246				2,864.82	

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

Exhibit C
Estimates of Initial Maintenance Fees and Disbursements

Building F								
F-20	1,111	1.3799%	423.30	2.61609%	208.76	632.07		
F-21	1,344	1.6693%	512.08	3.16474%	252.55	764.63		
F-22	1,055	1.3103%	401.95	2.48422%	198.24	600.19		
F-23	1,055	1.3103%	401.95	2.48422%	198.24	600.19		
F-24	1,344	1.6693%	512.08	3.16474%	252.55	764.63		
F-25	1,111	1.3799%	423.30	2.61609%	208.76	632.07		
F-40	809	1.0048%	308.24	1.90496%	152.02	460.25		
F-41	654	0.8126%	249.28	1.53998%	122.89	372.17		
F-42	1,015	1.2607%	386.74	2.39003%	190.72	577.46		
F-43	1,015	1.2607%	386.74	2.39003%	190.72	577.46		
F-44	654	0.8126%	249.28	1.53998%	122.89	372.17		
F-45	809	1.0048%	308.24	1.90496%	152.02	460.25		
Totals	11,976				2,250.36			
TOTAL ALL	80,514	100%	30,676.33			44,059.54		

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

I, Mary Jane Kramer, as agent for/and/or employed by Commercial Properties of Maui Mgmt the condominium managing agent/developer for the The Breakers condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Signature

9-8-09

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.

EXHIBIT D

Apartment Descriptions, Common Interest Ownership, and Parking Stall Assignment

Note: Only Building A is covered by this registration.

Building	Apartment No.	Apartment Type	Square Feet	Lanai Sq. Ft.	Total Sq. Ft.	Parking Stall(s)
BLDG. A	125	X-2	616	103	719	31
	126	X-3	607	103	710	30
	127	X-3	607	103	710	13
	128	X-3	607	103	710	12
	129	X-3	607	103	710	26
	130	X-2	616	103	719	11
	225	X-2	616	103	719	25
	226	X-3	607	103	710	10
	227	X-3	607	103	710	24
	228	X-3	607	103	710	9
	229	X-3	607	103	710	23
	230	X-2	616	103	719	8
	325	X-2	616	103	719	22
	326	X-3	607	103	710	7
	327	X-3	607	103	710	20
	328	X-3	607	103	710	6
	329	X-3	607	103	710	21
	330	X-2	616	103	719	3
	425	Y-6	829	103	932	5/75
	426	Y-7	814	103	917	4/76
427	Y-7	814	103	917	19/79	
428	Y-7	814	103	917	18/80	
429	Y-7	814	103	917	16/17	
430	Y-6	829	103	932	1/2	
BUILDING B	B-20	A	584	123	707	71
	B-21	B-HC	582	74	656	74
	B-22	B	578	74	652	70
	B-23	A	584	123	707	69
	B-24	A	584	123	707	81
	B-25	B	578	74	652	33
	B-26	B	578	74	652	34
	B-27	A	584	123	707	82
	B-30	A	584	123	707	47/48
	B-31	B	578	74	652	51/52
	B-32	B	578	74	652	49/50
	B-33	A	584	123	707	45/46
	B-34	A	584	123	707	43/44
	B-35	B	578	74	652	41/42
	B-36	B	578	74	652	39/40
	B-37	A	584	123	707	37/38
	B-40	G	903	123	1026	67/68
B-41	D	436	74	510	72	
B-42	H	825	74	899	63/64	
B-43	J	809	123	932	55/56	
B-44	J	809	123	932	53/54	
B-45	H	825	74	899	61/62	
B-46	D	436	74	510	32	
B-47	G	903	123	1026	65/66	

BUILDING C	C-21	C	1399	135	1534	57/58
	C-22	C	1399	135	1534	59/60
	C-23	C	1399	135	1534	104/105
	C-24	C	1399	135	1534	106/107
	C-30	E	655	0	655	77
	C-31	E	655	0	655	78
BUILDING D	D-20	A	584	123	707	85
	D-21	B	578	74	652	98
	D-22	B	578	74	652	86
	D-23	A	584	123	707	87
	D-24	A	584	123	707	92
	D-25	B	578	74	652	93
	D-26	B-HC	582	74	656	97
	D-27	A	584	123	707	95
	D-30	A	584	123	707	108/109
	D-31	B	578	74	652	110/111
	D-32	B	578	74	652	120/121
	D-33	A	584	123	707	114/115
	D-34	A	584	123	707	116/117
	D-35	B	578	74	652	118/119
	D-36	B	578	74	652	130c/131c
	D-37	A	584	123	707	112/113
	D-40	G	903	123	1026	132/133
	D-41	D	436	74	510	83
	D-42	H	825	74	899	124/125
	D-43	J	809	123	932	126/127
	D-44	J	809	123	932	128/129
D-45	H	825	74	899	122/123	
D-46	D	436	74	510	84	
D-47	G	903	123	1026	134/135	
BUILDING E	E-20	A	584	123	707	172c
	E-21	B-HC	582	74	656	173c
	E-22	B	578	74	652	102
	E-23	A	584	123	707	174c
	E-24	A	584	123	707	103
	E-25	B	578	74	652	170c
	E-26	B	578	74	652	171c
	E-27	A	584	123	707	175c
	E-30	A	584	123	707	152/153
	E-31	B	578	74	652	140c/141c
	E-32	B	578	74	652	176c/177c
	E-33	A	584	123	707	158/159
	E-34	A	584	123	707	150/151
	E-35	B	578	74	652	148/149
	E-36	B	578	74	652	178c/179c
	E-37	A	584	123	707	154/155
	E-40	G	903	123	1026	136/137/*91/ *99/*182c/*195c
	E-41	D	436	74	510	180c
	E-42	H	825	74	899	142/143
	E-43	J	809	123	932	144/145
	E-44	J	809	123	932	146/147
E-45	H	825	74	899	156/157	
E-46	D	436	74	510	181c	
E-47	G	903	123	1026	138/139	

*Stalls 91, 99, 182 and 195 are extra stalls held for sale by Developer. They are temporarily assigned to Apt. E-40 pending sale.

BUILDING F	F-20	N	1111	246	1357	210/211
	F-21	L	1344	148	1492	206/207
	F-22	K	1055	246	1301	166/167
	F-23	K	1055	246	1301	164/165
	F-24	L	1344	148	1492	208/209
	F-25	N	1111	246	1357	212/213
	F-40	J	809	123	932	160/161
	F-41	F	654	73	727	198c/199c
	F-42	M	1015	123	1138	202/203
	F-43	M	1015	123	1138	204/205
	F-44	F	654	73	727	196c/197c
	F-45	J	809	123	932	162/163
	TOTALS			79,410	12,346	91,756

Note: Parking stalls with the letter "c" designation after the stall no. indicates that it is a compact stall.

EXHIBIT E

Encumbrances on Title

The Title Commitments, issued by Hawaii Escrow & Title, Inc., Escrow Department on October 7, 2009, list the following encumbrances on Title:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Reservation and Covenant contained in Land Patent Grant No. S-14,686 and Grant No. S-14,687, to-wit:

"Reserving to the State of Hawaii, its successors and assigns, in perpetuity, all minerals and surface and ground waters appurtenant to the land described, together with the right to enter, sever, prospect for, mine and remove such minerals by deep mining, strip mining, drilling and any other means whatsoever, and to occupy and use so much of the surface as may be required therefor or to capture, divert or impound water; provided, that the state shall pay just compensation to the surface owner for improvements taken as a condition precedent to the exercise of such reserved rights.

The patentee, for itself, her heirs and assigns, covenants that the use and enjoyment of the land herein granted shall not be in support of any policy which discriminates against anyone based upon race, creed, color or national origin."

3. Reservation set forth in Deed dated August 22, 1950, recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 2388, Page 81, (as to that portion covered by Royal Patent Number 415, Land Commission Award Number 75 to C. Crockett).

4. Consolidation Agreement dated May 9, 1979, recorded in said Bureau in Liber 13831, Page 197, by and between William A. Jorgensen, Tove K. Jorgensen, James E. Cain and Priscilla A. Cain, as Owner and the County of Maui.

5. Section VII (C) Agreement for West Maui Areas, dated January 19, 1981, recorded in said Bureau in Liber 15304, Page 82, by and between the County of Maui, Department of Water Supply, "County", William A. Jorgensen and Tove K. Jorgensen, Husband and Wife, "Owner", and J & J Development Co., Inc., a Hawaii corporation, "Developer".

6. Easement dated November 16, 1981, recorded in said Bureau in Liber 16049, Page 650, in favor of Maui Electric Company, Limited, a Hawaii corporation, and Hawaiian Telephone Company, a Hawaii corporation (now known as Verizon Hawaii, Inc.) for utility purposes.

7. Terms, provisions, covenants, conditions and reservations contained in Affordable Housing Agreement for The West Maui Breakers dated _____ (acknowledged on February 24, 2005 and February 25, 2005), recorded in said Bureau as Document No. 2005-042884.

8. Terms, provisions, covenants, conditions and reservations contained in Declaration of Condominium Property Regime of The Breakers dated February 25, 2005, recorded in said Bureau as Document No. 2005-069181.

Said Declaration amends and restates in its entirety that certain Declaration of Horizontal Property Regime of Hale Kahekili, dated August 27, 1980 recorded in said Bureau as Document No. in Liber 15676, Page 172, which was heretofore amended by instruments dated August 28, 1981, recorded in said Bureau in Liber 15789, Page 796, dated May 13, 1982, recorded in said Bureau in Liber 16374, Page 782, dated March 29, 1985, recorded in said Bureau in Liber 18542, Page 116, dated May 16, 1989, recorded in said Bureau in Liber 23208, Page 1, and dated May 16, 1989, recorded in said Bureau in Liber 23208, Page 41.

Said Declaration was amended by instruments dated January 22, 2007, recorded in said Bureau as Document No. 2007-020183, dated March 22, 2007, recorded in said Bureau as Document No. 2007-078772, dated June 1, 2007, recorded in said Bureau as Document No. 2007-111924, and dated September 24, 2009, recorded in said Bureau as Document No. 2009-148543.

9. Condominium Map No. 813, filed in said Bureau, as amended.

10. The Bylaws of the Association of Apartment Owners of The Breakers dated February 25, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-069182, as amended by First Amendment dated September 24, 2009 and recorded in said Bureau as Document No. 2009-148544.

11. Any and all matters shown on ALTA/ACSM Land Title Survey of Arthur P. Valencia, Licensed Professional Land Surveyor, Certificate No. 10026, dated April 26, 2007.

12. A mortgage to secure an indebtedness in the amount of \$1,250,000.00 by Douglas E. Myers in favor of 3702 Lower Honoapiilani LLC, a Colorado limited liability company, dated May 20, 2005, recorded in said Bureau as Document No. 2005-104537.

Said Mortgage is also subject to the Subordination Agreement dated June 5, 2007, recorded in said Bureau as Document No. 2007-101263.

Note: Said Mortgage and Subordination Agreement pertains to Apartment Nos. 125 thru 130, inclusive, 225 thru 230, inclusive, 325 thru 330, inclusive and 425 thru 430, inclusive, all of which are part of Building A of The Breakers. Building A is covered by this Registration No. 5474.

13. A mortgage to secure an indebtedness in the amount of \$25,000,000.00 by 3702 Lower Honoapiilani LLC, a Colorado limited liability company in favor of First Hawaiian Bank, a Hawaii corporation, dated June 5, 2007, and recorded in said Bureau as Document No. 2007-101260.

Note: Said Mortgage pertains to Apartment Nos. B-20 thru B-27, inclusive, B-30 thru B-37, inclusive, B-40 thru B-47, inclusive, C-21 thru C-24, inclusive, C-30 and C-31, D-20 thru D-27, inclusive, D-30 thru D-37, inclusive, D-40 thru D-47, inclusive, E-20 thru E-27, inclusive, E-30 thru E-37, inclusive, E-40 thru E-47, inclusive and F-20 thru F-25, inclusive and F-40 thru F-45, inclusive. All said Apartment Nos. are part of Buildings B, C, D, E and F, respectively and are covered by Registration No. 6392.

14. A mortgage to secure an indebtedness in the amount of \$25,000,000.00 by Douglas E. Myers, as Trustee of the Douglas E. Myers Revocable Trust dated June 8, 2005 in favor of First Hawaiian Bank, a Hawaii corporation, dated June 5, 2007, recorded in said Bureau as Document No. 2007-101261.

Note: Said Mortgage pertains to Apartment Nos. 125 thru 130, inclusive, 225 thru 230, inclusive, 325 thru 330, inclusive and 425 thru 430, inclusive, all of which are part of Building A of The Breakers. Building A is covered by this Registration No. 5474.

15. An Assignment of Leases and Rents as security for the repayment of \$25,000,000.00 by Douglas E. Myers, as Trustee of the Douglas E. Myers Revocable Trust dated June 8, 2005 and 3702 Lower Honoapiilani LLC, a Colorado limited liability company, collectively as Assignor to First Hawaiian Bank, a Hawaii corporation, as Assignee, dated June 5, 2007, recorded in said Bureau as Document No. 2007-101262.

16. A Financing Statement by 3702 Lower Honoapiilani LLC, a Colorado limited liability company as Debtor and First Hawaiian Bank, a Hawaii corporation as Secured Party, dated June 5, 2007, and recorded in said Bureau as Document No. 2007-101264.

Note: Said Financing Statement pertains to Apartment Nos. B-20 thru B-27, inclusive, B-30 thru B-37, inclusive, B-40 thru B-47, inclusive, C-21 thru C-24, inclusive, C-30 and C-31, D-20 thru D-27, inclusive, D-30 thru D-37, inclusive, D-40 thru D-47, inclusive, E-20 thru E-27, inclusive, E-30 thru E-37, inclusive, E-40 thru E-47, inclusive and F-20 thru F-25, inclusive and F-40 thru F-45, inclusive. All said Apartment Nos. are part of Buildings B, C, D, E and F, respectively and are covered by Registration No. 6392.

17. A Financing Statement by Douglas E. Myers as Debtor and First Hawaiian Bank, a Hawaii corporation as Secured Party, dated June 5, 2007, and recorded in said Bureau as Document No. 2007-101265.

Note: Said Financing Statement pertains to Apartment Nos. 125 thru 130, inclusive, 225 thru 230, inclusive, 325 thru 330, inclusive and 425 thru 430, inclusive, all of which are part of Building A of The Breakers. Building A is covered by this Registration No. 5474.

18. A mortgage to secure an indebtedness in the amount of \$2,500,000.00 by 3702 Lower Honoapiilani LLC, a Colorado limited liability company in favor of Flatirons Bank, a Colorado corporation, dated June 4, 2009, and recorded in said Bureau as Document No. 2009-085455.

Note: Said Mortgage pertains to Apartment Nos. F-20 thru F-25, inclusive and F-40 thru F-45, inclusive. All said Apartment Nos. are part of Building F and is covered by Registration No. 6392.

EXHIBIT F

Escrow Agreement Summary

A copy of the executed Escrow Agreement for the Project between Hawaii Escrow & Title, Inc. ("Escrow") and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of the funds of a purchaser of an Apartment (a "Purchaser") pursuant to a Sales Contract and also provides for the retention or disbursement of the funds.

The Escrow Agreement provides in part that any interest earned on money on deposit shall be paid to the parties in accordance with the terms of the Sales Contract. In the event that the Reservation Agreement or Sales Contract or Hawaii Revised Statutes Chapter 514A entitle a Purchaser to a refund of Purchaser's Deposits held by Escrow, the Escrow, upon instruction from Developer, will refund Purchaser's deposits, less any escrow cancellation fee (which may not exceed \$250) or other costs payable by the Purchaser (e.g., loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract, Chapter 514A, Hawaii Revised Statutes, as amended, or Purchaser's loan application, commitment or prequalification letter.

For Units in Building A, Purchaser's deposits may not be disbursed from Escrow until Escrow is satisfied that any liens or mortgages have been cleared or otherwise covered, and the Purchaser's purchase closes.

If the sales contract is cancelled by Developer or Purchaser and Purchaser is not in breach of the sales contract, Purchaser is entitled to return of funds, as more specifically described in the Escrow Agreement and described above. If Purchaser is in default of the sales contract and Developer elects to cancel the sales contract, Purchaser's funds held in Escrow shall be forfeited to Developer.

Prospective Purchasers should read the Escrow Agreement with care.

EXHIBIT G

Summary of Sales Agreement

The Purchase Agreement contains the price and other terms and conditions under which a purchaser will agree to buy an Apartment in the West Maui Breakers Condominium Project. Among other things, the Purchase Agreement 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 final public report for the Project prior to signing the Purchase Agreement.
- c. That the Developer makes no representations concerning rental of an Apartment, income or profit from an Apartment, or any other economic benefit to be derived from the purchase of an Apartment.
- d. That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement for the Project, and may subject to the terms of the Escrow Agreement be disbursed prior to closing to pay for certain project development costs.
- e. Requirements relating to the purchaser's financing of the purchase of an Apartment.
- f. 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.
- g. That the Developer makes no warranties regarding the Apartment, the Project or anything installed or contained in the Apartment or the Project.
- h. That the Project may be subject to ongoing sales activities which may result in certain annoyances to the purchaser.
- i. That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
- j. That the purchaser shall at Closing pay an Association start-up fee and one month's estimated maintenance fees.
- k. That the purchaser's Sales Contract is subordinate to the mortgage of the Project's construction lender.

The Purchase Agreement 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 Purchase Agreement on file with the Real Estate Commission.

EXHIBIT H

LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail Pickup To:

TITLE OF DOCUMENT:

APARTMENT DEED WITH COVENANTS

PARTIES TO DOCUMENT:

GRANTOR: DOUGLAS E. MYERS, Trustee of The Douglas E. Myers
Revocable Trust dated June 8, 2005

GRANTEE:

TAX MAP KEY(S): Maui 4-3-006-069; CPR No. _____

(This document consists of ___ pages.)

APARTMENT DEED WITH COVENANTS

KNOW ALL MEN BY THESE PRESENTS:

That on this _____ day of _____, 20____, DOUGLAS E. MYERS, Trustee of The Douglas E. Myers Revocable Trust dated June 8, 2005, with full powers to sell, lease, mortgage, exchange, or otherwise dispose of, or deal with any property of said Trust, hereinafter called the "Grantor", for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to the Grantor paid by _____, whose address is _____, hereinafter called the "Grantee", the receipt whereof is hereby acknowledged, do hereby grant, bargain, sell and convey unto the Grantee all of that certain real property more particularly described in Exhibit A attached hereto and made a part hereof, subject to the encumbrances noted therein.

TOGETHER WITH all the rights, easements, privileges and appurtenances thereunto belonging or appertaining.

TO HAVE AND TO HOLD the same unto the Grantee, _____, in fee simple, forever.

AND the Grantor does hereby covenant with the Grantee that the Grantor is lawfully seised in fee simple of said granted premises and that the said premises are free and clear of all encumbrances except as aforesaid, and except for assessments for real property taxes not yet by law required to be paid. And the Grantor further covenants and agrees that the Grantor has good right to sell and convey the said premises in the manner aforesaid; that the Grantor will WARRANT AND DEFEND the same unto the Grantee against the lawful claims and demands of all persons, except as aforesaid.

AND the Grantee does hereby covenant and agree to and with the Grantor that the Grantee's interest under this Warranty Deed shall be subject to, and the Grantee will observe, perform, comply with and abide by, the Declaration of Condominium Property Regime of the condominium project described in said Exhibit A and the By-Laws of said condominium project, as either of the same may have been or may hereafter be amended.

AND the Grantee acknowledges and agrees that said granted premises are being sold and that Grantee is acquiring said granted premises "**AS IS**". Grantee understands and agrees that said granted premises, including all fixtures, furnishings, and appliances therein are granted, sold, transferred and delivered by Grantor to Grantee in their existing "as is" condition, WITHOUT WARRANTY OR REPRESENTATIONS, EXPRESSED OR IMPLIED, except for the warranties of title set forth above.

IT IS MUTUALLY AGREED that the terms "Grantor" and "Grantee", as and when used hereinabove or hereinbelow shall mean and include the masculine or

feminine, the singular or plural number, individuals, associations, trustees, corporations or partnerships, and their and each of their respective successors in interest, heirs, executors, personal representatives, administrators and permitted assigns, according to the context thereof, and that if these presents shall be signed by two or more grantors, or by two or more grantees, all covenants of such parties shall be and for all purposes deemed to be joint and several.

The covenants and agreements of the Grantee shall run with the property described in Exhibit "A" attached hereto, shall be binding upon the Grantee and the Grantee's successors and assigns, and shall run in favor of and inure to the benefit of the Grantor and the Grantor's successors and assigns.

IN WITNESS WHEREOF, the Grantor and the Grantee have executed these presents as of the day and year first above written.

DOUGLAS E. MYERS, Trustee as
aforesaid

Grantor

Grantee

EXHIBIT I

Condominium Public Report On The West Maui Breakers

Disclosure Abstract

1. (a) PROJECT: The Breakers
Honokawai, Maui, Hawaii
 - (b) DEVELOPER: Douglas E. Myers, Trustee of The Douglas E. Myers
Revocable Trust dated June 8, 2005 & 3702 Lower
Honoapiilani, LLC
PMB 106, 3350 Lower Honoapiilani Rd.
Lahaina, HI 96761
 - (c) REAL ESTATE BROKER: None selected at this time. See page 20A.
 - (d) PROPERTY MANAGER:
(Proposed) Commercial Properties of Maui Management, Inc.
1962 Wells St. #B
Wailuku, HI 96793
2. USE OF APARTMENTS:
 - (a) Number of apartments in Project for residential use: 84 (only the 24 Apartments in Building A are covered by this Registration)
 - (b) Proposed number of apartments in Project for hotel use: 0
 - (c) Extent of commercial or other non-residential development in the Project: None
 - (d) The Project also includes 90 apartments in 5 new buildings being constructed, which are not covered under this registration. Those are covered under Registration No. 6392.

3. WARRANTIES:

Developer makes no separate warranties on construction, habitability, or on appliances and fixtures. All Apartments are sold "as is".

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

Attached to this Public Report as Exhibit D is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by the Project Manager for a one-year period, and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment is 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 in the estimated maintenance costs do not include individual charges for utilities or services beyond those listed in this Public Report 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.

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 THE 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 or her respective share of the common expense) 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.

6. LEAD PAINT DISCLOSURE

Initial construction of Building A of the Project was in 1978. Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that the property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in the property of said Project is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

EXHIBIT J

This Disclosure form is from the National Lead Information Center under the United States Environmental Protection Agency.
This is NOT a Hawaii Association of REALTORS® Standard Form.

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

- (ii) _____ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
- (i) _____ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

- (ii) _____ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) _____ Purchaser has received copies of all information listed above.
- (d) _____ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) Purchaser has (check (i) or (ii) below):
- (i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- (ii) _____ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- (f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller	Date	Seller	Date
Purchaser	Date	Purchaser	Date
Agent	Date	Agent	Date

Simple Steps To Protect Your Family From Lead Hazards

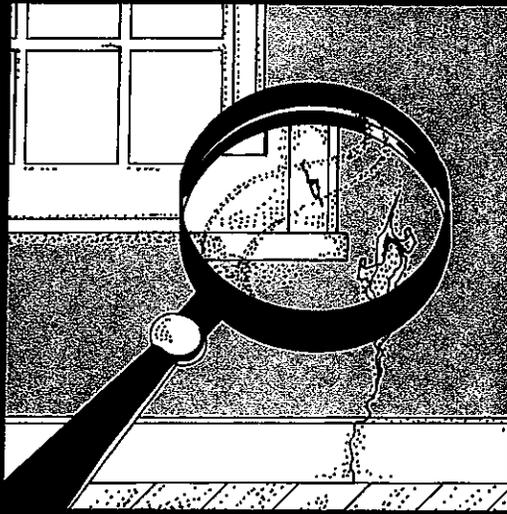
If you think your home has high levels of lead:

- ◆ Get your young children tested for lead, even if they seem healthy.
- ◆ Wash children's hands, bottles, pacifiers, and toys often.
- ◆ Make sure children eat healthy, low-fat foods.
- ◆ Get your home checked for lead hazards.
- ◆ Regularly clean floors, window sills, and other surfaces.
- ◆ Wipe soil off shoes before entering house.
- ◆ Talk to your landlord about fixing surfaces with peeling or chipping paint.
- ◆ Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- ◆ Don't use a belt-sander, propane torch, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- ◆ Don't try to remove lead-based paint yourself.



Recycled/Recyclable

Printed with vegetable oil based inks on recycled paper
(minimum 50% postconsumer) process chlorine free.



Protect Your Family From Lead In Your Home



United States
Environmental
Protection Agency



United States
Consumer Product
Safety Commission



United States
Department of Housing
and Urban Development

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.



OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure about lead-based paint.



SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

- FACT:** Lead exposure can harm young children and babies even before they are born.
- FACT:** Even children who seem healthy can have high levels of lead in their bodies.
- FACT:** People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- FACT:** People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.
- FACT:** Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

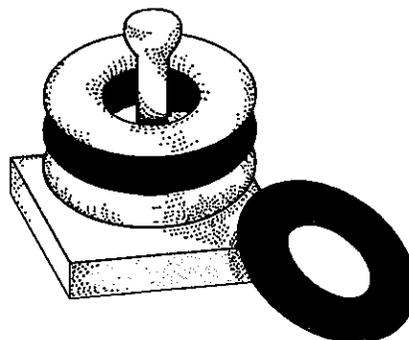
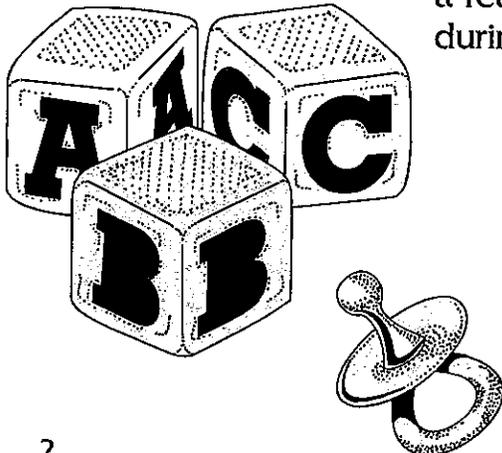
- ◆ Breathe in lead dust (especially during renovations that disturb painted surfaces).
- ◆ Put their hands or other objects covered with lead dust in their mouths.
- ◆ Eat paint chips or soil that contains lead.

Lead is even more dangerous to children under the age of 6:

- ◆ At this age children's brains and nervous systems are more sensitive to the damaging effects of lead.
- ◆ Children's growing bodies absorb more lead.
- ◆ Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

Lead is also dangerous to women of childbearing age:

- ◆ Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.



Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

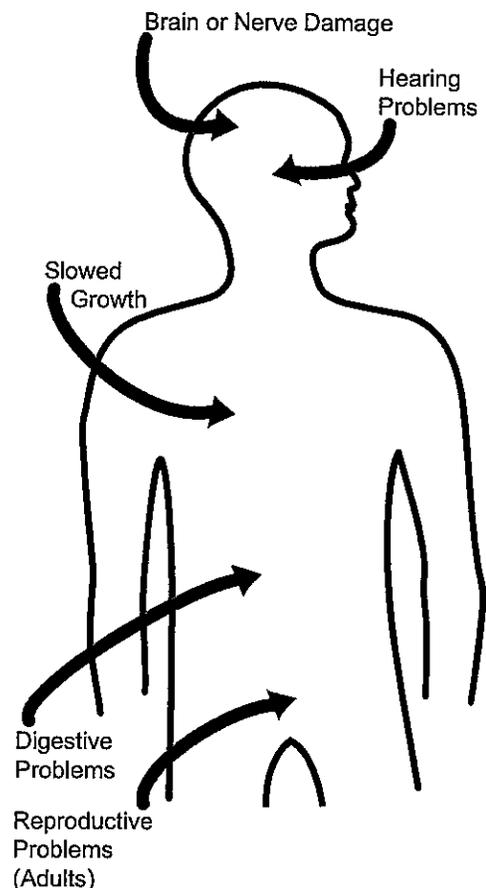
- ◆ Nervous system and kidney damage.
- ◆ Learning disabilities, attention deficit disorder, and decreased intelligence.
- ◆ Speech, language, and behavior problems.
- ◆ Poor muscle coordination.
- ◆ Decreased muscle and bone growth.
- ◆ Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- ◆ Increased chance of illness during pregnancy.
- ◆ Harm to a fetus, including brain damage or death.
- ◆ Fertility problems (in men and women).
- ◆ High blood pressure.
- ◆ Digestive problems.
- ◆ Nerve disorders.
- ◆ Memory and concentration problems.
- ◆ Muscle and joint pain.



**Lead affects
the body in
many ways.**

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- ◆ In homes in the city, country, or suburbs.
- ◆ In apartments, single-family homes, and both private and public housing.
- ◆ Inside and outside of the house.
- ◆ In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- ◆ Children at ages 1 and 2.
- ◆ Children or other family members who have been exposed to high levels of lead.
- ◆ Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- ◆ Windows and window sills.
- ◆ Doors and door frames.
- ◆ Stairs, railings, banisters, and porches.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors.
- ◆ 250 $\mu\text{g}/\text{ft}^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- ◆ 400 parts per million (ppm) and higher in play areas of bare soil.
- ◆ 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.



You can get your home tested for lead in several different ways:

- ◆ A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- ◆ A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- ◆ A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.

Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

- ◆ Visual inspection of paint condition and location.
- ◆ A portable x-ray fluorescence (XRF) machine.
- ◆ Lab tests of paint, dust, and soil samples.

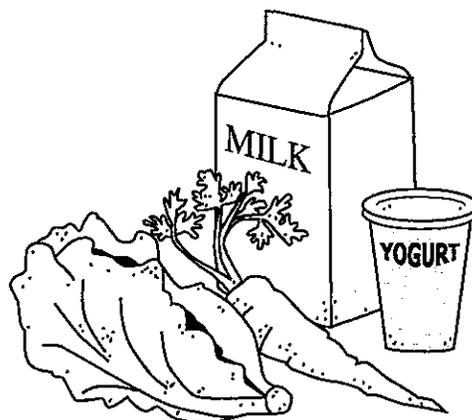
There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- ◆ If you rent, notify your landlord of peeling or chipping paint.
- ◆ Clean up paint chips immediately.
- ◆ Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.
- ◆ Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- ◆ Wash children's hands often, especially before they eat and before nap time and bed time.
- ◆ Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- ◆ Keep children from chewing window sills or other painted surfaces.
- ◆ Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- ◆ Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and dairy products. Children with good diets absorb less lead.



Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- ◆ You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called “interim controls”) are not permanent solutions and will need ongoing attention.
- ◆ To **permanently** remove lead hazards, you should hire a certified lead “abatement” contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors;
- ◆ 250 $\mu\text{g}/\text{ft}^2$ for interior windows sills; and
- ◆ 400 $\mu\text{g}/\text{ft}^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- ◆ **Have the area tested for lead-based paint.**
- ◆ **Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- ◆ **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- ◆ **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

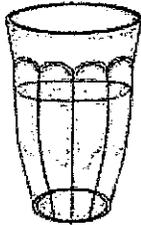
If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



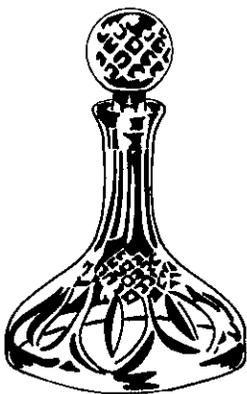
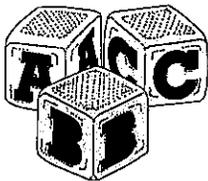
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.



Other Sources of Lead



While paint, dust, and soil are the most common sources of lead, other lead sources also exist.



◆ **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:

- Use only cold water for drinking and cooking.
- Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.

◆ **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.

◆ **Old painted toys and furniture.**

◆ Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**

◆ **Lead smelters** or other industries that release lead into the air.

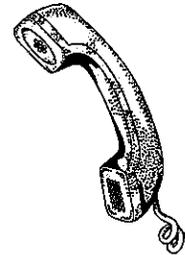
◆ **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.

◆ **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.

For More Information

The National Lead Information Center

Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/**.

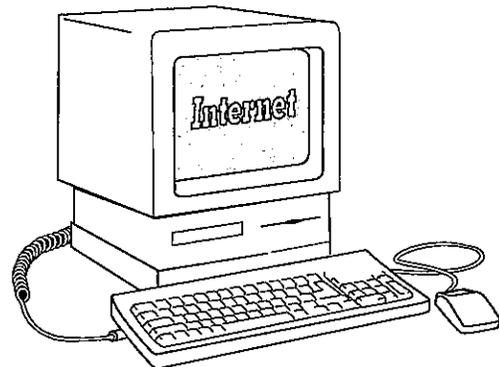


EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's Web site at: **www.cpsc.gov**.



Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD**.

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center
Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center
Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center
Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development
Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

This document is in the public domain. It may be reproduced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
June 2003

HILLHOUSE ARCHITECTS, INC.

ARCHITECTS & PLANNERS

EXHIBIT K

Feb. 23, 2005

Mr. Richard Kiefer, Esq.
Kiefer and Merchant, LLC
444 Hana Highway, Suite 204
Kahului, Hawaii 96732

Re: Report of Present Conditions of Structural Components and Mechanical and Electrical Installations to the Use of Enjoyment of the Project Known as The West Maui Breakers at 3702 Lower Honoapiilani Rd., Honokowai, Mau, Hawaii. TMK (2) 4-3-006:002

Dear Mr. Kiefer:

I reviewed portions of the drawings prepared by Uwe H.H. Shultz and Associates, Inc., architect for the condominium project formerly known as Hale Kahekili. The project was constructed in the approximate year 1980, and the drawings reviewed (sheets T-1, A-9A, A15 and A16) appear to be accurate representations of the building as constructed. The building underwent a major updating and renovation in 2003-04, but only minor plan changes occurred. The most notable is the new kitchen layout, which adds a washer/dryer and a desk workspace to update it to current market trends.

I personally reviewed the property on Feb. 21, 2005 with respect to its current condition and its maintenance history. The building was vacant for several years, and upon purchase by its current owner, was totally renovated. New carpeting, drywall, tile and paint, inside and out, was added, which brought the living units to an "as new" condition. New kitchen and bath cabinets and countertops updated the individual units to current market demands. I inspected three of the occupied units, which were all similar in layout, and found that the occupants were happy with the design and amenities. There is no visible way to conclude that these units are anything but "new".

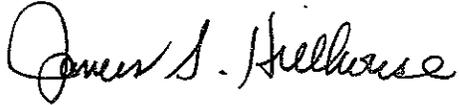
During the renovation, the exterior of the building was power washed and a new coat of paint was applied everywhere. The decks all appear to be in good condition, and there are no reported leaks in the tile roofing. The egress system is in good condition and meets exit requirements of the current '97 UBC, including the refurbished elevator. There is minor deterioration of some of the decorative beam elements, but not of sufficient quantity to be of safety concern. The electrical system appears to be in good operating condition, as does the plumbing system. There is no hvac system in the building. The exterior of the building, comprised of concrete masonry units, shows little wear for the age of the structure, as anticipated for this type of material, and is expected to remain so for many years.

Report of Present Conditions

Page 2

In conclusion, the property exhibits no visible signs of deficiency in any architectural, structural, electrical or plumbing systems. No system displays any condition that would require additional testing.

Yours truly,
Hillhouse Architects, Inc.

A handwritten signature in cursive script that reads "James S. Hillhouse". The signature is written in black ink and is positioned above the printed name and title.

James S. Hillhouse
President
Hi Arch License AR-10985