CONDOMINIUM PUBLIC REPORT

Prepared & issued by: Developer: Walaka Maui Associates, LLC
Address: 67 Ponana Street, Kihei, Maui, Hawaii 96753

Project Name(*): Walaka Maui
Address: 112 Walaka Street, Kihei, Maui, Hawaii 96753

Registration No. 5486

Effective date: November 9, 2004
Expiration date: August 9, 2005

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

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

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

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

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

(*) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Pubic Reports:

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

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

[ ] Changes made are as follows:

SPECIAL ATTENTION

This Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5, HRS. The Real Estate Commission issued this report before the developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales contract executed pursuant to this report **are binding on the buyer under those conditions specified immediately below** and in Part V. B. of this report found on pages 18 & 19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed.

STATUTORY NOTICE

"The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of a performance bond issued by a surety licensed in the State of not less than one hundred percent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public Report, then:

(1) The Developer will notify the Purchaser thereof by certified mail; and

(2) Either the Developer or the Purchaser shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchaser to secure a financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment." (§514A-64.5, HRS)

The developer is not required to submit but has for this registration submitted the following documents and information:

NOTE: Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective Purchasers are hereby advised that Brian Bowers, the son of the Member and Manager of Developer, is a current and active Hawaii-licensed Real Estate Salesperson, and that he is licensed with The Gresham Company, Inc., the project broker. Pursuant to Section 16-99-11(c), HAR, "no license shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

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	5
	Real Estate Broker	5
	Escrow	5
	General Contractor	5
	Condominium Managing Agent	5
	Attorney for Developer	5
II.	CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	6
	A. Declaration of Condominium Property Regime	6
	B. Condominium Map (File Plan)	6
	C. Bylaws of the Association of Apartment Owners	6
	D. House Rules	7
	E. Changes to Condominium Documents	7
III.	THE CONDOMINIUM PROJECT	8
	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 and Date of Completion or Estimated Date of Completion	16
	H. Project Phases	16
IV.	CONDOMINIUM MANAGEMENT	17
	A. Management of the Common Elements	17
	B. Estimate of Initial Maintenance Fees	17
	C. Utility Charges for Apartments	17
V.	MISCELLANEOUS	18
	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:	Summary of Rights Reserved by the Developer	22
EXHIBIT B:	Boundaries of Each Apartment	23
EXHIBIT C:	Permitted Alterations of Apartments	24
EXHIBIT D:	Apartment Numbers, Rooms, Areas, Common Interests and Layouts	25
EXHIBIT E:	Encumbrances Against Title	27
EXHIBIT F:	Estimated Monthly Maintenance Fees	29
EXHIBIT G:	Summary of Purchase Agreement	30
EXHIBIT H:	Disclosure Abstract (with Operating Budget - Exhibit 1)	35
EXHIBIT I:	Summary of Escrow Agreement	40

General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Walaka Maui Associates, LLC — Phone: (808)879-2909 (Business)
Name*
67 Ponana Street
Kihei, Maui, Hawaii 96753
Business Address

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

Christine Bowers, Manager, and Daniel J. Bowers, Members

Real Estate Broker*: The Gresham Company, Inc. — Phone: (808)879-7283 (Business)
Name
35 Hale Kuai St., Suite 201
Kihei, Maui, Hawaii 96753
Business Address

Escrow: First Hawaii Title Corporation — Phone: (808)879-1585 (Business)
Name
1993 South Kihei Road
Kihei, Maui, Hawaii 96753
Business Address

General Contractor*: Artistic Builders Corporation — Phone: (808)879-2909 (Business)
Name
67 Ponana Street
Kihei, Maui, Hawaii 96753
Business Address

Condominium Managing Agent*: Oihana Property Management & Sales, Inc. — Phone: (808)244-7684 (Business)
Name
840 Alua St., Suite 103
Wailuku, Maui, Hawaii 96793
Business Address

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

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

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:
[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2004-192515
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]:

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
[X] Recorded - Bureau of Conveyances Condo Map No. 3838
[ ] 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]:

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
[X] Recorded - Bureau of Conveyances: Document No. 2004-192516
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]:

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:

[X] 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:

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

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

2. Developer:

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

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

1. Developer may amend the documents in certain respects which will not materially and adversely affect the value or use of Buyer's apartment.

2. Under paragraph 16.1 of the Declaration, the Developer reserves the right to amend the Declaration, the Condominium Map and the By-Laws at any time prior to the first recording of a conveyance or transfer (other than for security) of an apartment and its appurtenances to a party who has not signed the Declaration.

3. Paragraph 16.1 of the Declaration also permits the Developer to amend the Declaration and the Condominium Map to file the "as-built" verified statement required by the Condominium Property Act at any time before or after the lease, sale or conveyance of any of the apartments.

4. Under Section 16.2 of the Declaration, for so long as the Developer retains the right to merge the project pursuant to the Declaration, the Developer reserves the right to amend the Declaration, the By-laws and the Condominium Map for the purpose of meeting any requirement imposed by any applicable law, the Real Estate Commission of the State of Hawaii, any title insurance company issuing a title insurance policy on the project or any of the apartments of the project, any institutional lender lending funds on the security of the project or any of the apartments, or any other governmental or quasi-governmental agency; provided, however, that no amendment which would change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment or the apartment's building shall be made without the consent of all persons having an interest in the apartment.

5. Developer may amend the Rules and Regulations in any manner prior to election of the first Board of Directors of the project.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

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

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit ____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

For Sub-leaseholds:

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

[ ] Canceled [ ] Foreclosed

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

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

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

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

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

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit ___ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. **Underlying Land:**

Address: 112 Walaka Street, Kihei, Maui, Hawaii 96753 Tax Map Key (TMK): (2) 3-9-16:07 and 01

[ ] Address [X] TMK is expected to change because an individual TMK (CPR) number will be issued to each apartment.

Land Area: 20,117 [X] square feet [ ] acre(s) Zoning: A-2 Apartment *

* Under A-2 Apartment zoning, eighteen (18) residential apartments in a multi-family building are permitted.

Fee Owner: Walaka Maui Associates, LLC
Name
67 Ponana Street
Kihei, Maui, Hawaii 96753
Address

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

1. [X] New Building(s)
[ ] Conversion of Existing Building(s)
[ ] Both New Building(s) and Conversion

2. Number of Buildings: 1 Floors Per Building 4 plus basement

[X] Exhibit D contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood
[X] Other Glass and tile

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning	
[X] Residential	18	[X] Yes	[ ] No
[ ] Commercial	0	[ ] Yes	[X] No
[ ] Mix Res/Comm	0	[ ] Yes	[X] No
[ ] Hotel	0	[ ] Yes	[X] No
[ ] Timeshare	0	[ ] Yes	[X] No
[ ] Ohana	0	[ ] Yes	[X] No
[ ] Industrial	0	[ ] Yes	[X] No
[ ] Agricultural	0	[ ] Yes	[X] No
[ ] Recreational	0	[ ] Yes	[X] No
[ ] Other:	0	[ ] Yes	[ ] No

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

5. Special Use Restrictions:

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

[X] Pets: Section 10.7 of the By-Laws permits two (2) household pets, subject to certain limitations. Service animals are also permitted.

[ ] Number of Occupants: _____

[X] Other: No commercial use, time sharing, rooming house or bed and breakfast uses, or rentals for less than the minimum lease term required by law (currently six (6) months) are permitted (see Section 8(a) of the Declaration). There are restrictions on exterior alterations and color changes under Section 8(c) of the Declaration. Also, Section 5.2 of the Declaration provides that each unit must always have at least two (2) parking stalls available for use.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 1 Stairways: 2 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
A	17	1/2	734	106	lanai
B	1	2/2	1,225	388	lanai

Total Number of Apartments: 18 (See Exhibit A)

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

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

Boundaries of Each Apartment: See Exhibit B.

Permitted Alterations to Apartments: See Exhibit C.

Apartments Designated for Owner-Occupants Only: 101, 102, 103, 104, 201, 202, 203, 204 and 205.

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

7. Parking Stalls:

Total Parking Stalls: 36

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned *(for each unit)	*	*	*	*	*	*	36*
Guest							
Unassigned							36*
Extra for Purchase							
Other: Handicap							
Total Covered & Open:	5	22		9		8	36

Each apartment will have the exclusive use of at least two (2) parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

*The Developer will determine all parking assignments as sales progress. All apartments will receive an assignment of two (2) parking spaces by the deed conveying title of the apartment to the Buyer.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

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

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

[X] Other: Parking and planted areas

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below: [ ] Violations will be cured by _____.
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations. (For conversions of residential apartments in existence for at least five years):

Not applicable.

11. Conformance to Present Zoning Code.

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

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

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

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

	Conforming	Non-Conforming	Illegal
Uses	all		
Structures	all		
Lot	all		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. **Common Elements, Limited Common Elements, Common Interest**:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[ ] described in Exhibit _____.

[X] as follows:

The common elements include all other elements of the project, the separate ownership of which is not included within any apartment, including but not limited to:

(a) The property in fee simple;
(b) The limited common elements described in Section D.2 below;
(c) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, elevators, the central mailbox facility, basement storage areas (subject to Section D.2 below), utility rooms, and roof structures (including without limitation, all roof joists, sheathing and roofing materials), which are located outside the apartment, and all pumps, ducts, pipes, wires, conduits or other utility service lines which are utilized for or serve more than one (1) apartment, and generally all equipment, apparatus, installations and personal property existing for common use in the buildings or located on the land;
(d) All pipes, wires, ducts, conduits or other utility service lines running through any apartment which are utilized by or serve more than one (1) apartment;
(e) All roads, driveways and other common ways, all parking spaces (subject to Section D.2 below), exterior irrigation systems, fences, gates, retaining walls, trash areas, and accessory equipment areas located on the land or in any building;
(f) All distribution systems for water, sewer and utility services which serve more than one (1) apartment and which are not owned by the County of Maui or any public utility (and including use meters, if any, whether or not located within the apartment);
(g) All finished surfaces which the Association shall have the responsibility to maintain as a common expense under the Declaration of Condominium Property Regime.

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

[ ] There are no limited common elements in this project.

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

[ ] described in Exhibit ____.

[X] as follows:

Certain of the common elements are hereby set aside and reserved for the exclusive use of certain of the apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

(a) As shown on the Condominium Map, thirty-six (36) parking stalls are provided, which include five (5) stalls located in individual closed garage areas (numbered 23 through 27, inclusive); twenty-two (22) uncovered, paved stalls, fifteen (15) of which are regular sized and seven (7) of which are compact spaces; and nine (9) unpaved, lawn parking stalls, of which seven (7) are full-sized and two (2) are compact, all as shown on the Condominium Map. All parking areas are numbered 1 through 36 as shown on the Condominium Map. Eight (8) spaces are "stacked". Each apartment shall be assigned two (2) parking spaces, by express assignment contained in the Developer's deed of fee simple title to said apartment to the first buyer thereof, and said assigned spaces shall thereafter be limited common elements appurtenant to and for the exclusive use of said apartment to which they are assigned.

(b) The basement floor plan contained in the Condominium Map is divided into eighteen (18) separate storage areas numbered 1 through 18, consecutively. Each apartment shall be assigned one (1) basement storage room by express assignment contained in the Developer's deed of fee simple title to said apartment to the first buyer thereof as limited common element for the exclusive use of the apartment to which it is assigned.

(c) Parking stalls and storage areas may be transferable between apartments, subject to certain limitations set forth in Section 5.2 of the Declaration.

(d) Any other common element of the property which is rationally related to only one (1) apartment shall be deemed a limited common element appurtenant to and for the exclusive use of such apartment.

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

[X] described in Exhibit ___D____.

[ ] as follows: The common interests are determined according to the proportionate net floor area of each apartment, 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 ___September 21, 2004___ and issued by _____Commonwealth Land Title Insurance Company.___

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
First Mortgage to Robert and Dianne Jarois dated September 7, 2004, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-184801 in the principal amount of $649,743.12.	Buyer may lose his or her unit but buyer's deposit to be refunded less any escrow cancellation fees. All mortgage liens will be paid out of the proceeds of the sale of each apartment and each apartment will be released from the mortgage at that time.

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:

   See Section 3 of the Disclosure Abstract (Exhibit H).

2. Appliances:

   See Section 3 of the Disclosure Abstract (Exhibit H).

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

Construction has commenced as of the date of this public report. Estimated completion is August 31, 2005.

H. **Project Phases:**

The developer [ ] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

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

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

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

[X] not affiliated with the Developer [ ] 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 ___H___ contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

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

[ ] None [X] Electricity (_X_ Common Elements only _____ Common Elements and Apartments)
[ ] Gas (____Common Elements only _____ Common Elements & Apartments)
[X] Water [X] Sewer [ ] Television Cable
[ ] Other _____
_____

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:

[X] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit __G__ contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated_____
Exhibit __I__ contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime, as amended.
C) Bylaws of the Association of Apartment Owners, as amended.
D) House Rules, if any.
E) Condominium Map, as amended.
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
H) Other: Two deeds, both dated February 24, 1967, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5624 on Pages 129 and 136. Waterline Easement to the County of Maui dated January 26, 1981, recorded in the said Bureau of Conveyances in Liber 15688 on Page 728.

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. 5486 filed with the Real Estate Commission on October 5, 2004.

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

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

C. **Additional Information Not Covered Above**

1. Construction Financing. The Developer is planning to obtain financing for the acquisition of the land and construction of the project in the amount of approximately $3,354,000.00. This will be obtained prior to the issuance of a Final Public Report for the condominium, within nine (9) months of this Contingent Final Public Report.

2. Final Public Report. As stated elsewhere in this report, the Final Public Report will be applied for and obtained prior to the expiration of this Contingent Final Public Report, and if Developer fails to do so, either Developer or purchaser shall have the right to rescind the purchaser's sales contract (see the "Statutory Notice" on page 2 of this report). However, the Developer plans to obtain construction financing, close its acquisition of the project land, and to meet all of the requirements for the Final Public Report prior to expiration of this Contingent Final Public Report.

3. Licensed Real Estate Salesman. Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Brian Bowers is a current and active Hawaii-licensed realtor associate. Further that The Gresham Company, Inc. is the project broker. Further that Brian Bowers is licensed with the project broker. Pursuant to Section 16-99-11(c), HAR, "no license shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

4. Special Management Area. The entire condominium land is located within the Special Management Area (SMA). Under State and County law, any improvements to the property will require review and approval by governmental agencies, including the County of Maui Planning Commission, under applicable rules and regulations.

5. Water. The condominium is served by a single water meter and water use for all apartments will be billed to the Association of Apartment Owners by the County of Maui Department of Water Supply in a single bill. The Association is responsible for paying said charges and will allocate them among the apartment owners as common expense assessments. The method of allocation shall be by individual use meters ("submeters") apportioning the County's billings between both apartments by proportionate metered water usage.

6. Sewer. Each apartment is served by the County of Maui wastewater removal system and will be billed for sewer in the same manner as water.

7. Mailboxes. Each apartment has its own mailbox, located in the central mailbox facility on the ground floor of the building.

8. Dedication of Bike Path to County of Maui. The Special Management Area (SMA) approval of the project requires the future dedication to the County of Maui of an easement for bike path along the easterly boundary of the property, the width of which shall be determined by the Maui County Department of Public Works and Environmental Management. Prior to the issuance of the Final Public Report, this path will be dedicated by easement by the Developer, and the easement on the land will be noted as an encumbrance on each buyer's title insurance policy. If for any reason said dedication shall not occur, the right and authority to dedicate the easement shall be reserved to the Association by amendment to the Declaration of Condominium Property Regime.

9. Landscape Maintenance. The Special Management Area (SMA) approval for the project also requires the maintenance, in perpetuity, of the "hanging garden/planter box landscaping" established by the Developer in the common elements as required by the project plans. This maintenance responsibility shall be carried out by the Association as a common expense.

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.

WALAKA MAUI ASSOCIATES, LLC
Printed Name of Developer

WALAKA MAUI ASSOCIATES, LLC

By: Christine Bowers
CHRISTINE BOWERS
Its: Manager

Date: September 28, 2004

Distribution:

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

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

EXHIBIT "A"

RIGHTS RESERVED BY DEVELOPER

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

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

2. Reserved Right to Change Floor Plans and Areas of Apartments. Section 16.1 of the Declaration allows the Developer to amend the condominium documents to reflect the changes in layout and floor area of any apartment or apartments to reflect "as built" conditions, recognizing that during the course of construction changes and deviations are bound to occur. Also, Section 16.2 permits the Developer to amend the condominium documents to comply with lenders requirements and requirements of applicable laws.

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

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

END OF EXHIBIT "A"

EXHIBIT "B"

BOUNDARIES OF EACH APARTMENT

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

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

Concerning measurements and floor area, the net living areas set forth in the Declaration and Exhibit "D" are based on measurements taken from the interior surface of all perimeter walls, but no reduction is made to account for interior walls, ducts, vents, shafts, and the like located within the perimeter walls. The stated areas of covered lanais are based on measurements taken from the exterior surface of each wall which separates the interior living areas of the apartments from the lanai or porch and the exterior edge of the floor or concrete slab of the lanai.

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

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

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

END OF EXHIBIT "B"

EXHIBIT "C"

PERMITTED ALTERATIONS TO APARTMENTS

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

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

2. Additions or Alterations Solely Within an Apartment or Limited Common Element. Section 8(f) permits each owner to make certain interior, non-structural changes to the apartment provided that such changes do not jeopardize the soundness or safety of any portion of the Project, reduce its value, or adversely affect other apartments or the use and enjoyment of the common elements by others.

3. Alteration of Common Elements. Section 8(c) of the Declaration restricts the Association's power to make material visual changes to the Project without the consent of the Developer and the Developer's architect.

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

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

END OF EXHIBIT "C"

EXHIBIT "D"

APARTMENT NUMBERS; NUMBERS OF BEDROOMS AND BATHROOMS; APPROXIMATE NET LIVING AREA OF APARTMENTS; APPROXIMATE NET SQUARE FOOTAGE OF LANAIS; AND PERCENTAGE OF COMMON INTEREST. LOCATION, LAYOUT AND OTHER APARTMENT INFORMATION

Apt. No.	Bed/Bath	Approx. Net Living Area of Apartments (sq.ft.)	Approx. Net Square Footage of Lanais (sq.ft.)	Percentage of Common Interest (%)
101	1/2	734	106	5.53
102	1/2	734	106	5.53
103	1/2	734	106	5.53
104	1/2	734	106	5.53
201	1/2	734	106	5.53
202	1/2	734	106	5.53
203	1/2	734	106	5.53
204	1/2	734	106	5.53
205	1/2	734	106	5.53
301	1/2	734	106	5.53
302	1/2	734	106	5.53
303	1/2	734	106	5.53
304	1/2	734	106	5.53
305	1/2	734	106	5.53
401	2/2	1225	388	5.99
403	1/2	734	106	5.53
404	1/2	734	106	5.53
405	1/2	734	106	5.53

Description of Building: The building is a single four-story structure, with a basement, constructed of concrete, metal, wood, glass and related materials. The building contains five (5) enclosed garages, two external stairways, an elevator serving the upper floors, balconies on the upper floors, apartments on floors 1 through 4 and a basement containing storage areas, exit and entrance, mechanical/electrical room and elevator machinery room. The ground floor contains a central mailbox facility at ground level, together with a covered walkway and appurtenant sidewalk.

Locations of Apartments: The ground floor contains four (4) apartments numbered 101 through 104 consecutively from west to east. The second floor contains five (5) apartments numbered 201 through 205 consecutively from west to east. The third floor contains five (5) apartments numbered 301 through 305 consecutively from west to east. The fourth floor has four (4) apartments numbered 401, 403, 404 and 405, consecutively from west to east. There is no apartment 402.

Layouts of Apartments. With the exception of Apartment 401, all apartments in the Project are essentially similar in all material respects in terms of area, layout and physical features, except that some apartments are the mirror image of others, and end apartments numbered 101, 201, 205, 301, 305 and 405 contain one or more additional

windows. Each such apartment contains one bedroom, two baths, a kitchen/dining/living area and a lanai, all as shown on the Condominium Map.

Apartment 401 contains two bedrooms and two baths, a foyer, a kitchen/dining/living area and a lanai which abuts the apartment on the south and west sides. An "entry court" abuts the entry door leading to Apartment 401. Said entry court is part of the common element balcony located on the fourth floor of said building, but the owners and occupants of Apartment 401 shall have the right to maintain plants or planters within said entry court area or to install floor covering at their own expense, subject to any regulation or restriction of the board of directors of the Association as may be appropriate to protect the interests of the condominium as a whole and the owners and occupants of other apartments.

END OF EXHIBIT "D"

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Real property taxes not yet due and owing. Reference is made to the Tax Assessor's Office, County of Maui.

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

3. Covenants, conditions, restrictions, reservations, agreements, obligations, exceptions and other provisions as contained in Deed dated February 24, 1967, and recorded in Liber 15624 on Page 129, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

4. Covenants, conditions, restrictions, reservations, agreements, obligations, exceptions and other provisions as contained in Deed dated February 24, 1967, and recorded in Liber 15624 on Page 136, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

5. Grant in favor of County of Maui, a political subdivision of the State of Hawaii, dated January 26, 1981, recorded in Liber 15688 on Page 728, for the purpose of granting an easement for water pipeline purposes.

6. The following encroachment(s), as shown on the survey map prepared by Sherman Dudley DePonte, Licensed Professional Land Surveyor , No. 6960, dated May 12, 1999:

(a) Questionable (as to ownership) overhead utility lines cross over the northeasterly portion of the subject parcel by as much as 4 feet.

(b) A questionable (as to ownership) water valve enclosure crosses onto subject parcel by as much as 5.0 ft. by 7.0 ft.

(c) Questionable (as to ownership) concrete curbing for fire hydrant #1541 on the Walaka Street right-of-way extends onto subject parcel by as much as 0.8 of a foot.

These encroachments are minor and do not have any adverse effect on the use or value of the condominium land.

7. Mortgage made by Walaka Maui Associates, LLC, a Hawaii limited liability company, in favor of Robert Jarois and Dianne Jarois (no marital status shown) dated September 7, 2004, recorded as Document No. 2004-184801.

8. The covenants, agreements, obligations, conditions, easements and other provisions as contained in Declaration of Condominium Property Regime of "Walaka Maui" dated August 24, 2004, recorded as Document No. 2004-192515, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Condominium Map No. 3838, to which reference is hereby made.

9. By-Laws of the Association of Apartment Owners of Walaka Maui dated August 24, 2004, recorded as Document No. 2004-192516, to which reference is hereby made.

END OF EXHIBIT "E"

EXHIBIT "F"

ESTIMATED MONTHLY MAINTENANCE FEES

Apt. No.	Apartment Type	Common Interest Percentage	Monthly Base Common Expense	Monthly Reserve Contribution	Total Monthly Assessment
101	A	5.53	$251.11	$23.26	$274.37
102	A	5.53	$251.11	$23.26	$274.37
103	A	5.53	$251.11	$23.26	$274.37
104	A	5.53	$251.11	$23.26	$274.37
201	A	5.53	$251.11	$23.26	$274.37
202	A	5.53	$251.11	$23.26	$274.37
203	A	5.53	$251.11	$23.26	$274.37
204	A	5.53	$251.11	$23.26	$274.37
205	A	5.53	$251.11	$23.26	$274.37
301	A	5.53	$251.11	$23.26	$274.37
302	A	5.53	$251.11	$23.26	$274.37
303	A	5.53	$251.11	$23.26	$274.37
304	A	5.53	$251.11	$23.26	$274.37
305	A	5.53	$251.11	$23.26	$274.37
401	B	5.99	$272.00	$25.20	$297.20
403	A	5.53	$251.11	$23.26	$274.37
404	A	5.53	$251.11	$23.26	$274.37
405	A	5.53	$251.11	$23.26	$274.37
TOTAL:		**100**	**$4,540.87**	**$420.62**	**$4,961.49**

NOTE: Each apartment to which an enclosed garage is assigned as a limited common element shall be assessed an additional amount to cover the cost of electricity use by the garage (automatic doors and lighting, if any). Estimated charge is $5.00 per month per apartment.

END OF EXHIBIT "F"

EXHIBIT "G"

SUMMARY OF PURCHASE AGREEMENT

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

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

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

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

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

5. Closing Costs. Buyer will pay the following closing costs: 100% of the escrow fee, all of Buyer's notary fees, all appraisal fees, all recording costs (except for documents to clear Seller's title), all charges for Buyer's credit report, all costs of

preparing any mortgages and promissory notes, and Buyer's title insurance premium. Buyer will also pay all mortgage costs. Buyer will also pay a non-refundable start-up fee which will be held and used by the Seller and the first managing agent of the Association as a working capital fund for the benefit of all the apartment owners. Buyer agrees that Seller does not have to pay any start-up fee for any apartment in the Project, but Seller will cause all Buyers to pay the start-up fee when apartments are sold and closed in escrow. Proration of real property taxes will be made as of the scheduled closing date. Proration of maintenance charges will be made as of the scheduled closing date or later at Seller's option.

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

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

(b) Seller may file a lawsuit for damages.

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

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

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

7. Seller's Default. If Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, Buyer may require Seller to go through with the Sales Agreement, or Buyer may cancel the Sales Agreement. If Buyer cancels the Sales Agreement because of Seller's default, Seller will repay to Buyer all sums paid by Buyer to Seller or escrow under the Sales Agreement, without interest (unless Buyer is entitled to the interest pursuant to Section 2.2 or 8.3 of Exhibit "A" of the Sales Agreement).

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

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

(a) Neighborhood Development. All owners and occupants of apartments are hereby notified that certain lands nearby or abutting the Project are zoned to permit the development and operation of public and commercial uses and that owners and occupants of the Project may be subject to noise, dust, odors, emissions, traffic and other nuisances in connection with such operations or the development, construction and operation of such facilities. Declarant (and its respective officers, directors, employees and agents of each) shall not have any liability or responsibility for any such noise, dust, odors, emissions and nuisances. Each owner of an apartment, by taking title to said apartment, thereby waives all such rights and claims against Declarant and others whose activities shall be creating or exacerbating such conditions.

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

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

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

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

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

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

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

9. Common Area Landscaping. Buyer understands and agrees that (i) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity); (ii) installation of the plant materials and irrigation system may be completed after the closing date; (iii) full maturity of the plant materials will only be reached over an extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; (iv) the Association of apartment owners of the Project will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity.

10. Project Termination and Changes. Developer reserves the right to terminate the Project and terminate all Sales Agreements prior to the transfer of a apartment title to a Buyer. Buyer shall be entitled to a refund of all moneys paid hereunder together with any interest as provided in Section 2.2 of the Sales Agreement. The parties shall then be released from all obligations and liabilities hereunder.

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

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

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

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

(b) That the purchaser acknowledges having received and read a Public Report (either Preliminary or Final) for the Project prior to signing the Deposit, Receipt and Sales Contract.

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

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

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

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

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

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

END OF EXHIBIT "G"

EXHIBIT "H"

CONDOMINIUM PUBLIC REPORT ON
WALAKA MAUI

DISCLOSURE ABSTRACT

1.	(a)	PROJECT:	Walaka Maui Kihei, Hawaii
	(b)	DEVELOPER:	Walaka Maui Associates, LLC 67 Ponana Street Kihei, Hawaii 96753
	(c)	REAL ESTATE BROKER:	The Gresham Company, Inc. 35 Hale Kuai Street, Suite 201 Kihei, Hawaii 96753
	(d)	PROJECT MANAGER:	Oihana Property Management & Sales, Inc. 840 Alua Street, Suite 103 Wailuku, Hawaii 96793

2. USE OF APARTMENTS:

(a) Number of apartments in Project for residential use: 18

(b) Proposed number of apartments in Project for hotel use: -0-

(c) Extent of commercial or other non-residential development in Project: None

3. WARRANTIES:

Developer is referred to herein as "Seller".

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

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

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

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

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

Attached to this Public Report as Exhibit "1" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by the Project Manager for the one-year period commencing January 1, 2006 and certified to have been based on generally accepted accounting principles. The 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 of the estimated maintenance cost for each apartment contained in the Public Report does not include individual charges for sewer fees, trash removal, cable TV or any metered utilities or the Buyer's obligation for real property taxes and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

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

5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

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

END OF EXHIBIT "H"

EXHIBIT "1"

7/16/2004

WALAKA MAUI
PRELIMINARY AOAO BUDGET

Income:	**Annual**	
Maintenance Fees	$ 54,550.08	
Reserve fund Fees	$ 5,049.92	
Interest Income		
Total Income	**$ 59,600.00**	
Expenses		
Administartive Expenses		Comments
Management Fee	$ 6,000.00	
Total Administrative	**$ 6,000.00**	
Operating Expenses		
Pest control	$ 833.28	
Property insurance	$10,000.00	rough estimate
Liability	$ 750.00	from Ins. Factors
Crime	$ 450.00	
Directors and Officers Liability	$ 850.00	
Umbrella	$ 1,500.00	
Refuse collection	$ 3,437.28	
Banking fees	$ 288.00	
Total Operating	**$18,108.56**	
Repair and Maintenance		
Grounds keeping	$ 6,000.00	
Fire sprinkler test	$ 260.40	
Elevator maintenance	$ 4,000.00	
Total Repair and Maintenance	**$ 10,260.40**	
Utilities		
Cable television	-0-	billed individually
Electricity	$ 5,747.04	
Water/Sewer	$13,160.00	
Total Utilities	**$18,907.04**	
Miscellaneous		
Property tax	$ 75.00	
Association meeting	$ 60.00	
Tax and auditing fee	$ 1,080.00	
Total	**$ 1,215.00**	
Total Operating Costs	**$54,491.00**	

Reserve for Special Projects		
Roofing	$ 500.00	20 years
Painting	$ 833.33	12 years
Parking lot stripping	$ 375.00	8 years
Walkway tile	$ 840.00	20 years
Elevators	$ 2,000.00	20 years
Contingency	$ 500.00	
Total Annual Capital Reserve Contribution	**$ 5,048.33**	
Total Costs	**$59,539.33**	
(Rounded)	**$60,000.00**	

I, Christine Bowers, as Manager of Walaka Maui Associates, LLC, hereby certify that the above estimate of assessments and condominium expense disbursements were prepared in accordance with generally accepted accounting principles.

Christine Bowers — Signature

September 28, 2004 — Date

I, Christine Bowers, as Manager of Walaka Maui Associates, LLC, hereby certify that a reserve study has not been conducted to support the Capital Reserve Contribution line item set forth above, as there is insufficient information available to conduct such study at this time. Although under Hawaii law a newly formed Association is not required to collect estimated replacement reserves until the fiscal year which begins after the Association's first annual meeting, the Association for this project will begin to collect reserve amounts upon closing of sales of apartments in the project based on the estimate set forth above. Purchasers should be aware that the amount collected for reserves may increase or decrease when the reserve study is conducted.

Christine Bowers — Signature

September 28, 2004 — Date

END OF EXHIBIT "1"

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

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

(a) Escrow will let the purchaser know when payments are due.

(b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Agreement.

(d) After a Sales Agreement becomes final and binding after the issuance of the Final Public Report for the Project, Developer may withdraw Buyer's deposits to pay for Project construction costs.

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

END OF EXHIBIT "I"