

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer SVO Pacific, Inc.
Address 8801 Vistana Centre Drive, Orlando, Florida 32821-6353
Project Name (*) Ocean Resort Villas North (Phases 2 & 3)
Address 170 Kai Ala Drive, Lahaina, Maui, Hawaii 96761

Registration No. 5826

Effective date: September 14, 2006
Expiration date: October 14, 2007

Preparation of this Report:

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

This report has not been prepared or issued by the Real Estate Commission or any other 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.
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.
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

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. Section II.E: An updated title report for the Project was obtained and filed with the Real Estate Commission.
2. Section I and Section II.F: The initial information in this section was provided prior to the execution of a construction contract for the Project. Since then the Developer has entered into a construction contract. This section has been revised to reflect the warranties set forth in the executed construction contract.
3. Section III.F.1: The developer has now entered into a construction contract for the phases of the Project covered by this Public Report. A summary of the general contractor's warranty in the construction contract has been provided.

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General Information on Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

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

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

See Exhibit A

Real Estate Broker*: SVO Pacific, Inc., dba
Starwood Vacations Hawaii Phone: (808) 667-0586
Name (Business)
10 Hoohei Street, Suite 307
Business Address
Lahaina, Maui, Hawaii 96761

Escrow: Hawaii Resort Escrow, Inc. Phone: (808) 539-7550
Name (Business)
810 Richards Street, Suite 770
Business Address
Honolulu, Hawaii 96813

General Contractor*: Hawaiian Dredging
Construction Company, Inc. Phone: (808) 735-3211
Name (Business)
614 Kapahulu Avenue
Business Address
Honolulu, Hawaii 96815

Condominium Managing Agent*: SVO Hawaii Management, Inc. Phone: (808) 665-0586
Name (Business)
10 Hoohei Street, Suite 307
Business Address
Lahaina, Maui, Hawaii 96761

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

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

** SVO Hawaii Management, Inc., a Hawaii corporation, is an affiliate of the Developer.

**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:

<input type="checkbox"/>	Proposed	Document No.	_____
<input type="checkbox"/>	Recorded - Bureau of Conveyances:	Book _____	Page _____
<input checked="" type="checkbox"/>	Filed - Land Court:	Document No.	<u>3266459</u>

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

First Amendment to Declaration of Condominium Property Regime of Ocean Resort Villas North dated December 13, 2005, recorded as Land Court Document No. 3366581.

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:

<input type="checkbox"/>	Proposed	Bureau of Conveyances Condo Map No.	_____
<input type="checkbox"/>	Recorded -	Land Court Condo Map No.	<u>1715</u>
<input checked="" type="checkbox"/>	Filed -		

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

First Amendment to Declaration of Condominium Property Regime of Ocean Resort Villas North dated December 13, 2005, recorded as Land Court Document No. 3366581.

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:

<input type="checkbox"/>	Proposed	Document No.	_____
<input type="checkbox"/>	Recorded - Bureau of Conveyances:	Book _____	Page _____
<input checked="" type="checkbox"/>	Filed - Land Court:	Document No.	<u>3266460</u>

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

None.

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 Document.** Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

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

2. **Developer:**

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

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

1. **Amendments in Connection with Exercise of Developer's Reserved Rights.** The Developer has the right to amend some or all of the condominium documents in connection with the exercise of some of the "Developer's Reserved Rights". The Developer may use these rights at any time and it may use them more than once. A summary of the Developer's Reserved Rights appears as Exhibit K.

2. **General Rights.** The Developer also has reserved the right to change the condominium documents:

- ❖ It may change them in any way and for any purpose before the date when the Developer first records a deed transferring an apartment, vacation ownership interest, or fractional ownership interest to someone other than the Developer or its lenders.

- ❖ To file the "as-built" statement (with plans, if necessary or convenient) required by Section 514A-12 of the Condominium Property Act. The Developer may do this each time a phase or increment of the Project, or any new improvement is completed. It may also do this at any other time required by law or permitted by the Declaration.

- ❖ To satisfy requests for changes made by any institutional lender loaning money to the Developer or by any title company licensed to do business in the State of Hawaii.

- ❖ To correct any misstatements of fact or mistakes in the condominium documents. For example, the Developer can correct a mistake in the legal description of the land.

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. **Underlying Land:**

Address: 170 Kai Ala Drive Tax Map Key (TMK): (2) 4-4-14:04
Lahaina, Maui, Hawaii

Address TMK is expected to change because _____

Land Area: 11.471 square feet acre(s) Zoning: Hotel

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

Lessor: N/A
 Name
 Address

C. Buildings and Other Improvements

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

2. Number of Buildings: 2 Floors Per Building See below.

- o Phase 2 contains Building 7 (6 floors).
- o Phase 3 contains Building 8 (6 floors). Phase 3 also includes Courtyard no. 3 and related improvements.
- o Phase 4 may add more buildings, if developed. See Section III.H (below) for more details.

Exhibit _____ contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other steel-reinforced concrete, aluminum, gypsum board, and glass

4. Uses Permitted by Zoning:

	No. of Apts.	Uses Permitted By Zoning
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>1*</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Hotel	<u>112**</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Timeshare	<u>112**</u>	<input checked="" 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:	_____	<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

* Phases 2 and 3 each contain a portion of Commercial Apartment 101. The other portion of Commercial Apartment 101 is part of Phase 1. In addition, Phase 1 contains one other Commercial Apartment.

**Phase 1 (which has been registered with the Real Estate Commission under a separate registration) contains 146 Resort Apartments, Phase 2 contains 71 Resort Apartment and Phase 3 contains 41 Resort Apartment. Therefore, there will a total of 258 Resort Apartments in Phases 1, 2 and 3 (combined) of the Project.

*** The condominium declaration provides that the resort apartments may be used (i) as a permanent or temporary residence, or (ii) for hotel or transient vacation rental purposes, or (iii) as time share units in a vacation plan or in a fractional ownership plan if the Developer creates the plan or authorizes or consents to this use in a recorded document.

5. Special Use Restrictions:

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

Pets: No animals of any kind are allowed on or may be kept in any part of the Project except for (i) specially trained animals, or (ii) animals that must be permitted on the Project pursuant to the Americans with Disabilities Act or any other law that applies.

Number of Occupants: _____

Other: See Condominium Declaration, Bylaws and Rules and Regulations, generally. See also the encumbrance documents listed on Exhibit H, as well as any Special Management Area Permits and Shoreline Setback Declaration discussed in the Condominium Declaration. Copies of these documents may be on file with the Real Estate Commission or available from the Developer.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: _____ Stairways: _____ Trash Chutes: _____

<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>See Exhibit B</u>					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 112 Resort Apartments and a portion of 1 Commercial Apartment. (Phase 2 contains 71 Resort Apartments and a portion of Commercial Apartment 101 and Phase 3 contains 41 Resort Apartments and a portion of Commercial Apartment 101).

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

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

Boundaries of Each Apartment: See Exhibit C

Permitted Alterations to Apartments: See Exhibit D

Apartments Designated for Owner-Occupants Only: N/A

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

7. Parking Stalls: The Project will contain 533 parking stalls. All parking stalls are being constructed as part of Phase 1 of the Project which has been registered with the Real Estate Commission under a separate registration. There are no parking stalls being constructed as part of Phases 2 or 3 of the Project. The information provided below is information regarding the 533 parking stalls which are being constructed as part of Phase 1 of the Project, however certain parking stalls constructed as part of Phase 1 of the Project will be available for the use of owners in Phases 2 and 3 of the Project.

Total Parking Stalls: 533

	<u>Regular</u>		<u>Compact</u>		<u>Tandem*</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	_____	_____	_____	<u>170</u>	_____	_____	<u>170</u>
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	<u>268*</u>	_____	<u>79</u>	<u>16</u>	_____	_____	<u>363</u>
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>268</u>	_____	<u>265</u>	_____	_____	_____	<u>533</u>

*10 of these parking stalls are ADA accessible.

Each apartment will have the exclusive use of at least See Exhibit B 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 E 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

Storage Area

Recreation Area-

See Exhibit F

Laundry Area

Tennis Court

Trash Chute/Enclosure(s)

Other: See Exhibit F

** These facilities will be constructed as part of phase 1 of the Project but will be available for the use of all owners of Resort Apartments in the Project, including those in phases 2 and 3 of the Project.

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

There are no violations.

Violations will not be cured

Violations and cost to cure are listed below

Violations will be cured by _____.

(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

(For conversions of residential apartments in existence for at least five years):

N/A

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

A shoreline setback variance (88/SSV-002) was granted by the County of Maui. This is discussed in the following Special Management Area permits: Special Management Area Permit Nos. 88/SM1-023, dated July 19, 1988, 97-SM1-006 dated December 14, 1998, and SM1-2003 0024 dated October 13, 2004 to the extent that they apply to the Project.

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 _____

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

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

There are no limited common elements in this project.

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

described in Exhibit **G**

as follows:

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

described in Exhibit **B**

as follows:

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

Exhibit **H** describes the encumbrances against the title contained in the title report dated **July 12, 2006** , and issued by **First American Title Insurance Company** .

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit of Developer Defaults or Lien is foreclosed Prior to Conveyance</u>
Starwood Hotels and Resorts Worldwide, Inc. ("Starwood") will provide construction financing to the Developer for the development of Phases 2 and 3 of the Project in a principal amount not to exceed \$85,845,010. The Developer is a subsidiary of Starwood. Therefore, this loan will be made pursuant to inter-company loan policies.	No mortgage is being required as part of the loan from Starwood to the Developer.

F. Construction Warranties:

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

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

The developer has entered into a construction contract for the phase of the Project covered by this Public Report. The construction contract requires that, (a) for a period of one year after the later of (i) the date of "Substantial Completion of the Work", or (ii) the receipt of the "Certificate of Occupancy", or (b) within such other warranty period as may be prescribed by law, or by the terms of any applicable warranty required by the construction contract, the contractor will correct "Work" that is "found to be not in accordance with the requirements" of the construction contract documents (as the terms in quotations are defined in the construction contract), unless the developer has previously accepted that condition. The developer will lose this right if, during the applicable period, for correction of the Work it fails to notify the contractor and give the contractor an opportunity to make the correction.

If a buyer gives the developer written notice of such a condition promptly after you discover it and before the applicable period for correction of the Work expires (and before the developer accepts the condition), the developer will forward the buyer's notice to the general contractor together with a notice from the developer asking the general contractor to make the correction. However, the developer is not making any warranty of its own or joining in the contractor's warranty or guaranteeing that the contractor will fix any defects or honor its warranty. The developer is simply trying to pass on the benefit of the general contractor's limited warranty.

2. Appliances: **None.**

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

Construction of phases 2 and 3 has begun and is expected to be completed on or about December 31, 2007.

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):

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

PHASE 1. The first phase consists of five (5) buildings: Building 5, Building 6, the Pool Bar Building, the Keiki Club Building, the Parking Building, Courtyards 1 & 2, and related improvements.

- Building 5 is a six-story building. It has no basement. The building contains seventy-two (72) Resort Apartments.
- Building 6 is a six-story building. It has a partial basement consisting of a pool equipment room, service corridor and related improvements. It contains seventy-four (74) Resort Apartments, one (1) full Commercial Apartment (Apartment 102 - the Master Association Apartment), and part of one (1) Commercial Apartment (Apartment 101). This phase also contained a small out-building, designated as the "Hale" on the condominium map, which was part of Apartment 101, however, the Developer has decided not to construct this building. This will be reflected when the "as built" plans for the Project are filed.
- The Pool Bar Building is a one-story building. It has no basement. It is part of one (1) Commercial Apartment (Apartment 101).
- The Keiki Club Building is a one-story building. It has no basement. It is part of one (1) Commercial Apartment (Apartment 101).
- The Parking Building is a three-story structure. It also has a basement. It contains no apartments.

- Phase 1 also includes three (3) kiosks. Each consists of one story and none has a basement.

PHASE 2. The second phase consists of Building 7. Building 7 is a six-story building. It has no basement. It will contain seventy-one (71) Resort Apartments and a portion of Commercial Apartment 101.

PHASE 3. The third phase consists of Building 8, Courtyard no. 3, and related improvements. Building 8 is a six-story building. It has no basement. It will contain forty-one (41) Resort Apartments and a portion of Commercial Apartment 101.

PHASE 4. The fourth phase, if it is constructed, is presently planned to consist of a Gazebo. It contains one (1) Commercial Apartment (the Gazebo Apartment – Apartment 103).

ORDER OF DEVELOPMENT. The Developer has no obligation to build any phase beyond phase 3. The Developer can develop the phases in any order that it wishes. It can also develop more than one phase at a time. The Developer can also divide a phase into separate smaller phases.

The Developer may decide to build the foundations and any basement of Buildings 7 and 8 before it completes the first phase of the Project. The Developer may do this so that construction of the foundations of those buildings (including driving any piles) will not disturb owners and other occupants of any completed phases of the Project. As a result, only the basements (if any) and first floor slab of those buildings, and certain related improvements, may be built when phase 1 of the Project is finished. The Developer makes no promise as to when construction of the remainder of those buildings will resume and be completed. Until construction of those buildings is complete, the Developer will be solely responsible to pay all costs to maintain and repair the basements and first floor slabs of Buildings 7 and 8.

IV. CONDOMINIUM MANAGEMENT

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

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

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

- not affiliated with the Developer 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 I contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

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

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

- None Electricity (Common Elements only Common Elements & Apartments)
 Gas (Common elements only Common Elements & Apartments)
 Water Sewer Television Cable
 Other: Telephone

V. MISCELLANEOUS

A. Sale Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract.

Exhibit J contains a summary of the pertinent provisions of the sales contract

Escrow Agreement dated April 12, 2005

Exhibit J contains a summary of the pertinent provisions of the Escrow Agreement.

Other: Vacation Ownership Deed; Buyer's Certification

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

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

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

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

- A) Condominium Public Reports issues by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other: Vacation Ownership Deed; Declaration of Covenants, Conditions, Easement and Restriction for Kaanapali North Beach (Doc. No. 2668967); Unilateral Declaration of Restrictions (Doc. No. 2683897); Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions, (North Beach Shoreline Setback Area) (Doc. No. 2513420), as amended (Doc. No. 2668965); Declaration of Restrictions (Doc. No. 2688326); Notice of Time Share Plan (Doc. No. 2669185); Special Management Area Permit No. 88/SM1-023 and Shoreline Setback Variance No. 88/SSV-002, dated July 19, 1988, Special Management Area Permit No. SM1 970006 having an effective date of December 14, 1988, Special Management Area Permit dated October 13, 2004, Short-form Memorandum of Agreements recorded on March 13, 2005 as Document No. 3242967 and on August 15, 2005 as Document No. 3312571.

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 part of Registration No. 5826 filed with the Real Estate Commission on November 3, 2005.

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

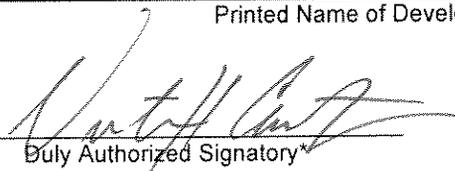
See Exhibit K

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A- 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 information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

SVO Pacific, Inc.

Printed Name of Developer

By:


Duly Authorized Signatory*

9/6/06
Date

Victoria H. Carter, ^{SENIOR} Vice President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

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

Exhibit A

**OFFICERS AND DIRECTORS
OF
SVO PACIFIC, INC.**

<u>Officer/Director Name</u>	<u>Title(s)</u>
Raymond L. Gellein, Jr. Sergio D. Rivera Dale Curtin	Chairman of the Board, President, Director Senior Vice President Sr. Vice President, CFO Treasurer, Assistant Secretary
Susan Werth David E. Broderick Denis Ebrill Robert S. "Steve" Pouk	Sr. Vice President/Law, Secretary, Director Sr. Vice President Sr. Vice President, Product Development Sr. Vice President, Development, Planning and Architecture Vice President, Assistant Secretary
Victoria H. Carter Lisa Cassin Peter Morrow Jared T. Finkelstein Stephen A. Stoyanow Sergio D. Rivera	Vice President Assistant Treasurer Assistant Secretary Assistant Secretary Sr. Vice President, Director

Exhibit B

Apartments and Common Interest

RESORT APARTMENTS.

The Resort Apartments have one master bedroom, one bedroom, one combination living room and dining area, a kitchen, two foyers, and two lanais. These apartments have an interior area, lanai area, net living area and common interest as shown on Schedule 1 to this Exhibit B. These apartments have floor plan types and lanai types as specified on Schedule 1 to this Exhibit B and as shown on the Condominium Map. The Resort Apartments do not have parking stalls assigned to them as Limited Common Elements.

COMMERCIAL APARTMENTS

A. Apartment 101: Apartment 101 has a total net living area of approximately 45,253 square feet consisting of the following:

1. Loft spaces on the ground and lobby levels of Building 6 that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of six rooms on the ground level and seventeen rooms on the lobby level but the Owner may change this from time to time. The net interior area and net living area is approximately 29,878 square feet. There is no lanai.

2. The Keiki Club Building and its adjacent lanai. The net interior floor area of the Keiki Club Building is approximately 1,084 square feet and the net lanai floor area is approximately 1,084 square feet. The net living area is approximately 2,168 square feet.

3. The Pool Bar Building and adjacent lanai. The net interior floor area of the Pool Bar is approximately 1,410 square feet and the net lanai floor area is approximately 800 square feet. The net living area is approximately 2,210 square feet.

4. Loft spaces on the ground and lobby levels of Building 7 that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of one room on the ground level and one room on the lobby level but the Owner may change this from time to time. The net interior area and net living area is approximately 9,125 square feet. There is a lanai of approximately 1,483 square feet on the ground level of Building 7. The net living area is approximately 10,608.

5. Loft spaces on the ground level of Building 8. The net interior floor area is approximately 389 square feet. There is no lanai.

Apartment 101 shall have the exclusive right to use Parking Stall Nos. 364 through 533 (170 parking stalls). The location and numbers of the parking stalls are shown on the Condominium Map.

B. Apartment 102: Apartment 102 is located on the ground level of Building 6. It consists of loft space. The initial configuration consists of one room having a net living area of approximately 72 square feet. It has no lanai.

C. Gazebo Apartment (Apartment 103): The Gazebo Apartment (Apartment 103) is located in a separate structure called the "Gazebo" as shown on the Condominium Map. It consists of covered loft space that currently has no perimeter walls but the Owner may change this from time to time. The initial configuration consists of no enclosed rooms and has a net living area of approximately 400 square feet. It has no lanai.

IMPORTANT NOTE: ALL FLOOR AREAS FOR RESORT AND COMMERCIAL APARTMENTS AS SHOWN IN THIS EXHIBIT OR IN SCHEDULE 1 TO THIS EXHIBIT ARE APPROXIMATE. THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACTUAL AREA OF ANY PARTICULAR APARTMENT. THE AREAS OF PARTICULAR APARTMENTS ARE LIKELY TO VARY.

The attached Schedule 1 lists the Apartments by apartment number, and shows the net interior floor area, net lanai floor area, and net living area of the Resort Apartments, and the Relative Valuation, and Common Interest of all Apartments.

Schedule 1

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Apartment Type	Apartment (interior) Floor Plan Type shown on Condominium Map	Lanai Type shown on Condominium Map	Net Interior Floor Area (square feet)	Net Lanai Floor Area (square feet)	Net Living Area (square feet)	Relative Valuation Per Apartment	Common Interest Per Apartment
BUILDING 7								
First Floor								
7160/59	Two Bedroom Island Villa (Hearing Impaired)	A (HI)	A1, B1	1,228	165	1,393	52,000	0.003837144
7161/62	Two Bedroom Island Villa	ADA	A1, B1	1,507	165	1,672	52,000	0.003837144
7167/68	Two Bedroom Ocean Villa	A	A1, B1	1,228	165	1,393	52,000	0.003837144
7170/69	Two Bedroom Island Villa	A7	A1, B1	1,304	165	1,469	52,000	0.003837144
7172/71	Two Bedroom Island Villa	A	A1, B1	1,228	165	1,393	52,000	0.003837144
7174/73	Two Bedroom Island Villa	A	A1, B1	1,228	165	1,393	52,000	0.003837144
7176/75	Two Bedroom Island Villa	A	A1, B1	1,228	165	1,393	52,000	0.003837144
7178/77	Two Bedroom Island Villa	A	A1, B1	1,228	165	1,393	52,000	0.003837144
7180/79	Two Bedroom Island Villa	A	A1, B1	1,228	165	1,393	52,000	0.003837144
7182/81	Two Bedroom Island Villa	A	A1, B1	1,228	165	1,393	52,000	0.003837144
7184/83	Two Bedroom Island Villa	A1	A1, B	1,304	165	1,469	52,000	0.003837144
Second Floor								
7260/59	Two Bedroom Island Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7261/62	Two Bedroom Island Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7263/64	Two Bedroom Island Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7265/66	Two Bedroom Ocean Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7267/68	Two Bedroom Ocean Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7270/69	Two Bedroom Ocean Villa	A7	A2, B	1,304	121	1,425	52,000	0.003837144
7272/71	Two Bedroom Ocean Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7274/73	Two Bedroom Ocean Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7276/75	Two Bedroom Ocean Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7278/77	Two Bedroom Island Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7280/79	Two Bedroom Island Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7282/81	Two Bedroom Island Villa	A	A2, B	1,228	121	1,349	52,000	0.003837144
7284/83	Two Bedroom Island Villa	A1	A2, B	1,304	121	1,425	52,000	0.003837144
Third Floor								
7360/59	Two Bedroom Island Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7361/62	Two Bedroom Island Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7363/64	Two Bedroom Island Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144

Schedule 1

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Apartment Type	Apartment (interior) Floor Plan Type shown on Condominium Map	Lanai Type shown on Condominium Map	Net Interior Floor Area (square feet)	Net Lanai Floor Area (square feet)	Net Living Area (square feet)	Relative Valuation Per Apartment	Common Interest Per Apartment
7365/66	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7367/68	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7370/69	Two Bedroom Ocean Villa	A7	A3, B	1,304	122	1,426	52,000	0.003837144
7372/71	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7374/73	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7376/75	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7378/77	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7380/79	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7382/81	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7384/83	Two Bedroom Ocean Villa	ADA 2	A3, B	1,304	122	1,426	52,000	0.003837144
Fourth Floor								
7460/59	Two Bedroom Island Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7461/62	Two Bedroom Island Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7463/64	Two Bedroom Island Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7465/66	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7467/68	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7470/69	Two Bedroom Ocean Villa	A7	A3, B	1,304	122	1,426	52,000	0.003837144
7472/71	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7474/73	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7476/75	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7478/77	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7480/79	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7482/81	Two Bedroom Ocean Villa	A	A3, B	1,228	122	1,350	52,000	0.003837144
7484/83	Two Bedroom Ocean Villa	A1	A3, B	1,304	122	1,426	52,000	0.003837144
Fifth Floor								
7560/59	Two Bedroom Island Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7561/62	Two Bedroom Island Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7563/64	Two Bedroom Island Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7565/66	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7567/68	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7570/69	Two Bedroom Ocean Villa	A7	A4, B	1,304	125	1,429	52,000	0.003837144

Schedule 1

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Apartment Type	Apartment (interior) Floor Plan Type shown on Condominium Map	Lanai Type shown on Condominium Map	Net Interior Floor Area (square feet)	Net Lanai Floor Area (square feet)	Net Living Area (square feet)	Relative Valuation Per Apartment	Common Interest Per Apartment
7572/71	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7574/73	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7576/75	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7578/77	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7580/79	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7582/81	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
Sixth Floor								
7660/59	Two Bedroom Island Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7661/62	Two Bedroom Island Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7663/64	Two Bedroom Island Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7665/66	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7670/69	Two Bedroom Ocean Villa	A7	A4, B	1,304	125	1,429	52,000	0.003837144
7672/71	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
7674/73	Two Bedroom Ocean Villa (Hearing Impaired)	A(HI)	A4, B	1,228	125	1,353	52,000	0.003837144
7676/75	Two Bedroom Ocean Villa	ADA	A4, B	1,228	125	1,353	52,000	0.003837144
7678/77	Two Bedroom Ocean Villa	A	A4, B	1,228	125	1,353	52,000	0.003837144
BUILDING 8								
First Floor								
8101/02	Two Bedroom Ocean Front	A8	A1, B1	1,394	165	1,559	52,000	0.003837144
8103/04	Two Bedroom Ocean Front	A	A1, B1	1,228	165	1,393	52,000	0.003837144
8105/06	Two Bedroom Ocean Front	A	A1, B1	1,228	165	1,393	52,000	0.003837144
8107/08	Two Bedroom Ocean Front	A4	A1, C1	1,312	167	1,479	52,000	0.003837144
8110/09	Two Bedroom Ocean Front	A5	A1, C1	1,214	167	1,381	52,000	0.003837144
8112/11	Two Bedroom Ocean Front	A	A1, B1	1,228	165	1,393	52,000	0.003837144
8114/13	Two Bedroom Ocean Front	A1	A1, B1	1,298	165	1,463	52,000	0.003837144
Second Floor								
8201/02	Two Bedroom Ocean Front	A8	A2, B	1,394	121	1,515	52,000	0.003837144
8203/04	Two Bedroom Ocean Front	A	A2, B	1,228	121	1,349	52,000	0.003837144
8205/06	Two Bedroom Ocean Front	A	A2, B	1,228	121	1,349	52,000	0.003837144
8207/08	Two Bedroom Ocean Front	A4	A2, C	1,312	113	1,425	52,000	0.003837144
8210/09	Two Bedroom Ocean Front	A5	A2, C	1,214	113	1,327	52,000	0.003837144

Schedule 1

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Apartment Type	Apartment (interior) Floor Plan Type shown on Condominium Map	Lanai Type shown on Condominium Map	Net Interior Floor Area (square feet)	Net Lanai Floor Area (square feet)	Net Living Area (square feet)	Relative Valuation Per Apartment	Common Interest Per Apartment
8212/11	Two Bedroom Ocean Front	A(HI)	A2, B	1,228	121	1,349	52,000	0.003837144
8214/13	Two Bedroom Ocean Front	ADA 2	A2, B	1,298	121	1,419	52,000	0.003837144
Third Floor								
8301/02	Two Bedroom Ocean Front	A8	A3, B	1,394	122	1,516	52,000	0.003837144
8303/04	Two Bedroom Ocean Front	A	A3, B	1,228	122	1,350	52,000	0.003837144
8305/06	Two Bedroom Ocean Front	A	A3, B	1,228	122	1,350	52,000	0.003837144
8307/08	Two Bedroom Ocean Front	A4	A3, C	1,312	114	1,426	52,000	0.003837144
8310/09	Two Bedroom Ocean Front	A5	A3, C	1,214	114	1,328	52,000	0.003837144
8312/11	Two Bedroom Ocean Front	A	A3, B	1,228	122	1,350	52,000	0.003837144
8314/13	Two Bedroom Ocean Front	A1	A3, B	1,298	122	1,420	52,000	0.003837144
Fourth Floor								
8401/02	Two Bedroom Ocean Front	A8	A3, B	1,394	122	1,516	52,000	0.003837144
8403/04	Two Bedroom Ocean Front	A	A3, B	1,228	122	1,350	52,000	0.003837144
8405/06	Two Bedroom Ocean Front	A	A3, B	1,228	122	1,350	52,000	0.003837144
8407/08	Two Bedroom Ocean Front	A4	A3, C	1,312	114	1,426	52,000	0.003837144
8410/09	Two Bedroom Ocean Front	A5	A3, C	1,214	114	1,328	52,000	0.003837144
8412/11	Two Bedroom Ocean Front	A	A3, B	1,228	122	1,350	52,000	0.003837144
8414/13	Two Bedroom Ocean Front	A1	A3, B	1,298	122	1,420	52,000	0.003837144
Fifth Floor								
8501/02	Two Bedroom Ocean Front	A8	A4, B	1,394	125	1,519	52,000	0.003837144
8503/04	Two Bedroom Ocean Front	A	A4, B	1,228	125	1,353	52,000	0.003837144
8505/06	Two Bedroom Ocean Front	A	A4, B	1,228	125	1,353	52,000	0.003837144
8507/08	Two Bedroom Ocean Front	A4	A4, C	1,312	117	1,429	52,000	0.003837144
8510/09	Two Bedroom Ocean Front	A5	A4, C	1,214	117	1,331	52,000	0.003837144
8512/11	Two Bedroom Ocean Front	A	A4, B	1,228	125	1,353	52,000	0.003837144
8514/13	Two Bedroom Ocean Front	A1	A4, B	1,298	125	1,423	52,000	0.003837144
Sixth Floor								
8603/04	Two Bedroom Ocean Front	A	A4, B	1,228	125	1,353	52,000	0.003837144
8605/06	Two Bedroom Ocean Front	A	A4, B	1,228	125	1,353	52,000	0.003837144
8607/08	Two Bedroom Ocean Front	A4	A4, C2	1,312	122	1,434	52,000	0.003837144
8610/09	Two Bedroom Ocean Front	A5	A4, C2	1,214	122	1,336	52,000	0.003837144
8612/11	Two Bedroom Ocean Front	A	A4, B	1,228	125	1,353	52,000	0.003837144

Schedule 1

OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8

Apartment No.	Apartment Type	Apartment (interior) Floor Plan Type shown on Condominium Map	Lanai Type shown on Condominium Map	Net Interior Floor Area (square feet)	Net Lanai Floor Area (square feet)	Net Living Area (square feet)	Relative Valuation Per Apartment	Common Interest Per Apartment
8614/13	Two Bedroom Ocean Front	A1	A4, B	1,298	125	1,423	52,000	0.003837144

Exhibit C

Apartment Boundaries

RESORT APARTMENTS.

1) **BOUNDARIES OF THE RESORT APARTMENTS.** The resort apartments consist of an apartment interior and one or more lanais. The boundaries of the apartment interior consist of the interior surface of the perimeter walls, windows, doors, floors, and ceilings.

The lanai boundaries of the resort apartment consist of these things: (a) The decorated or finished surfaces of the outside walls of the building that separate the lanai from the Apartment; (b) The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Apartment; and (c) The interior decorated surface of any railings or support posts, and any other walls or other improvements enclosing the lanai.

2) **THINGS THAT ARE PART OF THE RESORT APARTMENTS.** These things are part of each resort apartment: (a) All of the walls and partitions that are not load-bearing and that are located inside of the Apartment's boundaries; (b) All movable lanai doors and the door frames; (c) All doors and door frames located inside of the Apartment's boundaries; (d) The inner decorated or finished surfaces of all boundary walls, panels, windows and window frames, doors and their door frames, floors and ceilings; and (e) All fixtures originally installed in the Apartments and all replacements of those fixtures.

3) **THINGS THAT ARE NOT PART OF THE RESORT APARTMENTS.** These things are not part of the resort apartments: (a) The undecorated or unfinished surfaces of the boundary walls, windows and window frames, doors and their door frames (except movable lanai doors and door frames); (b) Any decorative bowls or planters adjacent to the lanai of a resort apartment; (c) Any load-bearing walls or columns inside of the Apartment. However the decorated or finished surfaces are part of the Apartment; (d) The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each resort apartment; and (e) Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within an Apartment if they are used for or serve the common elements or more than one Apartment. All of these things are common elements. This is so regardless of the net living areas listed in the Declaration or in this Report and the way in which they were measured.

COMMERCIAL APARTMENTS.

A. POOL BAR AND KEIKI CLUB (PORTION OF APARTMENT 101)

1) **BOUNDARIES OF POOL BAR AND KEIKI CLUB.** The boundaries of the portion of Apartment 101 comprising the Pool Bar Building and the Keiki Club Building are as follows:

(a) Apartment 101 includes the entire Pool Bar Building and the entire Keiki Club Building. If the Condominium Map does not use walls or other physical improvements to mark the boundaries of the Pool Bar Building or the Keiki Club Building, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

(b) The lanai boundaries for the parts of Apartment 101 comprising the Pool Bar Building and the Keiki Club Building consist of these things: (i) The decorated or finished surfaces of the outside walls or other improvements of the building that separate the lanai from the Apartment; (ii) The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Apartment; and (iii) The interior decorated surface of any railings or support posts, and any other walls or other improvements enclosing the lanai. If the Condominium Map does not use walls or other physical improvements to mark the boundaries of the lanai, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

2) **THINGS THAT ARE PART OF THE KEIKI CLUB AND POOL BAR BUILDINGS.** These things are part of the portion of Apartment 101 comprising the Keiki Club Building and the Pool Bar Buildings: (a) All interior and exterior walls and partitions, doors and door frames, windows and window frames of the Keiki Club Building and the

Pool Bar Building; (b) The roofs of the Keiki Club Building and the Pool Bar Building; (c) The foundations, footings, girders, beams, floor slabs, columns, supports, floors, ceilings, crawl spaces, plenums, and any attics of the Keiki Club Building and the Pool Bar Building; (d) All fixtures originally installed in the Keiki Club Building and the Pool Bar Building and all replacements of those fixtures; and (e) Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within or beneath the Keiki Club Building and the Pool Bar Building if they are used for or serve only the Keiki Club Building or only the Pool Bar Building.

3) **THINGS THAT ARE NOT PART OF THE KEIKI CLUB AND POOL BAR BUILDINGS.** These things are not part of the portion of Apartment 101 comprising the Keiki Club Building and the Pool Bar Building: Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within or beneath the Keiki Club Building or the Pool Bar Building if they are used for or serve the common elements or more than one Apartment. All of these things are common elements. This is so regardless of the net living areas listed in the Declaration or in this Report and the way in which they were measured.

B. REMAINDER OF APARTMENT 101 AND ALL OTHER COMMERCIAL APARTMENTS

1) BOUNDARIES OF OTHER COMMERCIAL APARTMENTS.

Apartment Interiors. The boundaries of the apartment interior for the rest of Apartment 101 and all other commercial apartments are as follows: (i) the centerline of all perimeter walls or floors that separate one Commercial Apartment from another, (ii) the exterior surface of all perimeter walls of Building 6 and Building 7 that front on Courtyard no. 2 and that are not load bearing walls, (iii) the interior surface of all other perimeter walls, (iv) the exterior surface of all perimeter windows and doors of Building 6 and Building 7 that front on Courtyard no. 2, and (v) the interior surface of all other perimeter windows, doors, floors, and ceilings. If the Condominium Map does not use walls or other physical improvements to mark the boundaries of the Apartment, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

The “ceiling” of any commercial apartment (or part of a commercial apartment) located in Building 6 is the surface of the underside of the floor above it. Due to the high ceilings of the lobby-level portion of Apartment 101, the ceiling is the underside of the fourth floor above it, as there is no floor between the lobby level-floor and the underside of the fourth floor (unless the Developer or the Owner of Apartment 101 subsequently constructs a third-level floor within Apartment 101). The “ceiling” of the Gazebo is the underside of the roofing structure above it. This means that the commercial apartments include any crawl space or plenum between the “ceiling” and any acoustic tiles or other ceiling system.

Lanais. The lanai boundaries of the rest of Apartment 101 and all other commercial apartments consist of these things: (a) The decorated or finished surfaces of the outside walls of the building that separate the lanai from the Apartment; (b) The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Apartment; and (c) The interior decorated surface of any railings or support posts, and any other walls or other improvements enclosing the lanai. If the Condominium Map does not use walls or other physical improvements to mark the boundaries of the lanai, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

2) **THINGS THAT ARE PART OF THE COMMERCIAL APARTMENTS.** These things are part of each commercial apartment: (a) All of the walls and partitions that are not load-bearing and that are located inside of the Apartment’s boundaries; (b) All movable lanai doors and the door frames; (c) All doors and door frames located inside of the Apartment’s boundaries; (d) All windows and window frames, doors and their door frames fronting on Courtyard No. 2, the exterior decorated or finished surfaces of all boundary walls that are not load-bearing walls and that front on Courtyard No. 2, and the inner decorated or finished surfaces of all other boundary walls, windows and window frames, doors and their door frames, floors and ceilings; and (e) All fixtures originally installed in the Apartments and all replacements of those fixtures.

3) **THINGS THAT ARE NOT PART OF THE COMMERCIAL APARTMENTS.** These things are not part of the commercial apartments: (a) The undecorated or unfinished surfaces of the boundary walls (except for any part within the centerline of the boundary walls that separate one commercial apartment from another, and except for boundary walls that front on Courtyard No. 2 and that are not load bearing walls); (b) Any load-bearing walls or columns inside of the Apartment (these are general common elements), including any load bearing walls and columns on the perimeter of Building 6 fronting on Courtyard No. 2 (except that the decorated or finished surfaces of all load-bearing walls or columns located within the Apartment are part of the Apartment); (c) The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each commercial apartment; and (d) Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within an Apartment if they are used for or serve the common elements or more than one Apartment. All of these things are common elements. This is so regardless of the net living areas listed in the Declaration or in this Report and the way in which they were measured.

Exhibit D

Alterations to Apartments

I. CHANGES BY OWNERS OR THE DEVELOPER. No matter what else the Declaration or any of the other documents say, and except as otherwise provided by law, the Developer and each owner (including the Developer to the extent that it is an owner) will also have the certain rights to alter the apartments as provided in the Declaration; provided that the Developer or the owners must pay all costs associated with the use of these rights.

A. Permitted Changes. The owners (including the Developer) and the Developer may make the changes the following changes within the apartments or limited common element only if: (i) The structural integrity of the building will not be adversely affected (except that in the case of the Keiki Club Building and the Pool Bar Building this will require only that the structural integrity of the new improvements constructed be comparable to or better than the structural integrity of the original buildings); (ii) The finish of any common element improvements affected are restored to substantially the same condition they were in before the activity occurred, and (iii) All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the owner or Developer or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

1. Additions or Changes Within an Apartment or limited Common Element.

a. All Apartments. Each owner has the right to make any of the following changes, additions and improvements solely within the owner's apartment or within any limited common element that the owner controls: (i) The owner may install, maintain, remove and rearrange partitions and other structures from time to time within the apartment or limited common element; (ii) The owner may finish, change or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors or walls as appropriate for the use of the apartment or limited common element; (iii) The owner may decorate, paint, repaint, wallpaper or otherwise change the appearance of the walls, floors and ceilings of the apartment or limited common element; (iv) The owner may tile, finish, carpet, re-carpet, and install, change, or remove other flooring in the apartment or limited common element; (v) The owner of a commercial apartment may install, change or remove the ceiling system of a commercial apartment or its limited common element; and (vi) The owner may make "nonmaterial structural additions to the common elements" as that term is used in §514A-89 of the Condominium Property Act.

The Developer has reserved certain rights to do any or all of these things with respect to any apartment that the Developer owns or the limited common elements of an apartment that it owns.

b. The Master Association Apartment. The owner of the Master Association Apartment (currently Apartment 102) also has the right to do these things: (i) Plant, change and remove grasses, shrubs, trees, gardens, and other landscaping within the limited common elements of the Master Association Apartment; (ii) Change and remove waterfalls, ponds, streams, or foot bridges, benches, decorative rocks, and other landscaping enhancements within the limited common elements of the Master Association Apartment; (iii) Install, change and remove, from time to time, automatic sprinkler systems and other systems for the maintenance and upkeep of the landscaping within the limited common elements of the Master Association Apartment; (iv) Install, change and remove walkways, walkway railings, pathways, driveways, and other accessways within the limited common elements of the Master Association Apartment; (v) Install, change and remove tiki torches within the limited common elements of the Master Association Apartment; (vi) Install, change and remove special lighting, security, and/or sound systems within the Master Association Apartment or its limited common elements; (vii) Install, remove or change electric lines, gas lines, water lines, and other utilities to serve the Master Association Apartment and/or its limited common elements; (viii) Install, change and remove tile, carpet, flooring, paint, or other products that change the finish or appearance of the pools, spas, and pool decks; (ix) Install, change and remove Master Association Amenities within the Master Association Apartment or its limited common elements. This includes, for example, changes to the pools or water slides, whether for safety reasons, updating, or for other reasons, installation of new waterfalls, slides, volleyball courts, putting greens, shuffleboard courts, or other new amenities, removal of the existing amenities, and so on.

The Developer's has reserved the certain rights for a period of time (referred to in the Declaration as the "Development Period") to do any or all of these things while the Developer owns the Master Association Apartment.

c. The Keiki Club and Pool Bar Buildings (Portions of Apartment 101). The owner of the Keiki Club Building and the owner of the Pool Bar Building can completely remodel those buildings from time to time, can remove them entirely, and/or can replace them with new buildings. Therefore, in addition to any other rights, the owner of the Keiki Club Building, and the owner of the apartment that includes the Pool Bar Building, have the right to do these things: (i) The owner may demolish the existing building and lanai improvements, and either leave the area vacant and in good order and repair, or replace some or all of the building and lanai with new improvements; (ii) The owner may remodel the building or lanai; (iii) The owner may install, change and remove electric lines, gas lines, water lines, and other utilities to serve the building or its adjacent lanai, and relocate any common element utility facilities beneath the building or its adjacent lanai; (iv) The owner has the exclusive right to control, manage, and conduct the design, development, construction, removal, addition, remodeling, and completion of the building and its adjacent lanai; (v) The owner has the right to make noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards and so on, and to allow contractors and others to come on to the Project in connection with the work performed; and (vi) The owner can build a fence around the construction area. The boundaries of the fence may extend ten (10) feet from all sides of the boundaries of building and its adjacent lanai. Although this may close the use of certain of the common elements temporarily during the construction period, this is intended to provide sufficient space for the work to be conducted safely and promptly and in a manner consistent with the reality of construction work. If the owner builds a fence around the construction area, then the owner will have the exclusive use and control of the area enclosed by the fence. This includes the right to make all other owners stay out of the fenced area until construction is complete and the County of Maui has issued a certificate of occupancy for the building and lanai improvements.

In addition, the owner, however, must see that the activities are conducted in a manner that minimize any nuisances to the extent reasonably possible and consistent with normal construction practices in the remodeling of inhabited improvements of an operating resort.

The Developer's Reserved Rights include the right to do any or all of these things with respect to the Keiki Club Building and the Pool Bar Building if the Developer owns the Apartment that includes either of them.

2. Changes Between Apartments and/or limited common elements. The owners and the Developer may make the changes below only if: (i) The structural integrity of the building will not be adversely affected; (ii) The finish of the remaining common element improvements are restored to substantially the same condition they were in before the change or removal, and (iii) All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the owner or Developer or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

a. Between an Apartment and its Limited Common Elements. The owner of a commercial apartment has the right and an easement to do these things: (i) Change or remove all or any part of any common element wall, floor, or ceiling that separates the apartment from its limited common elements; (ii) Install doors, stairways and other improvements in any opening that it makes; (iii) Seal hallways or other openings; (iv) Make other reasonable changes or additions; and (v) It can change or remove all or any part of any common element wall, floor, or ceiling that separates any part of the apartment from another part of the same apartment, or that separates any limited common element of the apartment from any other limited common element of the same apartment.

b. Between Two Commercial Apartments. The owner of two (2) commercial apartments which are separated by a common element that is a wall, floor or a ceiling, or whose limited common elements are separated from each other or from such commercial apartments by a common element that is a wall, floor or ceiling, has the right and an easement to do these things: (i) Change or remove all or part of the intervening wall, floor and/or ceiling; (ii) Install doors, stairways and other improvements in such opening or openings in the intervening common element; (iii) Seal hallways or other openings; and (iv) Make other reasonable changes or additions. However, before terminating the common ownership of any of the adjacent apartments, the owner (including the Developer if it owns the two apartments) must restore the common element wall, floor, ceiling, hallway and/or other openings to substantially the same condition as before the change or removal unless the new owners each agree otherwise in writing.

3. Subdivision of Apartment. The owner of a commercial apartment has the right to do these things: (a) It can subdivide the apartment to create two or more apartments; (b) It can designate which limited common elements of the subdivided apartment will be appurtenant to the apartments resulting from the subdivision; and (c) It can convert parts of the existing apartment to common element status to facilitate the subdivision. However, the total of the common interests for the newly created Apartments must be equal to the Common Interest of the Apartment that was subdivided.

The Developer has reserved certain rights to do the same things with respect to any commercial Apartment that it owns.

4. Consolidation of Apartments. An owner who owns any two (2) commercial apartments has these rights: (a) The owner may consolidate the apartments into a single apartment (whether or not the apartments are adjacent to each other); and (b) If the apartments are adjacent to each other, the owner may make any common element walls, floors or ceilings between the apartments part of the apartment or its limited common elements. However, the common interest of the newly created apartment must be equal to the sum of the common interests of the apartments consolidated.

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

5. Redesignation of Limited Common Elements. The owners of any two commercial apartments has the right to change the designation of the limited common elements that go with the apartments so that all or any part of one apartment's limited common elements now will be appurtenant either to the other apartment or to both of the apartments. In order to do this, the owner(s) must have the written consent of each lender who has a mortgage on either apartment.

B. Limits on Owner Alterations. The following are limitations on the changes and additions that may be made to the apartments: (a) Any work or change by an owner or the Developer that would not be consistent with a first-class destination resort; (b) Any work or change by an owner or the Developer that would jeopardize the soundness or safety of any part of the Project, or reduce the value of it; and (c) Any work or change by an owner (other than the Developer or the Master Association) that would materially change the uniform external appearance of the Project without the consent of the Board and, during the Development Period, the Developer.

In addition, nothing prohibits the Board from making or requiring that an owner or the Developer make changes within an Apartment or limited common element as needed to comply with the fire code and all other laws that apply to the Project.

Neither the Association nor any owner may: (1) Restore or replace the Project or any building or other structure on it, (2) Construct any new building or other structure on it, or (3) Make any structural change or addition to it that is different in any material respect from the Condominium Map, except pursuant to an amendment of this Declaration.

C. Financing and Bond. The Board may require that the owner of the apartment to (1) provide evidence satisfactory to the Board that the owner has sufficient financing to complete the changes or additions, or (2) provide a performance and a labor and materials payment bond.

II. APPROVAL. The changes and additions discussed above require the consent of the Board if and to the extent required by the Condominium Property Act. See Section 514A-89 of that Act. However, if these changes and additions are made by the Developer, then the changes and additions do not require the vote or consent of the Board or anyone else. See Section 514A-11(12) of the Condominium Property Act. Subdivisions and consolidations of apartments made by the Developer or by an owner(s) do not require the vote or consent of the Board or anyone else except any lenders having a mortgage on the subdivided or consolidated apartments. See Section 514A-13(b) of the Condominium Property Act.

III. AMENDMENT TO DECLARATION. If any change to an apartment materially changes the depiction of a particular apartment(s) on the Condominium Map or the description of it in the Declaration, then the owner(s) of the apartment(s) (or the Developer as to its apartments) must amend this Declaration and/or the Condominium Map to reflect the change. The amendment will take effect when it is recorded. The requirements and procedures for amending the Declaration are set forth in the Declaration.

Exhibit E

Information About Parking Stalls

1. The Board will provide for periodic resurfacing and other routine maintenance of parking stalls. This does not relieve an owner from the obligation to pay for damages beyond normal wear and tear to his or her parking stall
2. Unassigned parking stalls may be used to park motor vehicles by: (a) Commercial apartment owners, their representatives, vendors, licensees, and invitees have the right, for the purposes of the business conducted in the commercial apartment or its appurtenant limited common elements; (b) The Master Association, the members of the Master Association, occupants of property participating in the Master Association, and each of their guests to park motor vehicles; and (c) Purchasers and prospective purchasers of apartments in the Project, vacation ownership interests in any time share plan on the Project, or other property from the Developer and its representatives, licensees, and invitees.
3. The owner of Apartment 101 has an exclusive right (but not an obligation) to provide valet parking services to the apartment owners, occupants and their guests, and to customers and other invitees of the commercial apartments. This includes the right for the owner of Apartment 101 and its representatives and licensees to use the common elements of the Project, and the porte cochere and circular driveway fronting Building 6, to provide valet parking services. This easement includes the right to control the flow of vehicles through the port cochere and circular driveway, and the loading, unloading, and parking of vehicles in the circular driveway. If the Owner of Apartment 101 requests it, the Board must designate up to ninety (90) of the unassigned parking stalls for exclusive use as valet parking stalls. The Board may set aside any greater number of stalls that the Board reasonably determines to be necessary and, during the development period, as the Developer approves. This easement is appurtenant to Apartment 101.
4. The Developer has reserved the right to designate any unassigned parking stalls as limited common elements of any new apartments. This includes, but is not limited to parking stalls located on the grounds of the Project or in the parking building, even though those parking stalls may have been constructed as part of an earlier phase. In legal terms, the interest of each owner and every other interested person in unassigned parking stalls designated as limited common elements for new apartments is a "defeasible interest" and is subject to this possible "defeasance." For example, if the Developer builds Building 8, it might choose to designate 82 parking stalls in the parking building and/or surface parking stalls as limited common elements of these new apartments in Building 8.
5. The Developer can change or remove any roads, driveways, parking building or structures, and the like so long as there is reasonable and adequate access from the public streets and highways to the parking stalls and to the entries to the buildings of the Project.
6. The Developer may, at any time and from time to time, do things such as re-stripe or reconfigure parking stalls to comply with the American Disabilities Act or any laws that apply.
7. Owners may have the right to change the designation of parking stalls that are limited common elements appurtenant to their apartments from time to time as provided in the Declaration.
8. If a parking stall designated or designed for handicap use (a "handicap stall") is a limited common element to an apartment, then the owner of that apartment must exchange the handicap stall for a stall that is not a handicap stall if all of these conditions are met: (a) A person with a disability (a "disabled person") owns or intends to buy an apartment that does not have a handicap stall as a limited common element; (b) Without a handicap stall, the disabled person's disability would interfere with the his or her full use and enjoyment of his or her apartment; (c) The owner of the apartment that has a handicap stall as a limited common element does not have a disability that requires the availability of a handicap stall; and (d) The handicap stall to be exchanged is the closest handicap stall to the apartment owned or to be owned by the disabled person; and (e) The disabled person must assign a parking stall that is a limited common element of the disabled person's apartment to the owner of the apartment having the handicap stall. If the disabled person's apartment has more than one parking stall, the disabled person must assign to the other owner the stall closest to the other owner's apartment unless they both agree on a different stall.

Exhibit F

Recreational and Common Facilities

The Developer intends to build the Ocean Resort Villas North condominium project (the *Project*) in phases. The Developer has developed the Ocean Resort Villas condominium project that is part of the Ocean Resort Villas Vacation Ownership Plan (the *Adjacent Project*) on an adjacent parcel in Ka'anapali North Beach. The Developer wants to be sure that certain amenities can be shared by owners in this Project, and owners and occupants of Adjacent Project, or other Ka'anapali North Beach real estate developments. These amenities may be part of the Project, an Adjacent Project, or another of the Ka'anapali North Beach projects.

The Developer also wants a way to be sure that these amenities, and the landscaping and grounds of the Project and the Adjacent Project provide a complementary vacation ambience consistent with a first class destination resort, and that they can be updated and enhanced over the years to keep up with modern trends for first class destination resorts. Finally, the Developer intends to reserve the right to use some of these amenities for its own purposes. For example, the Developer wants to be able to do these things: (a) It wants to be able to show the amenities and the Project grounds to persons who might buy an apartment or vacation ownership interest in the Project or an apartment, time share interest, or fractional ownership interest in the Adjacent Project; (b) It wants to be able to offer activities to these prospective purchasers; (c) It wants to be able to establish booths or concessions for the sale of tourist activities or other incentives intended to encourage prospective purchasers to attend a sales presentation; (d) It wants to be able to conduct receptions for purchasers and prospective purchasers for the purpose of promoting the sales of apartments or vacation ownership interests in the Project or apartments or time share interests or fractional ownership interest in the Adjacent Project. To accomplish these things, the Developer created the Apartment 102 in the Project (the *Master Association Apartment*) and the Master Association.

Nature of Master Association. The name of the Master Association is Ocean Resort Master Association. It is a non-profit Hawaii corporation. It was created to permit apartment owners in the Project and the Adjacent Project as well as others to share the use and the costs of the amenities of the Master Association. The Master Association is governed by the Master Association Documents. The *Master Association Documents* consist of: the "Declaration of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association", the Articles of Incorporation of the Ocean Resort Master Association, the Bylaws of the Ocean Resort Master Association, and any rules and regulations of the Master Association, as any such documents may be amended from time to time.

Master Association Apartment. The Master Association owns the Master Association Apartment. Many of the amenities of the Project are set aside as limited common elements of the Master Association Apartment. A limited common element of the Master Association Apartment will be a common element (not part of an apartment in the Project) that is for the exclusive use of the owner of the Master Association Apartment. The limited common elements of the Master Association Apartment include, for example, amenities located within the Courtyards and water features located around the porte cache driveway. They also include the landscaping and grounds of the Project (not located within the shoreline setback area).

Master Association Membership. Each owner of a resort apartment (including, for example, owners of vacation ownership interests in the Ocean Resort Villas North Vacation Ownership Plan) is required to be a member of the Master Association. Membership in the Master Association entitles an owner of a resort apartment to use the Master Association Amenities.

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

The Master Association Documents govern the Master Association. Among other things, they set the terms and conditions of membership, the rights to use the Master Association Amenities, limitations on those rights, and so on. The Master Association Documents are binding on each resort apartment and on each owner of a resort apartment Owner. Because the owners of the commercial apartments in the Project and the Adjacent Project will not be participating in the Master Association, they will not be members or share in the costs of owning, operating, and maintaining the property owned by the Master Association.

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

Master Association Dues and Fees. The Master Association Documents require that each owner of a resort apartment pay a share of the costs to operate, maintain, repair, replace, change, and upgrade the Master Association Amenities and other property of the Master Association, and the costs to operate and maintain the Master Association. All other members of the Master Association must also pay a share of these costs as provided in the Master Association Declaration. Each owner of a resort apartment must pay the fees, charges, and expenses charged by the Master Association in accordance with the Master Association Documents. A copy of the Master Association budget is attached to this Exhibit.

**OCEAN RESORT VILLAS MASTER ASSOCIATION
PROPOSED BUDGET OF OPERATING EXPENSES
JANUARY 1, 2007 through DECEMBER 31, 2007**

Description	Annual Amount	Monthly Amount	Annual per Unit Week			
			Ocean Resort Villas North Two Bedroom Lock-off Unit (1)	Ocean Resort Villas		
				Two Bedroom Lock-off Unit (1)	Two Bedroom Lock-off Deluxe Unit (1)	One Bedroom Unit (1)
REVENUES:						
Maintenance Fee Revenue	\$ 3,243,993	\$ 270,333	\$ 113.04	\$ 113.04	\$ 158.52	\$ 97.06
Interest Revenue	56,580	4,715	2.01	2.01	2.76	1.69
Late Fee Revenue	111,087	9,257	3.94	3.94	5.43	3.32
Biennial Service Fee Revenue						
Miscellaneous Revenue						
Total Operating Revenue	\$ 3,411,660	\$ 284,305	\$ 120.99	\$ 120.99	\$ 166.71	\$ 102.08
EXPENSES:						
Housekeeping & Rooms						
Administrative & General	\$ 510,863	\$ 42,572	\$ 18.12	\$ 18.12	\$ 24.96	\$ 15.29
Financial Services	6,413	535	0.23	0.23	0.31	0.19
Data Processing						
Annual Audit	7,056	588	0.25	0.25	0.34	0.21
Activities & Security						
Reserve for Bad Debt	30,512	2,543	1.04	1.04	1.49	0.91
Repairs & Maintenance	1,275,319	106,277	45.23	45.23	62.32	38.16
Utilities (Electricity, Gas, Water, Sewer, Cable & Telephones)	1,164,059	97,005	41.28	41.28	56.88	34.83
Contingency	0	0	0.00	0.00	0.00	0.00
Insurance	78,501	6,542	2.78	2.78	3.84	2.35
Income Taxes	10,554	889	0.38	0.38	0.52	0.32
Management Fee	306,887	25,574	10.88	10.88	15.00	9.18
Ad Valorem Taxes	n/a	n/a	n/a	n/a	n/a	n/a
North Beach - Maska Retention Basins	21,383	1,782	0.76	0.76	1.04	0.64
Total Operating Expenses	\$ 3,411,660	\$ 284,305	\$ 120.99	\$ 120.99	\$ 166.71	\$ 102.08

**OCEAN RESORT VILLAS MASTER ASSOCIATION
PROPOSED BUDGET OF RESERVES FOR REPLACEMENT
JANUARY 1, 2007 through DECEMBER 31, 2007**

Description	Annual Amount	Monthly Amount	Annual per Unit Week			
			Ocean Resort Villas North Two Bedroom Lock-off Unit (1)	Ocean Resort Villas		
				Two Bedroom Lock-off Unit (1)	Two Bedroom Lock-off Deluxe Unit (1)	One Bedroom Unit (1)
REVENUES:						
Reserve Fee Revenue	\$ 153,151	\$ 12,763	\$ 5.43	\$ 5.43	\$ 7.48	\$ 4.58
EXPENSES:						
Replacement Reserves						
a. Roof Replacement						
b. Pavement Resurfacing						
c. Building Painting						
d. Unit Furnishings and Equipment, Deferred Maintenance & Other						
Capital Expenditures	153,151	12,763	5.43	5.43	7.48	4.58
Total Reserve Expenses	\$ 153,151	\$ 12,763	\$ 5.43	\$ 5.43	\$ 7.48	\$ 4.58
Total Maintenance & Reserve Fee	\$ 3,597,145	\$ 285,095	\$ 120.47	\$ 120.47	\$ 166.00	\$ 101.64

(1) With respect to an Every-Other-Year Vacation Ownership Interest, these figures will be one-half of those shown.

SVO Pacific, Inc., as the developer of Ocean Resort Villas North, hereby guarantees that the operating and reserve budget combined for the assessment period January 1, 2007 through December 31, 2007, shall not exceed \$120.47 per annual unit week for a Two Bedroom Lockoff Unit.

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

The Developer intends to deed the equivalent of one Every-Other-Year Vacation Ownership Interest in each Vacation Unit to the Association. In doing this the Association will have a guaranteed opportunity to perform maintenance and repairs on each Unit.

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

Exhibit G

Limited Common Elements

LIMITED COMMON ELEMENTS. The Project consists of apartments and common elements. Some of the common elements of the Project are called "*limited common elements*", and are designated and set aside for the exclusive use of certain apartments. Except as otherwise specifically provided in this Declaration, those apartments have the exclusive right (in legal terms, an "*exclusive easement*") to use the limited common elements set aside for their use. The following common elements are designated as limited common elements:

A. PARKING STALLS. Certain apartments have the exclusive right to use one or more parking stall or stalls assigned to them as listed in Exhibit B of the Declaration. The Condominium Map assigns numbers to each parking stall.

B. MAILBOXES. Each apartment has the exclusive right to use the mailbox having the same number as the apartment.

C. RESORT LIMITED COMMON ELEMENTS. "*Resort limited common elements*" are limited common elements appurtenant to all of the resort apartments.

1) THINGS THAT ARE RESORT LIMITED COMMON ELEMENTS. Except as provided in Section 5.4C2) of the Declaration, all common elements contained in or that are part of a building containing resort apartments are resort limited common elements. This includes, for example, the following common elements to the extent that they are located within a building containing resort apartments:

- The floors of the lanais of the resort apartments, and the walls, railings or other improvements enclosing the lanais of the resort apartments.
- The structural components of the building. This includes, among other things, all foundations, footings, floor slabs, girders, beams, supports, Apartment boundary and load-bearing walls and columns (except for the finishes on them and except as otherwise provided for the boundary walls of the commercial apartments), and roofs.
- All of the following so long as they are not located within an apartment or within limited common elements appurtenant to less than all resort apartments: all lobby areas, stairways, elevators, walkways, corridors, elevator lobby areas, entrances, entry ways and exits of each building, all storage rooms, maintenance rooms, elevator machine rooms, mechanical rooms, electrical rooms, and trash rooms.
- The finished or painted outside surface of the exterior walls of the building and any planters, decorative bowls, decorative grills, veneer, or other exterior trimmings of the building.
- The retaining wall on the end of Building 5 closest to the Shoreline Setback Area.
- All rainspouts, downspouts, gutters, roof wells, roof caps, roof tiles, and other roofing or waterproofing materials of the building.
- The maid rooms in Building 7 and Building 8.
- The electrical rooms on the third, fourth, fifth and sixth levels of Building 7 and all electrical rooms in Building 8.
- Stairway nos. 7 and 8 in Building 7 and all stairways in Building 8.
- Corridors, service elevators, elevators, elevator lobbies and service elevator lobbies in Building 8.
- Corridors on the third, fourth fifth and sixth levels of Building 7.

- Corridors leading to the Resort Apartments on the ground level and lobby level of Building 7. These corridors are marked in green on the Condominium Map.
- All other apparatus and installations existing for common use, as described in Sections 5.3O and 5.3P of the Declaration, that serve only a building containing resort apartments, or only the resort apartments in Building 6, 7 or 8, and that serve more than one resort apartment or the common elements of the building.

2) **THINGS THAT ARE NOT RESORT LIMITED COMMON ELEMENTS.** Among other things, the following common elements are not resort limited common elements.

- The telephone rooms located adjacent to the electrical rooms and housekeeping closets on each floor of Building 5.
- The telephone rooms, electrical rooms, and storage rooms located in Building 6.
- The water feature located on the ground level of Building 6.
- The stairways located in Building 6.
- The elevators in Building 6, and the elevator lobbies on the ground level and lobby level in Building 6.
- The corridor serving resort apartments Nos. 6240/38, and 6242/44, located between the entry to those apartments and elevator no. 3 and stairway no. 3 on the lobby level of Building 6.
- The porte cochere (including its roof and supporting columns) and the circular driveway and entryway beneath the porte cochere adjacent to Apartment 101.
- The service yard, loading dock and stairs leading from the service yard and loading dock into Building 6.
- The fire pump room, the chiller room, the boiler room and the pump room in Building 6.
- The walkway or bridge between Building 6 and the Hale.
- The floor between the ground level and the lobby level portions of Apartment 101.
- The elevators in Building 7.
- The elevator lobby on the lobby level of Building 7.
- The structural components of the building located within the boundaries of the commercial apartments located in Building 6 or Building 7. This includes, among other things, all girders, beams, supports, and load-bearing walls and columns but does not include the roofs (as no roof is located within the boundaries of a commercial apartment).
- The foundations, footings, and floor slabs of the ground level of Building 6 or Building 7 (these are general common elements).

D. MASTER ASSOCIATION APARTMENT. These common elements are limited common elements of the Master Association Apartment:

- The land and improvements located within the boundaries of Courtyard Nos. 1, 2 (subject to certain restrictions set forth in the Declaration) and 3, as designated on the Condominium Map. This does not include the kiosks, the Keiki Club Building, the Pool Bar Building, the lanai surrounding the Keiki Club Building, the lanai surrounding the Pool Bar Building, the Hale or the walkway or bridge leading from Building 6 to the Hale.

- The amenities located within the Courtyards. This includes, among other things, the pool, water features, keiki pools, spas, bridges, decorative rock features, pool decks, pool bathrooms, pool showers, restroom building, beach and pool showers.
- The water features located around the porte cache driveway and the water feature on the ground level between Building 6 and the Parking Building.
- The pump room located on the ground level of Building 6.
- The pool equipment room located in the basement of Building 6.
- The two retention basins installed to handle storm water run-off, and all drainage improvements as described in the Declaration. These two retention basins are located next to the Shoreline Setback Area and shown on the Condominium Map.
- The easement and attendant rights and obligations under the "Grant of Easement and Agreement Regarding Allocation of Retention Capacity (North Beach – Mauka Retention Basins)", dated October 20, 2004, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-214492.
- All common element yards, grounds, walkways, walkway railings, waterfalls, ponds, gardens, decorative rocks, and other landscaping not located in the Shoreline Setback Area.
- All apparatus and installations of the kind described in Sections 5.3O and 5.3P of the Declaration, and that serve only the Master Association Apartment or any of its limited common elements as listed above.

E. APARTMENT 101. These common elements are limited common elements appurtenant to and are set aside for the exclusive use of Apartment 101:

- The porte cochere (including its roof and supporting columns) and the circular driveway and entryway beneath the porte cochere adjacent to Apartment 101.
- The storage rooms on the ground level of Building 6. These are colored blue and cross-hatched on the Condominium Map.
- The telephone rooms located in Buildings 5, 6, 7 and 8. These are colored blue and cross-hatched on the Condominium Map.
- The Hale, including all exterior and interior improvements of it such as the floor, walls, and roof and the walkway or bridge between the Hale and Building 6. These are colored blue and cross-hatched on the Condominium Map.
- Any intervening floor between the ground level and the lobby level of Apartment 101 in Building 6.
- The kiosks shown on the Condominium Map.
- All apparatus and installations of the kind described in Sections 5.3O and 5.3P of the Declaration, and that serve only Apartment 101 or any of its limited common elements as listed above.

Exhibit H

Encumbrances on Title

1. Taxes or assessments which are not shown at Date of Policy, as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, reassessments, or notices of such proceedings, whether or not shown by the records of such agency of by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
5. Any lien or right to a lien for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
7. Taxes for the fiscal year 2005-2006, including any secured personal property tax, a lien, now due and payable. **Tax Map Key Number (2) 4-4-014-004**
8. Reservations of all mineral and metallic mines of every description to the Hawaiian Government; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 1, 1960 as contained in that certain instrument dated January 29, 1960 and recorded in Book 3822, Page 37.
9. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statue 205A. Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
10. Restriction of Access Rights shown on Map 2 and 74 as set forth in document recorded November 27, 1992 as Land Court Document No. 109618.

11. The covenants, conditions and restrictions as contained in a document entitled, "Warranty Deed," executed by and between Pioneer Mill Company, Limited, a Hawaii corporation and AMFAC Property Corp., a Hawaii corporation ("Developers") and the Department of Water Supply of the County of Maui ("Department"), recorded August 25, 1982 in Book 16531, Page 635 as Document No. 1128905.
12. The terms and provisions as contained in a document entitled, "Subdivision Agreement (Large Lots)," executed by AMFAC Property Investment Corp., a Hawaii corporation and Tobishima Pacific, Inc., a Hawaii corporation, recorded August 20, 1990 as Land Court Document No. 1756822 and Regular System Document No. 90-127827.
13. The terms and provisions as contained in a document entitled, "Private Water System Agreement," executed by and between AMFAC Property Investment Corp., a Hawaii corporation and Tobishima Pacific, Inc., a Hawaii corporation, recorded October 07, 1991 as Regular Court Document No. 91-136263.
 - The above instrument was modified by document entitled, "Amendment to Private Water System Agreement," recorded October 20, 1992 as Regular System Document No. 92-169921.
14. Building setback (40 feet wide) as shown on Maps 71 and 74 as set forth in document entitled, "Petition and Order," recorded November 27, 1992 as Land Court Document No. 109618.
15. The terms and provisions as contained in a document entitled, "Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area)," executed by AMFAC Property Investment Corp., a Hawaii corporation, recorded January 13, 1999 as Land Court Document No. 2513420 and Regular System Document No. 99-005138.
 - The above instrument was modified by document entitled, "Amendment to Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area)," recorded December 06, 2000 as Land Court Document No. 2668965 and Regular System Document No. 2000-170916.
16. Easement 253 (area 0.293 acres), Easement 254 (area 0.028 acres) and Easement 255 (area 2.002 acres) all as set forth in document entitled, "Decree Ordered and Adjudged in the Land Court of the State of Hawaii," recorded May 08, 2000 as Land Court Document No. 138359.
17. Reservation of the State of Hawaii as set forth in the document entitled, "Decree Ordered and Adjudged in the Land Court of the State of Hawaii," recorded May 08, 2000 as Land Court Document No. 138359, including matters relating to the following:
 - Claims, if any, of native tenants;
 - Claims, if any, to any historic, religious and archaeological sites;
 - Claims, if any, to rights of access through public highways, trails and pathways and historical uses on and across the parcels to the shoreline be determined, protected and not restricted;
 - Claims, if any, to waters having their source upon or flowing under the parcels
18. The covenants, conditions and restrictions in a document entitled, "Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach," executed by AMFAC Property Investment Corp., a Hawaii corporation, recorded December 06, 2000 as Land Court Document No. 2668967 and Regular System Document No. 2000-170917, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, marital status, ancestry, disability, handicap, familial status or national origin, to the extent such covenants, conditions or restrictions violate 42 U.S.C. Section 3604(c).
 - The above instrument was modified by document entitled, "Supplemental Declaration to Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach," recorded August 05, 2003 as Land Court Document No. 2972191 and Regular System Document No. 2003-162023.

- The above instrument was modified by document entitled, "First Amendment to By-Laws of Ka'anapali North Beach Master Association, Inc.," recorded December 03, 2003 as Land Court Document No. 3036052 and Regular System Document No. 2003-267151.
 - The above instrument was modified by document entitled, "Designation of Successor Declarant and Assignment of Declarant's Rights and Interest under Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach," recorded February 20, 2001 as Land Court Document No. 2684122 and Regular System Document No. 2001-022804.
 - The above instrument was modified by document entitled, "Designation of Successor Declarant and Assignment of Declarant's Rights and Interest under Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach," recorded January 28, 2003 as Land Court Document No. 2885398 and Regular System Document No. 2003-015949.
 - The above instrument was modified by document entitled, "Designation of Successor Declarant and Assignment of Declarant's Rights and Interest under Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach," recorded August 27, 2003 as Land Court Document No. 2983238 and Regular System Document No. 2003-180662
19. The terms and provisions as contained in an unrecorded Lot 101 Option Agreement dated December 06, 2000, as amended; an unrecorded Assignment and Assumption of Lot 101 Option Agreement dated December 21, 2000; an unrecorded Assignment and Assumption of Lot 101 Option Agreement dated as of November 22, 2002; a Short Form Memorandum of Lot 101 Option Agreement executed by and between Amfac Property Investment Corp., a Hawaii corporation and SVO Pacific, Inc., a Florida corporation, recorded December 06, 2000 as Land Court Document No. 2668972.
20. The covenants, conditions and restrictions in a document entitled, "Declaration of Covenants, Conditions and Restrictions," executed by AMFAC Property Investment Corp., a Hawaii corporation, recorded December 12, 2000 as Land Court Document No. 2668973, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, marital status, ancestry, disability, handicap, familial status or national origin, to the extent such covenants, conditions or restrictions violate 42 U.S.C. Section 3604(c).

21. The covenants, conditions and restrictions in a document entitled, "Declaration of Covenants, Conditions and Restrictions: Joinder," executed by AMFAC Property Investment Corp., a Hawaii corporation, recorded December 06, 2000 as Land Court Document No. 2668974 and Regular System Document No. 2000-170918, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, marital status, ancestry, disability, handicap, familial status or national origin, to the extent such covenants, conditions or restrictions violate 42 U.S.C. Section 3604(c).
 - The above instrument was modified by document entitled, "Amendment to Declaration of Covenants, Conditions and Restrictions, Joinder," recorded January 31, 2003 as Land Court Document No. 2887174 and Regular System Document No. 2003-018974.
22. The covenants, conditions and restrictions in a document entitled, "Unilateral Declaration of Restrictions: Joinder Agreement," executed by and between Ka'anapali Development Corp., a Hawaii corporation and Pioneer Mill Company, Limited, a Hawaii corporation, recorded February 16, 2001 as Land Court Document No. 2683897 and Regular System Document No. 2001-022448, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, marital status, ancestry, disability, handicap, familial status or national origin, to the extent such covenants, conditions or restrictions violate 42 U.S.C. Section 3604(c) or Section 515-6, Hawaii Revised Statutes.
23. The covenants, conditions and restrictions in a document entitled, "Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association," executed by Ocean Resort Master Association, a Hawaii non-profit corporation, recorded September 18, 2001 as Land Court Document No. 2737946, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, marital status, ancestry, disability, handicap, familial status or national origin, to the extent such covenants, conditions or restrictions violate 42 U.S.C. Section 3604(c) or Section 515-6, Hawaii Revised Statutes.
 - The above instrument was modified by document entitled, "Declaration of Annexation (Apartment 102); Reservation of Easements and Amendment," recorded May 10, 2005 as Land Court Document No. 3266461.
 - The above instrument was modified by document entitled, "Declaration of Annexation and Imposition of Assessments on Commercial Apartments (Retention Basin Easements)," recorded May 10, 2005 as Land Court Document No. 3266462.
 - The above instrument was modified by document entitled, "Declaration of Annexation (Ocean Resort Villas North – Buildings 5 and 6)," recorded May 10, 2005 as Land Court Document No. 3266463.
 - The above instrument was modified by document entitled, "Declaration of Annexation (Ocean Resort Villas North – Buildings 7 and 8)," recorded December 13, 2005 as Land Court Document No. 3366582.

24. The terms and provisions as contained in a document entitled, "Notice of Time Share Plan (Ocean Resort Villas II)," executed by SVO Pacific, Inc., a Florida corporation, recorded March 04, 2005 as Land Court Document No. 3237196.
25. The above instrument was modified by document entitled, "Amendment to Notice of Time Share Plan (Noting Name Change)," recorded May 10, 2005 as Land Court Document No. 3266458.
26. The terms and provisions as contained in a document entitled, "Short Form Memorandum of Agreement," executed by SVO Pacific, Inc., a Florida corporation, recorded March 18, 2005 as Land Court Document No. 3242967.
27. The effect of a map purporting to show the land and other property, filed in Land Court Condominium Map No. 1715.
28. The covenants, conditions and restrictions in a document entitled, "Declaration of Condominium Property Regime of Ocean Resort Villas North," executed by SVO Pacific, Inc., a Florida corporation, recorded May 10, 2005 as Land Court Document No. 3266459, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, marital status, ancestry, disability, handicap, familial status or national origin, to the extent such covenants, conditions or restrictions violate 42 U.S.C. Section 3604(c) or Section 515-6, Hawaii Revised Statutes.
29. The above instrument was modified by document entitled, "First Amendment to Declaration of Condominium Property Regime of Ocean Resort Villas North," recorded December 13, 2005 as Land Court Document No. 3366581.
30. The terms and provisions as contained in a document entitled, "Bylaws of the Association of Apartment Owners of Ocean Resort Villas North," executed by SVO Pacific, Inc., a Florida corporation, recorded May 10, 2005 as Land Court Document No. 3266460.
31. The covenants, conditions and restrictions in a document entitled, "Ocean Resort Villas North Vacation Ownership Plan - Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership (A Vacation Ownership Plan in Ocean Resort Villa North, a Fee Simple Condominium)," executed by SVO Pacific, Inc., a Florida corporation, recorded May 10, 2005 as Land Court Document No. 3266464, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, marital status, ancestry, disability, handicap, familial status or national origin, to the extent such covenants, conditions or restrictions violate 42 U.S.C. Section 3604(c) or Section 515-6, Hawaii Revised Statutes.
 - The above instrument was modified by document entitled, "Ocean Resort Villas North Vacation Ownership Plan – First Amendment to Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership," recorded May 27, 2005 as Land Court Document No. 3274193.
 - The above instrument was modified by document entitled, "Ocean Resort Villas North Vacation Ownership Plan – Declaration of Annexation," recorded December 13, 2005 as Land Court Document No. 3366583.
32. The terms and provisions as contained in a document entitled, "Short Form Memorandum of Agreement," executed by and between SVO Pacific, Inc., a Florida corporation and the County of Maui, recorded August 15, 2005 as Land Court Document No. 3312571.

Exhibit I

ASSOCIATION OF APARTMENT OWNERS OF OCEAN RESORT VILLAS NORTH PROPOSED BUDGET OF OPERATING EXPENSES JANUARY 1, 2007 through DECEMBER 31, 2007				
Description	Annual Amount	Monthly Amount	Annual per Unit Week	Annual Commercial Unit(s) (2)
			Two Bedroom Look-off Unit (1)	
REVENUES:				
Maintenance Fee Revenue	\$ 6,481,695	\$ 540,141	\$ 485.68	\$ 28,434.50
Interest Revenue	59,927	4,994	4.46	688.82
Late Fee Revenue				
Blindfold Service Fee Revenue				
Miscellaneous Revenue				
Total Operating Revenue	\$ 6,541,622	\$ 545,135	\$ 490.14	\$ 29,123.32
EXPENSES:				
Housekeeping & Rooms	485,841	\$ 40,487	\$ 36.14	\$ 5,584.37
Administrative & General	1,764	147	0.13	20.28
Financial Services	6,415	535	0.48	73.73
Data Processing				
Annual Audit	7,056	588	0.52	81.11
Activities & Security	663,806	55,317	49.38	7,629.95
Reserve for Bad Debt	40,095	3,341	2.98	460.87
Repairs & Maintenance	209,162	17,430	15.56	2,404.16
Utilities (Electricity, Gas, Water, Sewer, Cable & Telephone)	3,926,528	327,211	295.52	0.00
Common Area Utilities	40,095	3,341	2.98	460.86
Insurance	371,204	30,934	27.62	4,266.72
Income Taxes	97,365	8,114	7.28	429.48
Management Fee	633,011	52,751	47.16	6,340.75
Personal Property Tax				
Reservation and Exchange Fee				
Ad Valorem Taxes	n/a	n/a	n/a	n/a
Ka'anapali North Beach Master Assoc., Inc.	119,280	9,940	8.87	1,371.03
Total Operating Expenses	\$ 6,541,622	\$ 545,135	\$ 490.14	\$ 29,123.32

ASSOCIATION OF APARTMENT OWNERS OF OCEAN RESORT VILLAS NORTH PROPOSED BUDGET OF RESERVES FOR REPLACEMENT JANUARY 1, 2007 through DECEMBER 31, 2007				
Description	Annual Amount	Monthly Amount	Annual per Unit Week	Annual Commercial Unit(s) (2)
			Two Bedroom Look-off Unit (1)	
REVENUES:				
Reserve Fee Revenue	\$ 481,431	\$ 40,119	\$ 33.12	\$ 41,313.78
EXPENSES:				
Replacement Reserves:				
a. Roof Replacement	\$ 4,429	\$ 369	\$ 0.30	\$ 380.09
b. Pavement Resurfacing	8,281	690	0.57	710.60
c. Building Painting	34,567	2,881	2.38	2,966.33
d. Unit Furnishings and Equipment, Deferred Maintenance & Other Capital Expenditures	434,154	36,180	29.87	37,256.77
Total Reserve Expenses	\$ 481,431	\$ 40,119	\$ 33.12	\$ 41,313.78
Less: Developer Guarantee	\$ 1,043,694	\$ 86,974	\$ 78.55	\$ -
Total Maintenance & Reserve Fees	\$ 5,919,432	\$ 493,286	\$ 440.26	\$ 69,748.28

(1) With respect to an Every-Other-Year Vacation Ownership Interest, these figures will be one-half of those shown.

(2) The operating and reserve budget combined for the Commercial Unit(s) are as follows: Master Apartment \$152.00; Apartment 101 \$61,751.70; Casabe Apartment \$844.56.

SVO Pacific, Inc., as the developer of Ocean Resort Villas North, hereby guarantees that the operating and reserve budget combined for the assessment period January 1, 2007 through December 31, 2007, shall not exceed \$440.26 per annual unit week for a Two Bedroom Lookoff Unit.

The Developer intends to deed the equivalent of one Every-Other-Year Vacation Ownership Interest in each Vacation Unit to the Association. In doing this the Association will have a guaranteed opportunity to perform maintenance and repairs on each Unit.

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

Exhibit J

SUMMARY OF ESCROW AGREEMENT AND PURCHASE AGREEMENT

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ WITH CARE ALL PROVISIONS OF THE ESCROW AGREEMENT AND PURCHASE AGREEMENT. THE SUMMARY OF THE ESCROW AGREEMENT AND PURCHASE AGREEMENT IN THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT OR PURCHASE AGREEMENT BUT ONLY A SUMMARY OF SOME KEY PROVISIONS OF THESE AGREEMENTS. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE ESCROW AGREEMENT AND SALES CONTRACT, A BUYER MUST REFER TO THE ESCROW AGREEMENT REFERENCED IN THE BUYER'S PURCHASE AGREEMENT TO DETERMINE HIS/HER RIGHTS AND OBLIGATIONS AND TO DETERMINE THE SPECIAL MEANING OF TERMS THAT ARE DEFINED IN THE ESCROW AGREEMENT AND THE PURCHASE AGREEMENT. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT OR PURCHASE AGREEMENT, THE ESCROW AGREEMENT OR PURCHASE AGREEMENT WILL GOVERN.

Copies of the specimen Purchase Agreement (which includes the Buyer's Certification) and the executed Escrow Agreement have been submitted as part of this registration.

ESCROW AGREEMENT

I. Escrow Agreement.

- a. The Escrow Agreement identifies Hawaii Resort Escrow, Inc., as the escrow agent (the *Escrow Agent*) for the handling of purchase money for sales.
- b. The Escrow Agreement establishes how the proceeds from the sale of vacation ownership interests are placed into escrow, as well as the retention and disbursement of these funds.
- c. When a buyer signs a Purchase Agreement, the buyer also adopts the Escrow Agreement, just as if the buyer had signed it. Buyers should make time to read the Escrow Agreement.
- d. The Escrow Agreement contains the SVO Pacific, Inc.'s (the *seller*) and buyer's instructions for the handling of the buyer's funds, notes and loan documents, and for closing the buyer's purchase. The Escrow Agreement defines "funds", "notes" and "loan documents".
- e. For purposes of the Escrow Agreement, "*closing*" refers to completing the sale of a vacation ownership interest. This normally includes recording the buyer's vacation ownership deed and any mortgage that the buyer signs, and payment to the seller of all sums due under the buyer's Purchase Agreement.

2. Deposit of funds. Hawaii Law requires that: (a) buyer's funds, notes, and loan documents be put in escrow before closing and that the buyer's funds be refunded if the buyer cancels; (b) buyer's funds must be refunded in the other circumstances described later; and (c) closing cannot occur until the buyer is protected from blanket liens. "Blanket liens" are certain kinds of encumbrances as defined in the Hawaii Time Share Law (Chapter 514E, H.R.S.) that affect two or more vacation ownership interests. For example, a mortgage on vacation ownership interests is a blanket lien.
3. The seller or the sales agent must give each buyer's funds, notes and loan documents to the Escrow Agent to hold in this account. But, as permitted by Hawaii Law, the seller or any sales agent may initially hold all notes (such as buyer's check) and loan documents (a) that are payable to the Escrow Agent, or (b) that are not negotiable instruments, until: (1) the Seven-Day Cancellation Period expires; and (2) the expiration of any longer period stated in the Purchase Agreement in which a buyer may cancel.

SEVEN DAY CANCELLATION PERIOD

For offers and sales made entirely or partly in Hawaii, a buyer has the right to cancel the Purchase Agreement under Section 514E-8 of the Hawaii Revised Statutes (the *Seven-Day Cancellation Period*). To do so, a buyer must mail or deliver a notice of cancellation to

the seller at the address stated in the Purchase Agreement. The buyer must do this before the Seven-Day Cancellation Period ends. A buyer's Seven-Day Cancellation Period ends on the later of: (a) Seven days after the buyer's Purchase Agreement was signed; or (b) Seven days after the buyer received the Disclosure Statement.

RELEASE OF BUYER'S FUNDS.

1. The Escrow Agent may not release a buyer's funds, notes or loan documents to or for the benefit of the seller or a sales agent, or to someone else for the benefit of the seller or a sales agent, or for construction, until the last of the following events occurs:

a. The Hawaii Real Estate Commission has issued an effective date for a Final Public Report on the phase of the Condominium containing the buyer's unit.

b. If the offer and sale is made entirely or partly in Hawaii:

i. The buyer's Purchase Agreement "has become binding, and the requirements of Sections 514A-40, 514A-39.5, and 514A-63 have been met" as that phrase is used in Section 514A-65 of the Condominium Property Act.

ii. The Escrow Agent has received a copy of a Receipt for Disclosure Statement signed by the buyer whose funds are being released.

iii. The Seven-Day Cancellation Period under Section 514E-8, HRS, has expired as to the buyer whose funds are being released.

iv. The Escrow Agent receives a sworn statement from the seller in the appropriate form and with the appropriate date as set forth in the Escrow Agreement.

c. If the offer and sale is not made in Hawaii, the Escrow Agent receives a sworn statement from the seller in the appropriate form and dated as set forth in the Escrow Agreement.

CLOSING CONDITIONS.

The Escrow Agent will not close any sale before the closing date set according to the Purchase Agreement. The Escrow Agent will close each sale on the closing date if all of the following things (the closing conditions) have happened:

a. The Escrow Agent has not received a notice that the seller or the buyer has cancelled as provided in the Escrow Agreement.

b. The Escrow Agent has received enough money to pay the purchase price stated on the buyer's Purchase Agreement and any closing costs less (i) any credits allowed by the seller and (ii) the amount of any loan made by the seller to the buyer.

c. The Escrow Agent has received all necessary closing documents.

d. All requirements set by seller or anyone else loaning money to the buyer for the purchase have been met provided that Escrow Agent is notified of those requirements in writing.

e. The buyer's unit is included in the Ocean Resort Villas North Vacation Ownership Plan (the *Plan*).

f. A title insurance company authorized to do business in Hawaii is committed to issue pursuant to the requirements set forth in the Escrow Agreement, after the buyer's vacation ownership deed is recorded, a policy of title insurance on the buyer's vacation ownership interest.

g. As to each existing blanket lien, (i) the Escrow Agent is prepared to record or can confirm that someone else has already recorded a release of the buyer's vacation ownership interest from the blanket lien, or (ii) in the case of mechanics' or materialmen's lien, the commitment for a title policy includes an endorsement providing coverage against such liens.

h. The requirements of the Escrow Agreement have been met.

SALES CLOSED AFTER COMPLETION OF CONSTRUCTION.

If a sale is closed after completion of construction, then the Escrow Agent will deliver the buyer's funds, notes and loan documents to the seller as part of the closing.

SALES CLOSED BEFORE COMPLETION OF CONSTRUCTION.

1. If a sale is closed before completion of construction, then these rules, there are certain procedures that must be followed. These procedures are set forth in the Escrow Agreement.

2. If the seller asks, the Escrow Agent will disburse the funds held by it under the Escrow from time to time to pay for:

- a. Construction costs of the buildings and improvements in proportion to the valuation of the work completed by the contractor in accordance with the contract documents, as certified in writing by a registered architect or professional engineer, and
- b. Architectural, engineering, finance, and legal fees and for other incidental expenses of the Condominium as approved by the seller's mortgage lender in writing.

3. If buyer's funds are to be used for construction pursuant to the Escrow Agreement:

- a. No disbursements of buyer's funds may be made by the Escrow Agent for payment of construction costs pursuant to the Escrow Agreement, unless bills are submitted with the request for disbursements that have been approved or certified for payment by the project lender or an otherwise qualified financially disinterested person; and
- b. No disbursements may be made by the Escrow Agent from the balance of buyer's funds after payment of construction costs pursuant to the Escrow Agreement, above, until construction of the phase of the condominium containing buyer's unit has been completed and the Escrow Agent receives satisfactory evidence that all mechanic's and materialmen's liens have been cleared, unless sufficient funds are set aside for any bona fide dispute. The Escrow Agent has the right to rely on the certificate of a person that says that the person is a qualified financially disinterested person.

4. The Escrow Agent will return all funds (including payments made by buyers), notes and loan documents to the buyer from whom they were received if (1) the seller directs the Escrow Agent to do so in writing or (2) a buyer gives a valid notice of cancellation pursuant to section 514A-63, HRS. But the Escrow Agent will not return the buyer's funds, notes and loan documents before recording a deed transferring the buyer's vacation ownership interest(s) back to the seller free of all encumbrances except those allowed in the title policy issued as set forth in the Escrow Agreement. It is not the Escrow Agent's responsibility to obtain that deed.

5. Upon completion of construction, the Escrow Agent will deliver to the seller, or as the seller directs in writing, all funds, notes and loan documents from the sale.

REFUNDS.

The Escrow Agent will refund buyer's funds held by the Escrow Agent if and only if any of the following things have happened:

A. The offer and sale is made wholly or partly in Hawaii and either the buyer or the seller gives a valid notice of cancellation during the Seven-Day Cancellation Period. In that event, all of the buyer's funds held by the Escrow Agent will be returned to the buyer, without interest, within fifteen (15) business days after the notice of cancellation is received.

B. The buyer gives a valid notice of cancellation pursuant to Section 514A-63 of the Condominium Property Act. In that event, the Escrow Agent must promptly return to the buyer all of the buyer's funds without interest.

C. The seller gives notice to the Escrow Agent that the buyer has exercised any right to cancel that the buyer has under the Purchase Agreement (other than the rights described above in subsections 5.2A, 5.2B or 5.2C of the Escrow Agreement). In that event, all of the buyer's funds held by the Escrow Agent will be returned to the buyer, without interest, within fifteen (15) business days after the Escrow Agent receives the notice of cancellation.

D. The buyer gives notice to the Escrow Agent that the buyer has exercised any right to cancel that the buyer has under the Purchase Agreement (other than the rights described above in subsections 5.2A, 5.2B or 5.2C of the Escrow Agreement). In that event, the Escrow Agent will give the seller written notice of the buyer's decision to cancel. The seller has five (5) business days after it receives that notice within which to provide written notice to the Escrow Agent of the seller's approval or disapproval of the cancellation. If the seller gives it approval, then all of the buyer's funds held by the Escrow Agent will be returned to the buyer, without interest and less any escrow cancellation fee, within fifteen (15) business days after the Escrow Agent receives written notice of approval from the seller. If the Escrow Agent receives no notice or receives a notice of disapproval from the seller, then the Escrow Agent may proceed.

E. If the seller instructs the Escrow Agent to do so, the Escrow Agent will return to the buyer all of the buyer's funds, without interest, within fifteen (15)

business days after the Escrow Agent receives that instruction.

The Escrow Agent has no duty to use its own money to make a refund to a buyer whose check has not cleared. Instead, the Escrow Agent may wait until the buyer's check clears but it must make any required refund promptly after that.

CANCELLATION BECAUSE THE BUYER DEFAULTS.

If the seller gives written notice to the Escrow Agent that the seller is canceling a buyer's Purchase Agreement because of the buyer's default then the buyer's funds will be delivered as provided in that buyer's Purchase Agreement. If the Purchase Agreement provides that the buyer's funds will be released to the seller as liquidated damages if the buyer defaults, then the procedures set forth in the Escrow Agreement must be followed.

RELEASE OF FUNDS UPON POSTING A BOND OR OTHER FINANCIAL ASSURANCE.

The Escrow Agent shall release a buyer's funds to the seller prior to closing if, as permitted by Chapter 514 of the Hawaii Revised Statutes (the *Act*) or as approved by the Director, the seller posts a bond, letter of credit, or other financial assurance that assures the repayment to the Escrow Agent of any refund due the buyer prior to closing. The seller may determine the amount of the bond, letter of credit, or other financial assurance. The Escrow Agent may not release a buyer's funds under Section 5.4 of the Escrow Agreement unless the amount of the bond, letter of credit, or other financial assurance exceeds the sum of (i) the amount to be released, plus (ii) the total amount of the buyers' funds previously released to the seller for sales that have not yet closed. If permitted by the Act or approved by the Director, the Escrow Agent may release a buyer's

funds to the seller before the end of the Seven-Day Cancellation Period, despite what Section 4.3 of the Escrow Agreement says.

PROTECTION OF THE ESCROW AGENT.

Among other things, (i) the Escrow Agent is not responsible for documents or money not delivered to the Escrow Agent, (ii) the Escrow Agent is not liable if the buyer gives a valid notice of cancellation to the seller but the seller does not notify the Escrow Agent in a timely fashion, and (iii) the Escrow Agent need not determine if any Purchase Agreement it receives is valid or sufficient. For all purposes, the Escrow Agent may assume that:

- A. All documents were signed by the persons whose signatures seem to be on them; and
- B. The persons signing documents are old enough and competent to sign and had the authority to do so; and
- C. Anyone who signs for someone else has permission to do so; and
- D. Any written notice or instruction from the seller, or any lender providing financing for the purchase of a vacation ownership interest, is true and accurate.

The buyer and the seller, jointly and severally (together and separately) promise to indemnify the Escrow Agent against (which means the buyer and the seller agree to pay in full) all costs, damages, judgments, legal fees and expenses reasonably incurred by the Escrow Agent for acting as instructed in this Escrow Agreement. This does not, however, apply to anything caused by the negligence or misconduct of the Escrow Agent.

PURCHASE AGREEMENT

1. The Purchase Agreement and Buyer's Certification.

- a. The specimen Purchase Agreement also determines the time for and the amount of payments on the purchase price, and for the payment of all closing costs.
- b. The Buyer's Certification is part of the Purchase Agreement. The Purchase Agreement is a legally binding agreement between the buyer and seller. Things not written in the Purchase Agreement or Buyer's

Certification are not part of the agreement, no matter what anyone says.

- c. Under the Purchase Agreement, the buyer promises to buy the vacation ownership interest(s) listed in the Purchase Agreement from the seller, and the seller promises to sell this vacation ownership interest(s) to the buyer, under certain terms and conditions.
- d. The Purchase Agreement specifies the apartment number, its unit type, the reservation right, the use right, and the

frequency of reservation and use applicable to the vacation ownership interest purchased by the buyer. The Purchase Agreement also specifies the amount and time for payment of the purchase price, closing costs, and financing terms for any amounts of the purchase price which are financed by the buyer.

2. Closing. The seller will pick a day for the closing. That date is called the "closing date". The closing date must occur within 90 days after satisfaction of the closing conditions. The seller, however, can postpone the closing if it wishes to do so. Neither the seller nor the Escrow Agent need to tell the buyer when the closing date will be.

3. Early Closing. The seller may schedule the closing date and the buyer accepts that closing may occur before construction of the Condominium is complete. If the seller elects to do this, then the following will apply:

(1) The seller will have the exclusive right to control, manage, and conduct the design, development, construction, addition, and completion of each phase of the Condominium;

(2) Risk of loss will pass from the seller to the buyer when the County of Maui issues a certificate of occupancy for the buyer's unit (whether temporary or permanent) or when the buyer's vacation ownership deed is recorded, whichever is later. Prior to the completion of construction of the phase of the Project in which the buyer's unit is located, the seller will buy (i) a "builder's risk" insurance policy in an amount equal to the cost of construction and naming the Apartment Owners Association of Ocean Resort Villas (the *Condominium Association*) as an insured as trustee for the owners, and (ii) a policy of liability insurance with limits of not less than \$1,000,000 for personal injury and \$500,000 for property damage arising out of a single accident or occurrence. After completion of construction of the phase of the Project in which the buyer's unit is located, the Condominium Association and the Association will be responsible for maintaining insurance for the Project. Buyer will bear any and all risk of any delays caused by strike, labor disputes, insured or uninsured casualty (accident, etc.), fire, tsunami, earthquake, acts of God, the weather, war, riots, terrorism, or any other matter or condition beyond the seller's control and which excuses the seller's delay under Hawaii law.

(3) After the buyer's vacation ownership deed is recorded, the buyer's funds, notes and loan

documents will belong to the seller and the Escrow Agent will handle them as provided in the Escrow Agreement.

(4) After a closing prior to the completion of construction of the Project, if there is a material change in the Condominium that gives the buyer a right to rescind under Section 514A-63 of the Condominium Property Act, then the buyer's only rights are either (i) to rescind under Section 514A-63(a), or (ii) to accept the change as provided in Section 514A-63(b). If the buyer rescinds, the seller will deliver to the Escrow Agent all funds that the buyer paid (including all funds paid on the purchase price and any monthly mortgage payments that the buyer actually paid) and any original note the buyer signed for a loan made by the seller. The Escrow Agent will return the buyer's funds and note when the buyer signs and delivers a warranty deed transferring the buyer's vacation ownership interest(s) back to the seller and sign any other documents that the Escrow Agent finds necessary or helpful. Buyer's vacation ownership interest(s) must not be subject to any encumbrances except the permitted encumbrances and any mortgage from the buyer to the seller. The seller will pay all closing costs for deeding buyer's vacation ownership interest(s) back to the seller.

4. Payments.

a. Buyer must pay the additional deposit (if any) and the cash balance by the due dates shown in the Purchase Agreement.

b. If seller is financing the purchase of buyer's vacation ownership interests(s), the buyer must begin making monthly payments on buyer's loan starting on the date stated in the Purchase Agreement. Until the later of closing or the completion of construction, buyer must make these payments to the Escrow Agent. These payments will be refunded to buyer if buyer cancels the Purchase Agreement using any cancellation right buyer has by law or in the Purchase Agreement. Otherwise, the payments will be paid to the seller at closing.

5. Default.

a. The buyer will be in "default" under the Purchase Agreement if (a) the buyer does not pay, or (b) the buyer does not pay on time, or (c) the buyer does not keep any other promise in the Purchase Agreement. Seller has no duty to notify or warn the buyer about the buyer's default or possible default, either before or after it happens.

b. If buyer defaults, the seller can (a) cancel the Purchase Agreement, or (b) enforce it, or (c) do anything else permitted by the contract or by law. If the seller decides to cancel, then it may keep all amounts paid by the buyer.

6. Legal Proceedings and Fees. Any lawsuit or other legal proceedings will be handled in Hawaii and without a jury. In the event of a dispute, the losing party must pay the winner's cost and expenses, including legal fees.

7. No Warranties. Except for the warranty of title in a buyer's deed, the seller makes no warranties, express or implied, about the buyer's vacation ownership interest(s), a buyer's condominium unit, the Condominium, the Master Association's property, or anything installed or contained in the buyer's unit, the Condominium or the Master Association's property. This includes but is not limited to warranties of merchantability, habitability, workmanlike construction, fitness for a particular use or sufficiency of design. EVERYTHING IS BEING SOLD "AS IS" AND WITH ALL DEFECTS, WHETHER VISIBLE OR HIDDEN, AND WHETHER KNOWN OR NOT. This means, among other things, that the seller does not have to correct or fix any defect no matter what causes it or when it is discovered. The buyer also gives up (or, in legal terms, "waive and release") all rights and claims that the buyer may have, now or in the future, against the seller and all companies related to the seller and each of their officers, directors, agents and employees (i) for any defects in the buyer's unit, the Condominium, the Master Association's property, or anything installed or contained in the buyer's unit, the Condominium, or the Master Association's property, and (ii) for injury to persons or property arising from any such defects. This means that the seller will not have to pay for any injury or damage to people or things as a result of any defect. Also, the Condominium Map is not intended to be and does not create any representation or warranty by the seller.

8. Starwood Pacific Club.

a. The Ocean Resort Villas North Vacation Owners Association (the *Association*), the seller and the Club Operator have signed a *Club Affiliation Agreement*. The Ocean Resort Villas North Vacation Ownership Plan (the *Plan*) is part of the Starwood Pacific Club (the *Club*) and each buyer will be a member of the Club. The Club is not a legal entity or association of any kind. It is a business owned and operated by SVO Hawaii Management, Inc. (the *Club Operator*).

b. A buyer's reservation rights are subject to the priorities, limitations, and restrictions contained in the documents governing the Club (the *Club Documents*). A buyer's rights and duties as a member of the Club are defined, limited and governed by the Club Documents and can be changed as provided in them.

c. A buyer's membership in the Club ends when the Club Affiliation Agreement ends or when the buyer is no longer the owner of a vacation ownership interest. The Club Operator or the Association may terminate the Club Affiliation Agreement under certain limited circumstances as stated in the Club Affiliation Agreement.

9. Starwood Vacation Network.

a. The Club is part of the Starwood Vacation Network (*SVN*) and as a member of the Club each buyer is also a member of SVN. SVN is not a legal entity or association of any kind. It is a business owned and operated by Starwood Vacation Exchange Company (the *SVN Operator*).

b. A buyer's reservation rights are subject to the priorities, limitations, and restrictions contained in the documents governing SVN (the *SVN Documents*). A buyer's rights and duties as an SVN Member are defined, limited and governed by them and can be changed as provided in them.

c. The Club Operator and the SVN Operator have signed a *SVN Affiliation Agreement*. The Plan will be a part of SVN (and each buyer will be an SVN Member) for so long as SVN Affiliation Agreement and the Club Affiliation Agreement stay in effect. A buyer's membership in SVN ends when the Club Affiliation Agreement or the SVN Affiliation Agreement ends or when the buyer is no longer the owner of a vacation ownership interest. The SVN Operator or the Club Operator may terminate the SVN Affiliation Agreement under certain limited circumstances as stated in the SVN Affiliation Agreement.

10. Important Documents. Ownership and use of the vacation ownership interest are subject to the Important Documents (as such capitalized term is defined in the Purchase Agreement). By signing the Purchase Agreement, each buyer accepts and approves of such documents and the Escrow Agreement. In addition, the Important Documents could change under certain circumstances. By signing the Purchase Agreement, each buyer agrees to keep all of its promises in the Purchase Agreement even though some or all of the Important Documents may change after the

Purchase Agreement is signed. However, the buyer does not give up its right to cancel under H.R.S. § 514A-63(a) of the Condominium Property Act.

11. Condominium Managing Agent and License Agreement. The managing agent for the Condominium and the time share plan manager each have a licensing arrangement with Westin License Company to use the name “Westin” and other service marks and trademarks (the *Marks*) owned or licensed to the Westin License Company. As a result, (i) the Plan will be designated as a Westin resort while the licensing arrangement is in effect, and (ii) the Condominium and the Plan must be operated, managed, and maintained according to the standards established by the Westin License Company to protect its Marks (the *Westin Standards*). The fees, costs, and expenses to maintain the affiliation with Westin License Company are included in the common expenses of the Condominium and/or the plan expenses of the Plan. If the licensing arrangement ends for any reason, the Condominium and the Plan will not be able to use the Marks (including the Westin name). This may happen if, for example (i) the management agreements with the managing agents or the plan manager end for any reason; or (ii) the Condominium or the Plan is not managed, operated, and maintained in a manner consistent with the Westin standards, or (iii) the licensing arrangement expires and is not renewed, or (iv) if other normal business defaults occur.

12. Exchange Company. The SVN Operator has arranged for Interval International, Inc. (II) of Miami, Florida, to make its exchange program available to owners in the Plan. II is a completely separate company from the seller, the Club Operator, and the SVN Operator. II cannot make promises for or representations about the seller, the Club Operator, or the SVN Operator. Likewise, the seller, the Club Operator, and the SVN Operator cannot make promises for II or representations about its exchange program. II is only responsible for the representations contained in the written materials supplied by it and that the salespeople provided to the buyer. The seller, the Club Operator, and the SVN Operator are not liable for II's representations. Buyer will have access to II's exchange program so long as the buyer is an SVN member and the SVN Operator's contract with II remains in effect. While the SVN Operator expects that its relationship with II will continue, there is no assurance that it will do so for any particular time period. Buyer's decision to buy the buyer's vacation ownership interest(s) should be based primarily on the use of the buyer's own use rights in the Plan and not on II's exchange program.

13. Assessments. In addition to the initial Purchase Price for the vacation ownership interest, buyers must pay the regular and any special assessments charged by the Association, the Condominium Association, the Master Association, or the Ka'anapali North Beach Association. These fees are used to pay the cost of operating and maintaining those associations or the properties that they manage and will include charges for contributions made by the Association, the Condominium Association, the Master Association and/or the Ka'anapali North Beach Association to the fund established by the developer in cooperation with the West Maui Preservation Association to be used for designated improvements, project, including land acquisition, improvement of coast resources, roadway improvements and other appropriate benefits to the North Beach/West Maui area and community. Buyers must also pay any fees charged by the Club Operator and any fees charged by the SVN Operator. These fees include annual membership fees and also “Transaction Fees” based on how buyer uses buyer's reservation and use rights. Buyer must pay these fees in full before buyer may make a reservation or use or exchange the buyer's use rights. Buyer must pay the fees whether or not the buyer uses a unit in any particular year. These fees may be increased subject to the limits, if any, in the documents that created and that govern the Plan, the Condominium, Ka'anapali North Beach, and the Master Association (referred to as the *Governing Documents* in the Purchase Agreement).

14. Estimates of Assessments. Buyer should understand and accept that costs to maintain and operate any real estate project are difficult to estimate. In addition, these costs usually increase over time as the project ages or due to inflation or other things that the seller cannot control or predict. As a result, the seller, the plan manager, and the managing agents cannot promise that their estimates of assessments will always be accurate.

15. Termination by Seller for Blocked Persons. Under United States Presidential Executive Order 13224 (the “Executive Order”), seller is required to ensure that it does not transact business with persons or entities determined to have committed, or to pose a risk of committing or supporting, terrorist acts and those identified on the list of Specially Designated Nationals and Blocked Persons (the “List”), generated by the Office of Foreign Assets Control of the U.S. Department of the Treasury. The names or aliases of these persons or entities (“Blocked Persons”) are updated from time to time. In the event seller learns that the buyer's name appears on the List, seller reserves the right to delay the closing pending seller's

investigation into the matter. If seller is advised and/or determines that the buyer is a Blocked Person, seller reserves the right to terminate the Purchase Agreement

and/or to take all other actions necessary to comply with the requirements of the Executive Order.

Exhibit K

Additional Information Not Covered Above

I. KA'ANAPALI NORTH BEACH

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

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

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

II. DEVELOPER'S RESERVED RIGHTS

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

- To create one or more new apartments in the Project, to expand Apartment 101, and to designate limited common elements appurtenant to any new apartment or to Apartment 101 (section 18 of the Declaration).
- To design, develop, install, build, add, and complete new improvements on the land (Section 19 of the Declaration).
- To develop one or more adjacent projects on any adjacent parcel (Section 20 of the Declaration).
- To convert all or any part of a limited common element appurtenant to a commercial apartment owned by the Developer into one or more separate apartments (Section 21 of the Declaration).
- To convert any part of any apartment owned by the Developer into limited common elements for that apartment (Section 22 of the Declaration).

- To convert all or any part of any apartment owned by the developer or its limited common elements into general common elements (Section 22 of the Declaration).
- To convey apartment, vacation ownership interests, and/or fractional ownership interest, in a particular phase before construction of that phase is completed (Section 23 of the Declaration). The developer intends to do so with respect to each phase or increment of the Project, including the first phase covered by this Public Report.
- To change the apartments, common elements, limited common elements and/or any of the condominium documents as required to comply with any laws that apply to the Project, the condominium association, the Master Association, the vacation owners association (if any), the fractional owners association (if any) and/or the Developer (Section 24 of the Declaration).

THIS IS ONLY A SUMMARY OF CERTAIN DEVELOPER'S RESERVED RIGHTS. THE NATURE AND EXTENT OF THESE RIGHTS IS DESCRIBED IN AND GOVERNED BY THE CONDOMINIUM DOCUMENTS.

III. EASEMENTS

"Easement" is a legal term. In general, it refers to the right of one person to use property in the possession of someone else. The Property is subject to (a) any recorded easements, (b) the exclusive easements to use the limited common elements, and (c) any easements granted or reserved in or pursuant to the Ka'anapali North Beach Documents (as this capitalized term is defined in the Declaration).

In addition, the apartments and common elements also have and/or are subject to the following easements:

- Each apartment has these non-exclusive easements:
 - An easement to use the common elements designed for such purposes for access to and from, utility services for, and support, maintenance and repair of the apartment and its limited common elements.
 - An easement in the other common elements for use according to their intended purposes (but this right is subject to the exclusive use of the limited common elements as provided in this Declaration).
 - An easement in all other apartments of the building(s) for support.
- An easement for encroachment in the event that any part of the common elements encroaches on any apartment or any limited common element, or any apartment or limited common element encroaches on the common elements or any other apartment or limited common element.
- The Association has the right to enter any apartments and/or limited common elements from time to time. This right cannot be revoked. It may be exercised by the Board or its Managing Agent and by anyone authorized by them. This right, however, is subject to the limitations set forth in Section 7.1C of the Declaration.
- The Project is subject to certain access easements as set forth in the Declaration.
- In the event that the Developer, or a company related to the Developer, is no longer the Managing Agent, then upon request by the condominium association, the owner of Apartment 101 must make available to the condominium association an area of at least one hundred fifty (150) square feet for use as a check-in and check-out desk. This area may be used by the condominium association only for check-in and check-out purposes and related purposes.
- The Shoreline Setback Area is subject to an existing easement. This easement requires that the Shoreline Setback Area remain open and available to the public as open space, for recreational access and passive recreational uses, and for Native Hawaiian use for traditional and customary uses of the shoreline and near-shore ocean waters. The Native Hawaiian uses include fishing, diving, ho'okupu ceremonies (ritual prayers on the shoreline) and gathering.

- Each commercial apartment has an appurtenant easement under which the owner's representatives, vendors, licensees, and invitees have the right, for the purposes of the business conducted in the commercial apartment or its limited common elements to do these things:
 - To come onto the Project using the common elements intended for access to and from any nearby roads, streets or highways.
 - To park motor vehicles in any unassigned parking stalls.
 - To make deliveries using any service yard, loading dock, and any other delivery areas and any common elements connecting the service yard, loading dock, and any other delivery areas to the commercial apartment or its limited common elements.
 - To go to and from the apartment and its limited common elements using the walkways and other common elements intended for such purposes.
 - For casual use (such as an after-dinner stroll) of the common element pathways and walkways of the Project located outside of the buildings, including but not limited to the pathways and walkways within the Master Association limited common elements and the Shoreline Setback Area. This right is subject to any reasonable limitations set by the Board.
 - To use the common elements otherwise as may be reasonably necessary in connection with the ordinary conduct of business operations in the commercial apartment and/or its limited common elements.
- The Master Association and its representatives, licensees, and invitees (including, for example, the Master Association Manager), have a non-exclusive easement over, under and upon the common elements of the Project as necessary or convenient to use, operate, maintain, repair, paint, resurface, alter, add to, install, or replace the Master Association apartment or its limited common elements or any Master Association amenities located on the Project. The Master Association also has other easements over the Project. These easements are set forth in Section 7.IH of the Declaration.
- The Developer and its representatives, licensees and invitees may use the limited common elements of the Master Association apartment for the purpose of conducting educational, cultural, entertainment or sporting events, and other activities of general community interest. The specific requirements for this easement are set forth in Section 7.II of the Declaration.
- The Developer and its representatives, licensees, and invitees have the exclusive right and an easement to conduct marketing and sales activities (which may be extensive) on the common elements (including but not limited to the resort limited common elements and the limited common elements of the Master Association apartment) and from any apartment owned by it.
- The Developer and its representatives, licensees, invitees (including any governmental officials that the Developer may invite), successors and assigns, have an easement over, under and upon the Project, including the common elements, limited common elements, and any apartment, as may be reasonably necessary or convenient to complete any improvements and to correct any defects and other punchlist items in the common elements or any apartment or to use any of the other "Developer's Reserved Rights".
- Any Vacation Owners Association or Fractional Owners Plan Association and its representatives (including, for example, its plan manager), licensees, and invitees, have a non-exclusive easement over, under and upon the general common elements of the Project. They also have the right to use any resort limited common elements in any building that contains an apartment included in the Vacation Ownership Plan.
- Any Vacation Owners Association and any Fractional Owners Association, and their respective representatives (including, for example, its plan manager), licensees, and invitees, have a non-exclusive easement (in common

with the condominium association) to use the housekeeping rooms next to the electric and telephone room on each level of Building 5, any housekeeping rooms that are general common elements, and any linen and storage closets that are general common elements; provided that for any building, this easement applies only if the Vacation Ownership Plan or Fractional Ownership Plan includes one or more apartments in that building.

- In the event that the Developer, or a company related to the Developer, is not the Managing Agent, then the condominium association will have a non-exclusive easement (in common with Apartment 101) for use of the telephone rooms designated as limited common elements of Apartment 101, for the purpose of providing any necessary telephone service to resort apartments and the Master Association Apartment. In such case, all costs of maintenance and repairs of such rooms shall be divided equally between Apartment 101 and the condominium association. However, if the owner of Apartment 101 is no longer using the telephone rooms, then the condominium association will pay all costs to maintain and repair those rooms.
- Anyone who has the right or permission to occupy an apartment also has the right and a license to use the general common elements, and any limited common elements of the apartment occupied, to the same extent that the owner would have the right to do so.
- The owner of Apartment 101 has the exclusive right (but no duty) to provide bellhop services to the occupants of the resort apartments. For this purpose, the owner and its representatives and licensees have an easement across the common elements of the Project, and the limited common element corridors, hallways, stairways, elevators, and other means of access within each building containing resort apartments.
- The owner of Apartment 101 has the exclusive right (but no duty) to provide room service to the resort apartments or to arrange with someone else to provide room service.
- The owner of Apartment 101 has an exclusive right (but not an obligation) to provide valet parking services to the apartment owners, occupants and their guests, and to customers and other invitees of the commercial apartments. This includes the right for the owner of Apartment 101 and its representatives and licensees to use the common elements of the Project, and the porte cochere and circular driveway fronting Building 6, to provide valet parking services. This easement includes the right to control the flow of vehicles through the port cochere and circular driveway, and the loading, unloading, and parking of vehicles in the circular driveway. If the owner of Apartment 101 requests it, the Board must designate up to ninety (90) of the unassigned parking stalls for exclusive use as valet parking stalls. This easement is appurtenant to Apartment 101.
- The Developer and the Master Association have the exclusive right and an easement (but no duty) to operate one or more children's programs.
- The Owner of the Apartment 101 and its representatives and licensees have the following rights and easements:
 - The right and an easement to place up to thirty (30) tables, with chairs and umbrellas, in any of the Courtyards.
 - The exclusive right and an easement to provide food and beverage services to those tables and to customers elsewhere in the Courtyards (e.g., the pool decks), including the right to employ waiters, waitresses, busboys, etc., to do so.
 - The right and an easement across the Courtyards and through the buildings of the Project to transport food, beverages, supplies, glasses, dishes, and so on, between the Pool Bar Building and the portion of Apartment 101 located in Building 6.
 - The right and an easement to use the restrooms located within restroom buildings within the Courtyards. This includes, for example, use by employees, waiters, waitresses, busboys, etc., while they are working.

- The Master Association Apartment has the right and a non-exclusive easement over, under, across or through the land and improvements of the Project for the purpose of designing, installing, constructing, using, maintaining, repairing, replacing, relocating, realigning, removing, and otherwise dealing with underground drainage lines and related improvements (the "Drainage Improvements") serving the Project and/or any adjacent parcel and to connect the Drainage Improvements to the retention basins shown on the Condominium Map and/or to drainage lines and related improvements of any adjacent parcel including but not limited to the Ocean Resort Villas condominium located next door to the Project.

The Declaration sets forth certain duties or restrictions associated with some of the easements. These duties and restrictions are not discussed in this Exhibit. The list provided in this Exhibit, above, is only summary of the easements set forth in the Declaration. For more information regarding these easements, please see Section 7.1 of the Declaration.

IV. MISCELLANEOUS

A. Special Management Area Permit. Because the land on which the Project is located on is beachfront property, the Project is located in a "Special Management Area" or "SMA". Hawaii law requires that the Developer obtain an SMA permit for any development in a Special Management Area.

The property is subject to that certain Special Management Area (SMA) Permit 88/SM1-023 and Shoreline Setback Variance (SSV) 88/SSV-002 dated July 19, 1988, issued by the County of Maui, as confirmed by letter of July 22, 1988, issued by Christopher L. Hart, Planning Director. The property is also subject to Special Management Area Permit SM1-2003 0024 issued by the County of Maui, dated October 13, 2004 and Special Management Area Use Permit (Docket No. 97-SM1-006) dated December 14, 1998 to the extent that they apply to the Condominium.

Copies of these permits are available for inspection by purchasers and prospective purchasers. The Condominium is subject to these permits. Some of the requirements of the SMA Permits apply to the initial construction and completion of the Condominium. Other requirements apply to the Project on an ongoing basis. The Developer is responsible for compliance with the SMA Permits pertaining to the initial construction and completion of the Project and must pay the cost to do so. The Developer, however, has no obligation to comply with requirements of the SMA Permits that do not apply to the initial construction and completion of the Condominium or any phase of it. Owners and/or the owner associations must comply with these permits on an ongoing basis.

The SMA permits require, among other things, (i) that the Project be connected to and use the County of Maui's reclaimed water system when it becomes available, (ii) that appropriate energy conservation measures be incorporated into the Project, (iii) that low level lighting be used on the buildings, in the landscaped areas, and that parking lot lighting be fully shielded, and (iv) that dedicated employee parking be provided at the Project. The Association must see that the Project complies with each of these requirements.

In addition, the SMA Permit dated October 13, 2004 requires, among other things, that the Association buy and maintain comprehensive liability insurance of at least one million dollars naming the County of Maui as an additional insured. The policy must cover all claims or demands for property damage, personal injury and/or death arising out of the permits, including but not limited to (1) claims from any accident in connection with the permitted use, or occasioned by any act or nuisance made or suffered in connection with the permitted use, and (2) all actions, suits, damages and claims brought or made by reason of the non-observance or non-performance of any of the terms and conditions of the permit. The Developer will pay this costs until the first certificate of occupancy is issued with respect to the Project; the Association must pay this cost after that. The cost of the policy will be a common expense.

Except as otherwise provided by law, the Developer has reserved the right to do all things necessary or convenient to satisfy the requirements of the Project's SMA Permits, and any zoning or other land use requirements that apply to the Project or any adjacent project from time to time. For example, the Developer entered into an agreement dated September 28, 2004, with The West Maui Preservation Association, a Hawaii non-profit corporation, a short form of which was recorded as Document No. 3242967. The agreement is binding on the Developer and on future owners, including the Owners. The agreement requires, among other things, (i) construction and maintenance of certain off-site and on-site drainage systems and improvements incorporating best management practices and sufficient on-site and off-site storm water retention capacity; (ii) the drafting and implementation of a water quality management program

incorporating best management practices, and the periodic monitoring of near shore ocean waters; (iii) the drafting and implementation of a management program incorporating best management practices to control and mitigate erosion of, and other adverse effects upon, the sand dunes fronting the Condominium and adjacent parcels or portions thereof; (iv) the construction of certain improvements in the "Public Open Space / Recreation Area" located on the Land; and (v) the Developer's obligation to impose certain financial obligation upon the Association. This Settlement Agreement also sets forth requirements for water quality and dune management, as more particularly described in Exhibit D to the Condominium Declaration.

Please note that any further development may require additional Special Management Area approval by the County of Maui.

B. Tsunami Inundation Area. The property is located in a tsunami inundation area. It is also located in a flood zone and flood control measures may be required. Flood insurance may be required. Buyers are advised to consult with their insurance agents as to whether flood insurance may be required.

C. Historical Sites. The County of Maui has not made a determination as to whether any portions of the Condominium may contain historical sites.

D. Public Access/Shoreline Setback. The Condominium is subject to certain public access requirements providing access to the beach in front of the Condominium. The Condominium is also subject to a 150 foot setback from the ocean.

E. Development of Nearby Parcel. Preliminary entitlements, such as a special management area permit, have been granted for the development of a proposed 700 unit condominium, hotel and townhouse project on a nearby parcel. The construction of the 700-