

**AMENDED
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	KAI ANI VILLAGE
Project Address	1367 and 1415 South Kihei Road, Kihei, Hawaii 96753-8107
Registration Number	6160
Effective Date of Report	July 24, 2007
Developer(s)	KAI ANI VILLAGE, LLC

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, part or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. This issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; or (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developers Public Report, clearly reflecting the changes, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

Purchasers are advised that the Project is comprised of 79 Residential Units and 20 Live-Work Units. Residential Units are units to be used exclusively for residential purposes, while Live-Work Units may be used for residential and limited commercial purposes. Purchasers are advised to review Section H.2. of the Declaration for the limitations under which a Live-Work Unit may be used for a commercial enterprise.

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the fee owner	N/A
Address of Project	1367 and 1415 South Kihei Road, Kihei, Maui 96753-8107*
Address of Project is expected to change because	The two lots comprising the Project are in the process of being consolidated into one lot and a single address is expected to be assigned upon such consolidation. In addition, internal streets in the Project may be named and used in the address of the Units.
Tax Map Key (TMK)	(2) 3-9-002-091 and (2) 3-9-002-134
Tax Map Key is expected to change because	The two TMK parcels listed above are expected to change upon consolidation of the two lots comprising the Project. In addition, individual CPR numbers are expected to be assigned to each Unit.
Land Area	6.44 acres
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

*The address of the Project may change upon consolidation of the two lots comprising the Project, which the Developer is in the process of accomplishing and anticipates accomplishing during Fall, 2007 and in any event prior to the first conveyance of a Unit to a purchaser.

1.2 Buildings and Other Improvements

Number of Buildings	15
Floors Per Building	Six (6) two-story buildings; nine (9) three-story buildings
Number of New Building(s)	15
Number of Converted Building(s)	None
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, glass, asphalt shingle

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
See Exhibit <u>A</u> *						

*See Exhibit "B" for a further discussion of building and unit types.

99	Total Number of Units
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Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit G.

Described as follows:

Common Element	Number
Elevators	N/A
Stairways	40
Trash Chutes	N/A

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit H.

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: An owner may raise, maintain and keep not more than one (1) generally recognized domestic house pet, such as a dog or cat, that does not exceed 25 lbs in weight when fully grown
<input type="checkbox"/>	Number of Occupants: N/A
<input checked="" type="checkbox"/>	Other: See page 1a for description of use of Live-Work Units vs. Residential Units
<input type="checkbox"/>	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be release prior to conveyance of a unit (see Section 5.3 on Blanket Liens)

Exhibit I describes the encumbrances against title contained in the title report described below.

Date of the title report: July 5, 2007

Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning					
	Type of Uses	No. of Units	Use Permitted by Zoning		Zoning
<input checked="" type="checkbox"/>	Residential	79	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	B-2
<input type="checkbox"/>	Commercial	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Mix Residential/Commercial	20	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	B-2
<input type="checkbox"/>	Hotel	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Ohana	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Industrial	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Recreational	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Other (specify)	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Describe any variances that have been granted to zoning code.			N/A		

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots	
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or is uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>	

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Not applicable at this time because all structures will be newly constructed; there are no existing structures. However, structures to be constructed will be conforming.

<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed: N/A</p>
--

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units: N/A</p>	
<p>Developer's statement of the expected useful life of each item reported above: N/A</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations: N/A</p>	
<p>Estimated cost of curing any violations described above: N/A</p>	

<p>Verified Statement from a County Official</p>
<p>Regarding any converted structures in the project, attached as Exhibit <u> N/A </u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information: N/A</p>

1.16 Project in Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation. N/A</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance. N/A</p>	
<p>Other disclosures and information: N/A</p>	

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project. N/A</p>	
<p>The nature and the scope of services to be provided. N/A</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses. N/A</p>	
<p>The duration of the provision of the services. N/A</p>	
<p>Other possible impacts on the project resulting from the provision of the services. N/A</p>	
<p>Other disclosures and information. N/A</p>	

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer</p>	<p>Name: Kai Ani Village, LLC Business Address: 25 North Santa Anita Avenue, Suite A, Arcadia, California 91006</p> <p>Business Phone Number: (626) 447-3121 E-mail Address: lars@victorydevelopmenthawaii.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>Kai Ani Village, LLC:</p> <p><u>Members</u> Lars Dennert Todd Leibl Tim Piasky Austin Richey Victory Development Hawaii, LLC</p> <p><u>Manager</u> Victory Development Hawaii, LLC</p>
<p>2.2 Real Estate Broker</p>	<p>Name: McEntire Realty, LLC Business Address: 161 Wailea Ike Place, Suite C-104 Wailea, Hawaii 96753</p> <p>Business Phone Number: (808) 874-8688 E-mail Address: Don@mcentirerealty.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc. Business Address: 80 Puunene Avenue Kahului, Hawaii 96732</p> <p>Business Phone Number: (808) 871-2297</p>
<p>2.4 General Contractor</p>	<p>Name: Betsill Brothers Construction, Inc. Business Address: 635 Kenolio Road Kihei, Hawaii 96753</p> <p>Business Phone Number: (808) 847-6406</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Shore to Shore Realty, Inc. Business Address: 331 Ho'okahi Street, Suite 202 Wailuku, Hawaii 96793</p> <p>Business Phone Number: (808) 244-7142</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Chun Rair & Yoshimoto LLP Business Address: 1000 Bishop Street, Suite 1000 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 528-4200</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	November 16, 2006	2006-210176

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	December 18, 2006	2006-231829
Bureau of Conveyances	July 12, 2007	2007-124793

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	November 16, 2006	2006-210177

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number
N/A	N/A	N/A

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit

Land Court Map Number	N/A
Bureau of Conveyances Map Number	4337
Dates of Recordation of Amendments to the Condominium Map: Amended and restated on December 18, 2006 and amended on July 12, 2007.	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "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 facility 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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:*

Are Proposed	<input checked="" type="checkbox"/>
Have Been Adopted and Date of Adoption	<input type="checkbox"/>
Developer does not plan to adopt House Rules	<input type="checkbox"/>

*The house rules are described in Exhibit "J"

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows: See Exhibit "K"

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<p>Management of the Common Elements: The Association of Unit 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.</p>	
<p>The Initial Condominium Managing Agent for this project is (check one):</p>	
<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

<p>Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit 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 unit and the unit 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.</p>	
<p>Exhibit <u> L </u> contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>	

4.3 Utility Charges to be Included in the Maintenance Fee

<p>If checked, the following utilities are included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the Common elements
<input checked="" type="checkbox"/>	Water*
<input checked="" type="checkbox"/>	Sewer*
<input type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

*For the Common Elements.

4.4 Utilities to be Separately Billed to Unit Owner

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENT

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u> M </u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: Name of Escrow Company: Exhibit <u> N </u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other N/A

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input checked="" type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit <u> </u> .
<input checked="" type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Blanket mortgage(s)	Buyer's sales contract will be subject to termination. If sales contract is terminated, all monies held in escrow will be returned to Buyer, less escrow cancellation fee.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
See Exhibit "L"

Building and Other Improvements: See Exhibit "L"

Appliances: Seller will assign and pass through to the Buyer any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Unit, for their unexpired terms, to the extent such warranties exist and to the extent that Seller has the right and power to make such an assignment. See Exhibit "L"

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: Construction has not commenced.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: Eighteen (18) months from the date the Developer gives notice to the contractor to proceed with construction of the building within which the unit will be contained.
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchaser in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to this project.
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5.6.2 Purchaser Deposits Will be Disbursed Before Closing

Hawaii Law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
<input checked="" type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

<p>Box A <input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
<p>Box B <input checked="" type="checkbox"/></p>	<p>The Developer has not submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as item 5, if any, and are being delivered to you with this report.	
1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: N/A

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 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:
Website to access official copy of laws: www.capitol.hawaii.gov
Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that 'directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use.'

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

- A. Special Management Area Use Permit. Purchasers are notified that the Project is subject to a Special Management Area Use Permit, SM1 2005/0019, dated January 13, 2006 (the "SMP"), which contains conditions that must be satisfied for the granting of the SMP. The majority of these conditions apply when construction of the Project is underway and, accordingly, these conditions remain unfulfilled as of the effective date of this Report. However, the Developer will comply with these conditions as and when appropriate during the course of construction. A brief description and status of the unfulfilled conditions specific to the Project are noted below. If purchasers would like further information as to the specific conditions that remain outstanding or the standard conditions that must be observed or performed, a full copy of the SMP is on file with the Real Estate Commission and is available from the Developer. The following unfulfilled conditions specific to the Project remain:
1. The Declarant will comply with all applicable State of Hawaii and Maui County laws, statutes, codes, rules and regulations. The Declarant will comply with this condition.
 2. Compliance with Department of Health dust control standards. The Declarant will comply with this condition.
 3. Meet all affordable housing requirements set forth in the letter from Maui County Department of Housing and Human Concerns dated December 12, 2005. The Declarant has already complied with most of these requirements and will fulfill the remaining requirements as appropriate.
 4. Fulfillment of all of the provisions of the Settlement Agreement between the Developer and Kihei Kauhale Nani Community Association. The Developer has already complied with some of these provisions and will fulfill the remaining requirements as appropriate.
- B. Flood Zones. The Project is located in two flood zones: (1) flood zone C (minimal flooding) and (2) flood zone AH with an elevation of six (if there is a 100 year flood there could be flooding up to six feet).
- C. Wetlands and Drainage Improvements. There are wetland areas located on the southern boundary of the Project, as more specifically shown on Exhibit "A", attached to the Settlement Agreement by and between the Developer and Kihei Kauhale Nani Community Association dated January 9, 2006 (the "Settlement Agreement"), which Settlement Agreement is attached as Exhibit 2 to the SMP, a full copy of which is on file with the Real Estate Commission and is available from the Developer (the Wetland areas shown on such Exhibit "A" will be referred to as the "Wetlands"). The Settlement Agreement was entered into for purposes of mitigating potential drainage impacts within the coastal zone management area to the Kihei Kauhale Nani Planned Unit Development, which drainage is facilitated by the Wetlands. Pursuant to the Settlement Agreement, the Developer has agreed to: (1) construct a 6-foot high boundary wall as shown on Exhibit "A" to the Settlement Agreement; (2) maintain a drainage way over and through the Project that is approximately eighteen feet wide, as shown on Exhibit "B" of the Settlement Agreement, that primarily consists of areas of the Wetlands; (4) install two box culvert drainage systems through and over the Project to accommodate a portion of off-site runoff, as shown on Exhibit "C" of the Settlement Agreement; and (3) grade the non-wetland areas designated on Exhibit "C" of the Settlement Agreement to match the ground elevation of the Wetlands (collectively, the "Drainage Improvements"). The Drainage Improvements will be constructed at the Developer's expense during construction of the Project, but will be part of the common elements of the Project to be subsequently maintained and controlled by the Project's Association of Unit Owners. Other than the Drainage Improvements, the Developer will not construct buildings or other improvements on the Wetlands.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers 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. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent chances to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Kai Ani Village, LLC
Printed Name of Developer

By:  6/28/07
Duly Authorized Signatory* Date

Todd Leibel 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; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT "A"

Kai Ani Village

Unit Types and Sizes

Unit Type	Quantity	Bedroom/ Bathroom/ Power	Net Living Area	Net Lanai Area	Net Entry Area	Total Area
1	12	2/2	886	137-207*	14-45*	1052-1114*
1R	13	2/2	886	137-207*	14-45*	1052-1114*
2	13	2/2	1032	116	22-27*	1170-1175*
2R	13	2/2	1032	116	22-27*	1170-1175*
3	7	2/2	1306	116	28-31*	1450-1453*
3R	7	2/2	1306	116	28-31*	1450-1453*
4	6	3/2/1	1486	180	56-77*	1722-1743*
4R	8	3/2/1	1486	180	56-77*	1722-1743*
5	5	2/2/2	1845	77	8	1930
5R	5	2/2/2	1845	77	8	1930
6	2	2/2/1	1848	77	8	1933
6R	4	2/2/1	1848	77	8	1933
6A	2	2/2/1	1901	77	8	1986
6AR	2	2/2/1	1901	77	8	1986

* Indicates that the configuration of the lanai areas and entries appurtenant to a Units Type varies in a range of sizes. Specific lanai and entry areas appurtenant to each unit are further contained in this Exhibit "A".

EXHIBIT "A continued"

Kai Ani Village

Unit No.	Unit Type	Bed/Bath/ Powder Room	Net Living Area	Net Lanai Area	Net Entry Area	Total Area
1-101	2	2/2	1032	116	22	1170
1-102	1R	2/2	886	207	14	1107
1-201	2	2/2	1032	116	27	1175
1-202	1R	2/2	886	183	45	1114
1-203	1	2/2	886	137	45	1068
2-101	2R	2/2	1032	116	22	1170
2-102	2	2/2	1032	116	24	1172
2-103	4R	3/2/1	1486	180	77	1743
2-201	3R	2/2	1306	116	31	1453
2-202	3	2/2	1306	116	28	1450
2-203	4R	3/2/1	1486	180	56	1722
2-204	1R	2/2	886	137	29	1052
3-101	6	2/2/1	1848	77	8	1933
3-102	5R	2/2/2	1845	77	8	1930
3-103	5	2/2/2	1845	77	8	1930
3-104	5R	2/2/2	1845	77	8	1930
3-105	6A	2/2/1	1901	77	8	1986
3-106	6AR	2/2/1	1901	77	8	1986
3-107	6R	2/2/1	1848	77	8	1933
3-108	5	2/2/2	1845	77	8	1930
3-109	5R	2/2/2	1845	77	8	1930
3-110	5	2/2/2	1845	77	8	1930
3-111	6R	2/2/1	1848	77	8	1933
4-101	6	2/2/1	1848	77	8	1933

Unit No.	Unit Type	Bed/Bath/ Powder Room	Net Living Area	Net Lanai Area	Net Entry Area	Total Area
4-102	5R	2/2/2	1845	77	8	1930
4-103	5	2/2/2	1845	77	8	1930
4-104	6A	2/2/1	1901	77	8	1986
4-105	6AR	2/2/1	1901	77	8	1986
4-106	6R	2/2/1	1848	77	8	1933
4-107	5R	2/2/2	1845	77	8	1930
4-108	5	2/2/2	1845	77	8	1930
4-109	6R	2/2/1	1848	77	8	1933
5-101	2	2/2	1032	116	22	1170
5-102	1R	2/2	886	207	14	1107
5-201	2	2/2	1032	116	27	1175
5-202	1R	2/2	886	183	45	1114
5-203	1	2/2	886	137	45	1068
6-101	2R	2/2	1032	116	22	1170
6-102	1	2/2	886	207	14	1107
6-201	2R	2/2	1032	116	27	1175
6-202	1	2/2	886	183	45	1114
6-203	1R	2/2	886	137	45	1068
7-101	2	2/2	1032	116	22	1170
7-102	1R	2/2	886	207	14	1107
7-201	2	2/2	1032	116	27	1175
7-202	1R	2/2	886	183	45	1114
7-203	1	2/2	886	137	45	1068
8-101	2R	2/2	1032	116	22	1170
8-102	1	2/2	886	207	14	1107
8-201	2R	2/2	1032	116	27	1175
8-202	1	2/2	886	183	45	1114

Unit No.	Unit Type	Bed/Bath/ Powder Room	Net Living Area	Net Lanai Area	Net Entry Area	Total Area
8-203	1R	2/2	886	137	45	1068
9-101	2	2/2	1032	116	22	1170
9-102	2R	2/2	1032	116	24	1172
9-103	4	3/2/1	1486	180	77	1743
9-201	3	2/2	1306	116	31	1453
9-202	3R	2/2	1306	116	28	1450
9-203	4	3/2/1	1486	180	56	1722
9-204	1	2/2	886	137	29	1052
10-101	2R	2/2	1032	116	22	1170
10-102	2	2/2	1032	116	24	1172
10-103	4R	3/2/1	1486	180	77	1743
10-201	3R	2/2	1306	116	31	1453
10-202	3	2/2	1306	116	28	1450
10-203	4R	3/2/1	1486	180	56	1722
10-204	1R	2/2	886	137	29	1052
11-101	2	2/2	1032	116	22	1170
11-102	2R	2/2	1032	116	24	1172
11-103	4	3/2/1	1486	180	77	1743
11-201	3	2/2	1306	116	31	1453
11-202	3R	2/2	1306	116	28	1450
11-203	4	3/2/1	1486	180	56	1722
11-204	1	2/2	886	137	29	1052
12-101	2R	2/2	1032	116	22	1170
12-102	2	2/2	1032	116	24	1172
12-103	4R	3/2/1	1486	180	77	1743
12-201	3R	2/2	1306	116	31	1453
12-202	3	2/2	1306	116	28	1450

Unit No.	Unit Type	Bed/Bath/ Powder Room	Net Living Area	Net Lanai Area	Net Entry Area	Total Area
12-203	4R	3/2/1	1486	180	56	1722
12-204	1R	2/2	886	137	29	1052
13-101	2R	2/2	1032	116	22	1170
13-102	2	2/2	1032	116	24	1172
13-103	4R	3/2/1	1486	180	77	1743
13-201	3R	2/2	1306	116	31	1453
13-202	3	2/2	1306	116	28	1450
13-203	4R	3/2/1	1486	180	56	1722
13-204	1R	2/2	886	137	29	1052
14-101	2R	2/2	1032	116	22	1170
14-102	1	2/2	886	207	14	1107
14-201	2R	2/2	1032	116	27	1175
14-202	1	2/2	886	183	45	1114
14-203	1R	2/2	886	137	45	1068
15-101	2	2/2	1032	116	22	1170
15-102	2R	2/2	1032	116	24	1172
15-103	4	3/2/1	1486	180	77	1743
15-201	3	2/2	1306	116	31	1453
15-202	3R	2/2	1306	116	28	1450
15-203	4	3/2/1	1486	180	56	1722
15-204	1	2/2	886	137	29	1052

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EXHIBIT "B"

Building and Unit Descriptions

RESIDENTIAL BUILDING TYPES.

The Project includes thirteen (13) detached residential buildings, designated as buildings 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15, as shown on the Condominium Map. None of the buildings will have basements.

There are four (4) residential building types in the Project, as shown on the Condominium Map. Buildings 1, 5 and 7 are Type A buildings; Buildings 6, 8 and 14 are Type A Reversed (herein called "Type AR") buildings; Buildings 9, 11 and 15 are Type B buildings; Buildings 2, 10, 12 and 13 are Type B Reversed (herein called "Type BR") buildings. The building types are described below:

Building Type A The Type A building contains a total of five (5) Units within two floor levels. One ground floor unit is a single-story unit of Unit Plan Type 2. The other ground floor unit is a single-story unit of Unit Plan Type 1R. The remainder of the ground floor consists of four (4) one-car enclosed garages. The layout and location of each Unit are as shown on the Condominium Map. Unit Plan Types that end with the letter "R" mean that such Unit Plan Type is constructed in a reverse floor plan from the Unit Plan Type designated with the number preceding that letter. Therefore, for example, Unit Plan Type 1R means that it is the reverse floor plan of a Unit Plan Type 1.

Each Type A building also contains three Units on the second floor, each of which has its entrance located on the second floor of the building, and consists of: one (1) single-story unit of Unit Plan Type 2; one (1) single-story unit of Unit Plan Type 1R; and one (1) single-story unit of Unit Plan Type 1. The layout and location of each Unit are as shown on the Condominium Map.

Building Type AR The Type AR building contains a total of five (5) Units within two floor levels with units having the reverse floor plan of the corresponding units in a Type A building. For instance, one of the two (2) ground floor units is a single-story unit of Unit Plan Type 2R and the other ground floor unit is a single story unit of the Unit Plan Type 1, both of which are situated in the building at the same location from their counterpart units (i.e., Unit Plan Type 2 and Unit Plan Type 1R) in a Type A building. The ground floor also consists of four (4) one-car enclosed garages. The layout and location of each Unit in a Type AR building are as shown on the Condominium Map.

Building Type B The Type B building contains a total of seven (7) Units within three floor levels. There are three (3) units on the ground floor and four (4) units on the second floor. The ground floor consists of three single-story units: one (1) single-story unit of Unit Plan Type 2; one (1) single-story unit of Unit Plan Type 2R; and one (1) single-story unit of Unit Plan Type 4. The remainder of the ground floor consists of four (4) one-car enclosed garages. The layout and location of each Unit are as shown on the Condominium Map.

Each Type B building also contains four (4) Units on the second floor, each of which has its entrance located on the second floor of the building, and consists of: one (1) two-story unit of Unit Plan Type 3 that extends into the third floor of the building; one (1) two-story unit of Unit Plan Type 3R that extends into the third floor of the building; one (1) single-story unit of Unit Plan Type 4; and one (1) single-story unit of Unit Plan Type 1. The layout and location of each Unit are as shown on the Condominium Map.

Building Type BR The Type BR building contains a total of seven (7) Units within three floors with units situated in the reverse order and having the reverse floor plan of the corresponding units in a Type B building. For instance, one of the three (3) ground floor units is a single-story unit of Unit Plan Type 4R, the second ground floor unit is a single story unit of Unit Plan Type 2, and the third ground floor unit is a single story unit of Unit Plan Type 2R, all of which are situated in the building at the opposite location from their counterpart units (i.e., Unit Plan Type 4, Unit Plan Type 2R and Unit Plan Type 2) in a Type B building. The ground floor also consists of four (4) one-car enclosed garages. The layout and location of each Unit in a Type BR building are as shown on the Condominium Map.

LIVE/WORK BUILDING TYPES.

The project includes two (2) detached "Live/Work" buildings, designated as buildings 3 and 4, as shown on the Condominium Map. Neither of the buildings will have basements. "Live/Work" means that it is permissible for the units in the building to be used for both residential and limited commercial uses as more particularly described in the Declaration.

Building 3 is a Type D building and Building 4 is a Type C building. These building types are described below.

Building Type C The Type C building contains a total of nine (9) Units within three floor levels. All units in Type C buildings are three-story units. The ground floor consists of a breezeway, two (2) storage areas (located on each side of the building) which are common elements of the Project. Each of the nine (9) Units has its entrance on the ground floor and

contains an appurtenant two-car enclosed garage. The building contains two (2) Units of Unit Plan Type 6R; two (2) Units of Unit Plan Type 5; two (2) Units of Unit Plan Type 5R; one (1) Unit of Unit Plan Type 6AR; one (1) Unit of Unit Plan Type 6A; and one (1) Unit of Unit Plan Type 6. The layout and location of each Unit in a Type C building are as shown on the Condominium Map.

Building Type D The Type D building contains a total of eleven (11) Units within three floor levels. All units in Type D buildings are three-story units. The ground floor consists of a breezeway and two (2) storage areas (located on each side of the building), which are common elements of the Project. Each of the eleven (11) Units has its entrance on the ground floor and contains an appurtenant two-car enclosed garage. The building contains two (2) Units of Unit Plan Type 6R; three (3) Units of Unit Plan Type 5; three (3) Units of Unit Plan Type 5R; one (1) Unit of Unit Plan Type 6AR; one (1) Unit of Unit Plan Type 6A; and one (1) Unit of Unit Plan Type 6. The layout and location of each Unit in a Type D building are as shown on the Condominium Map.

UNIT PLAN TYPES.

The seven (7) different Unit Plan Types in the Project are as described below:

Plan 1 (and Plan 1R): Single-story Unit with a master bedroom, master bathroom, second bedroom, second bathroom, one (1) walk-in closet, great room, dining area, kitchen, and laundry area. An appurtenant one-car garage, if applicable to such Unit, one (1) appurtenant lanai (including storage and/or water heater area(s), as applicable, ranging in size from 10-20 square feet, which may be a part of the lanai) and one (1) appurtenant entry are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 886 square feet.

Plan 2 (and Plan 2R): Single-story Unit with a master bedroom, master bathroom, second bedroom, second bathroom, great room, kitchen, and laundry area. An appurtenant one-car garage, if applicable to such Unit, one (1) appurtenant lanai, and one (1) appurtenant entry are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 1,032 square feet.

Plan 3 (and Plan 3R): Two-story Unit with a master bedroom, master bathroom, second bedroom, second bathroom, great room, kitchen, laundry area, storage area and an interior stairway leading to a loft on the second level of the Unit. An appurtenant one-car garage, if applicable to such Unit, one (1) appurtenant lanai, and one (1) appurtenant entry are for

the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 1,306 square feet.

Plan 4 (and Plan 4R): Single-story Unit with a master bedroom, master bathroom, two (2) additional bedrooms, one (1) second full bathroom and one powder room, one (1) walk-in closet, great room, dining area, kitchen, and laundry area. An appurtenant one-car garage, if applicable to such Unit, one (1) appurtenant lanai (including a water heater area, which is part of the lanai) and one (1) appurtenant entry are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 1,486 square feet.

Plan 5 (and Plan 5R): The first floor of this three-story Unit contains a reception area, work space, a powder room and an attached two-car garage. The first floor is connected by an interior stairway to the second floor, which contains a great room, kitchen, powder room, and laundry area. The second floor is connected by an interior stairway to the third floor, which contains a master bedroom, master bathroom, second bedroom and second bathroom. One (1) appurtenant lanai and one (1) appurtenant entry are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 1,845 square feet.

Plan 6 (and Plan 6R): The first floor of this three-story Unit contains a reception area, work space, a powder room and an attached two-car garage. The first floor is connected by an interior stairway to the second floor, which contains the second bedroom, great room, kitchen, one (1) full bathroom, and laundry area. The second floor is connected by an interior stairway to the third floor, which contains one (1) loft or master bedroom with a walk-in closet and one (1) master bathroom. One (1) appurtenant lanai and one (1) appurtenant entry are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 1,848 square feet.

Plan 6A (and Plan 6AR): The first floor of this three-story Unit contains a reception area, work space, a powder room and an attached two-car garage. The first floor is connected by an interior stairway to the second floor, which contains a great room, kitchen, one (1) full bathroom, one bedroom and laundry area. The second floor is connected by an interior stairway to the third floor, which contains one (1) loft or master bedroom, a master bathroom and walk-in closet. One (1) appurtenant lanai and one (1) appurtenant entry are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 1,901 square feet.

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EXHIBIT "C"

Kai Ani Village

Parking Stall Plan

Unit No.	Designated First Parking Stall (Stall No.)	Designated Second Parking Stall (Stall No.)	Regular(R)/ Compact(C)/ Tandem (T)	Covered(C)/ Open (O)
1-101	139	140	T	1C/1O
1-102	143	11	R	1C/1O
1-201	137	138	T	1C/1O
1-202	141	142	T	1C/1O
1-203	9	10	R	2O
2-101	21	26	R	2O
2-102	18	25	R	2O
2-103	146	147	T	1C/1O
2-201	148	149	T	1C/1O
2-202	144	145	T	1C/1O
2-203	150	151	T	1C/1O
2-204	19	20	R	2O
3-101	appurtenant 2-car garage		R	2C
3-102	appurtenant 2-car garage		R	2C
3-103	appurtenant 2-car garage		R	2C
3-104	appurtenant 2-car garage		R	2C
3-105	appurtenant 2-car garage		R	2C
3-106	appurtenant 2-car garage		R	2C
3-107	appurtenant 2-car garage		R	2C
3-108	appurtenant 2-car garage		R	2C
3-109	appurtenant 2-car garage		R	2C
3-110	appurtenant 2-car garage		R	2C
3-111	appurtenant 2-car garage		R	2C

Unit No.	Designated First Parking Stall (Stall No.)	Designated Second Parking Stall (Stall No.)	Regular(R)/ Compact(C)/ Tandem (T)	Covered(C)/ Open (O)
4-101	appurtenant 2-car garage		R	2C
4-102	appurtenant 2-car garage		R	2C
4-103	appurtenant 2-car garage		R	2C
4-104	appurtenant 2-car garage		R	2C
4-105	appurtenant 2-car garage		R	2C
4-106	appurtenant 2-car garage		R	2C
4-107	appurtenant 2-car garage		R	2C
4-108	appurtenant 2-car garage		R	2C
4-109	appurtenant 2-car garage		R	2C
5-101	153	43	R	1C/10
5-102	155	48	R	1C/10
5-201	152	44	R	1C/10
5-202	154	47	R	1C/10
5-203	45	46	R	2O
6-101	157	87	R	1C/10
6-102	156	85	R	1C/10
6-201	90	88	R	2O
6-202	158	86	R	1C/10
6-203	159	99	R	1C/10
7-101	161	106	R	1C/10
7-102	163	98	R/C	1C/10
7-201	160	107	R	1C/10
7-202	108	109	R	2O
7-203	162	110	R	1C/10
8-101	165	124	R	1C/10
8-102	164	123	R	1C/10

Unit No.	Designated First Parking Stall (Stall No.)	Designated Second Parking Stall (Stall No.)	Regular(R)/ Compact(C)/ Tandem (T)	Covered(C)/ Open (O)
8-201	125	117	R	20
8-202	166	122	R	1C/10
8-203	167	121	R	1C/10
9-101	136	119	R	20
9-102	133	118	R	20
9-103	170	135	R	1C/10
9-201	169	116	R	1C/10
9-202	168	115	R	1C/10
9-203	171	134	R	1C/10
9-204	132	120	R	20
10-101	126	112	R	20
10-102	127	111	R	20
10-103	173	129	R	1C/10
10-201	174	114	R	1C/10
10-202	172	113	R	1C/10
10-203	175	128	R	1C/10
10-204	131	130	R	20
11-101	74	89	R	20
11-102	73	104	R	20
11-103	178	71	R	1C/10
11-201	177	75	R	1C/10
11-202	176	105	R	1C/10
11-203	179	72	R	1C/10
11-204	70	84	R	20
12-101	65	40	R	20
12-102	66	41	R	20

Unit No.	Designated First Parking Stall (Stall No.)	Designated Second Parking Stall (Stall No.)	Regular(R)/ Compact(C)/ Tandem (T)	Covered(C)/ Open (O)
12-103	181	68	R	1C/1O
12-201	182	64	R	1C/1O
12-202	180	42	R	1C/1O
12-203	183	67	R	1C/1O
12-204	69	49	R	2O
13-101	27	28	R	2O
13-102	29	30	R	2O
13-103	188	23	R	1C/1O
13-201	186	187	T	1C/1O
13-202	184	185	T	1C/1O
13-203	189	24	R	1C/1O
13-204	31	32	R	2O
14-101	191	15	R	1C/1O
14-102	190	17	R	1C/1O
14-201	13	14	R	2O
14-202	192	16	R	1C/1O
14-203	193	12	R	1C/1O
15-101	4	8	R	2O
15-102	2	3	C/R	2O
15-103	196	197	T	1C/1O
15-201	195	6	R	1C/1O
15-202	194	5	R	1C/1O
15-203	198	199	T	1C/1O
15-204	1	7	C/R	2O

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EXHIBIT "D"

Kai Ani Village

Boundaries of Each Unit

The boundaries of each unit in this condominium project shall be the perimeter and party walls, floors and ceiling of each unit. The walls, floors, and ceilings are the boundaries of a unit and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the unit; all other portions of the walls, floors, or ceilings, are a part of the common elements. If the chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a unit, any portion thereof serving only that unit is a limited common element appurtenant solely to that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements. Notwithstanding the foregoing, all spaces, interior non-loadbearing partitions, and other fixtures and improvements within the boundaries of a unit are a part of the unit. Each unit shall also be deemed to include: the appurtenant one-car or two-car garage, if applicable to such unit as shown on Exhibit B-1 attached to the Declaration; (including all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other material constituting any part of the finished surfaces; the interior stairways; to an appurtenant garage, if applicable all doorknobs; and all fixtures originally installed or contained therein. The unit shall not be deemed to include any shutters, awnings, window boxes, doorsteps, stoops, porches, entries, lanai(s) (regardless of whether or not a lanai is extended or enclosed), and all exterior doors (including the garage door) and windows, including the exterior unfinished surfaces thereof, or other fixtures designed to serve a single unit, but are located outside the unit's boundaries all of which shall be deemed limited common elements as hereinafter provided.

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EXHIBIT "E"

Kai Ani Village

Permitted Alterations to Units

Alterations to the units in this condominium project are permitted under **Section R of the Declaration**, which provides the following:

1. General.

(a) Except as otherwise provided in the Declaration, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from the Condominium Map (the "Proposed Alterations"), shall be undertaken by the Association or any unit owner(s) only pursuant to an amendment of the Declaration, duly executed by or pursuant to the approval or written consent of unit owners holding at least sixty-seven percent (67%) of the total common interests of the Project, together with the approval or written consent of (i) all unit owners whose unit or limited common elements appurtenant thereto are directly affected (as determined in a reasonable manner by the Board of Directors) by the Proposed Alterations; and (ii) the holders of first mortgage liens encumbering any unit directly affected by the Proposed Alterations (if the lienholders require such approval). For purposes of this Paragraph 1(a), notwithstanding the provisions of the Condominium Property Act, the installation of solar energy devices on any unit (including any appurtenant garage), which does not fall under the definition of "Townhouse" pursuant to 514B-140 of the Condominium Property Act, shall require the approval or written consent of unit owners holding at least sixty-seven (67%) of the total common interests of the Project.

(b) The Proposed Alterations shall be in accordance with plans and specifications for the Proposed Alterations prepared by a licensed architect or licensed professional engineer and approved by (i) the Board of Directors and (ii) the appropriate agencies of the State of Hawaii and the County of Maui (if such agencies so require).

(c) Promptly upon completion of any Proposed Alteration which is different in any material respect from the Condominium Map, the Association or unit owner(s), whomever requested the Proposed Alteration, shall duly file or record in the Bureau of Conveyances an amendment to the Declaration and the Condominium Map showing the Project as so altered, certified as built by a licensed architect or licensed professional engineer.

2. Alterations to the Interior of a Unit. Notwithstanding any other provision in the Declaration to the contrary, the owner of a unit may make

any alterations or additions within a unit and the owner of any two adjoining units may alter or remove all or portions of the intervening walls, at such owner's expense, if such alterations or additions are not visible from the exterior of the units and if the structural integrity of the building is not thereby affected. The alterations or additions permitted by Section R.2 of the Declaration shall require only the written approval of the unit owner's plans and specification therefor, by (a) the Board of Directors; (b) the holders of first mortgage liens affecting such unit(s) (if the lienholders require such approval); (c) the appropriate agencies of the State of Hawaii and the County of Maui (if such agencies so require); and (d) all other unit owners thereby directly affected (as determined in a reasonable manner by the Board of Directors). Such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any two adjoining units, if the intervening walls shall have been altered or removed pursuant to the foregoing provision and any entrances sealed, the owner of such unit shall restore such intervening walls and entrances to substantially the same condition in which they existed prior to such alteration or removal.

3. Alterations by the Developer.

(a) General. Notwithstanding any other provision in the Declaration to the contrary, prior to the later of (i) the recording in the Bureau of Conveyances of the unit deed conveying the last unsold unit in the Project to a purchaser; or (ii) the filing or recording by the Developer of the Condominium Map pursuant to Section 514B-34 of said Condominium Property Act, but in no event later than twenty-four (24) months after the "date of completion" of the Project, as that term is used in Chapter 507, Part II, Hawaii Revised Statutes, as amended, the Developer, without notice to, or the approval, consent or joinder of, the Association, any unit owner, lienholder, or any other person, shall have the right (which includes, but is not limited to, the right to amend the Declaration and the Condominium Map accordingly) to (A) make alterations in the Project which change or reverse the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any unit (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; (B) recharacterize and redesignate certain limited common elements as may be appurtenant to a unit as being common elements of the Project which is not sold and recorded; (C) recharacterize and redesignate and/or further covenant or restrict certain common elements of the Project, including recharacterizing and redesignating certain common elements as limited common elements appurtenant to a unit which is not sold and recorded; or (D) make other alterations in the Project, which make minor changes in any unit in the Project or the common elements which do not affect the physical location, design or size of any unit which has been sold and recorded. As used herein the term "sold and recorded" shall mean and refer to the sale of a unit in the Project and the

recording in the Bureau of Conveyances of a unit deed conveying the interest in the unit from the Developer to parties not signatory to the Declaration.

(b) Particular Alterations to Project. The Declarant, without notice to, or the approval, consent or joinder of, the Association, any Unit owner, lienholder, or any other person, expressly reserves the right to make the following alterations to the Project, as such right is reserved in Section R.3.(a)(A) above in the Declaration:

- (i) To add any bedroom to a Unit or Unit type;
- (ii) To enlarge or reduce the size of or change the configuration of a master bedroom of a Unit type;
- (iii) To add one or more closets to any room in a Unit or Unit type;
- (iv) To enlarge, reconfigure and/or relocate any walk-in closet in a Unit or Unit type;
- (v) To change the designation of any room (including, but not limited to, changing the designation of a bedroom from a second to a third bedroom if a bedroom is added to a Unit or Unit type);
- (vi) To add one or more bathrooms to a Unit or Unit type;
- (vii) To remove or alter any powder room in a Unit or Unit type;
- (viii) To add one or more separate toilet compartments to a Unit or Unit type;
- (ix) To reappropriate areas currently designated for storage to use as space for enlarging any bathroom in a Unit or Unit type;
- (x) To reconfigure and relocate one or more bathrooms in a Unit or Unit type;
- (xi) To enlarge or reduce the size of one or more bathrooms in a Unit or Unit type;
- (xii) To add a double sink or change from one sink to two sinks in any bathroom of a Unit or Unit type;

- (xiii) To reconfigure any bathroom countertop;
- (xiv) To add one or more bathtubs or to replace bathtubs with shower stalls;
- (xv) To reduce or enlarge one or more shower stalls;
- (xvi) To add an access door between the garage and the Unit to which such garage is appurtenant;
- (xvii) To add one or more sliding doors between any room and the appurtenant lanai of a Unit or Unit type;
- (xviii) To add, remove and change the location of any door and/or wall within a Unit or Unit type;
- (xix) To change the location of, add or remove any window within a Unit or Unit type;
- (xx) To change one or more pocket doors to swinging doors within a Unit or Unit type;
- (xxi) To move any appliance (including the refrigerator, dishwasher, microwave, range and oven) or the location of any area provided for an appliance, such as a washer and dryer area;
- (xxii) To reconfigure the kitchen within a Unit or Unit type, including, but not limited to, relocating any counter, sink, cabinet or other fixture;
- (xxiii) To replace any open shelf or shelf area with an enclosed storage space;
- (xxiv) To add, remove or relocate any storage space (including any pantry, linen closet, or storage closet);
- (xxv) To replace any laundry sink with storage space(s); and
- (xxvi) To reconfigure any laundry room to accommodate an access door from the garage to the Unit to which such garage is appurtenant.

None of the above alterations made pursuant to the provisions of Section R.3.(b) of the Declaration will be deemed a material change that directly, substantially and adversely affects the use or value of any Unit or appurtenant limited common element for purposes of Section 514B-87 of the Condominium Property Act.

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EXHIBIT "F"

Kai Ani Village

Unit Common Interests

The Common Interest appurtenant to each unit is as follows:

Unit No.	Common Interest %
1-101	0.8242
1-102	0.7076
1-201	0.8242
1-202	0.7076
1-203	0.7076
2-101	0.8242
2-102	0.8242
2-103	1.1868
2-201	1.0430
2-202	1.0430
2-203	1.1868
2-204	0.7076
3-101	1.4759
3-102	1.4735
3-103	1.4735
3-104	1.4735
3-105	1.5183
3-106	1.5183
3-107	1.4759
3-108	1.4735
3-109	1.4735
3-110	1.4735

Unit No.	Common Interest %
3-111	1.4759
4-101	1.4759
4-102	1.4735
4-103	1.4735
4-104	1.5183
4-105	1.5183
4-106	1.4759
4-107	1.4735
4-108	1.4735
4-109	1.4759
5-101	0.8242
5-102	0.7076
5-201	0.8242
5-202	0.7076
5-203	0.7076
6-101	0.8242
6-102	0.7076
6-201	0.8242
6-202	0.7076
6-203	0.7076
7-101	0.8242
7-102	0.7076
7-201	0.8242
7-202	0.7076
7-203	0.7076
8-101	0.8242
8-102	0.7076

Unit No.	Common Interest %
8-201	0.8242
8-202	0.7076
8-203	0.7076
9-101	0.8242
9-102	0.8242
9-103	1.1868
9-201	1.0430
9-202	1.0430
9-203	1.1868
9-204	0.7076
10-101	0.8242
10-102	0.8242
10-103	1.1868
10-201	1.0430
10-202	1.0430
10-203	1.1868
10-204	0.7076
11-101	0.8242
11-102	0.8242
11-103	1.1868
11-201	1.0430
11-202	1.0430
11-203	1.1868
11-204	0.7076
12-101	0.8242
12-102	0.8242
12-103	1.1868

Unit No.	Common Interest %
12-201	1.0430
12-202	1.0430
12-203	1.1868
12-204	0.7076
13-101	0.8242
13-102	0.8242
13-103	1.1868
13-201	1.0430
13-202	1.0430
13-203	1.1868
13-204	0.7076
14-101	0.8242
14-102	0.7076
14-201	0.8242
14-202	0.7076
14-203	0.7076
15-101	0.8242
15-102	0.8242
15-103	1.1868
15-201	1.0430
15-202	1.0430
15-203	1.1868
15-204	0.7076
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EXHIBIT "G"

Kai Ani Village

Common Elements

1. The Land in fee simple.
2. All structural components, such as foundations, floor slabs for the ground floor of any Building, columns, girders, beams, supports, undecorated or unfinished perimeter and/or party walls, and load-bearing walls (except for the interior decorated or finished surfaces within each Unit), undecorated or unfinished floors and ceilings, the roofs of the Buildings, and all exterior walkways, railings, walls and fences enclosing any portion of the Project.
3. All gateways, breezeways, exterior stairways, fences, grounds, landscaping, walls, retaining walls, uncovered parking stalls, driveways, roadways, lanes, service lanes, concrete aprons, turf blocks, alleyways, pathways, sidewalks, walkways, lanais, entrances and entry areas, exits, exterior storage of a building, loading zones, refuse areas, and mailboxes which are not located in any Units, whether within or appurtenant to the Project.
4. The swimming pool and appurtenant deck areas, and restroom/maintenance building(s).
5. The portion of all ducts, vents, shafts, sewer lines, drainlines, storm drain improvements, gutters, electrical rooms or closets, electrical equipment and fixtures, wiring, irrigation pipelines and sprinklers, pipes, and other central and appurtenant transmission facilities, installations over, under and across the Project which serves more than one Unit or any portion of the Common Elements for services such as power, light, water, drainage, gas, sewer, refuse, telephone and radio and television signal distribution.
6. Forty-one (41) visitor parking stalls, shown on the Condominium Map, available for use by the guests, visitors and invitees of the Unit owners, subject to use restrictions and other rules set forth in the House Rules, the Declarant's right to recharacterize and reassign up to ten (10) visitor stalls (whether or not restricted primarily to Live/Work Units (as defined in the Declaration)) as Limited Common Elements appurtenant to specific Units without obligation to replace such reassigned stalls as further described in Section J.9(a) of the Declaration, and the Declarant's right to recharacterize, reassign and replace two (2) parking stalls currently appurtenant to specific Units as disabled accessible stalls as further described in Section J.9(a) of the Declaration. Twenty (20) visitor parking

stalls are primarily reserved for the guests, visitors and invitees of the Live/Work Unit owners (as defined in the Declaration) and may not be used by guests of the Residential Unit owners (as defined in the Declaration) between the hours of 8:00 a.m. to 6:00 p.m. each day.

7. Any and all other apparatus and installations intended for common use and all devices and other parts of the Land necessary or convenient to the existence, maintenance and safety of the Condominium Property Regime, or normally in common use.

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EXHIBIT "H"

Kai Ani Village

Limited Common Elements

1. Lanai. The lanai(s) (as shown on the Condominium Map), shall be a limited common element appurtenant to and reserved for the exclusive use of the unit to which it is attached, which lanai shall include, as applicable, any storage and/or water heater enclosures located within the lanai. The lanai(s) shall be deemed to include any extended or enclosed lanai(s).
2. Stairways and Entry Areas. The stairs leading to the entry area to the front door of each unit, as shown on the Condominium Map, shall be a limited common element appurtenant to and reserved for the exclusive use of the unit(s) to which it provides access. The signage mount and blade sign for each Live/Work Unit shall be a limited common element appurtenant to and reserved for the exclusive use of such Live/Work Unit.
3. Mailbox. The mailbox assigned to a particular unit, but excluding the structure which houses the individual assigned mailboxes, shall be a limited common element appurtenant to and reserved for the exclusive use of such unit.
4. Exterior Area Lighting. The exterior area lighting located, where applicable, outside the unit.
5. Assigned, Uncovered Parking Stall. Certain units shall have for their exclusive use one (1) or more parking stalls as noted in Exhibit B-1 attached to the Declaration.
6. Portions Serving One Unit. The portion of any chute, flue, duct, wire, conduit or any other fixture lying partially within and partially outside the designated boundaries of the unit that serves only that unit is a limited common element appurtenant only to that unit.
7. Other. Any other common elements which are rationally related to less than all of the units shall be a limited common element appurtenant to such Unit(s), including, but not limited to, areas within the common elements that include air conditioning units, condensation lines or compressors, if any of these apparatus apply, that serve a particular unit.

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EXHIBIT "I"

Kai Ani Village

Encumbrances Against Title

1. Any matters regarding the designation of the land as being a wetland; and any and all applicable governmental laws, ordinances and regulations arising out of said designation.

2. As to TMK No. (2) 3-9-002-134, A designation of easement "A" for guy wire purposes, as per survey of Allen K. Watanabe, Land Surveyor, with the Engineering Division, Department of Public Works and Waste Management, County of Maui, dated August 10, 1995, and more particularly described as follows:

Beginning at the southwest corner of this easement, being 169° 42' 00" 346.91 feet from the southwest corner of Lot 1 of the Smith Family Trust Consolidation, on the East side of South Kihei Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU OLA!" being 6,014.82 feet north and 23,396.73 feet west, thence running by azimuths measured clockwise from true South:

1. 169° 42' 00" 5.00 feet along East side of South Kihei Road;
2. 259° 42' 00" 15.00 feet along the remainder of Lot 1 of the Smith Family Trust Consolidation, being also the remainder of Grant 11,647 to Mrs. Eugenia U. Smith;
3. 349° 42' 00" 5.00 feet along the remainder of Lot 1 of the Smith Family Trust Consolidation, being also the remainder of Grant 11,647 to Mrs. Eugenia U. Smith;
4. 79° 42' 00" 15.00 feet along the remainder of Lot 1 of the smith Family Trust Consolidation, being also the remainder of Grant 11,647 to Mrs. Eugenia U. Smith to the point of beginning and containing an area of 75 square feet, more or less.

3. As to TMK No. (2) 3-9-002-134, a grant of easement for utility purposes, in favor of Maui Electric Company, Limited and Verizon Hawaii, Inc. (now

Hawaiian Telcom, Inc.), recorded on November 19, 1996 in the Bureau of Conveyances of the State of Hawaii as Document No. 96-163758.

4. Encroachments or any other matters shown on the survey map prepared by Sherman Dudley Deponte, Land Surveyor, dated April 16, 2004, revised August 3, 2004, as set forth in Limited Warranty Deed dated November 15, 2004, recorded as Document No. 2004-229828.
5. Encroachments or any other matters which a survey prepared after April 16, 2004 would disclose.
6. The terms and provisions of the Agreement Regarding Affordable Housing made by and between FPA Kihei Group, LLC, a Delaware limited liability company and the County of Maui, a political subdivision of the State of Hawaii, dated October 25, 2006, recorded in said Bureau as Document No. 2006-197860.
7. The terms and conditions contained in the Declaration of Condominium Property Regime for "Kai Ani Village" Condominium Project dated November 1, 2006, in said Bureau as Document No. 2006-210176 with Map 4337 and any amendments thereto.

Said Declaration was amended by instrument dated December 18, 2006, recorded as Document No. 2006-231829.

Said interest of FPA Kihei Group, LLC was assigned to Kai Ani Village, LLC by Assignment of Declarant's Rights dated June 19, 2007, recorded as Document No. 2007-116443.

Said Declaration was further amended by instrument dated July 12, 2007, recorded as Document No. 2007-124793.

8. The terms and conditions contained in the By-Laws of the Association of Apartment Owners dated November 1, 2006, in said Bureau as Document No. 2006-210177.

Said interest of FPA Kihei Group, LLC was assigned to Kai Ani Village, LLC by Assignment of Declarant's Rights dated June 19, 2007, recorded as Document No. 2007-116443.

9. As to TMK No. (2) 3-9-002-134, a grant of a non-exclusive, perpetual easement for water, sewer, and drainage purposes and to construct, reconstruct, maintain, operate, repair and replace water, sewer and drainage structures over, under, across, and through Utility Easement No. 8, as being more particularly described in Exhibit "A" attached thereto, in favor of the

County of Maui, a political subdivision of the State of Hawaii dated January 4, 2007, recorded in said Bureau as Document No. 2007-052321.

10. Real Property Mortgage; Security Agreement; Assignment of Rents; Fixture Filing; and Financing Statement dated June 8, 2007, recorded in said Bureau as Document No. 2007-109723 executed by Kai Ani Village, LLC, a Hawaii limited liability company as mortgagor and Central Pacific Bank, a Hawaii corporation as mortgagee.
11. Memorandum of Contingent Payment Agreement dated February 8, 2007, recorded Document No. 2007-109725 by and between Victory Development, Inc., a California corporation, and FPA Kihei Group, LLC, a Delaware limited liability company, as seller, and Kai Ani Village, LLC, a Hawaii limited liability company, as buyer.
12. Terms and provisions contained in that certain unrecorded Settlement Agreement dated January 9, 2006, made by and between FPA Kihei Group, LLC and Kihei Kauhale Nani Community Association, as set forth in instrument dated June 8, 2007, recorded in said Bureau as Document No. 2007-109723.
13. Any unrecorded leases and matters arising from or affecting the same.
14. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.

EXHIBIT "J"

Kai Ani Village

Description of Proposed House Rules

The Project will be subject to the Kai Ani Village House Rules, a proposed draft of which has been submitted to the Real Estate Commission as part of this registration. These house rules govern the use and occupancy of the units, common elements (including a recreation area with a swimming pool) and limited common elements of the Project. For example, these house rules contain restrictions regarding the use of the lanais and entry areas, as well as restrictions regarding pets, parking, traffic and noise.

The purpose of the house rules is to protect all owners and occupants from annoyance and nuisance created by the improper conduct or use of the Project and to promote harmonious living and maximum enjoyment of the Project.

All owners, tenants, guests, invitees, licensees and other persons using the Project and their family members must abide by the house rules, and the owners are responsible for the conduct of their tenants, guests, invitees, and licensees. Violations of these house rules will subject owners to fines, penalties and other enforcement actions by the board of directors or the managing agent.

THE FOREGOING IS A DESCRIPTION OF THE ABOVE HOUSE RULES FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THESE HOUSE RULES. THE FULL TEXT OF THE HOUSE RULES SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

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EXHIBIT "K"

Kai Ani Village

Changes to Condominium Documents by Developer

The Developer may amend the Declaration, Bylaws and/or the Condominium Map for the Project as follows:

1. At any time prior to the recording in the Bureau of Conveyances of the first unit deed in favor of a buyer, as set forth in Section S.3(a) of the Declaration.
2. At any time prior to the recording in the Bureau of Conveyances of unit deeds covering 100% of the units in the Project, to make such amendments: (a) to correct any technical defects or to make non-substantive changes; or (b) as may be required by law, the Real Estate Commission, any title insurance company issuing a title insurance policy on the Project or any of the units, any institutional lender lending funds on the security of the Project or any of the units, or any governmental agency administering governmental loan programs; or (c) as may be necessary or desirable as determined by the Declarant to comply with statutory provisions adopted under Chapter 514B of the Condominium Property Act upon or after its effective date; or (d) as may be necessary or desirable as determined by the Developer as a result of conditions or requirements imposed upon the Developer by any governmental agency of the state, county or local government related to the development of the lands comprising the Project, or by any governmental agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the marketing or sale of units in any such jurisdiction. (See Section S.3(b) of the Declaration).
3. At any time, to make such amendments: (a) to file or record an amendment to the Condominium Map as provided in Section 514B-34 of the Condominium Property Act; or (b) to exercise or effectuate any rights reserved to the Developer pursuant to the Declaration, including but not limited to Developer's right to make alterations to the Project pursuant to Section R of the Declaration. (See Section S.3(c) of the Declaration).
4. To reflect certain alterations made to the Project by the Developer pursuant to its rights under Section R.3 of the Declaration (see Exhibit "E" of this public report).

The Developer may amend the Kai Ani Village House Rules prior to the election of the Board of Directors of the Association at the first annual meeting of the Association.

EXHIBIT "L"

Kai Ani Village

Disclosure Abstract

Date: July 19, 2007

Name and Address of Project: Kai Ani Village
1409 South Kihei Road
Kihei, Maui 96753-8107

Developer: Kai Ani Village, LLC
25 N. Santa Anita Avenue, Suite A
Arcadia, California 91006
Phone No.: (626) 447-3121

Real Estate Broker: McEntire Realty, LLC
161 Wailea Ike Place, Suite C-104
Wailea, Hawaii 96753
Phone No.: (808) 874-8688

Managing Agent: Shore to Shore Realty, Inc.
331 Ho'okahi Street, Suite 202
Wailuku, Hawaii 96793
Phone No.: (808) 244-7142

Monthly Common Expenses and Monthly Estimated Costs for Each Unit: Exhibit "1" sets out the estimated monthly common expenses and estimated costs for the year.

DESCRIPTION OF LIMITED WARRANTIES: None of Seller's employees, salesmen or other agents are authorized to make any warranty other than the manufacturers' warranties described in this Disclosure Abstract, nor can they extend or in any way alter such warranties.

- (a) Manufacturers' Warranties. Seller will assign and pass through to the Purchaser any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Unit, for their unexpired terms, to the extent such warranties exist and to the extent that Seller has the right and power to make such an assignment. Purchaser shall follow the procedure set forth in the manufacturer's warranty if any

defects should appear in that item, and any service request should be made directly to the service representative for the manufacturer. Seller makes no representation or warranty with respect to the energy consumption of, or efficiency of, any appliance, equipment, or consumer product, or with respect to energy or utility costs.

- (b) Limitations of Warranty and Seller Liability. Except for the manufacturers' warranties described above, Seller makes no other warranties, express or implied, and SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP, AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE UNIT, OR THE PROJECT. SELLER SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER LEGAL THEORY (REGARDLESS OF WHETHER SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES).

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IN WITNESS WHEREOF, the undersigned has executed these presents as of the date first above written.

KAI ANI VILLAGE, LLC, a Hawaii limited liability company

By Victory Development Hawaii, LLC,
a Hawaii limited liability company
Its Manager

By _____
Name: Todd Leibl
Its Manager

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS
FOR
KAI ANI VILLAGE**

EXHIBIT 1

Estimate of Initial Maintenance Fees:

Apartment Type	PCI %	Monthly Fee	X 12 Months	= Yearly Total
1	0.7076	\$ 238.82		\$2,865.84
1R	0.7076	\$ 238.82		\$2,865.84
2	0.8242	\$ 278.17		\$3,338.04
2R	0.8242	\$ 278.17		\$3,338.04
3	1.0430	\$ 352.01		\$4,224.12
3R	1.0430	\$ 352.01		\$4,224.12
4	1.1868	\$ 400.55		\$4,806.60
4R	1.1868	\$ 400.55		\$4,806.60
5	1.4735	\$ 497.31		\$5,967.72
5R	1.4735	\$ 497.31		\$5,967.72
6	1.4759	\$ 498.12		\$5,977.44
6R	1.4759	\$ 498.12		\$5,977.44
6A	1.5183	\$ 512.43		\$6,149.16
6AR	1.5183	\$ 512.43		\$6,149.16

Apartment owners shall not be obligated for the payment of their respective shares of the common expenses until such time as the Developer files with the Real Estate Commission an amended abstract providing that, commencing upon a date certain stated in the amended abstract, each apartment owner shall become obligated to pay his respective share of the common expenses.

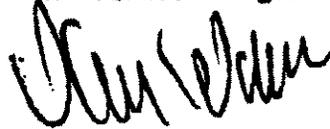
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements: For maintenance and service of the Common Elements only.

	Monthly Fee	X 12 Months	= Yearly Total
Utilities and Services			
Electricity (Common Area)	\$ 2,000.00		\$ 24,000.00
Gas	\$ 600.00		\$ 7,200.00
Refuse	\$ 2,400.00		\$ 28,800.00
Water/Sewer	\$ 4,900.00		\$ 58,800.00
Telephone	\$ 150.00		\$ 1,800.00
Maintenance, Repairs and Supplies			
Building/Supplies/Repairs	\$ 500.00		\$ 6,000.00
Grounds Contract	\$ 3,000.00		\$ 36,000.00
Tree Trimming Contract	\$ 165.00		\$ 1,980.00
Pool Maintenance & Supplies	\$ 500.00		\$ 6,000.00
Fire Systems	\$ 25.00		\$ 300.00
Supplies/Equipment	\$ 500.00		\$ 6,000.00
Pest Control Contract	\$ 200.00		\$ 2,400.00
Management			
Audit/Tax Fees	\$ 150.00		\$ 1,800.00
Legal Fees	\$ 50.00		\$ 600.00
Management Fee	\$ 2,400.00		\$ 28,800.00
Site Management Contract	\$ 3,000.00		\$ 36,000.00
Admin. Services/Supplies	\$ 200.00		\$ 2,400.00
GET	\$ 5.00		\$ 60.00
Insurance			
Property/Fire and Hurricane & Liability*	\$ 7,600.00		\$ 91,200.00
Umbrella	\$ 300.00		\$ 3,600.00
Directors & Officers Liability	\$ 70.00		\$ 840.00
Bond	\$ 35.00		\$ 420.00
Other			
Reserve Contributions*	\$ 5,000.00		\$ 60,000.00
TOTAL	\$ 33,750.00		\$ 405,000.00

* Insurance package includes property, & general liability coverage.

I, Van Waki, as agent and employed by Shore to Shore Realty, Inc., the condominium managing agent for Kal Ani Village condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Dated: June 15, 2007

(*) Mandatory reserve assessment. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserve Fund", the Developer has conducted a reserve study in accordance with §514B-148, HRS, and the replacement reserve rules, Subchapter 8, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514B-148, HRS, a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXPLANATION REGARDING RESERVES

The current reserve contribution represents only an estimate of the actual reserve contribution that may be required in the future. The reserve study required under §514B-148, HRS has not been conducted. The Developer's management contract with Shore to Shore Realty, Inc., the Managing Agent, requires the agent to prepare a certified professional Reserve Study for the first full fiscal year that follows the association's first year after the annual meeting as a part of the annual budget.

EXHIBIT "M"

Kai Ani Village

Summary of Condominium Purchase Agreement, Deposit Receipt and Contract

A specimen of the Condominium Purchase Agreement, Deposit Receipt and Contract (hereinafter the "Agreement") has been submitted to the Real Estate Commission as part of the registration. The Agreement contains the purchase price, description of the unit to be conveyed to a buyer, and the terms and conditions under which a buyer will agree to buy a unit in the Project.

The Agreement provides in part:

1. Financing of Purchase. If the buyer will utilize mortgage financing to pay any portion of the purchase price, then the buyer agrees to take certain actions within designated time periods including, but not limited to, submitting a pre-qualification letter from a recognized lending institution of the Buyer's choice. Buyer will pay any and all processing or other fees or charges associated with the issuance of the pre-qualification letter.

The buyer may elect to submit a complete loan application package to one or more recognized lending institutions of the buyer's choice (the "Buyer's Permanent Lender") for the purpose of obtaining a mortgage loan for the purchase of the unit (the "Buyer's Permanent Loan"). Buyer will be obligated to pay to Buyer's Permanent Lender any loan or other fees required by such lender to process and review the loan application and any loan commitment or placement fees. The buyer shall obtain a final loan commitment for Buyer's Permanent Loan from Buyer's Permanent Lender within certain time periods.

The buyer represents that the financial data to be submitted to Developer or any of Buyer's Permanent Lender(s) is true and accurate. Buyer consents to and authorizes Developer and/or Developer's designated representative to request and obtain a complete copy of the buyer's loan package from the Buyer's Permanent Lender. Developer agrees that such information shall be kept confidential and shall be used solely for the purpose of verifying the buyer's credit and financial ability to qualify for a loan.

The Agreement provides the Developer with certain rights, including the right to terminate the Agreement if the buyer fails to comply with the various requirements.

2. Closing Date. The term "Date of Closing" as used in the Agreement shall mean the date selected by the Developer and noticed to the buyer in writing, within fifteen (15) calendar days after the "Date of Occupancy" (date upon which the Architect or the Maui County Department of Public Works

and Environmental Management Development Services Administration certifies that the Unit is ready for occupancy). On the Date of Closing, the Developer and the buyer shall have each carried out all of their obligations under the Agreement and escrow is closed by the recording in the Bureau of Conveyances the Unit Deed and also any mortgage in favor of the Buyer's Permanent Lender, and making all payments required from funds received.

3. What the Buyer is Required to Do at Preclosing. On or about thirty (30) calendar days prior to the estimated Date of Closing, and upon ten (10) calendar days' prior written notice to the buyer, the buyer agrees to execute and deposit with Escrow all necessary documents for such preclosing, including irrevocable escrow instructions. On the date of preclosing, the buyer agrees to pay into Escrow all sums due from the buyer at closing, excluding only the Buyer's Permanent Loan proceeds, if applicable.

4. Closing Costs. All taxes, assessments and charges of any kind assessable against the land or buildings or units will be prorated as of the Date of Closing, whether or not the buyer takes actual occupancy thereof. Closing costs to be paid by the buyer include, but shall not be limited to, any mortgages and all costs related to obtaining same, all acknowledgement fees, the cost of drafting the conveyance document, all recording fees, the title insurance premium, the escrow fee, and the applicable conveyance taxes. On the date of preclosing, the buyer will pay, in addition to the estimated closing costs and prorations, the Project start-up fee, and one month's estimated maintenance fees for the Unit. These sums are in addition to and are not part of the Purchase Price.

5. The Buyer's Acceptance of the Unit. The buyer agrees to close the sale of the unit on time and accept possession of the unit (a) even if the common elements of the Project have not yet been fully completed and/or construction activity is still in progress, and (b) notwithstanding the existence of any defects in or damage to the unit which does not render the unit unusable. The buyer also promises to indemnify the Developer from any loss or damage, including interest and attorneys' fees and costs, resulting from the buyer's wrongful refusal to accept the unit as required above.

6. Conditions of the Project; Declarant's Reserved Rights. The Agreement contains various disclosures made in the Agreement regarding the condition of the Project and the surrounding areas that could affect the buyer's use or enjoyment of a unit in the Project, including ongoing construction and sales activities, and that neither the Association of Unit Owners nor Developer or its affiliates are responsible for providing security for the Project. The Agreement also contains disclosures regarding the approximate area of the units, potential mold, electricity charges for certain exterior lighting. In addition, the Agreement describes the Developer's reserved rights, including, but not limited to, the right to modify the plans and specifications for the production of Units, the right to

have an easement over, under and upon the Project, the right to grant perpetual or temporary easements and rights-of-way which benefit the Project, other lands or other third parties, the right to reassign, recharacterize and/or replace up to ten (10) visitor parking stalls and up to two (2) assigned parking stalls, and the right to increase or decrease the purchase price of any unit.

7. Disclosures Regarding Ongoing Sales and Advertising Activities. The Agreement discloses that the Developer and others shall have the right to conduct extensive sales activities on the common elements (excluding the limited common elements appurtenant to any sold units) and any unsold units and limited common elements appurtenant thereto until the date that all of the units proposed for development in the Project are sold and conveyed.

8. Interest on the Buyer's Deposits. All interest earned on the buyer's deposits shall accrue to the credit of and shall be paid to the Developer unless (a) the buyer instructs escrow to establish a separate interest-bearing account on the buyer's behalf ("Buyer's Account") and pays escrow a processing fee of \$25.00 (or such other amount as escrow may establish from time to time) and complies with all other requirements of escrow, or (b) a Buyer's Account is established pursuant to the escrow agreement (in which case the buyer agrees to pay the processing fee provided thereunder).

9. No Rental Representations. The buyer agrees that the buyer has entered into the Agreement without any reference or representation by the Developer or any of its representatives: (a) that the Developer or anyone affiliated with the Developer or any unaffiliated third party will provide, directly or indirectly, any services relating to the rental of the unit; (b) as to income from the unit or any other economic benefit to be derived from the rental of the unit. The buyer agrees to be solely responsible for any rental or other disposition of the unit.

10. Default by Buyer. If the buyer fails to make any payment when it is due or fails to keep any of the other promises or agreements of the buyer set forth in the Agreement, the buyer shall be in default under the Agreement, and the Developer shall have the right to do the following:

(a) In the event of default by the buyer prior to the Agreement becoming a binding contract, Developer may cancel the Agreement by giving the buyer written notice of cancellation. The Developer shall refund all moneys paid under the Agreement to the buyer, including any and all interest accrued thereon to the extent provided in the Agreement, less any cancellation fee imposed by Escrow and any other actual expenses incurred. All costs, including reasonable attorneys' fees, incurred by reason of the default by the buyer shall be paid by the buyer promptly upon the Developer's demand for such payment.

(b) In the event of default by the buyer which occurs after the Agreement becomes a binding contract, the Developer may then keep all sums deposited by the buyer, including any and all interest accrued thereon (notwithstanding the establishment of a Buyer's Account), as "liquidated damages" (i.e., the amount agreed to by the buyer and the Developer as properly payable in settlement for breach of contract), in lieu of actual damages and not as a penalty, or pursue any other rights which the law allows, including, for example, a lawsuit for "specific performance," which means a lawsuit to require the buyer to pay the total purchase price and keep all of the buyer's promises under the Agreement.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE AGREEMENT FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE AGREEMENT. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

NOTE: The Developer may be offering the buyer a selection of optional upgrades, appliances and color selections which buyer will select under a separate option and upgrades agreement, each at various prices, and which, if selected, will increase the Purchase Price by the cost of any of the optional items that the buyer elected to purchase. The buyer's selections, once made, are final. The buyer agrees to pay an option deposit at the time of the order. If the buyer cancels the purchase of the Unit, the option deposit will be returned only in the case where the Unit has re-sold and closed escrow, and the Seller has been able to recover the full cost of all such options/upgrades. In the event it is necessary to discount the price of the Unit, this amount will be deducted from the deposits that have been retained. In the event that the discount is larger than the amount of the option deposit, the option deposit will not be refunded to the buyer.

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EXHIBIT "N"

Kai Ani Village

Summary of Escrow Agreement

An executed Escrow Agreement has been submitted to the Real Estate Commission as part of this registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc. as the escrow agent ("Escrow"). The Escrow Agreement sets up an arrangement under which Escrow will hold deposits that a buyer makes to the Developer under a Condominium Purchase Agreement, Deposit Receipt and Contract (the "Sales Contract") for the purchase of a unit in the Project. The Escrow Agreement provides in part:

1. Payment of Funds to Escrow. The Developer shall pay over to Escrow any monies received by the Developer from a buyer under a Sales Contract, including all disbursements made on loan commitments, if any, from lending institutions to the buyer. Escrow shall deposit all funds so received in accordance with written instructions from the Developer in a federally-insured, interest-bearing account at a bank, savings and loan association, financial services loan company or credit union or trust company authorized to do business in the State.

2. Return of Funds to a Buyer. Escrow will refund to the buyer all of the buyer's entire deposit, with all interest earned thereon and less any Escrow cancellation fees, if any one of the following has occurred: (i) the Developer and the buyer request in writing that Escrow return the buyer's funds to the buyer; (ii) the Developer or buyer notifies Escrow of the Developer's or buyer's exercise of the option to cancel the Sales Contract pursuant to any right of cancellation provided therein or otherwise available to the Developer or buyer; (iii) the buyer notifies Escrow of buyer's exercise of buyer's right to cancel the Sales Contract pursuant to Section 514B-86 or Section 514B-89, Hawaii Revised Statutes, as amended; or (iv) the buyer notifies Escrow of buyer's exercise of buyer's right to rescind the Sales Contract pursuant to Section 514B-87, Hawaii Revised Statutes, as amended.

3. Buyer's Default under Sales Contract. If the Developer terminates a Sales Contract due to a default thereunder by the buyer, Escrow shall thereafter treat all funds of the buyer paid on account of such buyer's Sales Contract as funds of the Developer and not as funds of the buyer. Thereafter, such funds shall be free of the escrow established by the Escrow Agreement and shall be held by Escrow for the account of the Developer.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE ESCROW AGREEMENT FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL

OF THE TERMS OF THE ESCROW AGREEMENT. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

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