

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

CONDOMINIUM PROJECT NAME	Honua Kai Condominium, Building NE-A, Konea Enclave*
Project Address	130 Kai Malina Parkway, Lahaina, Hawaii 96761
Registration Number	6163
Effective Date of Report	December 19, 2008
Developer(s)	Maui Beach Resort Limited Partnership

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, past 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. The 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 the 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 Developer's 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.

*This registration covers only Building NE-A of the Konea Enclave

RECO-30B

Revised 07/10/2008

SPECIAL ATTENTION

The changes made by the Developer since the issuance of the effective date of the Amended Public Report for Honua Kai (Building NE-A) under Hawaii Revised Statutes Chapter 514B are listed on Exhibit A.

Note the following definitions and abbreviations that are used throughout this Report:

1. The term "Honua Kai Condominium" refers to the Hokulani Enclave, the Konea Enclave, the Luana Enclave and the Restaurant Condominium Unit.
2. The term "this Project" refers to only Building NE-A of the Konea Enclave.
3. NC1, NC2, and NC3, refers to the Konea Commercial Condominium Unit NC 1, Konea Commercial Condominium Unit NC 2, and Konea Commercial Condominium Unit NC 3, respectively.
4. The "NC" prefix in the numbering of commercial units refers to "North Commercial."
5. The "NR" prefix in the numbering of residential units refers to "North Residential."
6. The "NE" prefix in the name of buildings refers to "North Enclave."

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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	130 Kai Malina Parkway Lahaina, Hawaii 96761	
Address of Project is expected to change because	N/A	
Tax Map Key (TMK)	2-4-4-14-6 and 2-4-4-14-8 Note that the Project is located on 2-4-4-14-6	
Tax Map Key is expected to change because	N/A	
Land Area	39.846 acres*	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A	

*Note: The Declaration and Condominium Map reflect all 710 units, which is the current total number of units in the Honua Kai Condominium. Developer currently intends on adding one more unit in the Luana Enclave to bring the total number of units to 711 units. Pursuant to Developer's reserved rights under Section 8.07 of the Declaration, Developer has elected to develop and register the Honua Kai Condominium in phases, the phase covered under this Report being comprised of 183 units located in Building NE-A in the Konea Enclave. Developer currently intends to develop the Honua Kai Condominium in ten (10) phases. The other buildings in the Honua Kai Condominium will be covered by one or more separate Public Reports. Developer has obtained separate reports under HRS Chapter 514B on 61 units located in Building NE-B in the Konea Enclave and on 68 units in Building NE-C in the Konea Enclave. Developer has obtained separate final public reports under HRS Chapter 514A on (i) 195 units in Building SE-A in the Hokulani Enclave, (ii) 76 units in Building SE-B in the Hokulani Enclave, and (iii) 54 units in Building SE-C in the Hokulani Enclave. Developer has elected to proceed with the construction of Buildings SE-A, SE-B and SE-C in the Hokulani Enclave. Developer has also obtained separate preliminary public reports under HRS Chapter 514A on (i) 24 units in TH-1 (Buildings 1-6) in the Luana Enclave, and (ii) 28 units in TH-2 (Buildings 7-13) in the Luana Enclave. Developer intends to obtain public reports for Buildings SE-A, SE-B, and SE-C in the Hokulani Enclave, as well as for TH-1 and TH-2 in the Luana Enclave under HRS Chapter 514B. Once such public reports under HRS Chapter 514B have been obtained the HRS Chapter 514A reports will be superseded by such HRS Chapter 514B public reports. Please see **Exhibit B** for further explanation. Please be advised that there is no guaranty that the other units will be developed. See Sections 8.07, 8.08, 8.09, 8.12 and 8.13 of the Declaration.

1.2 Buildings and Other Improvements

Number of Buildings	1*
Floors Per Building	10
Number of New Building(s)	1
Number of Converted Building(s)	N/A
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, plaster finish, acrylic stucco and metal.

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
A-1a	14	0/1	595	100	Lanai	695
A-1b	12	0/1	580	100	Lanai	680
A1-ADA	4	0/1	615	100	Lanai	715
B-1	30	1/1	690	135	Lanai / Garden	825
B-2	18	1/1	615	170	Lanai	785
B-3	5	1/1	750	200	Lanai	950
B-3-ADA	4	1/1	750	200	Lanai	950
BD-1	13	1/1	915	175	Lanai / Garden	1,090
C-2	14	2/2	1,080	165	Lanai	1,245
C-2a	4	2/2	1,215	165	Lanai	1,380
C-3	10	2/2	1,230	470	Lanai	1,700
C-3-ADA	4	2/2	1,230	470	Lanai	1,700
C-4	16	2/2	1,325	315	Lanai / Garden	1,640
C-6	2	2/2	1,235	225	Lanai	1,460
C-7a	2	2/2	1,350	175	Lanai	1,525
C-8	2	2/2	1,280	100	Lanai	1,380
C-9	8	2/2	1,285	350	Lanai	1,635
D1-R	14	3/3	1,610	225	Lanai	1,835
D4-R	2	3/3	2,170	400	Lanai	2,570
D5-R	2	3/4	2,380	890	Lanai	3,270
NC1	1	--	1,586	--	--	1,586
NC2	1	--	8,330	--	--	8,330
NC3	1	--	206	--	--	206
See Exhibit N/A .						

183	Total Number of Units
<p>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</p>	

[†]Some units differ in size and ceiling height from unit types listed above in Section 1.3. Please note that the units listed below differ in size and/or ceiling height from the unit types listed in Section 1.3 of this Report:

UNIT DIFFERENCE

- NR113 Has an extended garden area with net floor area of approximately 500 square feet, and raised ceilings in the living room/dining room and bedrooms.
- NR136 Has an extended garden area with net floor area of approximately 390 square feet, and raised ceilings in the living room/dining room and bedroom.
- NR138 Has an extended garden area with net floor area of approximately 280 square feet, and raised ceilings in the living room/dining room and bedroom.
- NR139 Has an extended garden area with net floor area of approximately 500 square feet, and raised ceilings in the living room/dining room and bedrooms.
- NR140 Has an extended garden area with net floor area of approximately 340 square feet, and raised ceilings in the living room/dining room and bedroom.
- NR212 Has extended lanai with net floor area of approximately 265 square feet.
- NR214 Has extended lanai with net floor area of approximately 215 square feet.

- NR216 Has extended lanai with net floor area of approximately 215 square feet.
- NR218 Has extended lanai with net floor area of approximately 1,255 square feet.
- NR220 Has extended lanai with net floor area of approximately 550 square feet.
- NR222 Has extended lanai with net floor area of approximately 530 square feet.
- NR224 Has extended lanai with net floor area of approximately 430 square feet.
- NR225 Has extended lanai with net floor area of approximately 475 square feet.
- NR229 Has extended lanai with net floor area of approximately 475 square feet.
- NR230 Has extended lanai with net floor area of approximately 530 square feet.
- NR232 Has extended lanai with net floor area of approximately 550 square feet.
- NR234 Has extended lanai with net floor area of approximately 1,255 square feet.
- NR1019 Has vaulted ceilings in the living room/dining room.
- NR1025 Has vaulted ceilings in the living room/dining room.
- NR1029 Has vaulted ceilings in the living room/dining room.
- NR1033 Has vaulted ceilings in the living room/dining room.

*See Note in Section 1.1 on page 3 above.

1.4 Parking Stalls

Total Parking Stalls in the Project:	See Exhibit C
Number of Guest Stalls in the Project:	See Exhibit C
Number of Parking Stalls Assigned to Each Unit:	See Exhibit C
Exhibit C specifies the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	
Developer has the exclusive right to use and/or assign and/or unassigned parking stalls that are not appurtenant to any specific unit.	

1.5 Boundaries of the Units

<p>Boundaries of the unit:</p> <p>Each unit consists of: (1) all of the walls and partitions, which are not interior load-bearing walls within the unit perimeter walls; (2) any pipes, shafts, ducts, pumps, valves, conduits, wires and other utility or service lines which serve only such unit; (3) the inner decorated or finished surfaces of all walls, floors and ceilings; and (4) the water heater and all appliances and fixtures installed therein and replacements thereof. The unit shall not be deemed to include: (i) the undecorated or unfinished portions of all perimeter (including party) walls and interior load-bearing walls; (ii) the undecorated or unfinished surfaces of the floors and ceilings surrounding each unit; (iii) the structural components, floor slabs, foundations, columns, girders, beams, supports, shafts, ceilings and spaces between the ceiling and the floor slab or roof above; (iv) all lanais and garden areas, including, without limitation, lanai slabs or railings; (v) roofs and exterior surfaces of the buildings, including any paint or coating thereon; (vi) any pipes, shafts, ducts, pumps, valves, wires, conduits or other utility or service lines which are utilized for or serve more than one unit; and (vii) all exterior windows.</p>

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project also describe what can be built within such portion of the project):

See **Exhibit D**.

1.7 Common Interest

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

Described in **Exhibit E**.

As follows:

1.8 Recreational and Other Common Facilities (Check if applicable):

<input checked="" type="checkbox"/>		Swimming pool
<input type="checkbox"/>		Laundry Area
<input checked="" type="checkbox"/>		Storage Area*
<input type="checkbox"/>		Tennis Court
<input type="checkbox"/>		Recreation Area
<input checked="" type="checkbox"/>		Trash Chute/Enclosure(s)
<input checked="" type="checkbox"/>		Exercise Room
<input type="checkbox"/>		Security Gate
<input type="checkbox"/>		Playground
<input type="checkbox"/>		Other (describe):

*Only certain Residential Units shall have as a Limited Common Element storage lockers as shown on the Condominium Map and designated for the use of such Residential Units on **Exhibit C** to the Declaration.

1.9 Common Elements

<p>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.</p>	
<p>Described in Exhibit F.</p>	
<p>Described as follows:</p>	
Common Element	Number
Elevators	
Stairways	
Trash Chutes	

1.10 Limited Common Elements

<p>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.</p>
<p>Described in Exhibit F</p>
<p>Described as follows:</p>

1.11 Special Use Restrictions

<p>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.</p>	
X	<p>Pets: The raising, breeding or keeping of animals, livestock, or poultry of any kind is prohibited within the Project; provided, however, an Owner or Guest of an Owner of a unit may keep dogs, cats or other usual common household pets within such Owner's unit.</p>
	<p>Number of Occupants:</p>
X	<p>Other: Section 4.03(a) of the Declaration provides that (i) Residential Units may be occupied and used only as permanent or vacation residences for the Owners and Guests, including for transient vacation rental periods of less than 30 days; (ii) no Owner shall lease its Residential Unit for a term longer than 60 days without the prior written consent of the Association; and (iii) no Owner shall conduct any business, professional, occupation or trade from its Residential Unit.</p> <p>Section 4.03(b) of the Declaration prohibits the use of Residential Units, and Section 4.04(b) of the Declaration prohibits the use of Commercial Units, in each case, for the purpose of timesharing.</p> <p>Section 4.03(h) of the Declaration prohibits Owners of Residential Units, and Section 4.04(c) of the Declaration prohibits Owners of Commercial Units, in each case, from subdividing, separating or "locking-off" his or her unit into any number of dwelling units.</p> <p>Section 4.03(i) of the Declaration allows an Owner to use its Residential Unit as its private office, on the condition that the Owner does not invite others to its Residential Unit to conduct business. The Association and Developer may use one Residential Unit owned or leased by it as a management office for the Honua Kai Condominium.</p>

	<p>Section 4.04(d) of the Declaration prohibits Owners of Commercial Units and their Guests from using any Limited Common Element that is appurtenant exclusively to one or more Residential Units.</p> <p>Subject to the rights of the Owner of Konea Commercial Unit NC 3 as set forth in Section 6.12 of the Declaration, Section 4.04(i) of the Declaration prohibits Owners of Commercial Units and their Guests from using any swimming pool located in the Honua Kai Condominium.</p> <p>Section 6.12 of the Declaration allows the Owner of Konea Commercial Unit NC 3 to sell one hundred twenty (120) memberships ("Paid Guest Memberships") and issue five (5) complimentary memberships ("Complimentary Guest Memberships" and together with the Paid Guest Memberships, "Guest Memberships") in the fitness club to persons who are not Owners ("Guest Member"). Each Guest Membership will allow up to four (4) family members or Guests of the Guest Member to use the Common Elements of the Honua Kai Condominium. The holders of Paid Guest Memberships will be required to pay a use fee for such Paid Guest Membership.</p> <p>Section 5.02(b) of the Bylaws requires that Owners shall exercise care about causing or permitting excessive noise that may disturb other Owners or occupants; however, Commercial Unit Owners are not prohibited from using their units for uses permitted under the Declaration.</p> <p>Section 5.02(i) of the Bylaws prohibits Owners from operating "roller lounges" on or about the 150 foot setback shoreline area.</p>
N/A	There are no special use restrictions.

1.12 Encumbrances Against Title

<p>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 released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p>
<p>Exhibit G describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: September 13, 2008</p>
<p>Company that issued the title report: Fidelity National Title Insurance Company</p>

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning									
		Type of Use	No. of Units	Use Permitted by Zoning				Zoning	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Residential	180*	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	<input type="checkbox"/>	No	2-4-4-14-6: H-2 Hotel, H-M Hotel**
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Commercial	3*	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	<input type="checkbox"/>	No	2-4-4-14-6: H-2 Hotel, H-M Hotel**
<input type="checkbox"/>	<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/>	Yes	<input type="checkbox"/>	<input type="checkbox"/>	No	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Hotel	180*	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	<input type="checkbox"/>	No	2-4-4-14-6: H-2 Hotel, H-M Hotel**
<input type="checkbox"/>	<input type="checkbox"/>	Timeshare		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No	
<input type="checkbox"/>	<input type="checkbox"/>	Ohana		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No	
<input type="checkbox"/>	<input type="checkbox"/>	Industrial		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No	
<input type="checkbox"/>	<input type="checkbox"/>	Agricultural		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No	
<input type="checkbox"/>	<input type="checkbox"/>	Recreational		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No	
<input type="checkbox"/>	<input type="checkbox"/>	Other(specify)		<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?				<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	<input type="checkbox"/>	No	
Variances to zoning code have been granted.				<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No	
Describe any variances that have been granted to zoning code.									

*Note that both residential and hotel uses are permitted for the Residential Units.

The Developer applied and received approval for a Planned Development through the County of Maui Planning Commission. The Planned Development is a zoning designation which allows the Developer to develop the land of the Honua Kai Condominium in various ways. The Planned Development does not affect the use of units in the Konea Enclave, nor does it impose any restrictions or obligations on owners of units in the Konea Enclave. See **Exhibit H for details.

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 if 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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:

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</p> <p><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:</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p>	
<p>Estimated cost of curing any violations described above:</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 non-conforming 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:</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 and state whether there are any penalties for noncompliance.</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.</p>	
<p>Other disclosures and information:</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:</p>	
<p>The nature and the scope of services to be provided:</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses:</p>	
<p>The duration of the provision of the services:</p>	
<p>Other possible impacts on the project resulting from the provision of the services:</p>	
<p>Other disclosures and information:</p>	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Maui Beach Resort Limited Partnership Business Address: 3350 Lower Honoapiilani Road, Suite 105 Lahaina, Hawaii 96761 Business Phone Number: 866-678-1310 E-mail Address: --
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)	Northwest Maui Corporation, General Partner. See Exhibit I for a list of authorized signatories for Developer's general partner.
2.2 Real Estate Broker	Name: Playground Destination Properties Inc. Business Address: 3350 Lower Honoapiilani Road, Suite 105 Lahaina, Hawaii 96761 Business Phone Number: 866-678-1310 E-mail Address: --
2.3 Escrow Depository	Name: Fidelity National Title & Escrow of Hawaii, Inc. Business Address: 181 Lahainaluna Road - Suite E Lahaina, Hawaii 96761 Business Phone Number: 808-661-4960
2.4 General Contractor	Name: LPIHGC, LLC Business Address: 3350 Lower Honoapiilani Road, Suite 105 Lahaina, Hawaii 96761 Business Phone Number: 808-661-7906
2.5 Condominium Managing Agent	Name: Management Consultants of Hawaii Inc. Business Address: 727 Waivee Street, Suite 106 Lahaina, Hawaii 96761 Business Phone Number: 808-661-8795
2.6 Attorney for Developer	Name: Eric A. James, Esq. Business Address: Carlsmith Ball LLP, 1001 Bishop Street ASB Tower, Suite 2200 Honolulu, Hawaii 96813 Business Phone Number: 808-523-2500

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 Amended and Restated 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	October 5, 2006*	2006-211550
Land Court	October 5, 2006*	3515521

Amendments to Amended and Restated Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	April 20, 2007	3591264
Bureau of Conveyances	April 20, 2007	2007-071572
Land Court	August 29, 2008	3786276
Bureau of Conveyances	August 29, 2008	2008-139671

*The operative declaration is the Amended and Restated Declaration, as amended. Note, however, that Developer recorded the original Declaration on October 12, 2005. The original Declaration was amended by (i) the First Amendment to the Declaration recorded on May 5, 2006; (ii) the Second Amendment to the Condominium Map of Honua Kai recorded on August 21, 2006; and (iii) the Third Amendment to the Declaration recorded on September 22, 2006. Please refer to the chart below for the recordation information for the original Declaration and its amendments:

The Original Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	October 12, 2005	2005-207370
Land Court	October 12, 2005	3340058

Amendments to Original Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	May 5, 2006	2006-086974
Land Court	May 5, 2006	3426175
Bureau of Conveyances	August 21, 2006	2006-153694
Land Court	August 21, 2006	3470597
Bureau of Conveyances	September 22, 2006	2006-175500
Land Court	September 22, 2006	3487373

3.2 Bylaws of the Association of Unit Owners

The Amended and Restated 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	October 5, 2006**	2006-211551
Land Court	October 5, 2006**	3515522
Amendments to Amended and Restated Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	April 20, 2007	3591265
Bureau of Conveyances	April 20, 2007	2007-071573
Land Court	August 29, 2008	3786277
Bureau of Conveyances	August 29, 2008	2008-139672

**The operative bylaws are the Amended and Restated Bylaws, as amended. Note, however, that Developer recorded the original Bylaws on October 12, 2005. The original Bylaws were amended by (i) the First Amendment to the Bylaws recorded on May 5, 2006; and (ii) the Second Amendment to the Condominium Map of Honua Kai recorded on August 21, 2006. Please refer to the chart below for the recordation information for the original Bylaws and its amendments:

The Original Bylaws

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	--	2005-207371
Land Court	--	3340059

Amendments to Original Bylaws

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	May 5, 2006	2006-086975
Land Court	May 5, 2006	3426176
Bureau of Conveyances	August 21, 2006	2006-153695
Land Court	August 21, 2006	3470598

3.3 Condominium Map

The Amended and Restated 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	1747***
Bureau of Conveyances Map Number	4093***
Dates of Recordation of Amendments to the Condominium Map:	
Second Amended and Restated Condominium Map of Honua Kai was recorded on April 20, 2007.	

***The operative condominium map is the Second Amended and Restated Condominium Map. Note, however, that Developer recorded the original Condominium Map on October 12, 2005. The original Condominium Map was amended by (i) the First Amendment to the Bylaws recorded on May 9, 2006; (ii) the Second Amendment to the Condominium Map of Honua Kai recorded on August 22, 2006 and (iii) the Amended and Restated Condominium Map recorded on November 17, 2006.

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 facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed			
Have Been Adopted and Date of Adoption	April 20, 2007	X	
Developer does not plan to adopt House Rules			

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%	75%
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 J

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)

*Please note that Developer intends to enter into a Property Management Agreement with an affiliate ("Affiliate Managing Agent"). It is uncertain which affiliate of Developer will become the Managing Agent. In addition to property management services under this proposed Property Management Agreement, the Affiliate Managing Agent intends to provide valet service, room service (during certain hours of the day) and/or food and beverage service in the swimming pool and lobby areas (during certain hours of the day), subject to necessary liquor license requirements. The Affiliate Managing Agent will assume all of the costs and expenses of providing these services and will retain all income from such services in addition to its base property management fee. Under this proposed Property Management Agreement, all Owners and Guests shall have the right to use the spa in the Konea Enclave at published rates once the spa is built.

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 K 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> <p>The maintenance fees shown on Exhibit K have been computed for the units in Building NE-A based upon the assumption that Buildings SE-A, SE-B and SE-C in the Hokulani Enclave and Buildings NE-B and NE-C of the Konea Enclave, all of which are covered by separate public reports, will also be developed. Please refer to Exhibit B for further explanation.</p>

4.3 Utility Charges to be Included in the Maintenance Fee

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

4.4 Utilities to be Separately Billed to Unit Owner

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

*The following units in Building NE-A receive gas service: NR 325, NR 329, NR 425, NR 429, NR 525, NR 529, NR 625, NR 629, NR 725, NR 729, NR 825, NR 829, NR 925, NR 929, NR 1019, NR 1025, NR 1029, and NR 1033. Gas service will not be available in any other units in Building NE-A. All the units in Building NE-A that receive gas service will only get gas service in the kitchen. A total of forty-nine (49) units in the Konea Enclave receive gas service ("Konea Enclave Gas Units"). The cost of the gas service and repair and maintenance of the gas lines and other related facilities that are owned by the Association shall be a limited common expense of these units. The cost of gas service shall be prorated equally among all units in the Konea Enclave that have gas service available. The total cost of the gas service for the Konea Enclave Gas Units will be determined each billing period, and will then be divided by the number of Konea Enclave Gas Units for which a Certificate of Occupancy has been issued and billed to each such Konea Enclave Gas Unit by the Association as an expense. This calculation is being used to fairly and equitably apportion the gas service charges among the units to which gas service is a limited common expense in the Konea Enclave.

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit L 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: August 21, 2006 Name of Escrow Company: Fidelity National Title & Escrow of Hawaii, Inc. Exhibit M contains a summary of the pertinent provisions of the escrow agreement.
<input checked="" type="checkbox"/>	Other: Reservation Agreement. Exhibit N contains a summary of the pertinent provisions of the Reservation Agreement

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. N/A

<input 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 ____.
<input 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
The Project is subject to a first mortgage to secure the construction of the Hokolani Enclave, and is further subject to an additional charge mortgage to finance construction and other costs for the Konea Enclave and the Restaurant Unit. The Project is currently subject to two additional mortgages made by Developer in connection with two mezzanine loans, which were subordinated to the additional charge mortgage when it was recorded. All four of these mortgages are described in Exhibit G (items 23, 26, 29 and 34) attached to this report. All mortgages will be released entirely as to a unit before that unit is conveyed to a purchaser.	If Developer defaults, the purchaser may exercise the purchaser's rights under the sales contracts against Developer (see Exhibit L and the sales contract). If Developer defaults under the construction loan, the construction lender will have the option of completing the Project, but is not required to do so. If the construction lender elects not to complete the Project, a purchaser's sales contract may be terminated at the construction lender's option and the purchaser will be entitled to a refund of deposits held in escrow, if any, and to exercise the purchaser's rights under the sales contracts against Developer.

<p>On August 8, 2008, one of the subcontractors for the Project, Nordic Construction, Ltd. ("Nordic"), filed an application for mechanic's lien in Second Circuit Court, State of Hawaii, against the Developer under Hawaii Revised Statutes Chapter 507, Part II. The application for mechanic's lien relates only to the Hokulani Enclave (i.e., does not affect Buildings NE-A, NE-B and NE-C in the Konea Enclave or the Luana Enclave). See Exhibit G. The Developer disputes Nordic's mechanic's lien application, and subsequently filed a Denial and Statement of Affirmative Offset Claims on September 5, 2008.</p>	<p>None.</p>
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5.4 Construction Warranties

<p>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:</p>
<p>Building and Other Improvements:</p> <p>Developer shall provide purchasers a limited one year warranty for the unit from the closing date of the sale of such unit on the terms and conditions as set forth on Exhibit O attached hereto and made a part hereof.</p>
<p>Appliances:</p> <p>Developer shall assign, without recourse, any manufacturer's or dealer's warranties covering the furnishings and appliances in the unit on the terms and conditions as set forth on Exhibit O attached hereto and made a part hereof.</p>

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

<p>Status of Construction:</p> <p>Construction of the Project is expected to commence October of 2007 and the Project is currently expected to be completed in June of 2010. Please note that these dates are estimates and are subject to change.</p>
<p>Completion Deadline:</p> <p>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.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract: December 31, 2011.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A</p>

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 purchasers 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"/>	<p>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.</p> <p>If the box to the left is checked, Section 5.6.2, which follows below, will not be applicable to the project.</p>
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

<p>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):</p>	
<input checked="" type="checkbox"/>	<p>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</p>
<input type="checkbox"/>	<p>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.</p>

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

<p>Box A</p> <p><input checked="" 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>
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<p>Box B</p> <p><input 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>
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<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.</p>
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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: Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach, dated December 6, 2000, recorded on December 6, 2000 at the Bureau of Conveyances of the State of Hawaii ("Bureau") as Document No. 2000-170917 and at the Office of the Assistant Registrar of the Land Court of the State of Hawaii ("Office") as Document No. 2668967; Designation of Successor Declarant and Assignment of Declarant's Rights and Interests Under Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach, dated November 22, 2002, recorded on January 28, 2003 at the Bureau as Document No. 2003-015949 and the Office as Document No. 2885398; Supplemental Declaration to Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach, dated August 5, 2003, recorded on August 5, 2003 at the Bureau as Document No. 2003-162023 and the Office as Document No. 2972191; Special Management Area Permit No. SM1 2004/0017 for the Honua Kai Condominium approved on February 22, 2005 by the Maui Planning Commission; Step 1 Planned Development Approval and Amendment to the Kaanapali Recreation Plan (Docket No. PD1 2004/0001) approved by the Maui Planning Department; Step 2 Planned Development Application for the Proposed Honua Kai Resort, North Beach Park and Related Improvements (PD2 2004/0005) approved on February 22, 2005 by the Maui Planning Department; and Step 3 Planned Development Approval for the 700 Unit, Honua Kai Resort Project consisting of the Phase I Site Improvements (PD3 2005/0008) approved on December 13, 2005 by the Maui Planning Department.

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

Items 1 through 7, below, are from the Special Management Area Permit No. SM1 2004/0017 for the Honua Kai Condominium approved on February 22, 2005 by the Maui Planning Commission. In addition to these specific conditions, the entire permit which is on file with the Maui Planning Department should be carefully reviewed.

Please note that:

1. The pump station and all on-site wastewater facilities will be privately owned and maintained.
2. The final drainage plan will be in accordance with the Drainage Master Plan for Kaanapali North Beach Subdivision, the County of Maui drainage standards and the West Maui Watershed Owner's Manual, Onsite and offsite retention and detention basin improvements will be privately owned and maintained.
3. A coastal engineering company will be retained by Developer to develop a coastal management plan for the sand dunes area. The plan will be developed in coordination with the State Department of Land and Natural Resources and the University of Hawaii Sea Grant Program. A copy of this plan will be filed with the Maui Department of Planning, State Department of Land and Natural Resources and the University of Hawaii Sea Grant Program prior to issuance of a certificate of occupancy of units in the Hokulani Enclave and the Luana Enclave.
4. Developer will participate with the North Beach Subdivision Master Association to conduct bi-annual water quality monitoring surveys for construction projects in the North Beach subdivision.
5. One hundred (100) parking stalls will be reserved for employee parking.
6. Developer will file annual reports with the Maui Planning Commission on the disbursement of the funds in the Settlement Agreements with Charles D. Fox III and The West Maui Preservation Association for its information.
7. As set forth in the Unilateral Agreement relating to the SMA Permit, dated June 13, 2005, recorded on August 26, 2005 at the Bureau of Conveyances as Document No. 2005-170923, the three conditions which run with the land and which the Association will become responsible for are:
 - a. The Project will connect to and utilize Maui County's reclaimed water system once it becomes available;
 - b. Developer shall participate in a Hawksbill and Green Turtle monitoring program with the U.S. Fish and Wildlife Service;
 - c. Developer shall construct North Park and a public lateral access walkway ("Improvements") within the 150 foot shoreline setback area when the Honua Kai Condominium is constructed. These Improvements shall be privately owned and maintained but shall be open to the public and completed prior to the issuance of the Certificate of Occupancy for Phase 1 of the Honua Kai Condominium, unless the Improvements are covered by a bond.

Any future improvements may require SMA approval.

Developer has recorded in the Bureau of the Conveyances of the State of Hawaii and filed in the Land Court of the State of Hawaii the Memorandum of Settlement Agreement relating to the Settlement Agreement with The West Maui Preservation Association. As disclosed in Section 5.11 of the Declaration, under the Settlement Agreement, each buyer shall pay to the Honua Kai West Maui Community Trust a transfer fee of 0.25% of the sales price of his or her unit payable on the transfer of title.

Please also note that portions of the Honua Kai Condominium site are in a flood zone and tsunami inundation area. There is also a one hundred fifty (150) foot shoreline setback on the Honua Kai Condominium site.

References in the Condominium Map to "LCE" mean Limited Common Element.

Developer obtained financing in the form of mezzanine debt. The mezzanine loans will be subordinate to the construction loan (see Section 5.3 of this Report). Developer used the proceeds of the mezzanine loans to pay off the loan used to acquire the land for the Honua Kai Condominium.

Developer recorded on October 25, 2005 a mortgage (see **Exhibit G** item 29) securing a construction loan in the amount of approximately \$338,000,000 in conjunction with the construction of Buildings SE-A, SE-B and SE-C in the Hokulani Enclave. This mortgage encumbers the entire Honua Kai Condominium (i.e., Hokulani Enclave, Konea Enclave and Luana Enclave).

Developer recorded on July 15, 2008 an additional charge mortgage (see **Exhibit G** item 34) securing a construction loan in the amount of approximately \$305,000,000 to finance the construction of the Buildings NE-A, NE-B and NE-C in the Konea Enclave and the Restaurant Condominium Unit. This additional charge mortgage acts as an additional mortgage lien on the Honua Kai Condominium. See Section 5.3 of this Report for information concerning mortgage releases.

After the issuance of the effective date of Amendment 1 to the Amended Developer's Public Report, the Developer used purchaser deposits pursuant to the terms and conditions set forth herein. As disclosed in Amendment 1, the Developer is now filing this Second Amended Developer's Public Report with the Real Estate Commission after the recordation of the additional charge mortgage to disclose any applicable additional encumbrances.

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 changes 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.

Maui Beach Resort Limited Partnership

Printed Name of Developer

By: Northwest Maui Corporation,
its General Partner

By


Duly Authorized Signatory*

Oct. 3/08
Date

Eric Gerlach, Vice President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

*Must be signed for a corporation by an officer; 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

CHANGES SINCE ISSUANCE OF AMENDED DEVELOPER'S PUBLIC REPORT

The following changes have been made, pursuant to Developer's reserved rights under Article VIII of the Declaration, since the issuance of the Amended Public Report for Honua Kai Condominium (Building NE-A) issued on May 11, 2007. This summary includes a description of changes (i) in this Second Amended Developer's Public Report and (ii) in Amendment 1 to Amended Developer's Public Report issued on July 11, 2008:

1. Page 10, Section 3.1 (Declaration of Condominium Property Regime). This section was revised to disclose the recordation of the Second Amendment to the Amended and Restated Declaration of Condominium Property Regime of Honua Kai ("Second Amendment to the Declaration"). Pursuant to the Developer's reserved right under Section 8.05 of the Declaration, the Second Amendment to the Declaration adds a new Section 4.18 to the Declaration, which discloses the County of Maui's prohibition on the waterlines for the North and South Enclaves to become interconnected. Please see Exhibit Q. Pursuant to the Developer's reserved right under Section 9.03(b)(i) of the Declaration, the Developer corrected typographical errors in Section 3.05(a)(v)(6) and Exhibit C of the Declaration.

2. Page 10a, Section 3.2 (Bylaws of the Association of Unit Owners). This section was revised to disclose the recordation of the Second Amendment to the Amended and Restated Bylaws of the Amended and Restated Bylaws of the Honua Kai Condominium Association, Inc. ("Second Amendment to Bylaws"). Pursuant to Section 8.09 of the Declaration, the Second Amendment to the Bylaws revised Section 5.05(a) to reflect that gas service will now be provided to the lanais of the following units: SR709, SR1019, SR1025, SR1029 and SR103.

3. Page 12, Section 4.2 (Estimate of the Initial Maintenance Fees). This section was revised to reflect the Developer's updated budgets and common expense amounts in Exhibit K.

4. Page 13, Section 5.3 (Blanket Liens). This section was revised to disclose the recordation of the Additional Charge Real Property Mortgage, Security Agreement and Financing Statement ("Additional Charge Mortgage") to secure a construction loan in the amount of \$305,000,000 for the construction of Buildings NE-A, NE-B and NE-C of the Konea Enclave and the Restaurant Condominium Unit. The Additional Charge Mortgage encumbers the entire Honua Kai Condominium (i.e., Hokuani Enclave, Konea Enclave and Luana Enclave).

5. Page 14, Section 5.5 (Status of Construction). This section was revised to update the information regarding the status of construction. The project is now currently expected to be completed in June of 2010.

6. Page 15, Section 5.6.2 (Purchaser Deposits Will Be Disbursed Before Closing). This section was revised to disclose the Developer's intention to use purchaser's deposits to pay a portion of the construction costs and other project costs as disclosed in Section 5.6.2.

7. Page 18a, Section 6 (Miscellaneous Information Not Covered Elsewhere in This Report). This section was revised to disclose the recordation of the Additional Charge Mortgage. See also #4 above for more information on the Additional Charge Mortgage.

8. Exhibit B (Phasing of Project). This exhibit was revised to update the share of common expenses percentages and the share of limited common expenses percentages for units in Building NE-A to reflect that Developer has elected to also proceed with Buildings NE-B and NE-C.

9. Pages G-3, G-4, G-5, G-6, Exhibit G (List of Encumbrances). This exhibit was revised to disclose the new encumbrances on the Project reflected in the updated title report, including the recordation of the Additional Charge Mortgage noted above as well as other encumbrances related to the construction financing of Buildings NE-A, NE-B and NE-C of the Konea Enclave and the Restaurant Condominium Unit, as well as the Amendments to the Declaration and the Bylaws.

10. Exhibit K (Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements). The Developer has updated its budgets and the common expense amounts.

11. Exhibit Q (Maui County Letter re Prohibition on Interconnectivity of Waterlines). The Developer added a new exhibit, Exhibit Q, regarding Maui County's prohibition on interconnecting the waterlines serving the Hokulani and Konea Enclaves.

EXHIBIT B

PHASING OF PROJECT

Pursuant to Section 8.07 of the Declaration, Developer has reserved the right to develop the Honua Kai Condominium in phases, with the phase being covered under this Report being comprised of 183 units located in Building NE-A in the Konea Enclave. Developer has obtained separate public reports under HRS Chapter 514B on 61 units located in Building NE-B in the Konea Enclave and on 68 units located in Building NE-C in the Konea Enclave. Developer has obtained (i) separate final public reports under HRS Chapter 514A on (a) 195 units in Building SE-A in the Hokulani Enclave, (b) 76 units in Building SE-B in the Hokulani Enclave and (c) 54 units in Building SE-C in the Hokulani Enclave and (ii) separate preliminary public reports under HRS Chapter 514A on (a) 24 units in TH-1 (Buildings 1-6) in the Luana Enclave and (b) 28 units in TH-2 (Buildings 7-13) in the Luana Enclave. Developer has elected to proceed with the construction of Buildings SE-A, SE-B and SE-C in the Hokulani Enclave. Developer intends to obtain public reports for Buildings SE-A, SE-B and SE-C in the Hokulani Enclave, as well as for TH-1 and TH-2 in the Luana Enclave under HRS Chapter 514B. Once such public reports under HRS Chapter 514B have been obtained, the HRS Chapter 514A reports will be superseded by such HRS Chapter 514B public reports. Developer is under no obligation to construct any units in the Honua Kai Condominium unless such units are covered under a Public Report and Developer has entered into binding sales contracts, obligating it to construct such units. Developer may amend the description of any unit described in the Declaration at any time prior to obtaining a Public Report covering such unit. As part of such development in phases:

(A) Developer may file separate Reports for any phase of the Honua Kai Condominium with the Real Estate Commission of the State of Hawaii.

(B) The site work and improvements for the Honua Kai Condominium will be undertaken in phases. The site improvements in future phases are not integral to those earlier built.

(C) Each unit's share of the Common Expenses shall be calculated from time to time based on the number of units which have been constructed. Each unit's share of the Common Expenses shall be calculated based on a fraction, the numerator of which shall be such unit's Common Interest set forth in Exhibit C to the Declaration and the denominator of which shall be the aggregate Common Interest set forth in Exhibit C to the Declaration of all units for which a Certificate of Occupancy has been issued.

For Building NE-A of the Konea Enclave, each unit's share of the Common Expenses following the issuance of a Certificate of Occupancy for such units shall be as follows (assuming that Buildings SE-A, SE-B and SE-C in the Hokulani Enclave are completed and Buildings NE-B and NE-C are built at the same time):

<u>Unit No.</u>	<u>Common Interest</u>	<u>Share of Common Expenses</u>	<u>Share of Limited Common Element Expenses for NE-A</u>
NC 1	0.1836%	0.2214%	0.4414%
NC 2	0.9647%	1.1631%	2.3184%
NC 3	0.0239%	0.0288%	0.0573%
NR 113	0.1534%	0.1850%	0.3688%
NR 136	0.0799%	0.0963%	0.1920%
NR 138	0.0799%	0.0963%	0.1920%
NR 139	0.1534%	0.1850%	0.3688%
NR 140	0.1059%	0.1278%	0.2547%
NR 212	0.1059%	0.1278%	0.2547%
NR 213	0.1534%	0.1850%	0.3688%
NR 214	0.0799%	0.0963%	0.1920%
NR 215	0.0689%	0.0831%	0.1656%
NR 216	0.0799%	0.0963%	0.1920%
NR 218	0.1424%	0.1717%	0.3423%
NR 220	0.1250%	0.1508%	0.3006%

<u>Unit No.</u>	<u>Common Interest</u>	<u>Share of Common Expenses</u>	<u>Share of Limited Common Element Expenses for NE-A</u>
NR 221	0.0672%	0.0810%	0.1614%
NR 222	0.0712%	0.0859%	0.1712%
NR 224	0.0868%	0.1047%	0.2087%
NR 225	0.1430%	0.1724%	0.3437%
NR 229	0.1430%	0.1724%	0.3437%
NR 230	0.0712%	0.0859%	0.1712%
NR 231	0.0672%	0.0810%	0.1614%
NR 232	0.1250%	0.1508%	0.3006%
NR 234	0.1424%	0.1717%	0.3423%
NR 236	0.0799%	0.0963%	0.1920%
NR 237	0.0689%	0.0831%	0.1656%
NR 238	0.0799%	0.0963%	0.1920%
NR 239	0.1534%	0.1850%	0.3688%
NR 240	0.1059%	0.1278%	0.2547%
NR 312	0.1059%	0.1278%	0.2547%
NR 313	0.1534%	0.1850%	0.3688%
NR 314	0.0799%	0.0963%	0.1920%
NR 315	0.0689%	0.0831%	0.1656%
NR 316	0.0799%	0.0963%	0.1920%
NR 318	0.1424%	0.1717%	0.3423%
NR 320	0.1250%	0.1508%	0.3006%
NR 321	0.0712%	0.0859%	0.1712%
NR 322	0.0712%	0.0859%	0.1712%
NR 324	0.0868%	0.1047%	0.2087%
NR 325	0.1864%	0.2248%	0.4481%
NR 326	0.1488%	0.1794%	0.3576%
NR 329	0.1864%	0.2248%	0.4481%
NR 330	0.0712%	0.0859%	0.1712%
NR 331	0.0672%	0.0810%	0.1614%
NR 332	0.1250%	0.1508%	0.3006%
NR 334	0.1424%	0.1717%	0.3423%
NR 336	0.0799%	0.0963%	0.1920%
NR 337	0.0689%	0.0831%	0.1656%
NR 338	0.0799%	0.0963%	0.1920%
NR 339	0.1534%	0.1850%	0.3688%
NR 340	0.1059%	0.1278%	0.2547%
NR 412	0.1059%	0.1278%	0.2547%
NR 413	0.1534%	0.1850%	0.3688%
NR 414	0.0799%	0.0963%	0.1920%
NR 415	0.0689%	0.0831%	0.1656%
NR 416	0.0799%	0.0963%	0.1920%
NR 418	0.1424%	0.1717%	0.3423%
NR 420	0.1250%	0.1508%	0.3006%
NR 421	0.0712%	0.0859%	0.1712%
NR 422	0.0712%	0.0859%	0.1712%
NR 424	0.0868%	0.1047%	0.2087%
NR 425	0.1864%	0.2248%	0.4481%
NR 426	0.1488%	0.1794%	0.3576%
NR 429	0.1864%	0.2248%	0.4481%
NR 430	0.0712%	0.0859%	0.1712%
NR 431	0.0672%	0.0810%	0.1614%
NR 432	0.1250%	0.1508%	0.3006%
NR 434	0.1424%	0.1717%	0.3423%

<u>Unit No.</u>	<u>Common Interest</u>	<u>Share of Common Expenses</u>	<u>Share of Limited Common Element Expenses for NE-A</u>
NR 436	0.0799%	0.0963%	0.1920%
NR 437	0.0689%	0.0831%	0.1656%
NR 438	0.0799%	0.0963%	0.1920%
NR 439	0.1534%	0.1850%	0.3688%
NR 440	0.1059%	0.1278%	0.2547%
NR 512	0.1059%	0.1278%	0.2547%
NR 513	0.1534%	0.1850%	0.3688%
NR 514	0.0799%	0.0963%	0.1920%
NR 515	0.0689%	0.0831%	0.1656%
NR 516	0.0799%	0.0963%	0.1920%
NR 518	0.1424%	0.1717%	0.3423%
NR 520	0.1250%	0.1508%	0.3006%
NR 521	0.0712%	0.0859%	0.1712%
NR 522	0.0712%	0.0859%	0.1712%
NR 524	0.0868%	0.1047%	0.2087%
NR 525	0.1864%	0.2248%	0.4481%
NR 526	0.1488%	0.1794%	0.3576%
NR 529	0.1864%	0.2248%	0.4481%
NR 530	0.0712%	0.0859%	0.1712%
NR 531	0.0672%	0.0810%	0.1614%
NR 532	0.1250%	0.1508%	0.3006%
NR 534	0.1424%	0.1717%	0.3423%
NR 536	0.0799%	0.0963%	0.1920%
NR 537	0.0689%	0.0831%	0.1656%
NR 538	0.0799%	0.0963%	0.1920%
NR 539	0.1534%	0.1850%	0.3688%
NR 540	0.1059%	0.1278%	0.2547%
NR 612	0.1059%	0.1278%	0.2547%
NR 613	0.1534%	0.1850%	0.3688%
NR 614	0.0799%	0.0963%	0.1920%
NR 615	0.0689%	0.0831%	0.1656%
NR 616	0.0799%	0.0963%	0.1920%
NR 618	0.1424%	0.1717%	0.3423%
NR 620	0.1250%	0.1508%	0.3006%
NR 621	0.0712%	0.0859%	0.1712%
NR 622	0.0712%	0.0859%	0.1712%
NR 624	0.0868%	0.1047%	0.2087%
NR 625	0.1864%	0.2248%	0.4481%
NR 626	0.1488%	0.1794%	0.3576%
NR 629	0.1864%	0.2248%	0.4481%
NR 630	0.0712%	0.0859%	0.1712%
NR 631	0.0672%	0.0810%	0.1614%
NR 632	0.1250%	0.1508%	0.3006%
NR 634	0.1424%	0.1717%	0.3423%
NR 636	0.0799%	0.0963%	0.1920%
NR 637	0.0689%	0.0831%	0.1656%
NR 638	0.0799%	0.0963%	0.1920%
NR 639	0.1534%	0.1850%	0.3688%
NR 640	0.1059%	0.1278%	0.2547%
NR 712	0.1059%	0.1278%	0.2547%
NR 713	0.1534%	0.1850%	0.3688%
NR 714	0.0799%	0.0963%	0.1920%
NR 715	0.0689%	0.0831%	0.1656%

<u>Unit No.</u>	<u>Common Interest</u>	<u>Share of Common Expenses</u>	<u>Share of Limited Common Element Expenses for NE-A</u>
NR 716	0.0799%	0.0963%	0.1920%
NR 718	0.1424%	0.1717%	0.3423%
NR 720	0.1250%	0.1508%	0.3006%
NR 721	0.0672%	0.0810%	0.1614%
NR 722	0.0712%	0.0859%	0.1712%
NR 724	0.0868%	0.1047%	0.2087%
NR 725	0.1864%	0.2248%	0.4481%
NR 726	0.1488%	0.1794%	0.3576%
NR 729	0.1864%	0.2248%	0.4481%
NR 730	0.0712%	0.0859%	0.1712%
NR 731	0.0672%	0.0810%	0.1614%
NR 732	0.1250%	0.1508%	0.3006%
NR 734	0.1424%	0.1717%	0.3423%
NR 736	0.0799%	0.0963%	0.1920%
NR 737	0.0689%	0.0831%	0.1656%
NR 738	0.0799%	0.0963%	0.1920%
NR 739	0.1534%	0.1850%	0.3688%
NR 740	0.1059%	0.1278%	0.2547%
NR 812	0.1563%	0.1885%	0.3757%
NR 813	0.1534%	0.1850%	0.3688%
NR 814	0.0799%	0.0963%	0.1920%
NR 815	0.0689%	0.0831%	0.1656%
NR 816	0.0799%	0.0963%	0.1920%
NR 818	0.1424%	0.1717%	0.3423%
NR 820	0.1250%	0.1508%	0.3006%
NR 821	0.0672%	0.0810%	0.1614%
NR 822	0.0712%	0.0859%	0.1712%
NR 824	0.0868%	0.1047%	0.2087%
NR 825	0.1864%	0.2248%	0.4481%
NR 826	0.1488%	0.1794%	0.3576%
NR 829	0.1864%	0.2248%	0.4481%
NR 830	0.0712%	0.0859%	0.1712%
NR 831	0.0672%	0.0810%	0.1614%
NR 832	0.1250%	0.1508%	0.3006%
NR 834	0.1424%	0.1717%	0.3423%
NR 836	0.0799%	0.0963%	0.1920%
NR 837	0.0689%	0.0831%	0.1656%
NR 838	0.0799%	0.0963%	0.1920%
NR 839	0.1534%	0.1850%	0.3688%
NR 840	0.1563%	0.1885%	0.3757%
NR 919	0.1482%	0.1787%	0.3563%
NR 920	0.1407%	0.1696%	0.3382%
NR 921	0.0672%	0.0810%	0.1614%
NR 922	0.0712%	0.0859%	0.1712%
NR 924	0.0868%	0.1047%	0.2087%
NR 925	0.1864%	0.2248%	0.4481%
NR 926	0.1488%	0.1794%	0.3576%
NR 929	0.1864%	0.2248%	0.4481%
NR 930	0.0712%	0.0859%	0.1712%
NR 931	0.0672%	0.0810%	0.1614%
NR 932	0.1407%	0.1696%	0.3382%
NR 933	0.1482%	0.1787%	0.3563%
NR 1019	0.2755%	0.3323%	0.6624%

<u>Unit No.</u>	<u>Common Interest</u>	<u>Share of Common Expenses</u>	<u>Share of Limited Common Element Expenses for NE-A</u>
NR 1020	0.1407%	0.1696%	0.3382%
NR 1022	0.0712%	0.0859%	0.1712%
NR 1024	0.0868%	0.1047%	0.2087%
NR 1025	0.2512%	0.3030%	0.6040%
NR 1026	0.1488%	0.1794%	0.3576%
NR 1029	0.2512%	0.3030%	0.6040%
NR 1030	0.0712%	0.0859%	0.1712%
NR 1032	0.1407%	0.1696%	0.3382%
NR 1033	0.2755%	0.3323%	0.6624%

As Certificates of Occupancy are issued for additional units in the Honua Kai Condominium, the shares of Common Expenses for the foregoing units will be adjusted to reflect the additional units.

(D) In order to carry out the provisions of or exercise the rights, powers or privileges reserved in Section 8.07 of the Declaration, Developer may file amendments to the Declaration, Bylaws and/or Condominium Map for the Honua Kai Condominium to describe any changes to the units or Common Elements therein described at any time, notwithstanding the lease, sale or conveyance of any or all of the units in the Honua Kai Condominium, and Developer may execute, file and deliver any such amendment to the Declaration, Bylaws and/or the Condominium Map for the Honua Kai Condominium and to such Deeds as may have been issued, and any and all other instruments necessary or desirable.

EXHIBIT C
PARKING STALLS

The Declaration and Condominium Map reflect the parking for all 710 units in the Honua Kai Condominium. The Project includes a total of 311 parking stalls, 10 of which are assigned parking stalls and 301 of which are unassigned parking stalls. As shown on the Condominium Map, the parking stalls to be constructed concurrently with the Project shall consist of the parking stalls located in the basement level of the Project, Parking Lot B, a portion of Parking Lot C, and a temporary Parking Lot D, to be located on the proposed site for TH-3. The temporary Parking Lot D shall be relocated to another site once construction for TH-3 commences.

Units without an assigned parking stall or parking zone have the right to use any unassigned parking stall in the parking areas located within the Honua Kai Condominium. Buyers are encouraged to find out which stall(s) will be available for their use.

The following parking chart lists the parking stall assignments (if any) for units in the Project:

<u>Unit No.</u>	<u>Building</u>	<u>Parking Stall No. Assigned (if any)</u>	<u>Type of Parking (Reg., Compact, Tandem)</u>	<u>Open/Covered</u>
NC 1	NE-A	22T, 23T	Tandem	Covered
NC 2	NE-A	24T, 25T	Tandem	Covered
NC 3	NE-A	26T, 27T	Tandem	Covered
NR 113	NE-A	Unassigned	N/A	N/A
NR 136	NE-A	Unassigned	N/A	N/A
NR 138	NE-A	Unassigned	N/A	N/A
NR 139	NE-A	Unassigned	N/A	N/A
NR 140	NE-A	Unassigned	N/A	N/A
NR 212	NE-A	Unassigned	N/A	N/A
NR 213	NE-A	Unassigned	N/A	N/A
NR 214	NE-A	Unassigned	N/A	N/A
NR 215	NE-A	Unassigned	N/A	N/A
NR 216	NE-A	Unassigned	N/A	N/A
NR 218	NE-A	Unassigned	N/A	N/A
NR 220	NE-A	Unassigned	N/A	N/A
NR 221	NE-A	Unassigned	N/A	N/A
NR 222	NE-A	Unassigned	N/A	N/A
NR 224	NE-A	Unassigned	N/A	N/A
NR 225	NE-A	Unassigned	N/A	N/A
NR 229	NE-A	Unassigned	N/A	N/A
NR 230	NE-A	Unassigned	N/A	N/A
NR 231	NE-A	Unassigned	N/A	N/A
NR 232	NE-A	Unassigned	N/A	N/A
NR 234	NE-A	Unassigned	N/A	N/A
NR 236	NE-A	Unassigned	N/A	N/A
NR 237	NE-A	Unassigned	N/A	N/A
NR 238	NE-A	Unassigned	N/A	N/A
NR 239	NE-A	Unassigned	N/A	N/A

<u>Unit No.</u>	<u>Building</u>	<u>Parking Stall No. Assigned (if any)</u>	<u>Type of Parking (Reg., Compact, Tandem)</u>	<u>Open/Covered</u>
NR 240	NE-A	Unassigned	N/A	N/A
NR 312	NE-A	Unassigned	N/A	N/A
NR 313	NE-A	Unassigned	N/A	N/A
NR 314	NE-A	Unassigned	N/A	N/A
NR 315	NE-A	Unassigned	N/A	N/A
NR 316	NE-A	Unassigned	N/A	N/A
NR 318	NE-A	Unassigned	N/A	N/A
NR 320	NE-A	Unassigned	N/A	N/A
NR 321	NE-A	Unassigned	N/A	N/A
NR 322	NE-A	Unassigned	N/A	N/A
NR 324	NE-A	Unassigned	N/A	N/A
NR 325	NE-A	Unassigned	N/A	N/A
NR 326	NE-A	Unassigned	N/A	N/A
NR 329	NE-A	Unassigned	N/A	N/A
NR 330	NE-A	Unassigned	N/A	N/A
NR 331	NE-A	Unassigned	N/A	N/A
NR 332	NE-A	Unassigned	N/A	N/A
NR 334	NE-A	Unassigned	N/A	N/A
NR 336	NE-A	Unassigned	N/A	N/A
NR 337	NE-A	Unassigned	N/A	N/A
NR 338	NE-A	Unassigned	N/A	N/A
NR 339	NE-A	Unassigned	N/A	N/A
NR 340	NE-A	Unassigned	N/A	N/A
NR 412	NE-A	Unassigned	N/A	N/A
NR 413	NE-A	Unassigned	N/A	N/A
NR 414	NE-A	Unassigned	N/A	N/A
NR 415	NE-A	Unassigned	N/A	N/A
NR 416	NE-A	Unassigned	N/A	N/A
NR 418	NE-A	Unassigned	N/A	N/A
NR 420	NE-A	Unassigned	N/A	N/A
NR 421	NE-A	Unassigned	N/A	N/A
NR 422	NE-A	Unassigned	N/A	N/A
NR 424	NE-A	Unassigned	N/A	N/A
NR 425	NE-A	Unassigned	N/A	N/A
NR 426	NE-A	Unassigned	N/A	N/A
NR 429	NE-A	Unassigned	N/A	N/A
NR 430	NE-A	Unassigned	N/A	N/A
NR 431	NE-A	Unassigned	N/A	N/A
NR 432	NE-A	Unassigned	N/A	N/A
NR 434	NE-A	Unassigned	N/A	N/A
NR 436	NE-A	Unassigned	N/A	N/A
NR 437	NE-A	Unassigned	N/A	N/A
NR 438	NE-A	Unassigned	N/A	N/A
NR 439	NE-A	Unassigned	N/A	N/A
NR 440	NE-A	Unassigned	N/A	N/A

<u>Unit No.</u>	<u>Building</u>	<u>Parking Stall No. Assigned (if any)</u>	<u>Type of Parking (Reg., Compact, Tandem)</u>	<u>Open/Covered</u>
NR 512	NE-A	Unassigned	N/A	N/A
NR 513	NE-A	Unassigned	N/A	N/A
NR 514	NE-A	Unassigned	N/A	N/A
NR 515	NE-A	Unassigned	N/A	N/A
NR 516	NE-A	Unassigned	N/A	N/A
NR 518	NE-A	Unassigned	N/A	N/A
NR 520	NE-A	Unassigned	N/A	N/A
NR 521	NE-A	Unassigned	N/A	N/A
NR 522	NE-A	Unassigned	N/A	N/A
NR 524	NE-A	Unassigned	N/A	N/A
NR 525	NE-A	Unassigned	N/A	N/A
NR 526	NE-A	Unassigned	N/A	N/A
NR 529	NE-A	Unassigned	N/A	N/A
NR 530	NE-A	Unassigned	N/A	N/A
NR 531	NE-A	Unassigned	N/A	N/A
NR 532	NE-A	Unassigned	N/A	N/A
NR 534	NE-A	Unassigned	N/A	N/A
NR 536	NE-A	Unassigned	N/A	N/A
NR 537	NE-A	Unassigned	N/A	N/A
NR 538	NE-A	Unassigned	N/A	N/A
NR 539	NE-A	Unassigned	N/A	N/A
NR 540	NE-A	Unassigned	N/A	N/A
NR 612	NE-A	Unassigned	N/A	N/A
NR 613	NE-A	Unassigned	N/A	N/A
NR 614	NE-A	Unassigned	N/A	N/A
NR 615	NE-A	Unassigned	N/A	N/A
NR 616	NE-A	Unassigned	N/A	N/A
NR 618	NE-A	Unassigned	N/A	N/A
NR 620	NE-A	Unassigned	N/A	N/A
NR 621	NE-A	Unassigned	N/A	N/A
NR 622	NE-A	Unassigned	N/A	N/A
NR 624	NE-A	Unassigned	N/A	N/A
NR 625	NE-A	Unassigned	N/A	N/A
NR 626	NE-A	Unassigned	N/A	N/A
NR 629	NE-A	Unassigned	N/A	N/A
NR 630	NE-A	Unassigned	N/A	N/A
NR 631	NE-A	Unassigned	N/A	N/A
NR 632	NE-A	Unassigned	N/A	N/A
NR 634	NE-A	Unassigned	N/A	N/A
NR 636	NE-A	Unassigned	N/A	N/A
NR 637	NE-A	Unassigned	N/A	N/A
NR 638	NE-A	Unassigned	N/A	N/A
NR 639	NE-A	Unassigned	N/A	N/A
NR 640	NE-A	Unassigned	N/A	N/A
NR 712	NE-A	Unassigned	N/A	N/A

<u>Unit No.</u>	<u>Building</u>	<u>Parking Stall No. Assigned (if any)</u>	<u>Type of Parking (Reg., Compact, Tandem)</u>	<u>Open/Covered</u>
NR 713	NE-A	Unassigned	N/A	N/A
NR 714	NE-A	Unassigned	N/A	N/A
NR 715	NE-A	Unassigned	N/A	N/A
NR 716	NE-A	Unassigned	N/A	N/A
NR 718	NE-A	Unassigned	N/A	N/A
NR 720	NE-A	Unassigned	N/A	N/A
NR 721	NE-A	Unassigned	N/A	N/A
NR 722	NE-A	Unassigned	N/A	N/A
NR 724	NE-A	Unassigned	N/A	N/A
NR 725	NE-A	Unassigned	N/A	N/A
NR 726	NE-A	Unassigned	N/A	N/A
NR 729	NE-A	Unassigned	N/A	N/A
NR 730	NE-A	Unassigned	N/A	N/A
NR 731	NE-A	Unassigned	N/A	N/A
NR 732	NE-A	Unassigned	N/A	N/A
NR 734	NE-A	Unassigned	N/A	N/A
NR 736	NE-A	Unassigned	N/A	N/A
NR 737	NE-A	Unassigned	N/A	N/A
NR 738	NE-A	Unassigned	N/A	N/A
NR 739	NE-A	Unassigned	N/A	N/A
NR 740	NE-A	Unassigned	N/A	N/A
NR 812	NE-A	Unassigned	N/A	N/A
NR 813	NE-A	Unassigned	N/A	N/A
NR 814	NE-A	Unassigned	N/A	N/A
NR 815	NE-A	Unassigned	N/A	N/A
NR 816	NE-A	Unassigned	N/A	N/A
NR 818	NE-A	Unassigned	N/A	N/A
NR 820	NE-A	Unassigned	N/A	N/A
NR 821	NE-A	Unassigned	N/A	N/A
NR 822	NE-A	Unassigned	N/A	N/A
NR 824	NE-A	Unassigned	N/A	N/A
NR 825	NE-A	Unassigned	N/A	N/A
NR 826	NE-A	Unassigned	N/A	N/A
NR 829	NE-A	Unassigned	N/A	N/A
NR 830	NE-A	Unassigned	N/A	N/A
NR 831	NE-A	Unassigned	N/A	N/A
NR 832	NE-A	Unassigned	N/A	N/A
NR 834	NE-A	Unassigned	N/A	N/A
NR 836	NE-A	Unassigned	N/A	N/A
NR 837	NE-A	Unassigned	N/A	N/A
NR 838	NE-A	Unassigned	N/A	N/A
NR 839	NE-A	Unassigned	N/A	N/A
NR 840	NE-A	Unassigned	N/A	N/A
NR 919	NE-A	Unassigned	N/A	N/A
NR 920	NE-A	Unassigned	N/A	N/A

<u>Unit No.</u>	<u>Building</u>	<u>Parking Stall No. Assigned (if any)</u>	<u>Type of Parking (Reg., Compact, Tandem)</u>	<u>Open/Covered</u>
NR 921	NE-A	Unassigned	N/A	N/A
NR 922	NE-A	Unassigned	N/A	N/A
NR 924	NE-A	Unassigned	N/A	N/A
NR 925	NE-A	Unassigned	N/A	N/A
NR 926	NE-A	Unassigned	N/A	N/A
NR 929	NE-A	Unassigned	N/A	N/A
NR 930	NE-A	Unassigned	N/A	N/A
NR 931	NE-A	Unassigned	N/A	N/A
NR 932	NE-A	Unassigned	N/A	N/A
NR 933	NE-A	Unassigned	N/A	N/A
NR 1019	NE-A	NE Zone A*	Regular	Covered
NR 1020	NE-A	Unassigned	N/A	N/A
NR 1022	NE-A	Unassigned	N/A	N/A
NR 1024	NE-A	Unassigned	N/A	N/A
NR 1025	NE-A	NE Zone A*	Regular	Covered
NR 1026	NE-A	Unassigned	N/A	N/A
NR 1029	NE-A	NE Zone A*	Regular	Covered
NR 1030	NE-A	Unassigned	N/A	N/A
NR 1032	NE-A	Unassigned	N/A	N/A
NR 1033	NE-A	NE Zone A*	Regular	Covered

*NE Zone A parking stalls are parking stall nos. 12-15 located in the Konea Enclave.

II. As set forth in the Section 3.05(a)(v) of the Declaration, note the following with respect to parking for the Honua Kai Condominium:

(A) Pursuant to Section 3.05(a)(v)(1) of the Declaration, Residential Unit Nos. SR 101-104, 201-204, 301-304, 401-404, 501-504, and 601-604 in the Hokulani Enclave ("the Hokulani Enclave Building B Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration. Residential Unit Nos. SR 150, 151, 250, 251, 350, 351, 450, 451, 550, 551, 650 and 750 in the Hokulani Enclave ("the Hokulani Enclave Building C Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration. Residential Units in the Hokulani Enclave (other than the Hokulani Enclave Building B and C Residential Units and the Hokulani Penthouse Residential Condominium Units) shall have as a Limited Common Element the right, on an unassigned basis, to use one parking stall in Buildings SE-A, SE-B and SE-C of the Hokulani Enclave.

(B) Pursuant to Section 3.05(a)(v)(2) of the Declaration, Residential Unit Nos. SR 1019, 1025, 1029, and 1037 in the Hokulani Enclave ("the Hokulani Enclave Penthouse Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration.

(C) Pursuant to Section 3.05(a)(v)(3) of the Declaration, Residential Unit Nos. NR 149-151, 249-251, 349-351, 449-451, 549-551, 649, 651, 749 and 751 in the Konea Enclave ("the Konea Enclave Building B Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Konea Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration. Residential Unit Nos. NR 102, 202, 302, 402, 502, 601, and 701 in the Konea Enclave ("the Konea Enclave Building C Residential Units"), collectively, shall have as a Limited Common

Element parking stalls located in the basement level of the Konea Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration. Residential Units in the Konea Enclave (other than the Konea Enclave Building B and C Residential Units and the Konea Penthouse Residential Condominium Units) shall have as a Limited Common Element the right, on an unassigned basis, to use one parking stall in Buildings NE-A, NE-B and NE-C of the Konea Enclave.

(D) Pursuant to Section 3.05(a)(v)(4) of the Declaration, Residential Unit Nos. NR 1019, 1025, 1029, and 1033 in the Konea Enclave ("the Konea Enclave Penthouse Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Konea Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration.

(E) Pursuant to Section 3.05(a)(v)(5) of the Declaration, each unit in the Luana Enclave shall have as a Limited Common Element the interior of the garage parking stall and the outdoor parking stall assigned to such unit as shown on the Condominium Map.

(F) Pursuant to Section 3.05(a)(v)(6) of the Declaration, Hokulani Commercial Unit SC 4 shall have as a Limited Common Element eighteen (18) parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Commercial Unit on Exhibit C of the Declaration.

(G) Pursuant to Section 3.05(a)(v)(7) of the Declaration, each of Konea Commercial Condominium Unit NC 1, Konea Commercial Unit NC 2 and Konea Commercial Unit NC 3 shall have as a Limited Common Element two (2) parking stalls located in the basement level of the Konea Enclave as shown on the Condominium Map and designated for the use of such Commercial Unit on Exhibit C to the Declaration.

(H) Pursuant to Section 3.05(a)(v)(8) of the Declaration, the Restaurant Unit shall have as a Limited Common Element two (2) parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Commercial Unit on Exhibit C to the Declaration.

(I) Pursuant to Section 3.05(a)(v)(9) of the Declaration, all units in the Hokulani Enclave, the Konea Enclave and the Luana Enclave have the right to use parking stalls in parking lots located within the Honua Kai Condominium on a non-exclusive basis.

(J) Pursuant to Section 4.13 of the Declaration, all Owners and Guests have the right to use any parking stall in Parking Lots A, B and C as shown on the Condominium Map and Temporary Parking Lot D until such time it is demolished.

EXHIBIT D

PERMITTED ALTERATIONS TO THE UNITS

I. As set forth in Section 4.08 of the Declaration, the permitted alterations of the units are:

(a) General Provisions. Except as otherwise expressly provided in Section 4.08 of the Declaration, restoration or replacement of the Honua Kai Condominium or any portion thereof or construction of any additional building or structural alteration or addition to any building, different in any material respect from the Condominium Map, shall be undertaken by the Association or any Owner only pursuant to an amendment of the Declaration in accordance with Section 9.03 of the Declaration, duly executed pursuant to the provisions thereof, accompanied by the written consent, as may be required, of the holders of all liens affecting any of the units involved, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction the Association or Owner, as the case may be, shall duly record or file of record such amendment, together with a complete set of floor plans of the Honua Kai Condominium as so altered, certified "as built" by a registered architect or professional engineer. The Board shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements.

(b) Additions or Alterations Solely Within a Unit. Subject to the provisions of the Declaration, the Master Association Documents, and the Act, each Owner shall have the right, at any time, and from time to time, at such Owner's sole cost and expense, and without the necessity of the consent or joinder of any other Owner or the amendment of the Declaration, but with the prior approval of the Board and with the presentation of such plans and specifications and other materials as the Board may require as is more fully set forth in Section 10.04 of the Bylaws, to install, maintain, remove, and rearrange non-structural or non-load-bearing partitions and other structures from time to time within such unit, and to paint, paper, panel, plaster, finish, and do or cause to be done such other work on the interior surfaces of the ceilings, floors and walls within any such unit and to finish, alter or substitute any lighting, plumbing, electrical or other fixtures attached to said ceilings, floors and walls as shall be appropriate for the utilization of such unit by such Owner or its Guests.

(c) Additions or Changes to Commercial Units. Notwithstanding anything to the contrary contract in the Declaration, an Owner of a Commercial Unit shall have the right, from time to time, at such Owner's sole cost and expense, with only the prior consent of the Board, and without the necessity in consent or joinder of any other Owner, to: (1) alter that portion of the Honua Kai Condominium's building facade that serves as the boundary of that Commercial Unit and other Common Elements located immediately adjacent to that Commercial Unit (including, without limitation, the creation, removal and relocation of entrances, exits, windows, window boxes, signage and other architectural features); and (2) construct and install non-material structural additions, alterations and other improvements within its Commercial Unit(s), and (3) the Limited Common Elements appurtenant to its Commercial Unit(s), all of which shall be deemed to be non-material structural additions under the Act. Before undertaking such actions, the Owner of the Commercial Unit shall give written notice to the Board of its intention to construct or install such additions, alterations or improvements, and shall provide the Board with its plans and specifications for such actions. The Board shall be deemed to have given its consent to such actions unless the Board, within twenty (20) days of the date that it receives such notice and other required materials from the Commercial Unit Owner, decides by majority vote to disapprove such actions on the ground that such actions will jeopardize the structural soundness or safety of the Honua Kai Condominium. If the Board votes to withhold its consent to such actions as aforesaid, the Commercial Unit Owner and the Board agree, within fifteen (15) days of such decision by the Board, to submit the matter to binding arbitration by a single arbitrator pursuant to Section 10.01 of the Declaration. In any such arbitration, the Board shall have the burden of establishing by clear and convincing evidence that such action will jeopardize the structural soundness or safety of the Honua Kai Condominium. The decision of the arbitrator shall be issued within twenty (20) days and shall be final, conclusive and binding on the parties thereto.

In granting any approvals required hereunder, it is expressly understood that neither the Board nor the Association shall be entitled to charge any fees for the installation or operation of the additions, alterations or improvements permitted under Section 4.08 of the Declaration or have the right to receive any revenues generated

by the Commercial Unit Owner's exercise of its rights hereunder except for a reasonable fee to review the request to construct such improvements.

Upon completion of construction of such additions or alterations to the Commercial Unit Owner shall prepare and record in the Bureau and file in the Office an amendment to the Condominium Map showing the layout, location, dimensions, and elevations of such buildings "as built". Any buildings or additions or alterations to buildings constructed by the Commercial Unit Owner within its Commercial Unit pursuant to Section 4.08(c) of the Declaration shall be deemed to be part of the Commercial Unit. Any improvements constructed by the Commercial Unit Owner pursuant to Section 4.08 of the Declaration other than buildings or additions or alterations to buildings designated as part of the Commercial Unit shall be deemed to be Limited Common Elements appurtenant to the Commercial Unit.

(d) Adjoining Units May Be Combined. The Owner of any two adjoining units may, with the consent of any mortgagee of such units and at the Owner's sole expense, alter and remove all or portions of the non-structural or load-bearing portion of the intervening wall which separates such units if the structural integrity of the Honua Kai Condominium is not thereby affected and if the Common Elements affected are restored to a condition comparable to that of the Common Elements prior to such alteration of such Common Elements. If, in any such permitted alteration, the intervening wall affected is a load-bearing wall then, in addition to all other requirements set forth herein, any alteration or removal of all or portions of such wall shall also be done pursuant to written plans and specifications drawn by the original structural engineer for the Honua Kai Condominium or the Project Architect and such work shall be personally supervised by said engineer or architect. Any Owner making the alterations permitted hereunder shall secure a performance and payment bond naming as obligees said Owner and collectively the Owners of all other units as their interests may appear in a penal sum of not less than one hundred percent (100%) of the cost of any such construction, guaranteeing the payment of funds in an amount necessary to ensure the completion thereof free and clear of all mechanic's and materialmen's liens, and that any such construction shall be carried out in strict compliance with all applicable laws, rules and regulations. The approval of the Board shall be required to perform the alterations permitted herein, which approval shall be given provided that each Owner of the adjoining units complies with all the terms and conditions relating to said alterations set forth herein. The Owner of such adjoining units may install in and attach to such opening or openings in such wall, doors or other service devices and may remove and retain ownership of the items so installed. Upon termination of the common ownership of such adjoining units, any intervening wall which has been altered or removed pursuant to the foregoing provisions shall be restored at the Owner's sole expense to substantially the condition which existed prior to such alteration or removal, if the new Owner or Owners do not consent to such alteration.

(e) Owners to Execute Amendment Documents in Certain Cases. In the event that any change or alteration made in accordance with Section 4.08 of the Declaration requires an amendment to the Declaration and/or to the Condominium Map, such amendment shall be executed by the Owner of the affected unit or units, and shall become effective upon recordation in the Bureau and filing in the Office. Such amendment shall not require the consent or joinder of the Owner of any other unit or any other person or entity, other than any mortgagee of such unit or units.

II. As set forth in Section 10.04 of the Bylaws, the permitted alterations of the units are:

Except as set forth in the Declaration and subject to the limitations set forth therein, no Owner shall make any addition or alteration in or to a Residential Unit without first complying with the requirements of Section 10.04 of the Bylaws and securing the prior written approval of the Board.

(a) Written Submission of Request for Approval and Requirement of Board Action. No Residential Unit Owner shall commence work on any alterations or additions within a Residential Unit until the Owner has submitted to the Board a written request (which may include plans and specifications if the Board so requires) and the Board (or a subcommittee of the Board established for such purpose) either approves the request in writing or the Board is deemed to have approved the request as provided in (b) below.

(b) Time Limit for Board Response. The Board must respond to the submission of a request within sixty (60) days of the receipt thereof by the Board; if the Board shall fail to disapprove the request or to request revisions or amendments by the Owner, the request shall be deemed to be approved, provided that nothing

contained in Section 10.04 of the Bylaws shall authorize or permit any work affecting the Common Elements, the exterior appearance of the Honua Kai Condominium or the rights of any other Owner.

(c) Board May Impose Reasonable Conditions. The Board may impose reasonable conditions on its approval of any such request including, without limitation, requiring (1) changes or amendments to the request, including changes or amendments designed to minimize the potential effects of such additions or alterations on Owners or occupants of other units, (2) supervision of the work by an architect, or engineer, or other construction professional, and (3) performance of the work by a licensed contractor in cases where the work may affect the Common Elements, the exterior of the Honua Kai Condominium, or the rights of any other Owners. Without limitation to the foregoing, the Board may, as a condition to approving any request to install tile, hardwood, or similar hard surface flooring, require the Owner to install subfloor padding or acoustical insulation.

(d) Board May Require a Halt in Construction or Removal of Unauthorized Work. The Board may inspect the work from time to time and direct a halt in construction for any reason and the Board may require the removal or correction of any work which was (i) not authorized by the Board, or (ii) which may adversely affect the Common Elements, the exterior of the Honua Kai Condominium or the rights of any other Owner.

(e) Commercial Units Excluded. The provisions in Section 10.04 of the Bylaws shall not be construed to apply to the alteration or addition to the Commercial Units or any Limited Common Element appurtenant thereto which the Owner of the Commercial Units may make, at its sole expense, without the prior approval of the Board, subject to the provisions of the Declaration, the Bylaws, and all applicable laws.

EXHIBIT E

COMMON INTEREST

The Common Interest for the units in the Project set forth in the Declaration is as follows:

<u>Unit No.</u>	<u>Common Interest</u>	<u>Unit No.</u>	<u>Common Interest</u>
NC 1	0.1836%	NR 336	0.0799%
NC 2	0.9647%	NR 337	0.0689%
NC 3	0.0239%	NR 338	0.0799%
NR 113	0.1534%	NR 339	0.1534%
NR 136	0.0799%	NR 340	0.1059%
NR 138	0.0799%	NR 412	0.1059%
NR 139	0.1534%	NR 413	0.1534%
NR 140	0.1059%	NR 414	0.0799%
NR 212	0.1059%	NR 415	0.0689%
NR 213	0.1534%	NR 416	0.0799%
NR 214	0.0799%	NR 418	0.1424%
NR 215	0.0689%	NR 420	0.1250%
NR 216	0.0799%	NR 421	0.0712%
NR 218	0.1424%	NR 422	0.0712%
NR 220	0.1250%	NR 424	0.0868%
NR 221	0.0672%	NR 425	0.1864%
NR 222	0.0712%	NR 426	0.1488%
NR 224	0.0868%	NR 429	0.1864%
NR 225	0.1430%	NR 430	0.0712%
NR 229	0.1430%	NR 431	0.0672%
NR 230	0.0712%	NR 432	0.1250%
NR 231	0.0672%	NR 434	0.1424%
NR 232	0.1250%	NR 436	0.0799%
NR 234	0.1424%	NR 437	0.0689%
NR 236	0.0799%	NR 438	0.0799%
NR 237	0.0689%	NR 439	0.1534%
NR 238	0.0799%	NR 440	0.1059%
NR 239	0.1534%	NR 512	0.1059%
NR 240	0.1059%	NR 513	0.1534%
NR 312	0.1059%	NR 514	0.0799%
NR 313	0.1534%	NR 515	0.0689%
NR 314	0.0799%	NR 516	0.0799%
NR 315	0.0689%	NR 518	0.1424%
NR 316	0.0799%	NR 520	0.1250%
NR 318	0.1424%	NR 521	0.0712%
NR 320	0.1250%	NR 522	0.0712%
NR 321	0.0712%	NR 524	0.0868%
NR 322	0.0712%	NR 525	0.1864%
NR 324	0.0868%	NR 526	0.1488%
NR 325	0.1864%	NR 529	0.1864%
NR 326	0.1488%	NR 530	0.0712%
NR 329	0.1864%	NR 531	0.0672%
NR 330	0.0712%	NR 532	0.1250%
NR 331	0.0672%	NR 534	0.1424%
NR 332	0.1250%	NR 536	0.0799%
NR 334	0.1424%	NR 537	0.0689%

<u>Unit No.</u>	<u>Common Interest</u>	<u>Unit No.</u>	<u>Common Interest</u>
NR 538	0.0799%	NR 818	0.1424%
NR 539	0.1534%	NR 820	0.1250%
NR 540	0.1059%	NR 821	0.0672%
NR 612	0.1059%	NR 822	0.0712%
NR 613	0.1534%	NR 824	0.0868%
NR 614	0.0799%	NR 825	0.1864%
NR 615	0.0689%	NR 826	0.1488%
NR 616	0.0799%	NR 829	0.1864%
NR 618	0.1424%	NR 830	0.0712%
NR 620	0.1250%	NR 831	0.0672%
NR 621	0.0712%	NR 832	0.1250%
NR 622	0.0712%	NR 834	0.1424%
NR 624	0.0868%	NR 836	0.0799%
NR 625	0.1864%	NR 837	0.0689%
NR 626	0.1488%	NR 838	0.0799%
NR 629	0.1864%	NR 839	0.1534%
NR 630	0.0712%	NR 840	0.1563%
NR 631	0.0672%	NR 919	0.1482%
NR 632	0.1250%	NR 920	0.1407%
NR 634	0.1424%	NR 921	0.0672%
NR 636	0.0799%	NR 922	0.0712%
NR 637	0.0689%	NR 924	0.0868%
NR 638	0.0799%	NR 925	0.1864%
NR 639	0.1534%	NR 926	0.1488%
NR 640	0.1059%	NR 929	0.1864%
NR 712	0.1059%	NR 930	0.0712%
NR 713	0.1534%	NR 931	0.0672%
NR 714	0.0799%	NR 932	0.1407%
NR 715	0.0689%	NR 933	0.1482%
NR 716	0.0799%	NR 1019	0.2755%
NR 718	0.1424%	NR 1020	0.1407%
NR 720	0.1250%	NR 1022	0.0712%
NR 721	0.0672%	NR 1024	0.0868%
NR 722	0.0712%	NR 1025	0.2512%
NR 724	0.0868%	NR 1026	0.1488%
NR 725	0.1864%	NR 1029	0.2512%
NR 726	0.1488%	NR 1030	0.0712%
NR 729	0.1864%	NR 1032	0.1407%
NR 730	0.0712%	NR 1033	0.2755%
NR 731	0.0672%		
NR 732	0.1250%		
NR 734	0.1424%		
NR 736	0.0799%		
NR 737	0.0689%		
NR 738	0.0799%		
NR 739	0.1534%		
NR 740	0.1059%		
NR 812	0.1563%		
NR 813	0.1534%		
NR 814	0.0799%		
NR 815	0.0689%		
NR 816	0.0799%		

Notwithstanding the foregoing Common Interest percentages, pursuant to Section 8.07 to the Declaration, Common Expenses shall be calculated from time to time based on the number of units which have been constructed. Please refer to **Exhibit B** for further explanation.

EXHIBIT F

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS*

As set forth in Section 3.04 of the Declaration, the Common Elements of the Honua Kai Condominium include:

1. The Property, in fee simple, and any and all easements and appurtenances thereto.
2. Except for the following Improvements located within the Restaurant Unit, all unfinished, undecorated portions of all perimeter (including party) walls and interior load-bearing walls, the undecorated or unfinished surfaces of floors and ceilings, all structural components, foundations, floor slabs, columns, girders, beams, supports, shafts, ceilings and spaces between the ceiling and the floor slab or roof above, all outdoor showers, lanais, garden areas, patios, decks, porches and porte cocheres, including but not limited to, lanai slabs and railings, roofs, exterior surfaces of the buildings, including any paint or coating thereon, any doors or panels along the perimeter walls, all shutters, awnings, cranks, frames, windows and window or sliding door hardware.
3. All grounds, planters, landscaping, courtyards, ponds and other water features.
4. All bridges, tunnels, roadways, parking areas, driveways, ramps, corridors, stairways, walkways, loading bays and loading areas.
5. All air conditioning equipment or apparatus, ducts, pumps, valves, sewer lines, drain lines, electrical equipment, cables, wiring, chutes, pipes, shafts, wires, conduits or other utility or service lines which are utilized for or serve any Common Element or more than one unit and other central and appurtenant transmission facilities over, under and across the Honua Kai Condominium which serve any Common Element or more than one unit for services such as power, light, water, gas, sewer, refuse, telephone and radio and cable television signal distribution.
6. Except for the following Improvements that serve only the Restaurant Unit, any utility systems, mechanical systems, sprinkler systems, exhaust and ventilation systems, water heating systems, recycling and refuse systems, drainage facilities, roofs, facades, courtyards, pools, hot tubs, spas, recreational facilities, stoops, exits, entrances, elevators, waiting areas, lobbies, laundry facilities, restrooms, libraries, storage lockers, walkways, and other areas and Improvements.
7. The South Pool, the North Pool, the Center Pool and three swimming pools in the Luana Enclave as shown on the Condominium Map.
8. The Improvements in North Park and Shoreline areas as shown on the Condominium Map.
9. The storm water retention basin as shown on the Condominium Map.
10. The fitness room in the Konea Enclave as shown on the Condominium Map.
11. The interior of two bathrooms (men's and women's) ("Restaurant Restrooms") labeled as "Common Element" on the Condominium Map located inside the Restaurant Unit as shown on the Condominium Map, including, without limitation, (1) any pipes, shafts, ducts, pumps, valves, wires, conduits or other utility or service lines that serve only the Restaurant Restrooms, (2) all the walls and partitions which are not load-bearing within the perimeter walls of the two bathrooms contained within the Restaurant Unit, (3) the inner decorated or finished surfaces of all walls, floors and ceilings of the Restaurant Restrooms, (4) any doors or panels along the perimeter walls of the Restaurant Restrooms, (5) any shutters, awnings, window boxes, windows, cranks, frames, doors and sliding door hardware located at the boundary of the Restaurant Restrooms, (6) the water heater and all appliances, equipment and fixtures installed therein and replacements thereof located in the Restaurant Restrooms, and (7) any air conditioning equipment or apparatus within the Restaurant Restrooms.

12. Any and all other apparatus and installations of common use and all other parts of the Honua Kai Condominium necessary or convenient to its existence, maintenance and safety, or normally in common use.

As set forth in Section 3.05 of the Declaration, the Limited Common Elements of the Honua Kai Condominium include:

1. Limited Common Elements of the Hokulani Enclave.

(A) Limited Common Elements of the Residential and Commercial Units.

(1) Building Structures. The following structures and facilities shall be Limited Common Elements appurtenant to the Residential and Commercial Units within the Hokulani Enclave: (i) the foundations, perimeter walls and roofs of such units; (ii) the undecorated or unfinished surfaces of the perimeter walls of such units; (iii) the undecorated or unfinished surface of the floors and ceilings surrounding each unit; (iv) any pipes, shafts, ducts, pumps, valves, wires, conduits or other utility or service lines serving multiple units in the Hokulani Enclave; and (v) any doors or panels along the perimeter walls of such unit.

(2) Windows. The following window and window and door hardware shall be Limited Common Elements appurtenant to the Residential and Commercial Units within the Hokulani Enclave: any shutters, awnings, window boxes, windows, cranks, frames, doors and sliding door hardware (including card locks and entry doors) located at the boundaries of the units.

(3) Various Systems. The following systems shall be Limited Common Elements appurtenant to the Residential and Commercial Units within the Hokulani Enclave: any utility systems, mechanical systems, sprinkler systems, exhaust and ventilation systems, recycling and refuse systems, drainage facilities, roofs, facades, courtyards, hot tubs, spas, recreational facilities, stoops, exits, entrances, elevators, waiting areas, laundry facilities, restrooms, libraries, storage lockers, mailboxes, corridors, stairwells, walkways, loading bays, loading storage areas and other areas and Improvements that are designed to serve the units in the Hokulani Enclave.

(4) Service Lines. The following service lines shall be Limited Common Elements appurtenant to the Residential and Commercial Units within the Hokulani Enclave: all air conditioning equipment or apparatus, ducts, pumps, valves, sewer lines, drain lines, electrical equipment, cables, wiring, chutes, pipes, shafts, wires, conduits or other utility or service lines which are utilized for or serve only units in the Hokulani Enclave and other central and appurtenant transmission facilities over, under and across the Honua Kai Condominium which serve only units in the Hokulani Enclave for services such as power, light, water, gas, sewer, refuse, telephone and radio and cable television signal distribution.

(5) Lanais. Each Residential and Commercial Unit not located on the ground floor within the Hokulani Enclave shall have as a Limited Common Element the covered and uncovered lanais, including appurtenant flooring and lighting fixtures adjoining the unit, as shown on the Condominium Map.

(6) Garden Area. Each Residential and Commercial Unit on the ground floor within the Hokulani Enclave and Hokulani Commercial Unit SC1 shall have as a Limited Common Element the garden area as shown on the Condominium Map.

(7) Miscellaneous. If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a utility or mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a unit in the Hokulani Enclave, any portion thereof serving only that unit in the Hokulani Enclave is a Limited Common Element allocated solely to that unit in the Hokulani Enclave, and any portion thereof serving all of the other units in the Hokulani Enclave or any portion of the Limited Common Elements is a part of the Limited Common Elements of the Hokulani Enclave. Nonstructural walls located wholly within a unit in the Hokulani Enclave are Limited Common Elements allocated to the units in which they are located.

(B) Limited Common Elements of Hokulani Commercial Unit SC 1. Hokulani Commercial Unit SC 1 shall have as a Limited Common Element the open area surrounding Hokulani Commercial Unit SC 1 as shown on the Condominium Map.

(C) Limited Common Elements of Hokulani Commercial Unit SC 4. Hokulani Commercial Unit SC 4 shall have as a Limited Common Element: (i) two (2) operations facility areas located in the basement level as shown on the Condominium Map; (ii) one (1) linen operations area located on the ground level as shown on the Condominium Map; (iv) one (1) storage area on the ground level as shown on the Condominium Map; (v) one (1) maintenance storage/service area located on the ground level as shown on the Condominium Map; (vi) one (1) security operations area located on the ground level as shown on the Condominium Map; (vii) two (2) front desk operations areas located on the ground level as shown on the Condominium Map; (viii) one (1) service area on the ground level as shown on the Condominium Map; (ix) the two (2) lobby operations areas located on the ground level as shown on the Condominium Map; (x) three (3) pool operations areas located on the ground level as shown on the Condominium Map; (xi) linen chute located on the second through tenth levels as shown on the Condominium Map; (xii) two (2) service rooms on the second through ninth levels as shown on the Condominium Map; and (xiii) one (1) service room on the tenth level as shown on the Condominium Map.

(D) Limited Common Elements - Storage Lockers. Certain Hokulani Enclave Residential Units shall have as a Limited Common Element storage lockers on the ninth level as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration.

2. Limited Common Elements of the Konea Enclave.

(A) Limited Common Elements of the Residential and Commercial Units and the Fitness Room.

(1) Building Structures. The following structures and facilities shall be Limited Common Elements appurtenant to the Residential and Commercial Units and the fitness room within the Konea Enclave: (i) the foundations, perimeter walls and roofs of such units; (ii) the undecorated or unfinished surfaces of the perimeter walls of such units and the fitness room; (iii) the undecorated or unfinished surface of the floors and ceilings surrounding each unit and the fitness room; (iv) any pipes, shafts, ducts, pumps, valves, wires, conduits or other utility or service lines serving multiple units and the fitness room in the Konea Enclave; and (v) any doors or panels along the perimeter walls of such unit and the fitness room.

(2) Windows. The following window and window and door hardware shall be Limited Common Elements appurtenant to the Residential and Commercial Units and the fitness room within the Konea Enclave: any shutters, awnings, window boxes, windows, cranks, frames, doors and sliding door hardware (including card locks and entry doors) located at the boundaries of the units and the fitness room.

(3) Various Systems. The following systems shall be Limited Common Elements appurtenant to the Residential and Commercial Units and the fitness room within the Konea Enclave: any utility systems, mechanical systems, sprinkler systems, exhaust and ventilation systems, recycling and refuse systems, drainage facilities, roofs, facades, courtyards, hot tubs, spas, recreational facilities, stoops, exits, entrances, elevators, waiting areas, laundry facilities, restrooms, libraries, storage lockers, mailboxes, corridors, stairwells, walkways, loading bays, loading storage areas and other areas and Improvements that are designed to serve the units and the fitness room in the Konea Enclave.

(4) Service Lines. The following service lines shall be Limited Common Elements appurtenant to the Residential and Commercial Units and the fitness room within the Konea Enclave: all air conditioning equipment or apparatus, ducts, pumps, valves, sewer lines, drain lines, electrical equipment, cables, wiring, chutes, pipes, shafts, wires, conduits or other utility or service lines which are utilized for or serve only units and the fitness room in the Konea Enclave and other central and appurtenant transmission facilities over, under and across the Honua Kai Condominium which serve only units and the fitness room in the Konea Enclave for services such as power, light, water, gas, sewer, refuse, telephone and radio and cable television signal distribution.

(5) Lanais. Each Residential and Commercial Unit not located on the ground floor within the Konea Enclave shall have as a Limited Common Element the covered and uncovered lanais, including appurtenant flooring and lighting fixtures adjoining the unit, as shown on the Condominium Map.

(6) Garden Area. Each Residential and Commercial Unit on the ground floor within the Konea Enclave shall have as a Limited Common Element the garden area as shown on the Condominium Map.

(7) Miscellaneous. If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a utility or mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a unit in the Konea Enclave, any portion thereof serving only that unit in the Konea Enclave is a Limited Common Element allocated solely to that unit in the Konea Enclave, and any portion thereof serving all of the other units in the Konea Enclave or any portion of the Limited Common Elements is a part of the Limited Common Elements of the Konea Enclave. Nonstructural walls located wholly within a unit in the Konea Enclave are Limited Common Elements allocated to the units in which they are located.

(B) Limited Common Elements of North Commercial Condominium Unit NC 1. North Commercial Condominium Unit NC 1 shall have as a Limited Common Element one (1) operations area located on the ground level as shown on the Condominium Map.

(C) Limited Common Elements of North Commercial Condominium Unit NC 2. North Commercial Condominium Unit NC 2 shall have as a Limited Common Element: (i) one (1) storage area located on the basement level as shown on the Condominium Map; and (ii) one (1) operations area on the ground level as shown on the Condominium Map.

(D) Limited Common Elements of Konea Commercial Condominium Unit NC 3. Konea Commercial Condominium Unit NC 3 shall have as a Limited Common Element: (i) six (6) operations facility areas located on the basement level as shown on the Condominium Map; (ii) one (1) storage area located on the basement level as shown on the Condominium Map; (iii) two (2) front desk operations areas located on the ground level as shown on the Condominium Map; (iv) one (1) lobby operations area located on the ground level as shown on the Condominium Map; (v) two (2) service areas located on the ground level as shown on the Condominium Map; (vi) one (1) linen operations area located on the ground level as shown on the Condominium Map; (vii) two (2) operations areas located on the ground level as shown in the Condominium Map; (viii) two (2) service areas located on the second through tenth levels as shown on the Condominium Map; (ix) one (1) linen chute located on the second through tenth levels as shown on the Condominium Map; and (x) twelve (12) storage lockers on the ninth level as shown on the Condominium Map and designated for the use of such Condominium Units on Exhibit "C" to the Declaration.

(E) Limited Common Elements - Storage Lockers. Konea Commercial Condominium Unit NC 3 and certain Konea Enclave Residential Condominium Units shall have as a Limited Common Element storage lockers on the ninth level as shown on the Condominium Map and designated for the use of such units on Exhibit "C" to the Declaration.

3. Limited Common Elements of the Luana Enclave.

(A) Building Structures. The following structures and facilities shall be Limited Common Elements appurtenant to the units within the Luana Enclave: (i) the foundations, perimeter walls and roofs of such units; (ii) the undecorated or unfinished surfaces of the perimeter walls of such units; (iii) the undecorated or unfinished surface of the floors and ceilings surrounding each unit; (iv) any pipes, shafts, ducts, pumps, valves, wires, conduits or other utility or service lines serving multiple units in the Luana Enclave; and (v) any doors or panels along the perimeter walls of such unit.

(B) Windows. The following window and window and door hardware shall be Limited Common Elements appurtenant to the units within the Luana Enclave: any shutters, awnings, window boxes, windows, cranks, frames, doors and sliding door hardware (including card locks and entry doors) located at the boundaries of the units.

(C) Various Systems. The following systems shall be Limited Common Elements appurtenant to the units within the Luana Enclave: any utility systems, mechanical systems, sprinkler systems, exhaust and ventilation systems, recycling and refuse systems, drainage facilities, roofs, facades, courtyards, hot tubs, spas, recreational facilities, stoops, exits, entrances, elevators, waiting areas, laundry facilities, restrooms, libraries, storage lockers, mailboxes, corridors, stairwells, walkways, and other areas and Improvements that are designed to serve the units in the Luana Enclave.

(D) Service Lines. The following service lines shall be Limited Common Elements appurtenant to the units within the Luana Enclave: all ducts, pumps, valves, sewer lines, drain lines, electrical equipment, cables,

wiring, chutes, pipes, shafts, wires, conduits or other utility or service lines which are utilized for or serve only units in the Luana Enclave and other central and appurtenant transmission facilities over, under and across the Honua Kai Condominium which serve only units in the Luana Enclave for services such as power, light, water, gas, sewer, refuse, telephone and radio and cable television signal distribution.

(E) Air Conditioning. Each unit shall have as a Limited Common Element the air conditioning unit including, without limitation, any controls, valves, piping, vents, ducts, compressor, fan, refrigerant coil and piping, condensate drain pan and piping, filters and other related equipment and apparatus, serving such unit as shown on the Condominium Map.

(F) Lanais. Each unit within the Luana Enclave shall have as a Limited Common Element the covered lanais, including appurtenant flooring and lighting fixtures adjoining the unit, as shown on the Condominium Map.

(G) Outdoor Showers. Each unit located on the first floor within the Luana Enclave shall have as a Limited Common Element the outdoor showers, including appurtenant flooring and exterior lighting adjoining the unit as shown on the Condominium Map.

(H) Stairwells. Each unit located on the second floor within the Luana Enclave shall have as a Limited Common Element the stairwell appurtenant to such unit as shown on the Condominium Map.

(I) Miscellaneous. If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a utility or mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a unit in the Luana Enclave, any portion thereof serving only that unit in the Luana Enclave is a Limited Common Element allocated solely to that unit in the Luana Enclave, and any portion thereof serving all of the other units in the Luana Enclave or any portion of the Limited Common Elements is a part of the Limited Common Elements of the Luana Enclave. Nonstructural walls located wholly within a unit in the Luana Enclave are Limited Common Elements allocated to the units in which they are located.

4. Limited Common Elements of the Restaurant Unit.

The Restaurant Unit shall have as a Limited Common Element: (i) the open area surrounding the Restaurant Unit as shown on the Condominium Map; (ii) garbage room located on the basement level of the Hokulani Enclave as shown on the Condominium Map; (iii) storage room located on the basement level of the Hokulani Enclave as shown on the Condominium Map; (iv) the storage area located on the ground level of the Hokulani Enclave as shown on the Condominium Map; (v) the storage area located on the ground level of the Konea Enclave as shown on the Condominium Map; (vi) the basement located below the ground level of the Restaurant Unit as shown on the Condominium Map; and (vii) the underground tunnel running from the basement of the Restaurant Unit to the Hokulani Enclave as shown on the Condominium Map.

5. Limited Common Elements - Parking.

(A) Residential Units in the Hokulani Enclave. Residential Unit Nos. SR 101-104, 201-204, 301-304, 401-404, 501-504, and 601-604 in the Hokulani Enclave ("the Hokulani Enclave Building B Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration. Residential Unit Nos. SR 150, 151, 250, 251, 350, 351, 450, 451, 550, 551, 650 and 750 in the Hokulani Enclave ("the Hokulani Enclave Building C Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration. Residential Units in the Hokulani Enclave (other than the Hokulani Enclave Building B and C Residential Units and the Hokulani Penthouse Residential Condominium Units) shall have as a Limited Common Element the right, on an unassigned basis, to use one parking stall in Buildings SE-A, SE-B and SE-C of the Hokulani Enclave.

(B) Penthouse Residential Units in the Hokulani Enclave. Residential Unit Nos. SR 1019, 1025, 1029, and 1037 in the Hokulani Enclave ("the Hokulani Enclave Penthouse Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration.

(C) Residential Units in the Konea Enclave. Residential Unit Nos. NR 149-151, 249-251, 349-351, 449-451, 549-551, 649, 651, 749, and 751 in the Konea Enclave ("the Konea Enclave Building B Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Konea Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration. Residential Unit Nos. NR 102, 202, 302, 402, 502, 601, and 701 in the Konea Enclave ("the Konea Enclave Building C Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Konea Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration. Residential Units in the Konea Enclave (other than the Konea Enclave Building B and C Residential Units and the Konea Penthouse Residential Condominium Units) shall have as a Limited Common Element the right, on an unassigned basis, to use one parking stall in Buildings NE-A, NE-B and NE-C of the Konea Enclave.

(D) Penthouse Residential Units in the Konea Enclave. Residential Unit Nos. NR 1019, 1025, 1029, and 1033 in the Konea Enclave ("the Konea Enclave Penthouse Residential Units"), collectively, shall have as a Limited Common Element parking stalls located in the basement level of the Konea Enclave as shown on the Condominium Map and designated for the use of such Residential Units on Exhibit C to the Declaration.

(E) Luana Enclave. Each "A", "B", "C" and "D" Unit in the Luana Enclave shall have as a Limited Common Element the garage parking stall and the outdoor parking stall assigned to such unit as shown on the Condominium Map.

(F) Hokulani Commercial Unit SC 4. Hokulani Commercial Unit SC 4 shall have as a Limited Common Element eighteen (18) parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Commercial Unit on Exhibit C to the Declaration.

(G) Konea Commercial Units NC 1, 2 and 3. Each of Konea Commercial Unit NC 1, Konea Commercial Unit NC 2 and Konea Commercial Unit NC 3 shall have as a Limited Common Element two (2) parking stalls located in the basement level of the Konea Enclave as shown on the Condominium Map and designated for the use of such Commercial Unit on Exhibit C to the Declaration.

(H) Restaurant Unit. The Restaurant Unit shall have as a Limited Common Element two (2) parking stalls located in the basement level of the Hokulani Enclave as shown on the Condominium Map and designated for the use of such Commercial Unit on Exhibit C to the Declaration.

*See Note in Section 1.1 of the Public Report on page 3.

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

The following are the encumbrances against title to the Honua Kai Condominium that are contained in the title report dated September 13, 2008 and issued by Fidelity National Title Insurance Company:

1. Real property taxes which may be due and owing. Reference is made to the tax assessor's office, County of Maui.

2. Claims arising out of rights customarily and traditionally exercised for subsistence, cultural, religious, access or gathering purposes as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

3. As to Lots 103 and 104 only:

(A) Reservation in favor of the State of Hawaii of all mineral or metallic mines of every description; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 1, 1960, as contained in that certain instrument dated January 29, 1960, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 3822, Page 37.

(B) Shoreline setbacks: "Shoreline setbacks established pursuant to the laws of the State of Hawaii, or any political subdivision thereof, and any ordinances, rules or regulations adopted or promulgated by any governmental authority pursuant to such laws."

(C) Seaward boundary: "Determination of the seaward boundary of the land described herein pursuant to the laws of the State of Hawaii."

(D) Private Water System Agreement dated October 2, 1991 recorded in said Bureau as Document No. 91-136263, by and between Amfac Property Investment Corp., a Hawaii corporation, Tobishima Pacific, Inc., a Hawaii corporation, and the Department of Water Supply of the County of Maui.

Said Agreement was amended by instrument dated October 14, 1992, recorded in said Bureau as Document No. 92-169921.

(The foregoing Agreement and amendment were not noted on said Land Court Certificate of Title No. 658,559.)

(E) Terms, provisions, covenants, conditions and reservations as contained in that certain Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area) dated December 29, 1998 (effective December 14, 1998), recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2513420, and also recorded in said Bureau as Document No. 99-005138.

The foregoing was amended by instrument dated December 6, 2000, recorded in said Office as Document No. 2668965, and also recorded in said Bureau as Document No. 2000-170916 (re: Exhibit "B" attached to said Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area) is deleted in its entirety and replaced with the new Exhibit "B" attached thereto). (Easement 258, affecting Lot 102, as shown on Map 86 of Land Court Application 1744.)

(F) Reservations of the State of Hawaii, as set forth in Land Court Order No. 138359, recorded in said Office on May 8, 2000.

(G) As to Lot 103: Easement "259", as shown on Map 86, for shoreline setback purposes, as set forth by Land Court Order No. 138359, recorded in said Office on May 8, 2000.

(H) As to Lot 104: Easement "260", as shown on Map 86, for shoreline setback purposes, as set forth by Land Court Order No. 138359, recorded in said Office on May 8, 2000.

4. As to Lots 10-B-2-A and 10-B-2-B only:

(A) Covenants, conditions and restrictions as set forth in Declaration dated December 5, 1968, recorded in said Office as Document No. 462012, and also recorded in said Bureau in Liber 6338, Page 26.

(B) Private Water System Agreement dated October 2, 1991, recorded in said Bureau as Document No. 91-136263, by and between: Amfac Property Investment Corp., a Hawaii corporation, Tobishima Pacific, Inc., a Hawaii corporation, and the Department of Water Supply of the County of Maui.

Said Agreement was amended by instrument dated October 14, 1992, recorded in said Bureau as Document No. 92-169921.

(The foregoing Agreement and amendment was not noted on said Land Court Certificate of Title No. 658,559.)

(C) Designation of Easement "N", as shown on Map 16, for shoreline setback purposes, as set forth by Land Court Order No. 136941, recorded in said Office on November 19, 1999.

(D) As to Lot 10-B-2-B: Terms, provisions, covenants, conditions and reservations, as contained in that certain Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area), dated December 29, 1998 (effective December 14, 1998), recorded in said Office as Document No. 2513420, and also recorded in said Bureau as Document No. 99-005138.

The foregoing was amended by instrument dated December 6, 2000, recorded in said Office as Document No. 2668965, and also recorded in said Bureau as Document No. 2000-170916 (re: Exhibit "B" attached to said Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area) is deleted in its entirety and replaced with the new Exhibit "B" attached thereto). (Easement 258, affecting Lot 102, as shown on Map 86 of Land Court Application 1744.)

(E) As to Lot 10-B-2-A: Designation of Easement "P", as shown on Map 16, for future park purposes, as set forth by Land Court Order No. 136941, recorded in said Office on November 19, 1999.

5. As to that land situate at Honokowai, Lahaina, County and Island of Maui, State of Hawaii, containing an area of 28.061 acres, more or less:

(A) Reservation in favor of the State of Hawaii of all mineral or metallic mines of every description; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 1, 1960, as contained in that certain instrument dated January 29, 1960, recorded in said Bureau in Liber 3822, Page 37.

(B) Covenants, conditions and restrictions as set forth in Land Patent Grant Number S-15,081 dated January 16, 1973.

(C) Limitation of abutter's rights of vehicle access into and from Honoapiilani Highway, Federal Aid Project No. RF-030-1 (5), as set forth by (a) Deed dated April 19, 1976, recorded in said Bureau in Liber 11410, Page 496, and (b) Final Order of Condemnation, filed in the Circuit Court of the Second Circuit, State of Hawaii, on May 12, 1982, recorded in said Bureau in Liber 16367, Page 390.

(D) Easement dated May 14, 1987, in favor of the County of Maui, recorded in said Bureau in Liber 21637, Page 634, for pipeline purposes.

(E) Setback (40 feet wide), for building purposes along Honoapiilani Highway, as shown on subdivision Map prepared by Masumi Fukushima, Licensed Professional Land Surveyor with Austin, Tsutsumi & Associates, Inc., dated May 21, 1999.

(F) Designation of Easement "D-1" (150 feet wide), for shoreline setback purposes, as shown on subdivision Map prepared by Masumi Fukushima, Licensed Professional Land Surveyor with Austin, Tsutsumi & Associates, Inc., dated May 21, 1999.

(G) Designation of Easement "D-2", for future park purposes, as shown on subdivision Map prepared by Masumi Fukushima, Licensed Professional Land Surveyor with Austin, Tsutsumi & Associates, Inc., dated May 21, 1999.

6. Subdivision Agreement (Large Lots) dated August 6, 1990 recorded in said Office Document No. 1756822, and also recorded in said Bureau as Document No. 90-127827.

7. Covenants, conditions and restrictions as set forth in Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, recorded in said Office as Document No. 2668967, and also recorded in said Bureau as Document No. 2000-170917.

Supplemental Declaration to Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated August 5, 2003, recorded in said Office as Document No. 2972191, and also recorded in said Bureau as Document No. 2003-162023.

First Amendment to By-Laws of Kaanapali North Beach Master Association, Inc., dated September 17, 2003, recorded in said Office as Document No. 3036052, and also recorded in said Bureau as Document No. 2003-267151.

Designation of Successor Declarant and Assignment of Declarant's Rights and Interests under Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated effective August 26, 2003, recorded in said Office as Document No. 2983238, and also recorded in said Bureau as Document No. 2003-180662, by and between Kaanapali Development Corp., a Hawaii corporation, and NB Lot 3, LLC, a Delaware limited liability company.

8. Covenants, conditions and restrictions as set forth in Declaration of Covenants, Conditions and Restrictions Joinder dated December 6, 2000, filed in said Office as Document No. 2668974, and also recorded in said Bureau as Document No. 2000-170918.

The foregoing was amended by instrument dated January 31, 2003, filed in said Office as Document No. 2887174, and also recorded in said Bureau as Document No. 2003-018974.

9. Covenants, conditions and restrictions as set forth in Unilateral Declaration of Restrictions, Joinder Agreement (North Beach Unit Count and Drainage) dated February 15, 2001, filed in said Office as Document No. 2683897, and also recorded in said Bureau as Document No. 2001-022448.

10. Rights, if any, granted to Kaanapali Development Corp., Amfac Hawaii, LLC, and SVO Pacific, Inc. and their permitted successors and assigns, under that certain unrecorded License and Right of Entry Agreement dated May 21, 2002, to access and use the property for the purpose of conducting certain water quality monitoring activities; as contained in letter dated August 5, 2003, to Title Guaranty of Hawaii, Inc.

11. Encroachments or any other matters as shown on survey map prepared by Erik S. Kaneshiro, Land Surveyor, with Austin Tsutsumi & Associates, Inc., dated November 18, 2004, revised December 17, 2004, June 27, 2006, June 30, 2006 and June 19, 2008.

12. Covenants, conditions and restrictions as set forth in Limited Warranty Deed and Reservation of Rights dated August 5, 2003, filed in said Office Document No. 2972192 and also recorded in said Bureau as Document No. 2003-162024.

13. Short Form of Settlement Agreement of February 2, 2005, dated June 13, 2005, filed in said Office as Document No. 3429952, and also recorded in said Bureau as Document No. 2006-093201.

14. Grant of Easement and Agreement (Access, Entry Feature and Landscaping) dated August 5, 2003, filed in said Office as Document No. 2972193, and also recorded in said Bureau as Document No. 2003-162025, by and between NB Lot 3, LLC, a Delaware limited liability company, as Grantor, and Maui Beach Resort Limited

Partnership, a Delaware limited partnership, as Grantee; as amended and restated by instrument dated September 28, 2005, filed in said Office as Document No. 3333451, and also recorded in said Bureau as Document No. 2005-196560.

15. Covenants, conditions and restrictions as set forth in Declaration of Restrictions (Lot 4 Unit Count) dated August 5, 2003, filed in said Office as Document No. 2972197, and also recorded in said Bureau as Document No. 2003-162030.

16. Unilateral Agreement relating to the SMA Permit, dated June 13, 2005, recorded in said Bureau as Document No. 2005-170923, by Maui Beach Resort Limited Partnership, a Delaware limited partnership authorized to do business in the State of Hawaii, "Declarant". (Note: Affects TMK(s) 4-4-014-006 & 008 (Parcels First and Second)).

17. Grant of Easement (Parking Purposes) dated September 28, 2005, filed in said Office as Document No. 3333452, and recorded in said Bureau as Document No. 2005-196561, by and between SVO Pacific, Inc., a Florida corporation, "Grantor", and Maui Beach Resort Limited Partnership, a Delaware limited partnership ("MBRLP"), "Grantee".

18. Grant of Easement and Agreement (Fire Lane Access Purposes) dated September 28, 2005, filed in said Office as Document Nos. 3333453 and 3333454, and recorded in said Bureau as Document Nos. 2005-196562 and 2005-196563, by and between SVO Pacific, Inc., a Florida corporation ("SVOP"), and MBRLP.

19. Declaration of Covenants, Conditions and Restrictions dated September 28, 2005, filed in said Office as Document No. 3333455, and also recorded in said Bureau as Document No. 2005-196564.

20. Declaration of Condominium Property Regime of Honua Kai, dated October 12, 2005, filed in said Office as Document No. 3340058, and recorded in said Bureau as Document No. 2005-207370, as amended by the First Amendment to Declaration of Condominium Property Regime of Honua Kai, dated May 5, 2006, filed in said Office as Document No. 3426175 and recorded in said Bureau as Document No. 2006-086974, as further amended by Second Amendment to Declaration of Condominium Property Regime of Honua Kai, dated August 21, 2006, recorded in said Bureau as Document No. 2006-153694 and filed in said Office as Document No. 3470597, as further amended by Third Amendment to Declaration of Condominium Property Regime of Honua Kai, dated September 22, 2006, recorded in said Bureau as Document No. 2006-175500, and filed in said Office as Document No. 3487373, as further amended by Amended and Restated Declaration of Condominium Property Regime of Honua Kai, dated October 5, 2006, recorded in said Bureau as Document No. 2006-211550 and filed in said Office as Document No. 3515521, as further amended by First Amendment to the Amended and Restated Declaration of Condominium Property Regime of Honua Kai, dated April 20, 2007, recorded in said Bureau as Document No. 2007-071572 and filed in said Office as Document No. 3591264, and as further amended by Second Amendment to the Amended and Restated Declaration of Condominium Property Regime of Honua Kai, dated August 29, 2008, recorded in said Bureau as Document No. 2008-139671 and filed in said Office as Document No. 3786276.

21. Bylaws of the Honua Kai Condominium Association, Inc., recorded in said Bureau as Document No. 2005-207371, and filed in said Office as Document No. 3340059, as amended by the First Amendment to Bylaws of the Honua Kai Condominium Association, Inc., dated May 5, 2006, recorded in said Bureau as Document No. 2006-086975, and filed in said Office as Document No. 3426176, as further amended by Second Amendment to Bylaws of the Honua Kai Condominium Association, Inc., dated August 21, 2006, recorded in said Bureau as Document No. 2006-153695 and filed in said Office as Document No. 3470598, as further amended by Amended and Restated Bylaws of the Honua Kai Condominium Association, Inc., dated October 5, 2006, recorded in said Bureau as Document No. 2006-211551 and filed in said Office as Document No. 3515522, as further amended by First Amendment to the Amended and Restated Bylaws of the Honua Kai Condominium Association, Inc., dated April 20, 2007 recorded in said Bureau as Document No. 2007-071573 and filed in said Office as Document No. 3591265, and as further amended by Second Amendment to the Amended and Restated Bylaws of the Honua Kai Condominium Association, Inc. dated August 29, 2008, recorded in said Bureau as Document No. 2008-139672 and filed in said Office as Document No. 3786277.

22. Condominium Map filed in said Office as Condominium Map No. 1747 and recorded in said Bureau as Condominium File Plan No. 4093, both as amended, and further amended by Amended and Restated Condominium Map of Honua Kai was recorded in said Bureau as Condominium Map No. 4093 and filed in said

Office as Condominium Map No. 1747 on November 17, 2006; and further amended by Second Amended and Restated Condominium Map of Honua Kai was recorded in said Bureau as Condominium Map No. 4093 and filed in said Office as Condominium Map No. 1747 on April 20, 2007.

23. Mortgage dated June 30, 2006, filed in said Office as Document No. 3447606, and also recorded in said Bureau as Document No. 2006-121905, executed by Maui Beach Resort Limited Partnership, a Delaware limited partnership, in favor of Solara Funding Company, a Delaware corporation.

The foregoing Mortgage is subject to that certain Intercreditor Agreement dated June 30, 2006, filed in said Office as Document No. 3449339 and recorded in said Bureau as Document No. 2006-124021, made by and between Solara Funding Company, a Delaware corporation, and New York State Teachers' Retirement System, a public pension system created and existing pursuant to and by virtue of Article 11 of the Education Law of the State of New York.

24. Financing Statement recorded in said Bureau on June 30, 2006 as Document No. 2006-121906, executed by Maui Beach Resort Limited Partnership in favor of Solara Funding Company.

25. Assignment of Leases and Rents recorded in said Bureau on June 30, 2006 as Document No. 2006-121907, executed by Maui Beach Resort Limited Partnership, a Delaware limited partnership, in favor of Solara Funding Company, a Delaware corporation.

The foregoing Mortgage, Financing Statement and Assignment of Leases and Rents (nos. 23, 24, and 25) are subject to that certain Subordination Agreement and Intercreditor Agreement dated October 23, 2006, filed in said Office as Document No. 3503803 and recorded in said Bureau as Document No. 2006-195131, made by and between Solara Funding Company, a Delaware corporation, and CDPQ Mortgage Corporation, a corporation incorporated under the Canada Business Corporations Act, as amended by the First Amendment of Subordination Agreement and Intercreditor Agreement dated as of June 30, 2008, recorded in said Bureau as Document No. 2008-113520, and filed in said Office as Document No. 3769668.

26. Mortgage dated June 30, 2006, filed in said Office as Document No. 3447607, and also recorded in said Bureau as Document No. 2006-121908, executed by Maui Beach Resort Limited Partnership, a Delaware limited partnership, in favor of New York State Teachers' Retirement System, a public pension system created and existing pursuant to Article 11 of the Education Law of the State of New York.

The foregoing Mortgage is subject to that certain Intercreditor Agreement dated June 30, 2006, filed in said Office as Document No. 3449339 and recorded in said Bureau as Document No. 2006-124021, made by and between Solara Funding Company, a Delaware corporation, and New York State Teachers' Retirement System, a public pension system created and existing pursuant to and by virtue of Article 11 of the Education Law of the State of New York.

27. Financing Statement recorded in said Bureau on June 30, 2006 as Document No. 2006-121909, executed by Maui Beach Resort Limited Partnership in favor of New York State Teachers' Retirement System.

28. Assignment of Leases and Rents recorded in said Bureau on June 30, 2006 as Document No. 2006-121910, executed by Maui Beach Resort Limited Partnership, a Delaware limited partnership, in favor of New York State Teachers' Retirement System.

The foregoing Mortgage, Financing Statement and Assignment of Leases and Rents (nos. 26, 27, and 28) are subject to that certain Subordination Agreement and Intercreditor Agreement dated October 23, 2006, filed in said Office as Document No. 3503804 and recorded in said Bureau as Document No. 2006-195132, made by and between New York State Teachers' Retirement System, a public pension system created and existing pursuant to and by virtue of Article 11 of the Education Law of the State of New York, and CDPQ Mortgage Corporation, a corporation incorporated under the Canada Business Corporations Act, as amended by the First Amendment of Subordination Agreement and Intercreditor Agreement dated as of June 30, 2008, recorded in said Bureau as Document No. 2008-113521, and filed in said Office as Document No. 3769669.

29. Mortgage dated October 23, 2006 filed in said Office as Document No. 3503802 and recorded in said Bureau as Document No. 2006-195128, executed by Maui Beach Resort Limited Partnership, a Delaware limited

partnership, in favor of CDPQ Mortgage Corporation, a corporation incorporated under the Canada Business Corporations Act.

30. Financing Statement recorded in said Bureau on October 25, 2006 as Document No. 2006-195129, executed by Maui Beach Resort Limited Partnership in favor of CDPQ Mortgage Corporation.

UCC Financing Statement Amendment recorded in said Bureau on July 15, 2008 as Document No. 2008-113523, re change of name of Secured Party to CDPQ Mortgage Investment Corporation.

UCC Financing Statement Amendment recorded in said Bureau on July 15, 2008 as Document No. 2008-113524.

31. Assignment of Lessor's Interest in Leases and Rents recorded in said Bureau on October 25, 2006 as Document No. 2006-195130, executed by Maui Beach Resort Limited Partnership, a Delaware limited partnership, to CDPQ Mortgage Corporation, a corporation incorporated under the Canada Business Corporations Act, as amended by the First Amendment of Assignment of Lessor's Interest in Leases and Rents recorded in said Bureau on July 15, 2008 as Document No. 2008-113522.

32. Grant of Easement and Agreement Regarding Expansion of Retention Basins and Allocation of Retention Capacity dated November 30, 2006, recorded in said Bureau as Document No. 2006-222394, and filed in said Office as Document No. 3522688.

33. Memorandum of Lot 4 Amenities Agreement dated November 30, 2006, recorded in said Bureau as Document No. 2006-222395, and filed in said Office as Document No. 3522689.

34. Additional Charge Real Property Mortgage, Security Agreement, and Financing Statement dated June 30, 2008 in said Bureau as Document No. 2008-113517, and filed in said Office as Document No. 3769667, executed by Maui Beach Resort Limited Partnership, a Delaware limited partnership, in favor of CDPQ Mortgage Investment Corporation, formerly known as CDPQ Mortgage Corporation, a corporation incorporated under the Canada Business Corporations Act.

35. Financing Statement recorded in said Bureau on July 15, 2008 as Document No. 2008-113518, executed by Maui Beach Resort Limited Partnership in favor of CDPQ Mortgage Investment Corporation.

36. Assignment of Lessor's Interest in Leases and Rents (Konea Loan) recorded in said Bureau on July 15, 2008 as Document No. 2008-113519, executed by Maui Beach Resort Limited Partnership, a Delaware limited partnership, to CDPQ Mortgage Investment Corporation, formerly known as CDPQ Mortgage Corporation, a corporation incorporated under the Canada Business Corporations Act.

37. Waterline Easement dated July 31, 2007, in favor of the County of Maui, recorded in said Bureau as Document No. 2007-193842.

38. Application for Mechanic's Lien filed on August 8, 2008 in the Circuit Court of the Second Circuit, State of Hawaii, Case No. ML08-1-000017, with Nordic Construction, Ltd., as Petitioner, and Maui Beach Resort Limited Partnership, as Respondent.

39. Unilateral Agreement dated July 28, 2008, recorded in said Bureau as Document No. 2008-129576, by Maui Beach Resort Limited Partnership, a Delaware limited partnership, and Charles James Nunes, Jr. Trustee under that certain unrecorded revocable trust of Charles James Nunes, Jr., dated March 12, 1989 and Angela Marie Nunes, Trustee under that certain unrecorded revocable trust of Angela Marie Nunes dated March 12, 1989, "Declarant". (Note: Affects TMK(s) (2) 4-4-014-008 (portion) & 010 (portion)).

APPLICABLE REGULATIONS

Planned Development Step I Approval

Standards for reviewing a Step I Planned Development Application are found in Title 19 Zoning, Chapter 19.32 Planned Development, Section 19.32.030 Standards of development as follows:

- (1) The development shall meet all the construction standards and requirements of the various governmental agencies.
- (2) Not less than twenty percent of the total area of the tract shall be common protected open space, integrated with the lot layout and street system in order to maximize its park-like effect. Common protected open space shall mean open space to be owned in common by the individual owners within the development and maintained in open space for their common use and enjoyment.
- (3) Each building and structure shall be individually designed by a registered architect to conform with the intent of the planned development.
- (4) Landscaping of the entire development, including along streets, within lots and in the open spaces shall be provided.
- (5) Adequate recreational and community facilities shall be provided.
- (6) Provision shall be made for adequate and continuing management of all open spaces and community facilities to insure proper maintenance and policing. Documents to said effect shall be required.

Further, pursuant to Section 19.32.040 Reduction of lot areas and mixed land uses, approval may be granted by this planning commission to reduce the minimum lot area, allow greater building densities, and mixed land uses as follows:

- (1) If the development is to be subdivided, the minimum lot size may be reduced twenty percent from that required for that particular district; provided, that the minimum lot width shall not be reduced.
- (2) In residential planned development, including duplex zone, with minimum tract area of three acres, combining of no more than three dwelling units in a single structure shall be permitted. Only a single, interior-located common club facility shall be permitted. There shall be no increase in the overall dwelling unit density.
- (3) In residential planned development, including duplex zone, within minimum tract area of ten acres, combining of no more than five dwelling units in a single structure shall be permitted. Two interior-located common club facilities shall be permitted. Overall dwelling unit density may be increased ten percent.
- (4) In residential planned development, including duplex zone, with minimum tract area of thirty acres, combining of no more than eight dwelling units in a single structure shall be permitted. Four interior-located club or community facilities shall be permitted. Overall dwelling unit density may be increased fifteen percent.

(5) Apartment, hotel, business and industrial planned developments shall be permitted in their respective districts. For such planned developments with minimum tract area of ten acres, the overall permitted floor area may be increased ten percent; and for minimum tract area of thirty acres, the overall permitted floor area may be increased fifteen percent.

(6) Overall dwelling unit density shall be determined by dividing the total number of dwelling units by the net land area. Net land area shall be total lot area minus the area of dedicated streets and other dedicated areas. Base dwelling unit densities upon which any bonus shall be applied, shall be as follows:

R-3 residential district	4.38 units/acre
R-2 residential district	5.81 units/acre
R-1 residential district	7.28 units/acre
D-2 duplex district	8.72 units/acre
D-1 duplex district	11.62 units/acre
RR1 Rural residential dist.	4.38 units/acre
RR2 Rural residential dist.	2.00 units/acre

Permitted dwelling unit densities for other zoning districts not specified above shall be based upon the allowable densities within the districts.

(7) Planned developments proposed on lands including more than one zoning district may permit a mixture of uses, densities and/or dwelling units; provided, that the total density and/or dwelling units of the planned development shall not exceed the combined allowable densities of each of the zones.

GENERAL DESCRIPTION

Description of the Property

1. The Property which is approximately 39.84 acres is located on Lot 4 of the Kaanapali North Beach Development and the 4.74 acre North Beach Park located at Maul Tax Map Key 4-4-014:006 and 008, Kaanapali, Lahaina, Maui, Hawaii. (See attached Map, *Exhibit "1"*)
2. Land Use Designations --
 - a. State Land Use District -- Urban
 - b. West Maui Community Plan -- Hotel and Park (North Beach Park)
 - c. County Zoning -- R-3 Residential (4.8 acres), HM Hotel (8.3 acres) and H-2 Hotel (21 acres including shoreline easement) (*Exhibit "2"*)
 - d. Other -- Within the Special Management Area and subject to the Shoreline Setback Rules

3. Surrounding Uses --

- North --** Lower Honoapiilani Highway, North Beach Park and beyond the park site is the Mahana, Embassy Suites and Kaanapali Shores properties
- East --** Honoapiilani Highway and former sugarcane lands
- South --** Vacant 26.7 acre hotel property
- West --** Ocean

- 4.** The subject property is currently undeveloped and occupied by kiawe, koa haole and scrub vegetation.
- 5.** The subject application does not involve an action that triggers compliance to Chapter 343, Hawaii Revised Statutes, relating to Environmental Impact Statements.

Existing Services

- 1.** **Water --** Kaanapali Resort is served by a privately owned water utility which is independent of the County system.
- 2.** **Sewers --** Kaanapali Resort is within the service area of the county's Lahaina Wastewater Reclamation Facility. Kaanapali Resort has a reserved capacity allocation at the Facility which should be able to meet the future sewage demands of the project.
- 3.** **Drainage --** The Drainage Master Plan Kaanapali North Beach (Mauka and Makai) prepared by Sato and Associates, Inc. dated April 2000 did a regional analysis of drainage in the area. According to the study drainage in the area is divided into the following subareas:

- Mauka Drainage area (2226.3 acres)
- Southern Drainage area (17 acres)
- North Beach Subdivision II area (88.61 acres)

The proposed Drainage Master Plan identified several options in order to provide additional storage capacity needed due to development. The following options were identified:

- A.** **Golf Course -** An 18-hole 180 acre golf course could retain approximately 200 acre-feet of storm water runoff. In addition to providing large areas to design a variety of retention systems, golf courses also do not generate additional runoff volumes, unlike most other developments.

- B. **Restore 18-inch Drain pipe to Honokowai Channel -** An 18-inch pipe previously routed Drainage Area 1 gulch storm water runoff into Honokowai Stream until later 1987. During the construction of the Honokowai Stream Channel in 1987, the 18-inch pipe was removed. The capacity of the 18-inch pipe is approximately 22 cfs of storm water runoff or approximately 21.82 acre-ft. (950,400 cf) of storm water volume, based on a 24-hour storm. Reinstallation of the pipe may be feasible if there is sufficient capacity within the channel. Indications are that there is sufficient capacity.

The restoration of the 18-pipe would be done in conjunction with an appropriately designed and adequately sized desiltation basin. (See Exhibit "3")

- C. **Store Increase on Development Site -** This option involves storing the increase in storm water runoff resulting from the development within the developed site. On-site retention basins, underground infiltration piping (subdrain) system, or surface ponding area some methods to be considered. All retention basins and subsurface infiltration systems shall be designed to allow easy access for regular maintenance of accumulated sediments.
- D. **Mauka Borrow/Retention Site -** A borrow/retention site could be located and designed to supply soil fill material for developments while also providing additional storm water storage capacity. The borrow site should be constructed in the Mauka Drainage Areas to intercept and retain Area 1's storm water runoff before it reaches Honoapiilani Highway. All retention systems shall be designed to allow easy access for regular maintenance. (Exhibit "4")
- E. **Create Retention Basins Throughout the Project Area -** There are abandoned irrigation reservoirs within the North Beach Mauka area. These abandoned irrigation reservoirs could be modified and/or expanded to increase storm water runoff storage capacity and be used as retention basins. In addition, new retention basins can be developed. All retention systems shall be designed to allow easy access for regular maintenance.

Based on the assumed Land Use Scenario (zoning), the Drainage Master Plan identifies an increase of 197.82 acre-ft (8,616,998 cf) of storm water runoff storage capacity will be required for the Study Area's ultimate development to maintain conditions equal to or better than those in existence in July 1988. As each development occurs the Drainage Master Plan shall be implemented incrementally to maintain conditions equal to or better than those in existence in July 1988.

The Drainage Plan will include one or more of the following

- Golf Course;
- Restoration of a 18-inch drain pipe to Honokowai Channel;
- Storing Increased Storm Water Runoff within the Developed Sites; and
- Construction of Borrow/Retention Sites on the mauka side of Honoapiilani Highway.

In planning for drainage for the project the applicant is reviewing the recommendations of the Drainage Master Plan and proposes to comply with the drainage requirements of the County of Maui. In addition, the applicant proposes to use the more stringent guidelines of the West Maui Watershed Owner's Manual prepared by the West Maui Watershed Management Advisory Committee.

4. Roadways, Curbs, Gutters and Sidewalks -- Access to the project site is from Honoapiilani Highway which is a four lane State roadway. Regional roadway improvements required during the North Beach Subdivision approvals were completed. Development of the subdivision required construction of the fourth lane on Honoapiilani Highway between the Kaanapali Parkway and Honokowai Stream.

BRIEF HISTORY

1. On July 19, 1988 the Maui Planning Commission approved a Special Management Area Permit and Shoreline Setback Variance for the North Beach Subdivision.
2. On December 14, 1988 the Decision and Order from the Maui Planning Commission approving a Special Management Area Permit (SM1 970006) for the Kaanapali Ocean Resort was served on the parties. Construction of the Kaanapali Ocean Resort, a 280 unit time share project, was recently completed.

DESCRIPTION OF THE PROPOSED DEVELOPMENT

Intrawest, on behalf of Maui Beach Resort Limited Partnership, is requesting Step 1 Planned Development Approval in order to develop a 700 unit project located on Lot 4 (TMK 4-4-014:005) within the Kaanapali North Beach Subdivision. The project will consist of approximately 72 two-story, three-bedroom townhouses and 628 hotel units consisting of studio, one-, two- and three-bedroom units. The project includes ancillary improvements, such as swimming pool and spa, fitness center, beach club with restaurant, poolside bar and grill, and convenience retail space. (Exhibit "5")

The conceptual site plan proposes to re-adjust the hotel zoning boundaries in order to locate a 12-story building to the south side of the site to preserve views for neighboring properties located to the north of the project site. The siting of the buildings will provide buildings of four to eight stories to the north and 12 stories to the south. The re-adjustment of the boundaries allows the development to lower the scale of development along Honouliuli Highway with two-story townhouses. No increase in densities will result from the re-adjustment of the zoning boundaries.

No work is proposed in the 150 ft. shoreline easement, except a lateral shoreline walkway mauka of the coastal sand dunes and mauka-makai beach walkways will be provided for public and guest use in order to facilitate pedestrian access to the beach and along the shoreline mauka of the dune.

In addition, the applicant is requesting an amendment to the Kaanapali Recreation Plan relating to the North Beach Park. (Exhibit "6") The applicant proposes to consolidate and re-subdivide the North Beach Park site with an adjacent 1.5 acre R-3 Residential parcel. The adjacent property owner will be given the subdivided lot adjacent to Lower Honouliuli Highway and the reconfigured 4.74 acre parcel adjacent to the shoreline will be developed as the North Beach Park. (Exhibit "7")

The applicant proposes to develop the North Beach Park in conjunction with the planned development. The park will provide parking for 100 vehicles and restrooms, showers and picnic facilities similar to Kahiki Park.

It is anticipated that the project will be constructed in five phases to meet market demand. The first phase is the "South enclave" (12 story building) located at the south end of the site consisting of approximately 320 units and associated parking. The first phase will also include the construction of the North Beach park, and supporting buildings, swimming pool and spa, fitness center, beach club building with restaurant, poolside bar and grill, as well as walkway in the shoreline easement. Thereafter it is anticipated that approximately 100 units per year will be constructed.

Construction of the first phase is anticipated to begin in April 2005 and take two years to construct with each subsequent phase taking 18 months. Completion of the project is anticipated to occur within eight years from SMA approval.

ANALYSIS

Kaanapali North Beach Subdivision Restrictions:

~~Previous approvals for the Kaunapali North Beach Subdivision and Kaanapali~~

Ocean Resort set restrictions on Kaanapali North Beach. A partial summary of the restrictions are as follows:

1. Limited the total number of units for the subdivision including Kaanapali Ocean Resort to ~~1,250~~ which may include 487 lock off units. If the lock off units exceed 487 units then the main unit and lock off unit shall be counted as two units and included in the total unit count. ~~To date 280~~ units were built at the Kaanapali Ocean Resort. This project proposes 700 units while the expansion of the Kaanapali Ocean Resort on Lot 2 proposes another 258 units which will add an additional 958 units, excluding lock off units. Further the existing Kaanapali Ocean Resort contained 225 lock off units and the proposed expansion on Lot 2 will include an additional 250 lock off units which will total 487 lock off units. ~~If lock-off units are utilized in the Intrawest project, these units will be included in the 1,950 total units allowed in the North Beach Subdivision. Excluding lock off units, with these two proposed project there is a balance of 712 units for the North Beach Subdivision.~~
2. The Kaanapali Recreation Plan identifies the development of two park sites in the Kaanapali North Beach Subdivision. Kahakii Park on the south side of the subdivision has been construction. The North Beach Park still needs to be constructed. As part of this project the applicant proposes to develop the North Beach Park.
3. Shoreline Lateral Access - The subject property contains a 2.8 acre shoreline easement which will be developed to provide public lateral shoreline access through the property from the proposed North Beach Park.
4. Design Manual and Master Plan for Kaanapali Beach Resort North Beach, Revised October 2003 - The design manual sets forth guidelines for land use, access and circulation, site planning, architectural design, landscape design, and signage for the North Beach Subdivision, as well as guidelines for physical and spacial elements for parks developments and beach access for the public use areas, landscaping, landscape irrigation, lighting, and signage. The applicant proposes to meet these design guidelines.

Step 1 Planned Development:

Pursuant to Section 18.32.020 the applicant is requesting Step 1 Planned Development Approval. Step 1 Approval requires the applicant to submit a request in writing, stating the location, size and brief description of the planned development. The applicant has submitted the required information for consideration by the Commission. The Commission shall reject or tentatively

approve the request.

Further, the subject property contains multiple zoning districts (R-3 Residential District, H-M Hotel and H-2 Hotel). Pursuant to Section 19.32.040(G) "on lands including more than one zoning district may permit a mixture of uses, densities and/or dwelling units; provided that the total density and/or dwelling units of the planned development shall not exceed the combined allowable densities of each of the zones. The proposed planned development meets the mixed use densities as follows:

Zoning/Acres	Allowed Density	Allowed Units/ Floor Area	Proposed Units/ Floor Area
R-3 Residential/4.8 Acres	4.36 units/acre	20.8 units	0 units
H-M Hotel/9.3 acres	Lot Coverage 30%		18% coverage
	FAR 100%	405,136 sq.ft.	110,000 sq.ft.
H-2 Hotel/ 18.2 Acres	Lot Coverage 35%		18.4% coverage
	FAR 150%	1,188,270 sq.ft.	778,600 sq.ft.
Shoreline Easement 2.8 acres	N/A	N/A	N/A
North Beach Park 4.74 acres	N/A	N/A	N/A

Although the planned development process allows increased densities and reduced lot areas, the applicant is not seeking any increased densities or reduced lot areas. The proposed densities is actually less than what is permitted by the zoning districts.

The applicant proposes to comply with Section 19.32.030 Standards of Development as follows:

1. The development shall meet all the construction standards and requirements of the various governmental agencies.
2. Not less than 20 percent of the total area (35.1 acres) shall be common open space. A minimum of approximately 7 acres in common open space will be required. During the Step 2 Planned Development process common open spaces shall be identified in the sketch plan.
3. Each building and structure shall be individually designed by a registered architect to conform with the intent of the planned development.
4. Landscaping shall be provided within the entire development, including

along streets, within the lots and open spaces.

5. Adequate recreational and community facilities shall be provided. The applicant proposes to provide a swimming pool and spa, fitness center, beach club with restaurant, poolside bar and grill, and convenience retail space as their recreational and community facilities..
6. Provisions shall be made for adequate and continuing management of all open spaces and community facilities to insure proper maintenance and policing. Such provisions will be reviewed during the Step 2 and Step 3 Planned Development process.

If Step 1 Planned Development Approval is obtained the applicant will then be able to prepare applications for Step 2 Planned Development Approval. Pursuant to Section 19.32.020(B) after obtaining tentative approval, the applicant shall confer with the planning director, the director of public works and the director of water supply and proceed to prepare a sketch plan of the development, showing among other things, a preliminary proposal of drainage, streets, utilities, grading, landscaping, open spaces, lots, land uses, recreational and community facilities, buildings and structures, and programming. The Commission shall review the sketch plan for conformance with the standards of development and reject or tentatively approve the sketch plan.

Step 3 Planned Development Approval involves the preparation of a unified site and building program which includes, among other things, construction plans in accordance with Title 18; site plan showing grading, landscaping, protected open spaces, location of each building and structure; building plan of each building and structure; and the financing and timing program. The Commission shall review the unified site and building program, and upon approval, the applicant may proceed to finalize the planned development.

The subject property is also located within the Special Management Area (SMA) and an SMA Application will be filed in conjunction with the Step 2 Planned Development Application.

Design Manual:

A partial summary of key elements of the Design Manual to be considered by the applicant are as follows:

Building Massing and Configuration.

Building massing shall be designed to enable each Building Project to avail itself of the views to the greatest extent possible while protecting the views from other Building Projects and key public areas.

The North Beach Subdivision Land Use Concept Plan envisions the use of medium scale buildings which are articulated both horizontally and vertically to reduce their apparent mass. To minimize the massing of the buildings from the beach the surrounding roadways, pathways, and parks, the buildings where possible, should be designed with the lowest elements around the perimeter and the highest elements in the center of the site. Taller buildings are encouraged to use lower scaled building elements at the base to reduce the apparent height.

Views:

The building massing should be optimized to reduce the bulk of the buildings while providing guest rooms with a view to the ocean to the extent practicable. The placement of the buildings should ensure that adequate view corridors are provided between structures to provide views of the ocean from mauka lands.

The conceptual site plan identifies view corridors in the attached *Exhibit "8"*.

Plan Articulation:

Building plan forms shall be staggered or stepped to reduce the apparent bulk of the buildings. A complex of interconnected or well sited building elements which, in turn, create landscape open spaces is encouraged.

Kaanapali Recreation Plan:

The applicant is requesting an amendment to the Recreation Plan pertaining to the North Beach Park to include the revised site plan for the North Beach Park. The applicant proposes to consolidate the current park site with the adjacent residential property (TMK 4-4-001:010) and to re-subdivide the consolidated parcel into two lots where the adjacent owner is given an approximate 1.5 acre site adjacent to Lower Honoapiilani Highway and the more usable 4.74 acre parcel adjacent to the shoreline is left for the North Beach Park. (See *Exhibit "7"*)

CONCLUSION OF LAW

The proposed project meets the requirements for Step 1 Planned Development Approval.

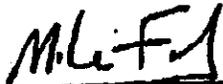
RECOMMENDATION

Pursuant to the foregoing the Maui Planning Department recommends approval of the Step 1 Planned Development and amendment to the Kaanapali Recreation Plan pertaining to the reconfigured North Beach Park. Step 1 Planned Development Approval is subject to the following conditions:

1. That Step 2 Planned Development Application shall be filed within one year of this approval.
2. That in addition to the requirements identified in Chapter 19.32, the Sketch Plan shall include provisions for lateral shoreline access and appropriate view studies identifying view corridors and appropriate mitigative measures. In addition to ocean views the study should include views from the shoreline and North Beach Park areas that may be impacted.
3. That the Sketch Plan shall identify how the project complies with the Design Manual and Master Plan for Kaanapali Beach Resort North Beach, revised October 2003. In addition the Sketch Plan shall identify and incorporate energy saving measures within the project.
4. That the North Beach Park shall be processed and developed concurrently with the proposed Planned Development.

In consideration of the foregoing, the Planning Department recommends that the Maui Planning Commission adopt the Planning Department's Report and Recommendation prepared for the February 10, 2004 meeting as its Findings of Fact, Conclusion of Law and Decision and Order and to authorize the Director of Planning to transmit said written Decision and Order on behalf of the Planning Commission.

APPROVED:



MICHAEL W. FOLEY
Director of Planning

BEFORE THE MAUI PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAII

In The Matter Of The Application Of)

MR. STEVE SEWALL, on
Behalf of INTRAWEST)

) DOCKET NO. PD3 2005/0008
) (Mr. Steve Sewall, on behalf of Intrawest)
) (CMS)

To Obtain Step 3 Planned Development Approval for the 700 Unit Honua Kai Resort Project Consisting of the Phase 1 Site Improvements Including Mass Grading; Foundation and Building Plans for the South Enclave; Surcharge and Stockpiling for the North Enclave; South Pool, Cabanas and Towel Kiosk; and Shoreline Improvements and Phase 1 Landscaping On 34.8 Acres of Land at Maui Tax Map Key 4-4-014:006, Kaanapali, Maui, Hawaii)

MAUI PLANNING DEPARTMENT'S REPORT AND RECOMMENDATION
TO THE MAUI PLANNING COMMISSION
DECEMBER 13, 2005 MEETING

DEPARTMENT OF PLANNING
COUNTY OF MAUI
250 S. HIGH STREET
WAILUKU, MAUI, HI. 96783

(Step 3 Planned Development)
(K:\WP_DOCS\PLANNING\SM11200417_HonuaKai\PD320050008\Draft\PD3DeptReport.wpd)

BEFORE THE MAUI PLANNING COMMISSION

COUNTY OF MAUI

STATE OF HAWAII

In The Matter Of The Application Of)
MR. STEVE SEWALL, on) DOCKET NO. PDS 2005/0008
Behalf of INTRAWEST) (Mr. Steve Sewall, on behalf of Intrawest)
) (CMS)
)
To Obtain Step 3 Planned Develop-)
ment Approval for the 700 Unit)
Honua Kai Resort Project Consisting)
of the Phase 1 Site Improvements)
Including Mass Grading; Foundation)
and Building Plans for the South)
Enclave; Surcharge and Stockpiling)
for the North Enclave; South Pool,)
Cabanas and Towel Kiosk; and)
Shoreline Improvements and Phase 1)
Landscaping On 34.8 Acres of Land)
at Maui Tax Map Key 4-4-014:008,)
Kaanapali, Maui, Hawaii)

THE APPLICATION

This matter arises from an application for a Step 3 Planned Development Application filed on November 15, 2005. The application was filed pursuant to Chapter 19.32, Maui County Code, 1980 as amended; by Mr. Steve Sewall, on behalf of Intrawest, ("Applicant"); on lands in the Urban District, situated at Kaanapali, Island and County of Maui, identified as Maui Tax Map Key No. 4-4-014:008 ("Property").

PURPOSE OF THE APPLICATION

The Applicant is requesting Step 3 Planned Development Approval of construction drawings for the Phase 1 site improvements including mass grading; foundation and building plans for the South Enclave; surcharge and stockpiling for the North Enclave; South pool, cabanas and towel kiosk; and shoreline improvements and Phase 1 landscaping for the 700 unit Honua Kai Resort Development.

APPLICABLE REGULATIONS

Planned Development Step 3 Approval

Pursuant to Section 19.32.020(C), Maui County Code, upon approval of the sketch plan, the owner shall proceed to prepare a unified site and building program which shall include, among other things, construction plans in accordance with Title 18, site plan showing grading, landscaping, protected open spaces, location of each building and structure; building plan of each building and structure; and the financing and timing program. The Commission shall review the unified site plan and building program, and upon approval, the owner may proceed to finalize the planned development.

GENERAL DESCRIPTION

Description of the Property

1. The Property which is approximately 34.8 acres is located in the Kaanapali North Beach Subdivision makai of Honoapiilani Highway and Lower Honoapiilani Road at Maui Tax Map Key 4-4-014:008, Kaanapali, Lahaina, Maui, Hawaii. (*Exhibit "1"*)
2. Land Use Designations –
 - a. State Land Use District – Urban
 - b. West Maui Community Plan – Hotel, Open Space, and Park
 - c. County Zoning – R-3 Residential, H-M Hotel and H-2 Hotel
 - d. Other – Within the Special Management Area
3. Surrounding Uses –

North –	Lower Honoapiilani Road and Honokowai Shopping Center, vacant Nunes property, Mahana Condominium, Embassy Suites, and Kaanapali Shores Condominium
East –	Honoapiilani Highway and County Wastewater Facility
South –	Lot 3 of the Kaanapali North Beach Subdivision
West –	Ocean
4. The subject application does not involve an action that triggers compliance to Chapter 343, Hawaii Revised Statutes, relating to Environmental Impact Statements.

BRIEF HISTORY OF APPLICATION

1. On February 10, 2004 the Maui Planning Commission granted tentative approval for Step 1 Planned Development and revised the Recreation Plan to include the proposed re-configuration of the North Beach Park and the 10 acre Open Space area on Lot 3. (*Exhibit "2"*)
2. On February 22, 2005 the Maui Planning Commission granted Step 2 Planned Development Approval and a Special Management Area (SMA) Use Permit for the portion of the development, including the access roadway to the North Beach Park, unaffected by land use changes. (*Exhibit "3"*)
3. On June 14, 2005 the Maui Planning Commission granted Step 3 Planned Development Approval for the Surcharge for the South Enclave and Temporary Sales Trailers and Pavilion. (*Exhibit "4"*)

DESCRIPTION OF THE DEVELOPMENT

The applicant is requesting Step 3 Planned Development Approval to prepare the site for development. The applicant proposes to prepare the lot by doing the surcharge (pre-load) and stockpiling for the North Enclave which consists of placing fill material for the building pads and compacting of the fill. Also included is the construction plans for the South Enclave; Phase 1 site improvements including mass grading; South pool, cabanas, and towel kiosk; and shoreline improvements and Phase 1 landscaping. (*Exhibit "5"*)

The plans consist of construction plans which includes the Phase 1 Site Plan, Mass Grading and Engineering Plans, Surcharge and Stockpiling for North Enclave, Shoreline Improvements and Phase 1 Landscaping, South Enclave Construction and South pool, cabanas and towel kiosk. (The full construction plans are available for review)

ANALYSIS

In accordance with Section 19.32.020 (C) the applicant has submitted the unified site and building program for the site development which consists of construction drawings. The applicant has also indicated that financing remains the same and a revised timing program has been submitted for the project. The Maui Beach Resort Limited Partnership has invested cash equity in both land and development costs to and will be obtaining third-party construction financing. All financing will be secured with presale contracts to the condominium units.

The current phasing or timing of the project is as follows:

Phase	Start	Complete
Phase 1a surcharge of south enclave (Approved by Commission)	Dec 15, 2005	Mar 15, 2006
Phase 1b move surcharge from south to north enclave	Mar 15, 2006	Apr 15, 2006
Phase 2a excavation and foundations for south enclave	Mar 15, 2006	June 15, 2006
Phase 2b construction of south enclave	June 15, 2006	Oct 15, 2006
Phase 2c shoreline setback work	May 15, 2007	July 15, 2008
Phase 2d Lower Honoapiilani Road Widening	May 15, 2007	July 15, 2008
Phase 2e North Park - western portion	May 15, 2007	July 15, 2008
Phase 2f North Park- eastern portion (Nunes land swap)	July 15, 2007	Sept 15, 2008
Phase 3a Town Homes - first two clusters 52 units	Nov 15, 2008	Aug 15, 2009
Phase 3b Town Homes - last cluster of 20 units	June 15, 2009	Nov 15, 2010
Phase 4a excavation and foundations for north enclave	Jan 15, 2007	April 15, 2007
Phase 4b construction of north enclave	April 15, 2007	Mar 15, 2011

Phases 1b, 2a, 2b, and 2c are the subject of the Planned Development Step 3 request. Phase 1a was the initial site development (surcharge) for the South Enclave which was approved by the Commission on June 14, 2005.

The construction plans for the Phase 2 development are essentially in accordance with sketch plans approved by the Commission.

On April 14, 2005 a preliminary compliance report for the project was approved by the Planning Department.

CONCLUSION OF LAW

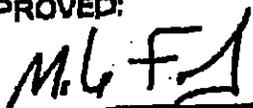
The proposed project meets the requirements for Step 3 Planned Development Approval.

RECOMMENDATION

Pursuant to the foregoing the Maui Planning Department recommends approval of the Step 3 Planned Development Application.

In consideration of the foregoing, the Planning Department recommends that the Maui Planning Commission adopt the Planning Department's Report and Recommendation prepared for the December 13, 2005 meeting as its Findings of Fact, Conclusion of Law and Decision and Order and to authorize the Director of Planning to transmit said written Decision and Order on behalf of the Planning Commission.

APPROVED:



MICHAEL W. FOLEY
Director of Planning

ALAN M. ARAKAWA
Mayor

MICHAEL W. FOLEY
Director

WAYNE A. BOTELHO
Deputy Director



MAR 03 2005

COUNTY OF MAUI
DEPARTMENT OF PLANNING

February 25, 2005

Mr. Steve Sewall
Intrawest
999 West Hastings Street, Suite 900
Vancouver, BC, Canada
V6C 2W2

Dear Mr. Sewall:

RE: Special Management Area Use Permit and Step 2 Planned Development Applications for the Proposed Honua Kai Resort, North Beach Park and Related Improvements at TMK: 4-4-014:006 and 008 and 4-4-001:010, Kaanapali, Lahaina, Maui, Hawaii (SM1 2004/0017) (PD2 2004/0005)

At its regular meeting on February 22, 2005 the Maui Planning Commission (Commission) acknowledged the withdrawal of the Petitions to Intervene and the submittal of the Settlement Agreements. After due deliberation, the Commission voted to grant Step 2 Planned Development approval, and approval of the following "other mitigation measures" as fulfillment of Condition No. 7 of the 1988 SMA/SSV Approval and Condition No. cc of the 1996 SMA approval:

As represented by the applicant, the following traffic related improvements totaling \$2.5 million may be implemented, as determined by the County of Maui and State Department of Transportation, in conjunction with the Honua Kai Resort project:

1. Sequencing to existing traffic signals on Honoapiilani Highway through the Lahaina corridor as determined by a traffic study to model traffic flow and as approved by the Department of Transportation.
2. Regional roadway improvements for "fair share" contribution towards the following:
 - a. Left turn lane from Lower Honoapiilani Road to the North park access and right turn lane out from the park access to the Lower Honoapiilani Road.

Mr. Steve Sewall
February 25, 2005
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- b. Right turn lane from Lower Honoapiilani Road to Honoapiilani Highway with acceleration lane.
3. Mill Street Collector Road traffic studies and road design fees from Keawe Street to Aholo Road.

Further, the Commission voted to bifurcate the Special Management Area Use Permit application. The Commission deferred the portion of the development affected by the land use changes for the North Beach Park (mauka portion), and approved the unaffected portions of the development, including the access roadway to the North Beach Park, subject to the following conditions:

STANDARD CONDITION:

1. That construction of the proposed project shall be initiated by February 28, 2007. Initiation of construction shall be determined as construction of offsite improvements or issuance of a grading, foundation or building permit and construction of the improvements, whichever occurs first. Failure to comply within this two (2) year period will automatically terminate this Special Management Area Use Permit unless a time extension is requested no later than ninety (90) days prior to the expiration of said two (2) year period. The Planning Director shall review and approve a time extension request but may forward said request to the Planning Commission for review and approval.
2. That the construction of the project shall be completed within eight (8) years after the date of its initiation. Failure to complete construction of this project will automatically terminate the subject Special Management Area Use Permit. A time extension shall be requested no later than ninety (90) days prior to the completion deadline. The Planning Director shall review and approve a time-extension request but may forward said request to the Planning Commission for review and approval.
3. The permit holder or any aggrieved person may appeal to the Planning Commission any action taken by the Planning Director on the subject permit no later than ten (10) days from the date the Director's action is reported to the Commission.

4. That final construction shall be in accordance with preliminary plans received on June 16, 2004 and revised plans received on February 4, 2005.
5. That appropriate measures shall be taken during construction to mitigate the short term impacts of the project relative to soil erosion from wind and water, ambient noise levels, traffic disruptions, and construction waste.
6. That the subject Special Management Area Use Permit shall not be transferred without prior written approval in accordance with §12-202-17(d) of the Special Management Area Rules of the Maui Planning Commission. However, in the event that a contested case hearing preceded issuance of said Special Management Area Use Permit, a public hearing shall be held upon due published notice, including actual written notice to the last known addresses of parties to said contested case and their counsel.
7. That the applicant, its successors and permitted assigns shall exercise reasonable due care as to third parties with respect to all areas affected by subject Special Management Area Use Permit and shall procure at its own cost and expense, and shall maintain during the entire period of this Special Management Area Use Permit, a policy or policies of comprehensive liability insurance in the minimum amount of ONE MILLION AND NO/100 DOLLARS (1,000,000.00) naming the County of Maui as an additional named insured, insuring and defending the applicant and County of Maui against any and all claims or demands for property damage, personal injury and/or death arising out of this permit, including but not limited to: (1) claims from any accident in connection with the permitted use, or occasioned by any act or nuisance made or suffered in connection with the permitted use in the exercise by the applicant of said rights; and (2) all actions, suits, damages and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms and conditions of this permit. Proof of a policy naming County of Maui as an additional named insured shall be submitted to the Department within ninety (90) calendar days from the date of transmittal of the decision and order.
8. That full compliance with all applicable governmental requirements shall be rendered.

Mr. Steve Sewall
February 25, 2005
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9. That the applicant shall submit plans regarding the location of any construction related structures such as, but not limited to trailers, sheds, equipment and storage areas and fencing to be used during the construction phase to the Maui Planning Department for review and approval.
10. That the applicant shall submit to the Planning Department five (5) copies of a detailed report addressing its compliance with the conditions established with the subject Special Management Area Use Permit. A preliminary report shall be reviewed and approved by the Planning Department prior to issuance of the grading, building or foundation permit, whichever occurs first. A final compliance report shall be submitted to the Planning Department for review and approval prior to issuance of a Certificate of Occupancy for each phase of the development.
11. That the applicant shall develop the property in substantial compliance with the representations made to the Commission in obtaining the Special Management Area Use Permit. Failure to so develop the property may result in the revocation of the permit.
12. That appropriate energy conservation measures shall be incorporated into the project, which may include but not limited to, energy conserving building materials, solar water heaters, heat conversion systems, state of the art air conditioning systems, photo voltaic systems, etc.

PROJECT SPECIFIC CONDITIONS:

13. That the applicant shall be responsible for all required infrastructural improvements, as required by Maui County Code, and rules and regulations, including but not limited to water source and system improvements for both domestic and fire protection, drainage improvements, traffic related improvements, wastewater system improvements, and utility upgrades. Said improvements may be phased and constructed concurrently with each phase of the development and shall be completed prior to issuance of a certificate of occupancy for each phase of construction, unless improvements are bonded by the developer.

14. That the proposed pump station and all on-site wastewater facilities for the development shall be privately owned and maintained. (Recommended by DPWEM)
15. That the final drainage plan shall be in accordance with the Drainage Master Plan for Kaanapali North Beach Subdivision, the County of Maui drainage standards and the West Maui Watershed Owner's Manual prepared by the West Maui Watershed Management Advisory Committee. The plan shall accommodate the overflow from Honokowai Stream which could send water through the Lahaina Highways Baseyard and Lahaina Wastewater Reclamation Facility. Further, all onsite and offsite retention and detention basins shall be privately owned and maintained. (Recommended by DPWEM and NRCS)
16. As represented, the applicant shall be responsible for regional traffic mitigation measures within the West Maui Community Plan region to fulfill previous SMA conditions. Said measures shall be reviewed and approved by the County of Maui Department of Public Works and Environmental Management and the State Department of Transportation.
17. That the applicant shall initiate a supplemental or updated Traffic Impact Analysis Report (TIAR) after completion of Phase A (ph I + II, South Building and 24 townhouses) of the development for review and approval by the Department of Transportation (DOT) and the Department of Public Works and Environmental Management (DPWEM). Recommended mitigation measures as determined by the DOT and DPWEM shall be incorporated into the project development. (Recommended by DOT)
18. That during all ground altering construction activities archaeological monitoring shall be conducted in accordance with the approved archaeological monitoring plan reviewed and approved by the State Historic Preservation Division (SHPD).
19. That the applicant shall use "best practices" in Crime Prevention Through Environmental Design (CPTED), whenever possible, in developing the project. In CPTED the design and building of structures, landscaping, and lighting are interwoven to increase surveillance, limit accessibility, and increase opportunities for apprehension resulting in a decrease in the likelihood of crime. (Recommended by Police)

20. That a copy of the approved National Pollutant Discharge Elimination System (NPDES) permit shall be filed with the Planning Department and the Department of Public Works and Environmental Management prior to approval of the grading permit.
21. That an appropriate Best Management Practices (BMPs) plan shall be reviewed and approved by the Department of Public Works and Environmental Management. Said plan shall address impacts associated with erosion, contaminants, and construction waste. The approved plan shall be filed with the Maui Planning Department.
22. That should a Noise permit be required by the Department of Health, a copy of said permit shall be remitted to the Planning Department to be kept on file.
23. That the Applicant shall comply fully with the Department of Health standards regarding dust control and rodent control.
24. That the project shall connect to and utilize the County's reclaimed water system once it becomes available.
25. As represented, the applicant shall contributed \$2.34 million of which \$1.2 to \$1.4 million has been granted to Maui Economic Concerns of the Community, Inc. in order to provide affordable housing as agreed with the Department of Housing and Human Concerns. (Recommended by DHHC)
26. That a coastal management plan shall be developed for the dune areas with some discussion of management of the dunes and coastal system. Said plan shall be developed in coordination with the Department of Land and Natural Resources (DLNR) and the University of Hawaii Sea Grant Program (UH, HSGP). A copy of the management plan shall be filed with the Department of Planning, DLNR and UH, HSGP.
27. That the applicant shall participate with other North Beach Subdivision developers in the bi-annual water quality monitoring surveys for construction projects in the North Beach Subdivision. Said bi-annual surveys shall continue until 18 months after the completion of construction.

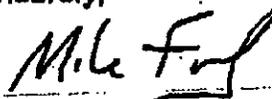
Mr. Steve Sewall
February 25, 2005
Page 7

28. As represented, the applicant shall participate in a Hawksbill and Green Turtle monitoring program with the U.S. Fish and Wildlife Service.
29. That the applicant shall construct the North Beach Park and public lateral access walkway within the 150 ft. shoreline setback area concurrent with the Honua Kai Resort development. Said improvements shall be privately owned and maintained but shall be open to the public and shall be completed prior to issuance of the Certificate of Occupancy for Phase 1 of the development, unless said improvements are bonded.
30. Condition No.(s) 24, 28, and 29 shall run with the land and shall be set forth in an unilateral agreement recorded by the applicant with the Bureau of Conveyances within 60 days from the date of receipt of this decision. A copy of the recorded unilateral agreement shall be filed with the Director of Planning and the Director of Public Works and Environmental Management within 10 days of recordation.
31. That as represented, 100 parking stalls shall be reserved for employee parking (As amended by Commission).
32. That an annual report shall be filed with the Maui Planning Commission on the disbursement of the funds in the Settlement Agreements for their information. (As amended by Commission)

Further, the Commission adopted the Department Report and Recommendation prepared for the November 9, 2004 and February 22, 2005 meeting as its Decision and Order. Parties to proceedings before the commission may obtain judicial review of decision and orders issued by the commission in the manner set forth in Chapter 91-14, Hawaii Revised Statutes.

Thank you for your cooperation. If additional clarification is required, please contact Ms. Colleen Suyama, Staff Planner, of my office at 270-7735.

Sincerely,



MICHAEL W. FOLEY
Planning Director

Mr. Steve Sewall
February 25, 2005
Page 8

MWF:CMS:lar

cc: Clayton Yoshida, AICP, Planning Program Administrator
Aaron Shinmoto, P.E., Planning Program Administrator (2)
John Summers, Planning Program Administrator
Colleen Suyama, Staff Planner
Development Services Administration (2)
Gwen Ohashi Hiraga, Munekiyo & Hiraga, Inc.
Isaac Hall, Esq.
B. Martin Luna, Esq.
Charles D. Fox III
Alice Lee, Director, Department of Housing and Human Concerns
Glenn Correa, Director, Department of Parks and Recreation
Thomas Phillips, Chief, Maui Police Department
Rodney Hiraga, Department of Transportation
Peter T. Young, Department of Land and Natural Resources
Ed Matsubayashi, Department of Health, Maui
U.S. Fish and Wildlife Service
Project File
General File
(K:\WP_DOCS\PLANNING\SM1\2004\17_HonuaKa\MPCApproval.wpd)

CHARMAINE TAVARES
Mayor

MILTON M. ARAKAWA, A.I.C.P.
Director

MICHAEL M. MIYAMOTO
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
AND ENVIRONMENTAL MANAGEMENT
DEVELOPMENT SERVICES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

RALPH M. NAGAMINE, L.S., P.E.
Development Services Administration

DAVID TAYLOR, P.E.
Wastewater Reclamation Division

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

TRACY TAKAMINE, P.E.
Solid Waste Division

April 9, 2007

Mr. Robert Iopa
WCIT Architecture
711 Kapiolani Boulevard, Suite 1290
Honolulu, Hawaii 96813

Subject: Building Permit # B2006/1639 for Honua Kai (Phase I)
located at 130 Kai Malina Parkway, Lahaina, Maui, Hawaii
TMK (2) 4-4-014: 006

Dear Mr. Iopa:

We are pleased to inform you that we have approved your revised plans dated March 23, 2007, for new units Type D2b-R, Type D2c-R, Type D2d-R and Type D4-R, Type D5-R, and Type E1-R for the subject Honua Kai (Phase I) project.

Our November 8, 2006, permit suspension is lifted and you may proceed with the construction work using the revised plans.

Thank you for diligently working on the resolution to our concerns. If you have any questions regarding this letter, please call Clement Enomoto at (808) 270-7236.

Sincerely,

Milton M. Arakawa, A.I.C.P.
Director of Public Works
and Environmental Management

RMN/CJE:sw

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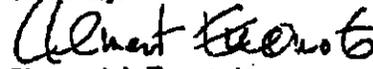
c: B. Martin Luna
Anthony Plitt

Mr. Ben Ugale, WCIT Architecture
SUBJECT : BUILDING PERMIT NO. B 2006/1839
FOR HONUA KAI (PHASE 1)
LOCATED AT 130 KAI MALINA PARKWAY, LAHAINA, MAUI, HAWAII
TMK: (2) 4-4-014:008

November 8, 2006
Page 2 of 2

If you have any questions regarding this letter, please call me at (808)270-7238.

Sincerely,


Clement J. Enomoto
Supervising Building Plans Examiner

xc: Robert K. Iopa, WCIT Architecture
Anthony Plitt, Intrawest Resort Development Group
James, DuPonte, DSA
Michael Ramick, DSA

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EXHIBIT I

LIST OF AUTHORIZED SIGNATORIES FOR DEVELOPER'S GENERAL PARTNER

NORTHWEST MAUI CORPORATION

Officers

(as of February 20, 2007)

Drew Stotesbury	President
David Brooks	Vice President
Tobia Ippolito	Vice President and CFO
David S. Greenfield	Vice President
Paul C. Woodward	Vice President
William B. Fox	Vice President
L. Phillip Bond	Vice President
Brian Powell	Vice President
Eric Gerlach	Vice President
Steve Sammut	Vice President
Linda Priest	Vice President
Sally Dennis	Corporate Secretary

EXHIBIT J

RIGHTS RESERVED BY DEVELOPER

Developer has reserved the following rights to change the Declaration, Condominium Map or Bylaws:

(A) As set forth in Section 8.01 (Improvements) of the Declaration, Developer reserves for itself the right but not the obligation to construct any Improvements shown on the Condominium Map and telephone lines and systems and fiber optic or other computer network lines and systems, together with related facilities and equipment that Developer desires to construct, install or maintain on the Common Elements.

(B) As set forth in Section 8.02 (Reservation of Power to Grant Easements) of the Declaration, Developer may exercise a non-exclusive right to grant from time to time within the Common Elements, including without limitation the roadways, parking areas, parking stalls and walkways in the Honua Kai Condominium, (i) easements and right-of-ways over, under and across the Common Elements for pedestrian and vehicular access, parking, utilities, sanitary and storm sewers, drains, cable television and other utility services, and (ii) the right to relocate, realign or cancel the same, provided that such easements, their use, relocation, realignment or cancellation shall not materially impair or interfere with the use of any unit.

(C) As set forth in Section 8.03 (Reservation for Sales Offices and Models) of the Declaration, Developer reserves for itself the right but not the obligation to maintain sales offices, management offices and models within any unit owned or leased by Developer.

(D) As set forth in Section 8.04 (Changes in the Act) of the Declaration, Developer reserves the right to make, at any time prior to the recordation of a Deed for the last unit in the Honua Kai Condominium, amendments to the Declaration or the Bylaws in order to derive the benefit of changes in the law governing condominiums in Hawaii, Chapter 514B, Hawaii Revised Statutes ("Act"), that give Developer more rights than currently permitted under the Act.

(E) As set forth in Section 8.05 (Required Amendments) of the Declaration, Developer reserves the right to make, at any time prior to the recordation of a Deed for the last unit in the Honua Kai Condominium, amendments to the Declaration, the Bylaws, or the Condominium Map that are required by law, by the Real Estate Commission, by a title insurance company, by a mortgage lender, or by any governmental agency (including the Veteran's Administration, U.S. Department of Housing and Urban Development and/or the Federal Home Loan Mortgage Corporation), provided that such amendments shall not change the Common Interest appurtenant to a unit or substantially change the design, location or size of any unit for which a Deed has been recorded.

(F) As set forth in Section 8.06 (Reserved Right to Combine Adjoining Condominium Units) of the Declaration, Developer, as an Owner of adjoining units, may, with the consent of any mortgagee of such units and at Developer's sole expense, exercise its reserved right to alter or remove all or portions of the non-structural or load bearing portion of the intervening wall which separates such units if the structural integrity of the Honua Kai Condominium is not thereby affected and if any Common Elements affected are restored to a condition comparable to that of the Common Elements prior to such alteration of such Common Elements. Developer may install in and attach to such opening or openings in such wall, doors and other service devices and may remove and retain ownership of the items so installed. Upon termination of the common ownership of such adjoining units, any intervening wall which has been altered or removed pursuant to the foregoing provisions shall be restored at Developer's sole expense to substantially the condition which existed prior to such alteration or removal, if the new Owner or Owners do not consent to such alteration.

(G) As set forth in Section 8.07 (Reserved Right to Construct the Condominium in Phases) of the Declaration, Developer reserves the right to construct the Honua Kai Condominium in ten or more phases. For further explanation, please refer to **Exhibit B** of this Report.

(H) As set forth in Section 8.08 (Declarant's Option to Develop the Restaurant Unit in Phases and Subdivide) of the Declaration, Developer has reserved the right to (i) develop the Restaurant Unit in phases and (ii) subdivide the Restaurant Unit (the "original Unit") into any number of separate units, creating walls, partitions,

doors, foyers, corridors or vestibules between the resulting units, and allocating any Limited Common Elements appurtenant to the original Unit to the resulting units. As part of such reserved right Developer may make adjustments to the Common Interest and amend the Declaration, Bylaws and Condominium Map in the exercise of its reserved rights under Section 8.08 of the Declaration. Developer is under no obligation to construct the Restaurant Unit unless such unit is covered under a Public Report and Developer has entered into a binding sales contract, obligating it to construct the Restaurant Unit. Developer may amend the description of the Restaurant Unit described in the Declaration at any time prior to obtaining a Public Report covering such unit.

(I) As set forth in Section 8.09 (Reserved Right to Reduce or Increase the Total Number of Buildings and/or Units and to Reconfigure Units in the Condominium) of the Declaration, Developer reserves the right, but shall not be obligated to, at any time prior to December 31, 2025 to reduce or increase the total number of buildings and/or units comprising the Honua Kai Condominium or reconfigure the interior space of any such unit as shown on the Condominium Map until such time as a Deed has been recorded in the Bureau of Conveyances of the State of Hawaii and the Office of the Assistant Registrar of the Land Court of the State of Hawaii conveying such unit(s). As part of such reserved right Developer may make adjustments to the Common Interest and amend the Declaration, Bylaws and Condominium Map in the exercise of its reserved rights under Section 8.09 of the Declaration.

(J) As set forth in Section 8.10 (Reserved Right to Construct, Reconstruct, Reconfigure and Relocate Parking Areas in the Condominium) of the Declaration, Developer may, but is under no obligation to, from time to time and at any time up to but not later than December 31, 2025 construct, reconstruct, reconfigure or relocate parking areas in the Honua Kai Condominium. In the event that Developer exercises its right under Section 8.10 of the Declaration, Developer shall provide temporary, replacement parking to Owners for the duration of any displacement. In such event, Developer shall provide at least as many parking stalls as were displaced.

(K) As set forth in Section 8.11 (Declarant's Option to Add Area) of the Declaration, Developer but is under no obligation to, from time to time and at any time up to but not later than December 31, 2025 to add all or any portion of additional areas to the Honua Kai Condominium. **Exhibit D** to the Declaration lists the additional areas that may be added to the Honua Kai Condominium.

(L) As set forth in Section 8.12 (Declarant's Option to Subdivide and Withdraw Areas) of the Declaration, Developer may but is under no obligation to, from time to time and at any time up to but not later than December 31, 2025 to subdivide and withdraw from the Honua Kai Condominium all or any portion of the Honua Kai Condominium in one or more increments.

(M) As set forth in Section 8.13 (Declarant's Option to Subdivide Any Unit Owned by Declarant) of the Declaration, Developer shall have the right, but not the obligation, to subdivide any unit it owns into any number of separate units creating walls, partitions, doors, foyers, corridors or vestibules between the resulting units, and allocating any Limited Common Elements appurtenant to the original unit to the resulting units. As part of such reserved right Developer may make adjustments to the Common Interest and amend the Declaration, Bylaws and Condominium Map in the exercise of its reserved rights under Section 8.13 of the Declaration. Developer is under no obligation to construct any units unless such unit is covered under a Public Report and Developer has entered into binding sales contracts, obligating it to construct such units. Developer may amend the description of any unit described in the Declaration at any time prior to obtaining a Public Report covering such unit.

(N) As set forth in Section 8.14 (Reserved Right to Install Signal Reception Device) of the Declaration, Developer has reserved the right at any time prior to December 31, 2025 to install any signal reception device anywhere in the Honua Kai Condominium without the approval of the Board of Directors of the Association.

(O) As set forth in Section 8.15 (Right to Enter into Agreements with Adjoining Landowners Regarding Drainage) of the Declaration, Developer reserves the right to do all things necessary or convenient to exercise its rights under and to satisfy the requirements of the Letter Agreement, dated August 1, 2005, between Kaanapali Development Corp. and Developer that apply to the Condominium.

(P) As set forth in Section 8.16 (Freight Elevator) of the Declaration, Developer and its agents, employees, contractors, licensees, successors and assigns have the right to use any freight elevator in the Honua

Kai Condominium as necessary for the distribution of fixtures, furniture and equipment during the construction of Hokulani Enclave and Konea Enclave.

(Q) As set forth in Section 8.19 (Rights Transferable) of the Declaration, Developer may transfer any right reserved to Developer in the Declaration in accordance with the terms and conditions of the Section 514B of the Hawaii Revised Statutes.

(R) As set forth in Section 8.20 (Enforcement of Restrictions on Lock-Offs and the Number of Residential Units) of the Declaration, Developer and The West Maui Preservation Association have the right to enforce the prohibition on the locking off of units and the restriction barring the construction of more than 700 Residential Units in the Honua Kai Condominium.

(S) As set forth in Section 8.21 (Obligations Transferable) of the Declaration, Developer may assign to the Association any obligation to be performed or condition to be observed by Developer under: the SMA Permit; the Settlement Agreement; the Unilateral Agreement with the County of Maui contemplated by the SMA Permit; any easement benefiting or burdening the Honua Kai Condominium, including, without limitation, the easements described in Exhibit A to the Declaration; any agreements regarding the use, operation, maintenance and repair of any storm water drainage facilities that serve the Honua Kai Condominium or that were otherwise entered into in connection with the development of the Honua Kai Condominium; and any other agreements regarding the use, operation, maintenance and repair of any other facilities that serve the Honua Kai Condominium or that were otherwise entered into in connection with the development of the Honua Kai Condominium. The Association shall assume, perform and observe any such obligation assigned by Developer.

(T) As set forth in Section 8.22 (Control of Association) of the Declaration, Developer has reserved the right to control the Association, and may appoint and remove officers and members of the Board. Developer's control of the Association shall terminate no later than the earlier of: (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Common Interest appurtenant to units that may be created to owners other than Developer or its affiliates; (ii) two (2) years after Developer has ceased to offer units for sale in the ordinary course of business; (iii) two (2) years after any right to add new units was last exercised; or (iv) the day Developer, after giving written notice to owners, records an instrument voluntarily surrendering all rights to control activities of the Association. Developer may also voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the period of control described above, but in that event Developer may require, for the duration of the period of Developer's control, that specified actions of the Association or Board, as described in a recorded instrument executed by Developer, be approved by Developer before they become effective.

(U) As set forth in Section 9.03(f)(i) (Amendments) of the Declaration, Developer has reserved the right to amend the Declaration to file the "as built" verified statement (with plans, if applicable) required by Section 514B-34 of the Act, so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, unit numbers and dimensions of the units as built, or so long as any plans filed therewith involve only non-material changes to the layout, location, unit numbers and dimensions of the units as built.

(V) As set forth in Section 9.03(f)(ii) (Amendments) of the Declaration, Developer has reserved the right to amend the Declaration to assign or change, from time to time, the assignments of individual parking stalls to individual units for which a Deed has not been recorded, which assignments or changes in assignments shall be accomplished by an amendment to the Declaration.

EXHIBIT K

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

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

<u>Unit No.</u>	<u>Monthly Common Fee</u>	<u>Annual Common Fee</u>	<u>Monthly NE-A LCE Fee</u>	<u>Annual NE-A LCE Fee</u>	<u>Total Monthly NE-A</u>	<u>Total Annual NE-A</u>
NC 1	547.69	6,572.23	857.51	10,290.09	1,405.19	16,862.33
NC 2	2,877.21	34,526.48	4,503.96	54,047.47	7,381.16	88,573.95
NC 3	71.24	854.92	111.32	1,335.80	182.56	2,190.73
NR 113	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 136	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 138	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 139	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 140	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 212	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 213	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 214	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 215	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 216	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 218	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 220	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 221	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 222	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 224	259.00	3,108.01	405.44	4,865.30	664.44	7,973.30
NR 225	426.47	5,117.67	667.71	8,012.47	1,094.18	13,130.15
NR 229	426.47	5,117.67	667.71	8,012.47	1,094.18	13,130.15
NR 230	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 231	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 232	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 234	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 236	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 237	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 238	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 239	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 240	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 312	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 313	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 314	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 315	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 316	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 318	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73

<u>Unit No.</u>	<u>Monthly Common Fee</u>	<u>Annual Common Fee</u>	<u>Monthly NE-A LCE Fee</u>	<u>Annual NE-A LCE Fee</u>	<u>Total Monthly NE-A</u>	<u>Total Annual NE-A</u>
NR 320	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 321	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 322	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 324	259.00	3,108.01	405.44	4,865.30	664.44	7,973.30
NR 325*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 326	443.79	5,325.47	694.71	8,336.51	1,138.50	13,661.98
NR 329*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 330	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 331	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 332	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 334	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 336	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 337	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 338	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 339	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 340	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 412	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 413	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 414	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 415	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 416	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 418	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 420	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 421	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 422	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 424	259.00	3,108.01	405.44	4,865.30	664.44	7,973.30
NR 425*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 426	443.79	5,325.47	694.71	8,336.51	1,138.50	13,661.98
NR 429*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 430	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 431	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 432	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 434	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 436	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 437	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 438	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 439	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 440	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 512	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 513	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 514	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 515	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 516	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 518	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 520	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 521	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 522	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 524	259.00	3,108.01	405.44	4,865.30	664.44	7,973.30

<u>Unit No.</u>	<u>Monthly Common Fee</u>	<u>Annual Common Fee</u>	<u>Monthly NE-A LCE Fee</u>	<u>Annual NE-A LCE Fee</u>	<u>Total Monthly NE-A</u>	<u>Total Annual NE-A</u>
NR 525*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 526	443.79	5,325.47	694.71	8,336.51	1,138.50	13,661.98
NR 529*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 530	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 531	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 532	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 534	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 536	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 537	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 538	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 539	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 540	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 612	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 613	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 614	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 615	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 616	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 618	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 620	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 621	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 622	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 624	259.00	3,108.01	405.44	4,865.30	664.44	7,973.30
NR 625*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 626	443.79	5,325.47	694.71	8,336.51	1,138.50	13,661.98
NR 629*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 630	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 631	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 632	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 634	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 636	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 637	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 638	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 639	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 640	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 712	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 713	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 714	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 715	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 716	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 718	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 720	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 721	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 722	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 724	259.00	3,108.01	405.44	4,865.30	664.44	7,973.30
NR 725*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 726	443.79	5,325.47	694.71	8,336.51	1,138.50	13,661.98
NR 729*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 730	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01

<u>Unit No.</u>	<u>Monthly Common Fee</u>	<u>Annual Common Fee</u>	<u>Monthly NE-A LCE Fee</u>	<u>Annual NE-A LCE Fee</u>	<u>Total Monthly NE-A</u>	<u>Total Annual NE-A</u>
NR 731	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 732	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 734	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 736	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 737	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 738	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 739	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 740	316.14	3,793.73	494.81	5,937.67	810.95	9,731.40
NR 812	466.30	5,595.60	729.87	8,758.47	1,196.17	14,354.07
NR 813	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 814	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 815	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 816	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 818	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 820	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 821	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 822	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 824	259.00	3,108.01	405.44	4,865.30	664.44	7,973.30
NR 825*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 826	443.79	5,325.47	694.71	8,336.51	1,138.50	13,661.98
NR 829*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 830	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 831	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 832	373.04	4,476.48	583.98	7,007.71	957.02	11,484.19
NR 834	424.74	5,096.89	664.99	7,979.83	1,089.73	13,076.73
NR 836	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 837	205.57	2,466.81	321.71	3,860.53	527.28	6,327.35
NR 838	238.22	2,858.65	373.00	4,475.98	611.22	7,334.63
NR 839	457.64	5,491.70	716.47	8,597.61	1,174.11	14,089.32
NR 840	466.30	5,595.60	729.87	8,758.47	1,196.17	14,354.07
NR 919	442.06	5,304.69	692.18	8,306.21	1,134.24	13,610.90
NR 920	419.55	5,034.56	657.02	7,884.25	1,076.57	12,918.81
NR 921	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 922	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 924	259.00	3,108.01	405.44	4,865.30	664.44	7,973.30
NR 925*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 926	443.79	5,325.47	694.71	8,336.51	1,138.50	13,661.98
NR 929*	556.10	6,673.16	870.52	10,446.29	1,426.62	17,119.45
NR 930	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 931	200.37	2,404.48	313.55	3,762.62	513.92	6,167.10
NR 932	419.55	5,034.56	657.02	7,884.25	1,076.57	12,918.81
NR 933	442.06	5,304.69	692.18	8,306.21	1,134.24	13,610.90
NR 1019*	822.02	9,864.29	1,286.84	15,442.13	2,108.87	25,306.42
NR 1020	419.55	5,034.56	657.02	7,884.25	1,076.57	12,918.81
NR 1022	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 1024	259.00	3,108.01	405.44	4,865.30	664.44	7,973.30
NR 1025*	749.54	8,994.52	1,173.39	14,080.69	1,922.93	23,075.21
NR 1026	443.79	5,325.47	694.71	8,336.51	1,138.50	13,661.98

<u>Unit No.</u>	<u>Monthly Common Fee</u>	<u>Annual Common Fee</u>	<u>Monthly NE-A LCE Fee</u>	<u>Annual NE-A LCE Fee</u>	<u>Total Monthly NE-A</u>	<u>Total Annual NE-A</u>
NR 1029*	749.54	8,994.52	1,173.39	14,080.69	1,922.93	23,075.21
NR 1030	212.49	2,549.93	332.59	3,991.08	545.08	6,541.01
NR 1032	419.55	5,034.56	657.02	7,884.25	1,076.57	12,918.81
NR 1033*	822.02	9,864.29	1,286.84	15,442.13	2,108.87	25,306.42

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

*Units receiving gas service (see budget on next page for cost of gas service for all Konea Enclave Units on a monthly and annual basis).

**HONU KAI - THE KONEA ENCLAVE
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS****

	MONTHLY COMMON	ANNUAL COMMON	MONTHLY LCE	ANNUAL LCE	MONTHLY TOTAL	ANNUAL TOTAL
OPERATING EXPENSES						
UTILITIES						
Cable T.V.	0.00	0.00	8,667.00	104,004.00	8,667.00	104,004.00
Electricity - Enclaves	0.00	0.00	46,950.00	563,400.00	46,950.00	563,400.00
Electricity - Common Areas	14,360.00	172,320.00	0.00	0.00	14,360.00	172,320.00
Gas - Tower Enclaves - Pools	6,118.00	73,416.00	0.00	0.00	6,118.00	73,416.00
Gas - Residences with Gas Appliances	0.00	0.00	1,820.00	21,840.00	1,820.00	21,840.00
Gas Reimbursement - Residences with Gas	0.00	0.00	-1,820.00	-21,840.00	-1,820.00	-21,840.00
Water - Potable	3,121.00	37,452.00	7,100.00	85,200.00	10,221.00	122,652.00
Sewer	514.00	6,168.00	8,451.00	101,412.00	8,965.00	107,580.00
Communications	1,134.00	13,608.00	0.00	0.00	1,134.00	13,608.00
Water - Irrigation	26,490.00	317,880.00	0.00	0.00	26,490.00	317,880.00
TOTAL UTILITIES	51,737.00	620,844.00	71,168.00	854,016.00	122,905.00	1,474,860.00
PAYROLL						
Salaries & Wages - Admin.	11,634.00	139,608.00	0.00	0.00	11,634.00	139,608.00
Salaries & Wages - Maintenance	13,685.00	164,220.00	26,594.00	319,128.00	40,279.00	483,348.00
Salaries & Wages - Watchmen	43,220.00	518,640.00	0.00	0.00	43,220.00	518,640.00
Salaries & Wages - Utility	7,557.00	90,684.00	11,351.00	136,212.00	18,908.00	226,896.00
Salaries & Wages - Landscaping	0.00	0.00	0.00	0.00	0.00	0.00
Salaries & Wages - Pools & Water Features	17,106.00	205,272.00	0.00	0.00	17,106.00	205,272.00
Payroll - Bonus	5,000.00	60,000.00	0.00	0.00	5,000.00	60,000.00
Pension Plan	5,000.00	60,000.00	0.00	0.00	5,000.00	60,000.00
Medical Insurance	17,484.00	209,808.00	4,798.00	57,576.00	22,282.00	267,384.00
Insurance - Workers Compensation	7,935.00	95,220.00	1,450.00	17,400.00	9,385.00	112,620.00
Insurance - TDI	3,423.00	41,076.00	370.00	4,440.00	3,793.00	45,516.00
Payroll Preparation Fees	760.00	9,120.00	314.00	3,768.00	1,074.00	12,888.00
Payroll Taxes	8,962.00	107,544.00	2,605.00	31,260.00	11,567.00	138,804.00
TOTAL PAYROLL	141,766.00	1,701,192.00	47,482.00	569,784.00	189,248.00	2,270,976.00
MAINTENANCE EXPENSE						
Bldg Maintenance Consultants RDH	4,168.00	50,016.00	0.00	0.00	4,168.00	50,016.00
Air Conditioning R&M	375.00	4,500.00	5,647.00	67,764.00	6,022.00	72,264.00
Building R&M	2,034.00	24,408.00	7,300.00	87,600.00	9,334.00	112,008.00
Elevator R&M (Non-contract Services)	0.00	0.00	341.00	4,092.00	341.00	4,092.00
Equipment R&M	134.00	1,608.00	254.00	3,048.00	388.00	4,656.00
Equipment Rental	28.00	336.00	38.00	456.00	66.00	792.00
Grounds Materials	996.00	11,952.00	0.00	0.00	996.00	11,952.00
Painting & Waterproofing	226.00	2,712.00	1,042.00	12,504.00	1,268.00	15,216.00
Pool R&M	3,266.00	39,192.00	0.00	0.00	3,266.00	39,192.00
Water Feature R&M	3,266.00	39,192.00	0.00	0.00	3,266.00	39,192.00
Recreation Amenity R&M	1,100.00	13,200.00	0.00	0.00	1,100.00	13,200.00
Sewer Cleaning	80.00	960.00	403.00	4,836.00	483.00	5,796.00
Air Conditioning (Contract)	0.00	0.00	1,200.00	14,400.00	1,200.00	14,400.00
Window Clean/Caulk (Contract)	0.00	0.00	8,276.00	99,312.00	8,276.00	99,312.00
Elevator (Contract)	0.00	0.00	4,167.00	50,004.00	4,167.00	50,004.00
Fire Sprinkler/Extinguisher Service (Contract)	0.00	0.00	142.00	1,704.00	142.00	1,704.00
Ground Service (Contract)	50,335.00	604,020.00	0.00	0.00	50,335.00	604,020.00
Vehicle Gate Service (Contract)	500.00	6,000.00	0.00	0.00	500.00	6,000.00

Parking & Parking Structure Maintenance	400.00	4,800.00	100.00	1,200.00	500.00	6,000.00
Tree Trimming	3,214.00	38,568.00	0.00	0.00	3,214.00	38,568.00
Pest Control (Contract)	358.00	4,296.00	1,252.00	15,024.00	1,610.00	19,320.00
Refuse Collection (Contract)	1,390.00	16,680.00	5,134.00	61,608.00	6,524.00	78,288.00
TOTAL MAINTENANCE	71,870.00	812,424.00	35,296.00	423,552.00	107,166.00	1,285,992.00
ADMINISTRATIVE EXPENSES						
Shop Lease with IHM	2,508.00	30,096.00	0.00	0.00	2,508.00	30,096.00
Accounting & Audit Service	602.00	7,224.00	0.00	0.00	602.00	7,224.00
Auto/Golf Cart Expense	1,050.00	12,600.00	0.00	0.00	1,050.00	12,600.00
Dues, Education and Subscriptions	520.00	6,240.00	0.00	0.00	520.00	6,240.00
Legal	2,200.00	26,400.00	0.00	0.00	2,200.00	26,400.00
Office & Admin.	3,200.00	38,400.00	0.00	0.00	3,200.00	38,400.00
AOAO Meeting Expense	130.00	1,560.00	0.00	0.00	130.00	1,560.00
Outside Services	160.00	1,920.00	0.00	0.00	160.00	1,920.00
Property Management	22,402.00	268,824.00	0.00	0.00	22,402.00	268,824.00
Security Supplies & Equipment	750.00	9,000.00	0.00	0.00	750.00	9,000.00
Taxes - State Income	210.00	2,520.00	0.00	0.00	210.00	2,520.00
Taxes - Gross Excise Tax	150.00	1,800.00	0.00	0.00	150.00	1,800.00
Taxes - Federal Income	300.00	3,600.00	0.00	0.00	300.00	3,600.00
Computer/Supplies	500.00	6,000.00	0.00	0.00	500.00	6,000.00
Uniform Replacement	586.00	7,032.00	0.00	0.00	586.00	7,032.00
TOTAL ADMINISTRATION	35,268.00	423,216.00	0.00	0.00	35,268.00	423,216.00
OTHER EXPENSES						
Insurance - Property Incl. Hurricane	0.00	0.00	20,834.00	250,008.00	20,834.00	250,008.00
Comprehensive General Liability (CGL)	4,333.00	51,996.00	0.00	0.00	4,333.00	51,996.00
Umbrella Liability	1,000.00	12,000.00	0.00	0.00	1,000.00	12,000.00
Directors & Officers Liability	500.00	6,000.00	0.00	0.00	500.00	6,000.00
Boiler & Machinery Insurance	0.00	0.00	583.00	6,996.00	583.00	6,996.00
Fidelity Insurance	83.00	996.00	0.00	0.00	83.00	996.00
Flood Insurance	0.00	0.00	3,376.00	40,512.00	3,376.00	40,512.00
Inland Marine Coverage	450.00	5,400.00	0.00	0.00	450.00	5,400.00
Off-Site Drainage Maintenance	1,667.00	20,004.00	0.00	0.00	1,667.00	20,004.00
Dune, Park & Wetland Management	5,000.00	60,000.00	0.00	0.00	5,000.00	60,000.00
Sewage Lift Station	509.00	6,108.00	0.00	0.00	509.00	6,108.00
North Beach Association Fees	12,400.00	148,800.00	0.00	0.00	12,400.00	148,800.00
TOTAL OTHER EXPENSES	25,942.00	311,304.00	24,793.00	297,516.00	50,735.00	608,820.00
TOTAL OPERATING EXPENSES	326,583.00	3,918,996.00	178,739.00	2,144,868.00	505,322.00	6,063,864.00
RESERVES						
Replacement Reserves	14,206.00	170,472.00	7,765.00	93,180.00	21,971.00	263,652.00
Capital Improvement Reserves	14,206.00	170,472.00	7,766.00	93,192.00	21,972.00	263,664.00
TOTAL RESERVES	28,412.00	340,944.00	15,531.00	186,372.00	43,943.00	527,316.00
TOTAL EXPENDITURES	354,995.00	4,259,940.00	194,270.00	2,331,240.00	549,265.00	6,591,180.00
Less:						
Other Income - Parking & Other Sources	107,621.00	1,291,452.00	0.00	0.00	107,621.00	1,291,452.00
Net Expenses After Other Income	247,374.00	2,968,488.00	194,270.00	2,331,240.00	441,644.00	5,299,728.00

**Budget for (i) Buildings NE-A, NE-B and NE-C in the Konea Enclave and (ii) Buildings SE-A, SE-B and SE-C in the Hokulani Enclave.

†Developer advises the Association to conduct a reserve study once the Association is formed.

I, David A. Ferguson, employed by Management Consultants of Hawaii, Inc., the condominium managing agent for the Honua Kai Condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Signature

Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", Developer has conducted a reserve study in accordance with §514B-148, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. Developer discloses that no reserve study has been conducted in accordance with §514B-148, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules.

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.

EXHIBIT L

SUMMARY OF SALES CONTRACTS

There are two types of specimen Sales Contracts: one for Residences and one for Suites. The type of Sales Contract to be executed by Purchasers depends on whether a Residence or Suite unit is purchased. The Suite Sales Contract includes a furniture package in the Purchase Price of the Suite unit.

Residence Sales Contract

The specimen Residence Sales Contract, filed with the Commission, provides for, among other things, a description of the unit to be sold, the purchase price, the closing costs, the time, manner and place of payment, the Purchaser's obligations regarding financing, the Seller's warranties and disclaimers regarding the Condominium Map and the Project, and the remedies of the Seller and of the Purchaser in the event of a default under the Residence Sales Contract.

Among other provisions the specimen Residence Sales Contract provides:

1. That the Residence Sales Contract shall be binding when: (a) Seller delivers to Purchaser (i) a true copy of the Public Report with an effective date issued by the Real Estate Commission and all amendments thereto, and (ii) the Notice of Right to Cancel; and (b) Purchaser either (i) affirmatively waives Purchaser's right to cancel the Sales Contract, or (ii) is deemed to have waived the right to cancel.

2. The Seller has entered into an Escrow Agreement with Fidelity National Title & Escrow of Hawaii, Inc. ("Escrow"), covering the deposit with the Escrow of all funds paid by the Purchaser under the Residence Sales Contract and the disbursement of the funds by Escrow.

3. The Residence Sales Contract requires the Purchaser to pay the Total Purchase Price by a series of payments prior to Closing, as follows: Purchaser shall make an initial payment when Purchaser signs the Residence Sales Contract. Purchaser shall make a second deposit by a date to be determined by the Seller, with the balance due four (4) days prior to closing.

4. The Residence Sales Contract provides that all deposits will be held in Escrow in interest bearing accounts with all income derived from said account, and all interest paid thereon, credited to the account of Purchaser. Purchaser understands that the Escrow Agreement provides that Purchaser's Deposits may be disbursed to Developer prior to closing to pay costs of developing and constructing the unit and the Project.

5. The Residence Sales Contract provides that closing costs and expenses shall be allocated as follows: Purchaser shall pay the premium for the Title Policy, and any additional costs relating to the issuance of an extended coverage policy (including a lender's policy), the cost of drafting of any revisions or addenda to the Residence Sales Contract in addition to those addenda listed in Section C.3 of the Residence Sales Contract, if any, the cost of obtaining Purchaser's consents, if any, Purchaser's notary fees, all recording fees, Escrow fees, any mortgage fees, conveyance taxes, and Hawaii General Excise Tax. Seller shall pay the cost of drafting of conveyance documents and Seller's notary fees. The Residence Sales Contract also provides that at Closing Purchaser shall pay (a) one (1) month's maintenance fee for the Honua Kai Condominium Owner's Association, and (b) a non-refundable, non-transferable start-up fee to the Honua Kai Condominium Owner's Association in the amount equal to three (3) months' maintenance fee assessments. These start-up fees are one-time assessments at Closing and are not advance payments of common expenses or assessments, and shall be in addition to the normal monthly assessments.

6. The Residence Sales Contract provides that Seller shall complete construction of the Project so as to permit normal occupancy of the unit covered by the Residence Sales Contract within thirty six (36) months from the date that the Purchaser executes the Residence Sales Contract and no later than December 31, 2011; provided, however, that such thirty six (36) month period shall be extended for any period of time during which Seller is actually and necessarily delayed in beginning or completing construction if such delay is caused by fire, earthquake, act of God, the elements, war or civil disturbances, litigation, strikes or other labor disturbances,

or economic controls making it impossible to obtain the necessary labor or materials, or any other matter or condition beyond Seller's control.

7. The Residence Sales Contract provides that it may not be assigned by Purchaser, in whole or in part, without the prior written consent of the Seller, which consent may be granted or withheld in its sole discretion, and which may be conditioned upon the consent of the construction lender.

8. The Residence Sales Contract provides that any dispute by or between Seller and Purchaser arising out of or incident to the Residence Sales Contract, or the development or management of the Project, the sale of the unit or the use or occupancy thereof, or any other aspect of the relationship between Seller and Purchaser regarding the Project which is raised or otherwise asserted after Closing shall be submitted to mediation and, if necessary, to arbitration in accordance with the terms, conditions and procedures set forth in the Residence Sales Contract. The Residence Sales Contract also provides that any dispute by or between Seller and Purchaser arising out of or incident to the Residence Sales Contract that is raised or otherwise asserted before Closing need not be submitted to arbitration, and Seller and Purchaser shall be free to pursue such dispute, as otherwise provided herein, in proceedings in a court of competent jurisdiction, provided that any judicial proceedings initiated shall be conducted in Honolulu, Hawaii.

The foregoing is only a summary of some of the key terms of the Residence Sales Contract. It is incumbent upon a prospective Purchaser to read the full text of the Residence Sales Contract with care.

Suite Sales Contract

The specimen Suite Sales Contract, filed with the Commission, provides for, among other things, a description of the unit to be sold, the purchase price, the closing costs, the time, manner and place of payment, the Purchaser's obligations regarding financing, the Seller's warranties and disclaimers regarding the Condominium Map and the Project, and the remedies of the Seller and of the Purchaser in the event of a default under the Suite Sales Contract.

Among other provisions the specimen Suite Sales Contract provides:

1. That the Suite Sales Contract shall be binding when: (a) Seller delivers to Purchaser (i) a true copy of the Public Report with an effective date issued by the Real Estate Commission and all amendments thereto, and (ii) the Notice of Right to Cancel; and (b) Purchaser either (i) affirmatively waives Purchaser's right to cancel the Sales Contract, or (ii) is deemed to have waived the right to cancel.

2. The Seller has entered into an Escrow Agreement with Fidelity National Title & Escrow of Hawaii, Inc. ("Escrow"), covering the deposit with the Escrow of all funds paid by the Purchaser under the Suite Sales Contract and the disbursement of the funds by Escrow.

3. The Suite Sales Contract requires the Purchaser to pay the Total Purchase Price by a series of payments prior to Closing, as follows: Purchaser shall make an initial payment when Purchaser signs the Suite Sales Contract. Purchaser shall make a second deposit by a date to be determined by the Seller, with the balance due four (4) days prior to closing.

4. The Suite Sales Contract provides that all deposits will be held in Escrow in interest bearing accounts with all income derived from said account, and all interest paid thereon, credited to the account of Purchaser. Purchaser understands that the Escrow Agreement provides that Purchaser's Deposits may be disbursed to Developer prior to closing to pay costs of developing and constructing the unit and the Project.

5. The Suite Sales Contract provides that closing costs and expenses shall be allocated as follows: Purchaser shall pay the premium for the Title Policy, and any additional costs relating to the issuance of an extended coverage policy (including a lender's policy), the cost of drafting of any revisions or addenda to the Suite Sales Contract in addition to those addenda listed in Section C.3 of the Suite Sales Contract, if any, the cost of obtaining Purchaser's consents, if any, Purchaser's notary fees, all recording fees, Escrow fees, any mortgage fees, conveyance taxes, and Hawaii General Excise Tax. Seller shall pay the cost of drafting of conveyance documents and Seller's notary fees. The Suite Sales Contract also provides that at Closing Purchaser shall pay (a) one (1) month's maintenance fee for the Honua Kai Condominium Owner's Association, and (b) a non-

refundable, non-transferable start-up fee to the Honua Kai Condominium Owner's Association in the amount equal to three (3) months' maintenance fee assessments. These start-up fees are one-time assessments at Closing and are not advance payments of common expenses or assessments, and shall be in addition to the normal monthly assessments.

6. The Suite Sales Contract provides that Seller shall complete construction of the Project so as to permit normal occupancy of the unit covered by the Suite Sales Contract within thirty six (36) months from the date that the Purchaser executes the Suite Sales Contract and no later than December 31, 2011; provided, however, that such thirty six (36) month period shall be extended for any period of time during which Seller is actually and necessarily delayed in beginning or completing construction if such delay is caused by fire, earthquake, act of God, the elements, war or civil disturbances, litigation, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or materials, or any other matter or condition beyond Seller's control.

7. The Suite Units include a furniture package in the purchase price of a Suite unit.

8. The Suite Sales Contract provides that it may not be assigned by Purchaser, in whole or in part, without the prior written consent of the Seller, which consent may be granted or withheld in its sole discretion, and which may be conditioned upon the consent of the Construction Lender.

9. The Suite Sales Contract provides that any dispute by or between Seller and Purchaser arising out of or incident to the Suite Sales Contract, or the development or management of the Project, the sale of the unit or the use or occupancy thereof, or any other aspect of the relationship between Seller and Purchaser regarding the Project which is raised or otherwise asserted after Closing shall be submitted to mediation and, if necessary, to arbitration in accordance with the terms, conditions and procedures set forth in the Suite Sales Contract. The Suite Sales Contract also provides that any dispute by or between Seller and Purchaser arising out of or incident to the Suite Sales Contract that is raised or otherwise asserted before Closing need not be submitted to arbitration, and Seller and Purchaser shall be free to pursue such dispute, as otherwise provided herein, in proceedings in a court of competent jurisdiction, provided that any judicial proceedings initiated shall be conducted in Honolulu, Hawaii.

The foregoing is only a summary of some of the key terms of the Suite Sales Contract. It is incumbent upon a prospective purchaser to read the full text of the Suite Sales Contract with care.

EXHIBIT M

SUMMARY OF ESCROW AGREEMENT

A copy of the executed Escrow Agreement for the Project between Fidelity National Title & Escrow of Hawaii, Inc. ("Escrow") and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of the funds of a purchaser of a unit (a "Purchaser") pursuant to the Reservation Agreement or Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement specifically permits the disbursement of Purchaser's funds under a Sales Contract prior to closing, subject to certain conditions, to pay for certain Project costs, including costs of constructing the Project's buildings, fixtures and other improvements, Developer's architectural, engineering, finance and legal fees, and other incidental expenses of the Project (excluding marketing expenses and brokerage fees relating to the sales of units). Attached to the Escrow Agreement is a Chapter 514B Addendum which contains various provisions regarding the conversion from Chapter 514A to Chapter 514B, Hawaii Revised Statutes.

In the event that the Reservation Agreement or Hawaii Revised Statutes Chapter 514B entitle a Purchaser to a refund of Purchaser's Deposits held by Escrow, Escrow, upon instruction from Purchaser, will refund Purchaser's deposits.

Purchasers will compensate Escrow based on each unit bought in the Project. Escrow can arrange for the issuance of title insurance policies. A fee schedule is contained in the Escrow Agreement which purchasers may review.

By law the total amount of such cancellation fees shall not exceed Two Hundred Fifty and No/100 Dollars (\$250.00) after the time the Sales Contract becomes effective. Under the Escrow Agreement no disbursement of funds can be made to Developer until the Sales Contract becomes effective under the provisions of Chapter 514B, Hawaii Revised Statutes.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.

EXHIBIT N

SUMMARY OF RESERVATION AGREEMENTS

There are two types of specimen Reservation Agreements: one for a VIP Sales Event and one to reserve a specific unit.

VIP Sales Event Reservation Agreement

The specimen Reservation Agreement provides that upon the purchaser's payment of a deposit into an escrow account established by Developer with Fidelity National Title & Escrow of Hawaii, Inc. ("Escrow"), an undesignated unit is reserved for the purchaser until the occurrence of a VIP Sales Event. The Reservation Agreement does not establish a purchase price for any unit in the Project.

The Reservation Agreement provides that the purchaser shall be assigned a Priority Appointment Time to participate in the selection of units at a VIP Sales Event, giving the purchaser the opportunity to select a unit and enter into a sales contract with Developer for the purchase of a unit. Purchasers shall receive at least seven days notice of the time, place and manner of the VIP Sales Event and the number of units to be offered at the VIP Sales Event. If the purchaser enters into a sales contract for the purchase of a unit, then the deposit may be applied towards the deposit required under the sales contract.

Either the purchaser or Developer may terminate the Reservation Agreement at any time, for any reason, on or before the VIP Sales Event. If not sooner terminated, the Reservation Agreement expires at 11:59 PM on the day of the VIP Sales Event if the purchaser has not previously entered into a sales contract for a unit. If the Reservation Agreement is terminated or expires, Escrow will promptly return the deposit to the purchaser within a reasonable time period.

The purchaser will not earn or receive any interest on any funds deposited with Escrow. Developer has entered into an Escrow Agreement with Escrow covering the deposit with Escrow of all funds paid by the purchaser under the Reservation Agreement and the disbursement of the funds from Escrow.

The purchaser may not assign, convey or otherwise transfer all or any portion of its interest under the Reservation Agreement, including a Priority Appointment Time, without Developer's prior written consent.

It is incumbent upon a purchaser to read the specimen Reservation Agreement with care.

Unit Specific Reservation Agreement

The specimen Reservation Agreement provides that upon the purchaser's payment of a deposit into an escrow account established by Developer with Fidelity National Title & Escrow of Hawaii, Inc. ("Escrow"), a designated unit is reserved for the purchaser up until seven (7) days from the date of delivery of the sales contract to purchase the unit. Unless a sales contract for the unit is executed by purchaser seven (7) days from the date of delivery of the sales contract, the Reservation Agreement terminates and expires. If the purchaser enters into a sales contract for the purchase of a unit, then the deposit may be applied towards the deposit required under the sales contract. The Reservation Agreement does not establish a purchase price for any unit in the Project.

Either purchaser or Developer may terminate the Reservation Agreement at any time, for any reason. Purchaser may terminate the Reservation Agreement by mailing or faxing notice of such termination to Developer. If the Reservation Agreement is terminated or expires, Escrow will promptly return the deposit to purchaser.

The purchaser will not earn or receive any interest on any funds deposited with Escrow. Developer has entered into an Escrow Agreement with Escrow covering the deposit with Escrow of all funds paid by the purchaser under the Reservation Agreement and the disbursement of the funds from Escrow.

The purchaser may not assign, convey or otherwise transfer all or any portion of its interest under the Reservation Agreement, without Developer's prior written consent.

It is incumbent upon a purchaser to read the specimen Reservation Agreement with care.

EXHIBIT O

TERMS OF LIMITED WARRANTY

(a) Developer warrants that all material incorporated in and made a part of the unit shall be new as of the date of installation and shall remain free from defect in workmanship or quality for a period of one year from the date of closing of the sale of a unit to a Purchaser. Developer represents that Developer will cause to be remedied, by repair or replacement, any structural defects in the unit which appear within one year after the date of closing of the sale of a unit and which result from faulty material or workmanship, provided that Purchaser gives Developer written notice of any such defect within 10 days after Purchaser's discovery of the defect. Any such notice shall be addressed to Developer at the address set forth in the warranty claim forms. Purchaser's sole remedy (in lieu of all remedies implied by law or otherwise) against Developer in connection with such defects shall be to require Developer to correct the defect in material or workmanship.

(b) The limited warranty does not extend or relate to any items of tangible personal property in the unit (whether or not such property is attached to or installed in the unit) including, without limitation, any oven, cooktop, oven hood and fan, trash compactor, garbage disposal, microwave, dishwasher, refrigerator, garage door openers, jet tubs, sprinkler systems, security system and alarm, hot water heaters and components of the heating system. Developer will assign to Purchaser at the closing of the sale of a unit any unexpired warranties Developer has received from the manufacturers of such tangible personal property, to the extent such warranties are assignable. Developer shall not be responsible for the performance of any such manufacturer under the manufacturer's warranties.

(c) WITH RESPECT TO ANY FIRE, ALARM, OR OTHER LIFE SAFETY OR SECURITY SYSTEM INSTALLED IN OR SERVICING THE BUILDINGS OR THE UNIT, DEVELOPER'S LIABILITY UNDER THIS LIMITED WARRANTY SHALL BE LIMITED TO THE COST OF CORRECTING ANY DEFECTIVE WORKMANSHIP OR REPLACING ANY DEFECTIVE MATERIALS IN SUCH SYSTEMS.

(d) WITH REGARD TO ANY APPLIANCES OR OTHER ITEMS OF TANGIBLE PERSONAL PROPERTY, DEVELOPER DISCLAIMS ALL WARRANTIES INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(e) EXCEPT AS STATED IN SECTION (a) OF THIS LIMITED WARRANTY, DEVELOPER MAKES NO WARRANTY OR REPRESENTATION OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF WORKMANLIKE CONSTRUCTION, HABITABILITY, DESIGN, CONDITION, OR THE PROPERTY UNDERLYING THE PROJECT OR THE UNIT OR OTHER IMPROVEMENTS CONSTITUTING THE PROJECT, AND DEVELOPER HEREBY EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES.

(f) DEVELOPER SPECIFICALLY DISCLAIMS, AND PURCHASER SPECIFICALLY RELEASES DEVELOPER FROM, ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES TO ANY PERSON IN THE UNIT OR ANY OTHER REAL OR PERSONAL PROPERTY RESULTING FROM A DEFECT. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO PURCHASER.*

(g) Purchaser hereby acknowledges and accepts such disclaimers and agrees to waive any and all rights Purchaser may have by virtue of the representations and warranties disclaimed. Except as otherwise provided in this limited warranty, Purchaser assumes the risk of damage occurring within the unit after the closing of the sale of a unit regardless of the cause.

(h) With respect to any appliances finally determined by a court to be within this limited warranty described herein, all implied warranties are limited in duration to the period of this written warranty. This includes, without limitation, the implied warranties of merchantability and fitness and habitability if created or recognized in Hawaii. Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to Purchaser.*

(i) On all other appliances, whether or not warranted by manufacturers, all implied warranties are expressly disclaimed and do not apply, including, without limitation, the implied warranties of merchantability and fitness and habitability as created and recognized under Hawaii law.

(j) This limited warranty gives you specific legal rights, and you may have other rights which vary from state to state.*

(k) The provisions of this Limited Warranty shall survive the closing of the sale of a unit.

*NOTE: This limited warranty has been prepared to comply with the disclosure requirements of the Federal Magnuson-Moss Warranty -- Federal Trade Improvement Act (15 U.S.C.S. § 2301-2312, as amended). The sentences indicated by asterisks are required by regulations promulgated by the Federal Trade Commission (16 CFR § 700.1-703.8).

EXHIBIT P

**MAUI COUNTY LETTERS
RE SECOND FIRE EXIT IN CERTAIN CONDOMINIUM UNITS**

ALAN M. ARAKAWA
Mayor

MR. TON M. ARAKAWA, A.I.C.P.
Director

MICHAEL M. MIYAMOTO
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
AND ENVIRONMENTAL MANAGEMENT
DEVELOPMENT SERVICES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
November 8, 2006

RALPH M. NAGAMINE, L.S., P.E.
Development Services Administration

DAVID TAYLOR, P.E.
Wastewater Reclamation Division

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

TRACY TAKAMNE, P.E.
Solid Waste Division

RECEIVED

NOV 13 2006

WCIT ARCHITECTURE

Mr. Ben Ugale
WCIT Architecture
711 Kapiolani Boulevard, Suite 1290
Honolulu, Hawaii 96813

**SUBJECT : BUILDING PERMIT NO. B 2006/1639
FOR HONU KAI (PHASE 1)
LOCATED AT 130 KAI MALINA PARKWAY, LAHAINA, MAUI, HAWAII
TMK: (2) 4-4-014:006**

Dear Mr. Ugale:

This is to inform you that the above referenced building permit may have been approved and issued in error.

Maui County Code (MCC) Section 16.26.106.4.5 states, "the building official may, in writing, suspend or revoke a permit issued under the provisions of this code whenever the permit is issued in error or on the basis of incorrect information supplied, or in violation of any ordinance or regulation or any of the provisions of this code."

While reviewing the application and building plans for your Honua Kai Phase 2 project, it was determined that all apartment units with over 2,000 square feet of floor area will require a second exit. This requirement will be enforced for both phases of your project. MCC Section 16.26.1004.2.3.2 requires not less than two exits when required by Table 10-A.

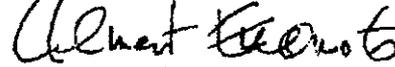
Therefore, we are suspending Building Permit 2006/1639 until this code requirement is addressed. The Permit will expire after the 180-day suspension pursuant to MCC Section 16.26.106.4.4.

Mr. Ben Ugale, WCIT Architecture
SUBJECT : BUILDING PERMIT NO. B 2006/1639
FOR HONUA KAI (PHASE 1)
LOCATED AT 130 KAI MALINA PARKWAY, LAHAINA, MAUI, HAWAII
TMK: (2) 4-4-014:006

November 8, 2006
Page 2 of 2

If you have any questions regarding this letter, please call me at (808)270-7236.

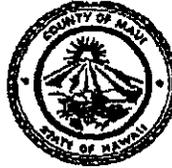
Sincerely,



Clement J. Enomoto
Supervising Building Plans Examiner

xc: Robert K. Iopa, WCIT Architecture
Anthony Plitt, Intrawest Resort Development Group
James, DuPonte, DSA
Michael Ramick, DSA

CHARMAINE TAVARES
Mayor



RALPH M. NAGAMINE, L.S., P.E.
Development Services Administration

MILTON M. ARAKAWA, A.I.C.P.
Director

DAVID TAYLOR, P.E.
Wastewater Reclamation Division

MICHAEL M. MIYAMOTO
Deputy Director

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

TRACY TAKAMINE, P.E.
Solid Waste Division

COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
AND ENVIRONMENTAL MANAGEMENT
DEVELOPMENT SERVICES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

April 9, 2007

Mr. Robert Iopa
WCIT Architecture
711 Kapiolani Boulevard, Suite 1290
Honolulu, Hawaii 96813

Subject: Building Permit # B2006/1639 for Honua Kai (Phase I)
located at 130 Kai Malina Parkway, Lahaina, Maui, Hawaii
TMK (2) 4-4-014: 006

Dear Mr. Iopa:

We are pleased to inform you that we have approved your revised plans dated March 23, 2007, for new units Type D2b-R, Type D2c-R, Type D2d-R and Type D4-R, Type D5-R, and Type E1-R for the subject Honua Kai (Phase I) project.

Our November 8, 2006, permit suspension is lifted and you may proceed with the construction work using the revised plans.

Thank you for diligently working on the resolution to our concerns. If you have any questions regarding this letter, please call Clement Enomoto at (808) 270-7236.

Sincerely,

Milton M. Arakawa, A.I.C.P.
Director of Public Works
and Environmental Management

RMN/CJE:sw

S:\D&A\Planexam\CJE\Letter\Correspondence\HonuaKai4-9-07.mn.cle.wpd

c: B. Martin Luna
Anthony Plitt

EXHIBIT Q

**MAUI COUNTY LETTER
RE PROHIBITION ON INTERCONNECTIVITY OF WATERLINES**

EXHIBIT Q

CHARMAINE TAVARES
Mayor



JEFFREY K. ENG
Director
ERIC H. YAMASHIGE, P.E., L.S.
Deputy Director

DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793-2156
www.mauewater.org

October 24, 2007

Mr. Steve Sewall
Intrawest Placemaking
3350 Lower Honoapiilani Road, Suite 105
Lahaina, Hawaii 96761

Dear Mr. Sewall:

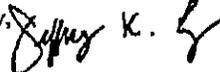
Subject: HONUA KAI CONDOMINIUMS/APARTMENTS - Phase II - NORTH ENCLAVE
Private Water System
TMK 4-4-14:6 Kaanapali, Honokowai, Lahaina, Hawaii

According to Intrawest Placemaking's October 8, 2007 letter to the department, the phase two North Enclave (309 apartment units) project will obtain water service from Hawaii Water Service Company (HWSCO). No connection to the department's water system will be needed for the project. The department does not have source capacity to serve the phase 2 project; therefore, the department has no objections to your connection to HWSCO. All fire protection, domestic, and irrigation demands of the project will be provided from HWSCO.

The project's phase one South Enclave (319 apartment units) which is under construction has been approved for water service from the department's water system. Water meters for the project are installed and ready for service. Since phase one and phase two will be served by different water purveyors, interconnection between the two water systems will not be allowed. Absolutely no water from the department's water system shall be used for the phase two project. If the department's water is found to serve phase two, the water meters for phase 1 will be removed and service terminated.

A few months earlier, Intrawest had made a proposal to the department to reduce the average daily demand on the department's water system by converting the phase one irrigation to R-1 reclaimed waste water effluent. The proposal would have the quantity of potable water replaced by R-1 water to be used by the phase two. The quantity of water to be transferred was not agreed upon between the department and Intrawest. Please be advised the department cannot commit that this proposal to 'transfer' water will be considered or approved in the future.

If you have any questions, please contact the department at 270-7835.

Sincerely, 

Jeffrey K. Eng
Director

JE/an/hc

cc: Anthony Plitt - Intrawest Placemaking
Scott English - Department of Fire Control

"By Water All Things Find Life"

The Department of Water Supply is an Equal Opportunity provider and employer. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, Room 328-W, Whitten Building, 14th and Independence Avenue, SW, Washington DC 20250-9410. Or call (202) 720-6984 (voice and TDD)