

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

CONDOMINIUM PROJECT NAME	WAIKO BASEYARD LOT 4 CONDOMINIUM
Address	325 Pakana Street, Wailuku, Maui, Hawaii 96793
Registration Number	6175
Effective Date of Report	<b>January 17, 2007</b>
Developer	Bennett J. Walin, Grant E. Howe, and Gregory L. Sheehan

**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 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.

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

### **SPECIAL ATTENTION**

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

The individual developers are affiliated (as owners and principals) with Commercial Properties of Maui, LLC, which will be acting as both the project broker and the initial managing agent of the Association of Unit Owners of the condominium (hereafter the "Association").

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

## TABLE OF CONTENTS

	<u>Page</u>
Preparation of this Report .....	1
General Information On Condominiums .....	2
Operation of the Condominium Project.....	2
1. THE CONDOMINIUM PROJECT .....	3
1.1 The Underlying Land.....	3
1.2 Buildings and Other Improvements.....	3
1.3 Unit Types and Sizes of Units .....	3
1.4 Parking Stalls .....	4
1.5 Boundaries of the Units.....	4
1.6 Permitted Alterations to the Units .....	4
1.7 Common Interest.....	4
1.8 Recreational and Other Common Facilities .....	4
1.9 Common Elements.....	5
1.10 Limited Common Elements.....	5
1.11 Special Use Restrictions .....	5
1.12 Encumbrances Against Title .....	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters .....	6
1.14 Other Zoning Compliance Matters .....	6
1.15 Conversions .....	7
1.16 Project In Agricultural District.....	8
1.17 Project with Assisted Living Facility .....	8
2. PERSONS CONNECTED WITH THE PROJECT .....	9
2.1 Developer.....	9
2.2 Real Estate Broker .....	9
2.3 Escrow Depository .....	9
2.4 General Contractor.....	9
2.5 Condominium Managing Agent.....	9
2.6 Attorney for Developer .....	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS .....	10
3.1 Declaration of Condominium Property Regime .....	10
3.2 Bylaws of the Association of Unit Owners .....	10
3.3 Condominium Map .....	10
3.4 House Rules.....	11
3.5 Changes to the Condominium Documents.....	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents.....	11
4. CONDOMINIUM MANAGEMENT .....	12
4.1 Management of the Common Elements .....	12
4.2 Estimate of the Initial Maintenance Fees .....	12
4.3 Utility Charges to be Included in the Maintenance Fee .....	12
4.4 Utilities to be Separately Billed to Unit Owner .....	12
5. SALES DOCUMENTS .....	13
5.1 Sales Documents Filed with the Real Estate Commission.....	13
5.2 Sales to Owner-Occupants .....	13
5.3 Blanket Liens.....	13
5.4 Construction Warranties .....	13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion .....	14

## TABLE OF CONTENTS

	<u>Page</u>
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance .....	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance .....	14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing .....	14
5.7 Rights Under the Sales Contract .....	16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract .....	16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract .....	16
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed .....	17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change ..	17
6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT .....	18
EXHIBIT A: Descriptions of Units, Unit Areas, Location and Numbering, Common Interests, Etc.	
EXHIBIT B: Encumbrances Against Title	
EXHIBIT C: Estimated Common Expenses and Reserves	
EXHIBIT D: Summary of Sales Contract	
EXHIBIT E: Summary of Escrow Agreement	

## **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	Not applicable	
Fee Owner's Address	1955 Main Street, Wailuku, Maui, Hawaii 96793	
Address of Project	325 Pakana Street, Wailuku, Maui, Hawaii 96793	
Address of Project is expected to change because	Not applicable	
Tax Map Key (TMK)	(2)3-5-27-4	
Tax Map Key is expected to change because	Specific lot designation will be provided by the County of Maui	
Land Area	14,073 square feet	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	Not applicable	

**1.2 Buildings and Other Improvements**

Number of Buildings	1
Floors Per Building	1
Number of New Building(s)	1
Number of Converted Building(s)	0
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Metal, masonry, glass and related materials

**1.3 Unit Types and Sizes of Units**

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

3	<b>Total Number of Units</b>
---	------------------------------

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

**1.4 Parking Stalls**

Total Parking Stalls in the Project:	12
Number of Guest Stalls in the Project:	1
Number of Parking Stalls Assigned to Each Unit:	Unit 1: 3; Unit 2: 3; Unit 3: 5
Attach Exhibit *___ specifying 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. Not applicable	
*Parking assignments: Unit 1: Numbers 1, 2, and 3; Unit 2: Numbers 4, 5 and 6; Unit 3: Numbers 8, 9, 10, 11 and 12. All spaces are uncovered and of standard size.	

**1.5 Boundaries of the Units**

Boundaries of the unit:  
Interior undecorated surfaces of perimeter walls, the interior half of all party walls, perimeter walls, the lower limit of concrete floor slab, the lower unfinished surfaces of roof, and all doors and windows in the perimeter walls. Interior structural elements of each building located within each unit are common elements.

**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):  
Units are sold as open bays. Owners may make interior alterations, provided that the building structure shall not be affected.

**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 A \_\_\_\_\_.  
As follows:

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

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): Parking, driveway area, common landscaping, and central trash area

**1.9 Common Elements**

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

Described in Exhibit A.

Described as follows:

Common Element	Number
Elevators	
Stairways	
Trash Chutes	

**1.10 Limited Common Elements**

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

Described in Exhibit A.

Described as follows:

**1.11 Special Use Restrictions**

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

<input type="checkbox"/>	Pets: See Section 10.7 of By-Laws.
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Hazardous materials, approvals of Association and Waiko Industrial Park Assn. to changes
<input type="checkbox"/>	There are no special use restrictions.

**1.12 Encumbrances Against Title**

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

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

Date of the title report: October 31, 2006

Company that issued the title report: Old Republic Title & Escrow of Hawaii

**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 type="checkbox"/>	Residential		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Industrial	3	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	M-1 Light Industrial
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Other(specify)		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code.			Not applicable		

**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"/>

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

**1.15 Conversions**

<p><b>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</b></p>	<p><input type="checkbox"/> Applicable  <input checked="" type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</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><b>Verified Statement from a County Official</b></p>
<p>Regarding any converted structures in the project, attached as Exhibit _____ 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"> <li>(i) Any variances or other permits that have been granted to achieve compliance;</li> <li>(ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and</li> <li>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;</li> </ul> <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><b>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii?</b>  <b>If answer is "Yes", provide information below.</b></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.</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><b>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS?</b>  <b>If answer is "Yes", complete information below.</b></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

<p><b>2.1 Developer</b></p>	<p>Name: Bennett J. Walin, Grant E. Howe, Gregory L. Sheehan  Address: 1955 Main St., Suite 400, Wailuku, Maui, HI 96793</p> <p>Business Phone Number: (808)244-2200  E-mail Address:</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	
<p><b>2.2 Real Estate Broker</b></p>	<p>Name: Commercial Properties of Maui, LLC  Address: 1955 Main St., Suite 400, Wailuku, Maui, HI 96793</p> <p>Business Phone Number: (808)244-2200  E-mail Address:</p>
<p><b>2.3 Escrow Depository</b></p>	<p>Name: Old Republic Title &amp; Escrow of Hawaii  Address: 33 Lono Ave., Suite 140, Kahului, Maui, HI 96732</p> <p>Business Phone Number: (808)871-2800</p>
<p><b>2.4 General Contractor</b></p>	<p>Name: Kela Corporation, dba Windward Construction  Address: 800-A Elua St., Unit 14-A, Kahului, Maui, HI 96732</p> <p>Business Phone Number: (808)893-0429</p>
<p><b>2.5 Condominium Managing Agent</b></p>	<p>Name: Commercial Properties of Maui Management, LLC  Address: 1962 B Wells Street, Wailuku, Maui, HI 96793</p> <p>Business Phone Number: (808)244-2200</p>
<p><b>2.6 Attorney for Developer</b></p>	<p>Name: Thomas D. Welch, Jr.  Address: Mancini, Welch &amp; Geiger LLP, 33 Lono Avenue, Suite 470, Kahului, Maui, Hawaii 96732</p> <p>Business Phone Number: (808)871-8351</p>

### 3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

#### 3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	October 23, 2006	2006-205099

#### Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

#### 3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	October 23, 2006	2006-205100

#### Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

#### 3.3 Condominium Map

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

Land Court Map Number	
Bureau of Conveyances Map Number	4333
Dates of Recordation of Amendments to the Condominium Map:	

**3.4 House Rules**

<p>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.</p>		
<p>The House Rules for this project:</p>		
Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	October 23, 2006
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

**3.5 Changes to the Condominium Documents**

<p>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.</p>		
Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

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

<input type="checkbox"/>	<p>No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).</p>
<input checked="" type="checkbox"/>	<p>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:</p> <p>Developer has reserved the right to amend the Declaration and Condominium Map in any manner prior to the recording of the first unit sale. After said recording, the Developer may amend the Declaration and Condominium Map to satisfy the requirements of law, lenders, insurers or others provided that the design, size, location or common interest of any unit shall not be materially changed without the consent of the owner thereof.</p>

## 4. CONDOMINIUM MANAGEMENT

### 4.1 Management of the Common Elements

<p><b>Management of the Common Elements:</b> 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 type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input checked="" type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

### 4.2 Estimate of the Initial Maintenance Fees

<p><b>Estimate of the Initial Maintenance Fees:</b> The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.</p>
<p>Exhibit <u>C</u> contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>

### 4.3 Utility Charges to be Included in the Maintenance Fee

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

### 4.4 Utilities to be Separately Billed to Unit Owner

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

## 5. SALES DOCUMENTS

### 5.1 Sales Documents Filed with the Real Estate Commission

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

### 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. Not applicable

<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</u> blanket liens affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket</u> liens 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
Mortgage and Financing Statement to Central Pacific Bank recorded as Docs. 2005-210246 & 2005-210247	Purchaser will lose the right to acquire the unit but escrow shall return all Purchaser's deposits.

### 5.4 Construction Warranties

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

Building and Other Improvements: General Contractor's Warranty: 1 year from date of substantial completion.
Appliances: There are no appliances being sold with the units.

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

Status of Construction:
Site work has begun. Estimated completion is July 31, 2007.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:
2 years from the effective date of the sales contract.
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:
Not applicable.

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

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):

<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

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

<p><b>Box A</b></p> <p><input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><b><u>Important Notice Regarding Your Deposits: 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.</u></b></p>
<p><b>Box B</b></p> <p><input type="checkbox"/></p>	<p>The Developer has <u>not</u> 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 <b><u>Important Notice Regarding Your Deposits</u></b> 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, <b><u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u></b> (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 <b><u>Important Notice Regarding Your Deposits</u></b> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

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

## 5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.	
1.	<b>Developer's Public Report</b>
2.	<b>Declaration of Condominium Property Regime (and any amendments)</b>
3.	<b>Bylaws of the Association of Unit Owners (and any amendments)</b>
4.	<b>Condominium Map (and any amendments)</b>
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:
Exhibit B lists several documents which encumber title. Purchasers are urged to consult with their attorneys with respect to these items.	

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: <a href="http://www.capitol.hawaii.gov">www.capitol.hawaii.gov</a>
Website to access rules: <a href="http://www.hawaii.gov/dcca/har">www.hawaii.gov/dcca/har</a>

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

<p>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:</p> <ol style="list-style-type: none"><li>(1) The purchaser has signed the sales contract.</li><li>(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.</li><li>(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.</li><li>(4) The purchaser does at least one of the following:<ol style="list-style-type: none"><li>(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</li></ol></li></ol>
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- (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 30<sup>th</sup> calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

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

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

## 6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

(a) Water. The condominium is served by a single water meter. Cost of water service to each unit shall be assessed to each unit by the Waiko Baseyard Lot 4 Condominium Association based upon actual use as measured by submeters, or upon some other allocation method which shall be reasonably determined by the Board of Directors to be fair and equitable.

(b) Sewer. The condominium shall be served by the County's public sewer system. Sewer fees shall be assessed with the water use charges discussed above.

(c) Waiko Industrial Park. Waiko Baseyard Lot 4 Condominium is a member of the Waiko Industrial Park Association, which is the association formed for the Waiko Industrial Park as a whole for the purpose of holding, maintaining, operating and managing all of the common areas and facilities of the land. These consist of roadways, drainage areas and other common facilities. IT IS RECOMMENDED THAT THE BUYER OF EACH CONDOMINIUM UNIT OBTAIN A COPY OF THE MOST RECENT PUBLIC OFFERING STATEMENT FOR THE SUBDIVISION. THE STATEMENT CONTAINS MANY IMPORTANT DESCRIPTIONS ABOUT THE SUBDIVISION AS A WHOLE, AS WELL AS THE OPERATIONS AND MANAGEMENT OF THE HOMEOWNERS ASSOCIATION, ITS BUDGETS AND RESERVES.

Each condominium owner will be a co-member of said Association along with all the other owners of condominiums in Waiko Baseyard Lot 4 Condominium. Each owner will pay its share of Association assessments as administered by the Association of this condominium acting on behalf of all unit owners, all as provided in Section 5A of the Declaration and as provided in the Declaration of Protective Covenants, Conditions and Restrictions for the Waiko Industrial Park, dated September 16, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-192415, as amended.

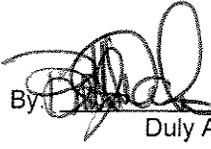
(d) Licensing Status. Pursuant to Sections 16-99-3(a) and 16-99-11(d), Hawaii Administrative Rules (HAR), each of the individuals comprising the Developer is a licensed real estate professional doing business in the State of Hawaii as part of Commercial Properties of Maui, LLC, the project broker. Pursuant to HAR Section 16-99-11(c), no licensee shall be allowed to advertise "for sale by Owner", "for rent by owner", "for lease by owner", or "for exchange by owner".

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 any pertinent or material change or both in any information contained in 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.

Bennett J. Walin, Grant E. Howe, Gregory L. Sheehan  
Printed Name of Developer

By:    Nov. 21, 2006  
Duly Authorized Signatory\* Date

Bennett J. Walin, Grant E. Howe, Gregory L. Sheehan  
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

WAIKO BASEYARD LOT 4 CONDOMINIUM

DESCRIPTION OF BUILDING:

The project contains a single building, containing three (3) commercial/industrial units. The building has no basement. The building is constructed primarily of concrete, masonry, metal, wood, glass and related materials.

DESCRIPTION OF UNITS:

The project contains three (3) commercial/industrial units. Each unit has immediate access to the driveway and parking areas of the project which in turn provides a driveway area providing egress and ingress to easements over Pakana Street, Mamane Place of Waiko Baseyard Subdivision, and Waiko Road, which in turn provide access to the public highway.

There are three (3) unit types, each unit being different from the other two. Unit numbers, areas, and common interests are as follows:

<u>Unit No.</u>	<u>Unit Area (sq. ft.)</u>	<u>Common Interest</u>
1	2,127 sq. ft.	33.8%
2	1,774 sq. ft.	28.2%
3	2,399.5 sq. ft.	38.0%

Each unit has a single open room or bay, and no interior partitions, drop ceilings or mezzanines. All interior improvements shall be the responsibility of each unit owner.

LOCATION AND NUMBERING OF UNITS:

The units are located adjacent to each other, and numbered consecutively from 1 to 3, running from east to west.

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS:

The common elements of the condominium are defined in the body of the Declaration. The common elements include all land, the building, and all other above-ground structures, the driveway and parking area, and elements of the condominium which are not included within any unit (subject to the special uses of and other provisions relating to the limited common elements as defined in the body of the Declaration), and within each building include all party and perimeter walls, all structural elements and all utilities serving more than one unit.

Certain parts of the common elements, referred to as the "limited common elements", are hereby designated and set aside for the exclusive use of certain units, and such units shall have appurtenant, exclusive easements for the use of such limited common elements. The limited common elements consist of the individual parking spaces which are shown on the condominium map.

PARKING:

The general driveway parking and loading areas are common areas and are subject to the reasonable regulation of the Association, through the Board of Directors. Parking spaces are assigned to the individual units as limited common elements as follows:

- Unit 1: Parking spaces numbered 1, 2, 3
- Unit 2: Parking spaces numbered 4, 5, 6
- Unit 3: Parking spaces numbered 8, 9, 10, 11, 12

Any designated parking space appurtenant to a unit may be exchanged with that of another by mutual written agreement between the respective unit owners filed with the official records of the Association; provided that each unit shall always have not less than two (2) parking spaces allocated and appurtenant to it. Any such exchange or transfer shall be set forth in an amendment to this Declaration which shall be signed only by the unit owners affected (and any mortgagee or other lien holder whose consent is required), and duly recorded in the Bureau of Conveyances of the State of Hawaii.

WATER AND SEWER:

All charges for water and sewer fees shall be allocated among and paid by all units based on a fair and equitable method of allocation reasonably determined by the Board of Directors of the Association from time to time, including, but not limited to, submeters to measure water use by individual units.

END OF EXHIBIT A

## EXHIBIT B

### ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes which may be due and owing. Reference is made to the Tax Assessor's Office, County of Maui.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. Agreement for Private Fire Protection System executed by and between Wailuku Agribusiness Co., Inc. and County of Maui, by its Department of Water Supply, on the terms, covenants and conditions contained therein, dated June 2, 1986, recorded in Liber 19563 on Page 104.

\*(This agreement applied to a previous time when the property was served only by a private water system. It is no longer applicable to this property since it is now served by the County of Maui water system.)

4. Agreement for Private Water System executed by and between Wailuku Agribusiness Co., Inc. and the Department of Water Supply of the County of Maui, on the terms, covenants and conditions contained therein, dated March 14, 1990, recorded as Document No. 90-069334.

Amendment thereof by instrument dated October 22, 1990, recorded as Document No. 90-164426.

\*(This agreement applied to a previous time when the property was served only by a private water system. It is no longer applicable to this property since it is now served by the County of Maui water system.)

5. Agreement for Private Fire Protection System executed by and between Wailuku Agribusiness Co., Inc. and Department of Water Supply of the County of Maui, on the terms, covenants and conditions contained therein, dated March 14, 1990, recorded as Document No. 90-069335.

\*(This agreement applied to a previous time when the property was served only by a private water system. It is no longer applicable to this property since it is now served by the County of Maui water system.)

6. Agreement Concerning the Development of a Well Field at Waikapu, Maui, Hawaii dated --- (acknowledged April 14, 1997), recorded as Document No. 97-064157, by and between Wailuku Agribusiness Co., Inc. and Board of Water Supply of the County of Maui.

\*(This agreement related to the use and development of the larger tract of which the Waiko Baseyard is a part. It does not affect the use or development of the land within this condominium.)

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in Unilateral Agreement and Declaration for Conditional Zoning dated April 6, 2000, recorded as Document No. 2000-049836, by and between Wailuku Agribusiness Co., Inc., a Hawaii corporation, and the County of Maui.

\*(This agreement designates the use and development of the land for commercial and light industrial purposes.)

8. Designation of Easement for telephone purpose as shown on map prepared by Warren S. Unemori, Land Surveyor, dated September 29, 2000, revised May 3, 2001 and May 25, 2001, as disclosed in Quitclaim Deed dated June 25, 2001, recorded as Document No. 2001-097110.

\*(This establishes an easement for telephone line and does not affect the use of the property for its intended purposes.)

9. Designation of Easement for electrical purpose as shown on map prepared by Warren S. Unemori, Land Surveyor, dated September 29, 2000, revised May 3, 2001 and May 25, 2001, as disclosed in Quitclaim Deed dated June 25, 2001, recorded as Document No. 2001-097110.

\*(This establishes an easement for electric utilities and does not affect the use of the property for its intended purposes.)

10. Agreement for Allocation of Future Subdivision Potential executed by and between Wailuku Agribusiness Co., Inc. and the County of Maui, by its Director of Public Works and Waste Management, on the terms, covenants and conditions contained therein, recorded as Document No. 2001-104989.

\*(This prohibits the further subdivision of the land into smaller parcels.)

11. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in Utility Easement granted to Maui Electric Company, Limited, a Hawaii corporation, and Verizon Hawaii Inc., a Hawaii corporation, for utility purposes, dated January 28, 2005, recorded as Document No. 2005-032463.

\*(This establishes an easement for electric and telephone utilities and does not affect the use of the property for its intended purposes.)

12. A portion of Landscaping Easement L-1 in favor of Waiko Baseyard Owners Association and being more particularly described in its entirety as follows:

Beginning at a point at the Southwesterly corner of this easement, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LUKE" being 10,143.05 feet South and 255.55 feet West and running by azimuths measured clockwise from true South:

1. 155° 30' 221.76 feet along the remainder of Grant 3152 to Henry Cornwell, being also along Lot G of Waikapu East (Large-Lot) Subdivision No. 3;
2. Thence along same on a curve to the right, having a radius of 1,759.86 feet, the chord azimuth and distance being: 164° 07' 527.33 feet;
3. 172° 44' 102.02 feet along same;
4. 253° 30' 10.13 feet along Lot 22 (Mamane Place) of Waiko Baseyard Subdivision (File Plan Pending);
5. 352° 44' 103.65 feet over and across a portion of Grant 3152 to Henry Cornwell, being also over and across a portion of Lot 6 of Waiko Baseyard Subdivision (File Plan Pending);

6. Thence over and across a portion of Grant 3152 to Henry Cornwell, being also over and across portions of Lots 6, 5, 4, 3, 2 and 1 of Waiko Baseyard Subdivision (File Plan Pending) on a curve to the left, having a radius of 1,749.86 feet, the chord azimuth and distance being: 344° 07; 524.34 feet;
7. 335° 30' 211.22 feet over and across a portion of Grant 3152 to Henry Cornwell, being also over and across Lot 1 of Waiko Baseyard Subdivision (File Plan Pending);
8. 19° 00' 14.53 feet along Lot 21 (Pakana Street) of Waiko Baseyard Subdivision (File Plan Pending) to the point of beginning and containing an area of 8,470 square feet, more or less.

\*(This runs along the front of the land and does not affect the use or value of any unit.)

13. Covenants, conditions and restrictions, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument entitled Declaration of Protective Covenants, Conditions and Restrictions for the Waiko Industrial Park executed by Waiko Baseyard, LLC, a Hawaii limited liability company, dated September 16, 2005, recorded as Document No. 2005-192415.

\*(This Declaration establishes the uses and restrictions for the Waiko Baseyard and establishes the association to manage the use and maintenance of the roads and common areas of the Waiko Industrial Park Subdivision.)

14. Water rights, claims or title to water, whether or not shown by the public records.

\*(This does not impact the project because it is served by the County of Maui municipal water system.)

15. Mortgage made by Bennett J. Walin, married, Grant E. Howe, married, and Gregory L. Sheehan, married, as Mortgagor, in favor of Central Pacific Bank, a Hawaii corporation, as Mortgagee, dated October 13, 2005, recorded as Document No. 2005-210246.

\*(Each purchaser's unit will be released from this encumbrance at closing.)

16. Financing Statement (UCC-1) made by Bennett J. Walin, Grant E. Howe, and Gregory L. Sheehan, as Debtor, in favor of Central Pacific Bank, as Secured Party, dated October 17, 2005, recorded as Document No. 2005-210247.

\*(Each purchaser's unit will be released from this encumbrance at closing.)

17. Condominium Map No. 4333, filed in the said Bureau of Conveyances.

18. Matters in an instrument that, among other things, contain or provide for easements, assessments, liens and their subordination; provisions relating to partition, restrictions on severability of component interest, covenants, conditions and restrictions, provision that no violation thereof and no enforcement of any lien provided for therein shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, entitled Declaration of Condominium Property Regime recorded as Document No. 2006-205099.

19. By-Laws of the Association of Apartment Owners of Waiko Baseyard Lot 4 Condominium recorded as Document No. 2006-205100.

20. Any unrecorded and subsisting leases.

\*(Seller will convey each unit to its purchaser free and clear of this item. This item will be deleted from each purchaser's title insurance policy at closing.)

21. Rights and claims of parties in possession.

\*(Seller will convey each unit to its purchaser free and clear of this item. This item will be deleted from each purchaser's title insurance policy at closing.)

22. Any claim of lien for services, labor or material arising from an improvement or work under construction or completed at the date hereof.

\*(Seller will convey each unit to its purchaser free and clear of this item. This item will be deleted from each purchaser's title insurance policy at closing.)

23. Any facts, rights, interests or claims which a correct survey would show.

\*(Seller will convey each unit to its purchaser free and clear of this item. This item will be deleted from each purchaser's title insurance policy at closing.)

END OF EXHIBIT B

\*Comments in parenthesis are not part of the encumbrances provided by the title insurance company. Such comments are explanations that are applicable to each noted provision as determined by the Developer's attorney.

WAIKO INDUSTRIAL  
OPERATING BUDGET  
Prepared on a Cash basis

	January	February	March	April	May	June	July	August	September	October	November	December	Total
INCOME:													
Common Expense Assessment	1,582.50	1,582.50	1,582.50	1,582.50	1,582.50	1,582.50	1,582.50	1,582.50	1,582.50	1,582.50	1,582.50	1,582.50	18,990.00
(6534 sf = psf cost \$ .242)													
Reserve	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	6,890.04
(6534sf - psf cost \$ .088)													
<b>TOTAL INCOME</b>	<b>2,156.67</b>	<b>25,880.04</b>											

EXHIBIT C

COMMON EXPENSES:	January	February	March	April	May	June	July	August	September	October	November	December	Total
Electrical Repairs & Maint.	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
Electricity	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
General Repairs & Maint	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Industrial Park Dues	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
Insurance D&O	450.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	450.00
Insurance (Prop/liab/Bond)	0.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,500.00
Landscaping & Cleanup	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Management Fees	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
Miscellaneous Expenses	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	370.00	0.00	0.00	0.00	0.00	370.00
Refuse Collection	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	1,920.00
Water & Sewage	75.00	0.00	75.00	0.00	75.00	0.00	75.00	0.00	75.00	0.00	75.00	0.00	450.00
Reserves	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	574.17	6,890.04
<b>TOTAL COMMON EXPENSES</b>	<b>2,659.17</b>	<b>1,634.17</b>	<b>1,709.17</b>	<b>6,134.17</b>	<b>1,709.17</b>	<b>1,634.17</b>	<b>1,709.17</b>	<b>2,004.17</b>	<b>1,709.17</b>	<b>1,634.17</b>	<b>1,709.17</b>	<b>1,634.17</b>	<b>25,880.04</b>

NET INCOME/LOSS	January	February	March	April	May	June	July	August	September	October	November	December	Total
	(502.50)	522.50	447.50	(3,977.50)	447.50	522.50	447.50	152.50	447.50	522.50	447.50	522.50	0.00

CAM - per month  
 Unit 1, 2039 sf x \$ .242 = \$493.44  
 Unit 2, 2021 sf x \$ .242 = \$489.08  
 Unit 3, 2475 sf x \$ .242 = \$598.95

RESERVE - per month  
 Unit 1, \$179.43  
 Unit 2, \$177.85  
 Unit 3, \$217.80

Page 2  
 Reserve Study - 20 Year  
 Cash Flow Basis  
 Year Built - 2007  
 Year 2006

MAJOR COMPONENT	ESTIMATE USEFUL LIFE	ESTIMATED REMAINING LIFE	ESTIMATED COST TO REPLACE	ORIGINAL																	
				END OF YEAR 11 2017	END OF YEAR 12 2018	END OF YEAR 13 2019	END OF YEAR 14 2020	END OF YEAR 15 2021	END OF YEAR 16 2022	END OF YEAR 17 2023	END OF YEAR 18 2024	END OF YEAR 19 2025	END OF YEAR 20 2026								
Roof	25	25	\$25,000.00																		
Exterior Stucco	50	50	\$70,000.00																		
Painting	10	10	\$7,000.00																		
Paving/Concrete	30	30	\$10,500.00																		
Landscaping	30	30	\$5,000.00																		
Electrical/Plumbing	30	30	\$15,000.00																		
<b>TOTAL COSTS</b>			\$132,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Component cost increase factor @ 4% per annum				1.423	1.480	1.539	1.601	1.665	1.731	1.801	1.873	1.947	2.025								
Estimated replacement costs in scheduled year (apply cost factor to total replacement costs)				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Current Reserve Balance				82,722.08	92,920.96	103,527.80	114,558.91	126,031.27	137,962.52	150,371.02	163,275.86	176,696.89	190,654.77								
Less Replacement Contributions				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								
New Balance				10,198.88	10,606.84	11,031.11	11,472.36	11,931.25	12,408.50	12,904.84	13,421.03	13,957.88	14,516.19								
				92,920.96	103,527.80	114,558.91	126,031.27	137,962.52	150,371.02	163,275.86	176,696.89	190,654.77	205,170.96								

We, the undersigned condominium developers for the Waiko Baseyard Lot 4 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.

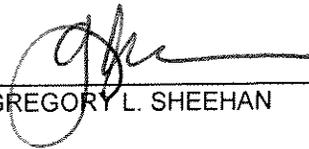
Unit buyers will be obligated to start paying common expense assessments upon closing their purchase of their units.

  
\_\_\_\_\_  
BENNETT J. WALIN

Date: November 21, 2006

  
\_\_\_\_\_  
GRANT E. HOWE

Date: November 21, 2006

  
\_\_\_\_\_  
GREGORY L. SHEEHAN

Date: November 21, 2006

END OF EXHIBIT C

## EXHIBIT D

### SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

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

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

(b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Deposit Receipt and Sales Contract.

(c) That the Developer makes no representations concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.

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

(e) Requirements relating to the purchaser's financing of the purchase of a unit.

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

(g) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.

(h) That the Project may be subject to ongoing sales activities which may result in certain annoyances to the purchaser.

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

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

END OF EXHIBIT D

## EXHIBIT E

### SUMMARY OF ESCROW AGREEMENT

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

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

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

END OF EXHIBIT E