DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	WAILEA BEACH RESORT & RESIDENCES
Project Address	3550 Wailea Alanui Drive Wailea, Hawaii 96753
Registration Number	6196
Effective Date of Report	**March 16, 2007**
Developer	Wailea Hotel & Beach Resort, L.L.C.

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, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

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

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

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

SPECIAL ATTENTION

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

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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	__X_ Fee ____ Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	__X_ Yes ____ No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	3550 Wailea Alanui Drive Wailea, Hawaii 96753
Address of Project is expected to change because	
Tax Map Key (TMK)	(2) 2-1-008:067
Tax Map Key is expected to change because	
Land Area	15.578 acres
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	13
Floors Per Building	2-4
Number of New Building(s)	13
Number of Converted Building(s)	0
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, steel, drywall, glass and natural stone

1.3 Unit Types and Sizes of Units

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

198	**Total Number of Units**

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:	442 *
Number of Guest Stalls in the Project:	See below
Number of Parking Stalls Assigned to Each Unit:	See below
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. See Exhibit "H"	

* All parking stalls within the Project shall be limited common elements to Commercial Unit 1 (the "Front Desk Unit"). The parking stalls shall be managed and maintained by the Owner of the Front Desk Unit. Buyers should review paragraph 4 of page 18 of this report for information about the use of parking stalls within the Project.

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit "B"

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 "C"

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):

	Swimming pool
	Laundry Area
	Storage Area
	Tennis Court
	Recreation Area
	Trash Chute/Enclosure(s)
	Exercise Room
	Security Gate
	Playground

X	Other (describe): It is anticipated the Project will contain certain facilities such as swimming pool and a fitness center; however, such areas will be limited common elements appurtenant to the Front Desk Unit that will be owned by the Developer, an affiliate of the Developer or an unrelated third party. Owners will have the ability to utilize the swimming pool, fitness center and other areas pursuant to a license agreement between the Developer, its affiliate or such third-party and the Association, and, in return, owners shall be required to pay a reasonable, equitable license fee for such usage. Additionally, there is anticipated to be a number of commercial operations within the Project including restaurants and a spa that will be available to Owners. Buyers should review paragraph 3 page 18 of this report for further information about the use of the recreational facilities of the Project.

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 "D"
Described as follows:

Common Element	Number
Elevators	22
Stairways	181
Trash Chutes	0

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 "E".
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.	
X	Pets: Pets are permitted as provided in the Resort Rules. Visually impaired persons, hearing impaired persons and physically impaired persons shall be allowed to use the services of a "guide dog," "signal dog," or "service animal" as such terms are defined in Chapter 515 of the Hawaii Revised Statutes.
	Number of Occupants:
X	Other: See Exhibit "F"; House Rules
	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 "G" describes the encumbrances against title contained in the title report described below.
Date of the title report: March 1, 2007
Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
X	Residential *	193	[X] Yes [ ] No	H-2 Hotel
X	Commercial	5	[X] Yes [ ] No	H-2 Hotel
	Mix Residential/Commercial		[ ] Yes [ ] No	
X	Hotel	193	[X] Yes [ ] No	H-2 Hotel
	Timeshare		[ ] Yes [ ] No	
	Ohana		[ ] Yes [ ] No	
	Industrial		[ ] Yes [ ] No	
	Agricultural		[ ] Yes [ ] No	
	Recreational		[ ] Yes [ ] No	
	Other (specify)		[ ] Yes [ ] No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			[X] Yes	[ ] No
Variances to zoning code have been granted.			[ ] Yes	[X] No
Describe any variances that have been granted to zoning code.				

* Units designated as "Residential Units" may be for long-term residential use or as transient vacation rentals (rentals for periods less than 180 days) due to the underlying hotel zoning.

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots

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.

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.

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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	_____ Applicable __X__ Not Applicable
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:	
Developer's statement of the expected useful life of each item reported above:	
List of any outstanding notices of uncured violations of any building code or other county regulations:	
Estimated cost of curing any violations described above:	

Verified Statement from a County Official
Regarding any converted structures in the project, attached as Exhibit _____ is a verified statement signed by an appropriate county official which states that either: (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: (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; or (B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.
Other disclosures and information:

1.16 Project In Agricultural District

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. ___**	_____ **Yes** ___X___ **No**
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? _____ Yes _____ No If the answer is "No", provide explanation.	
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? _____ Yes _____ No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer	Name: Wailea Hotel & Beach Resort, L.L.C.* Business Address: 1288 Ala Moana Boulevard, Suite 201 Honolulu, Hawaii 96814 Business Phone Number: (808) 524-1508 E-mail Address: ewong@kobayashi-group.com
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).	Wailea Beach Resort Holdings, L.L.C. Manager KG Wailea, LLC Member * Kathryn W. Inouye is the Development Manager of Wailea Hotel & Beach Resort, L.L.C.
2.2 Real Estate Broker	Name: The Wailea Group LLC Business Address: 3750 Wailea Alanui Drive, Suite 5EW Wailea, Hawaii 96753 Business Phone Number: (808) 875-6911 E-mail Address:
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, First Floor Honolulu, Hawaii 96813 Business Phone Number: (808) 521-0211
2.4 General Contractor	Name: TBA Business Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: Hawaiiana Management Company, Ltd. Business Address: 711 Kapiolani Boulevard, Suite 700 Honolulu, Hawaii 96813 Business Phone Number: (808) 593-9100
2.6 Attorney for Developer	Name: Imanaka Kudo & Fujimoto Business Address: 745 Fort Street, 17th Floor Honolulu, Hawaii 96813 Business Phone Number: (808) 521-9500

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
Land Court	June 23, 2006	3446757

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	November 9, 2006	3573894

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
Land Court	June 23, 2006	3446758

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	November 9, 2006	3573895

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	1830
Bureau of Conveyances Map Number	n/a
Dates of Recordation of Amendments to the Condominium Map: March 14, 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	X *
Have Been Adopted and Date of Adoption	
Developer does not plan to adopt House Rules	

* The Developer intends to adopt Resort Rules, which shall be rules and regulations governing the use of the Resort Amenities. Buyers should review paragraph 1 on page 18 of this report for further information about the Resort 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 Project Documents

[ ]	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
[X]	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 "H"

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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.

The Initial Condominium Managing Agent for this project is (check one):	
X	Not affiliated with the Developer
	None (self-managed by the Association)
	The Developer or an affiliate of the Developer
	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

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.
Exhibit "I" 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.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
X	Electricity for the common elements
X	Gas for the common elements
X	Water
X	Sewer
X	TV cable *
X	Other (specify) Internet service

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:	
X	Electricity for the Unit only
X	Gas for the Unit only
	Water
	Sewer
X	TV cable*
	Other (specify)

* Basic cable is included in the maintenance fees. Premium channels must be separately contracted for between the unit owner and the provider.

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:	
X	Specimen Sales Contract Exhibit "J" contains a summary of the pertinent provisions of the sales contract.
X	Escrow Agreement dated: May 19, 2006 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit "K" contains a summary of the pertinent provisions of the escrow agreement.
X	Other: Specimen Unit Deed Exhibit "L" contains a summary of the pertinent provisions of the unit deed.

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*

	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____.
	Developer has or will designate the units for sale to Owner-Occupants by publication.

* The Project is located in a county zoned or designated hotel or resort area and is therefore exempt from the requirements for owner-occupant sales pursuant to Section 16-107-28 of the Hawaii Administrative Rules.

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.	
[ ]	There are no blanket liens affecting title to the individual units.
[X]	There are blanket 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	Purchaser may lose the right to buy the unit, but will receive refund of his/her deposit.

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: The Developer does not make any warranties for the Project, but will pass on any warranties made to it by the general contractor (or any other contractor or subcontractor) for the Project to correct any work found to be defective during the applicable warranty period, to the extent such warranties are assignable.
Appliances: The Developer will pass on the manufacturer's warranties made to it, if any, on any appliances included as part of a unit being conveyed.

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

Status of Construction: The Developer estimates completion of the Project on or about October, 2009. The Developer cannot guarantee, however, when construction will start or when it will be completed. There are many factors that may impact this, including the number of sales of units in the Project, the timing of the closing of the construction loan, the condition of financial markets and other factors.
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: Developer shall complete construction of the unit covered by a sales contract so as to permit normal occupancy of the unit within ten (10) years from the date a purchaser signs a binding contract.
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

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

_____	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.

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):	
X	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
	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):

Box A _____	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. If Box A is checked, you should read and carefully consider the following notice, which is required by law: **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.**
Box B X	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. 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 **Important Notice Regarding Your Deposits** 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, **you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.** (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. You should understand that, although the **Important Notice Regarding Your Deposits** 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.

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

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.	
1.	**Developer's Public Report**
2.	**Declaration of Condominium Property Regime (and any amendments)**
3.	**Bylaws of the Association of Unit Owners (and any amendments)**
4.	**Condominium Map (and any amendments)**
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Wailea Community Association Amended and Restated Declaration of Covenants and Restrictions dated December 19, 1986, filed with the Office of the Registrar of the Land Court as Document No. 2479882, as amended; WHBR-Maluhia AOAO Settlement Agreement; Resort Rules (draft)

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 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, 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 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 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

1. Project Structure; Resort Manager. To ensure the continuing maintenance and operation of the Project pursuant to the First Class Standard, as such standard is defined in the Declaration, and to ensure compliance with the Resort License Agreement, if any, the owner of Commercial Unit 1 (the "Front Desk Unit") shall be responsible for the maintenance and operation of portions of the Project referred to as the "Resort Amenities," as such term is defined in the Declaration, which shall be limited common elements appurtenant to the Front Desk Unit. The Resort Amenities shall include areas typically classified as common elements in a condominium project, including, but not limited to, the grounds, landscaping, hallways, walkways, lobbies and building structure. The Front Desk Unit Owner may promulgate rules and regulations for the use of the Resort Amenities ("Resort Rules"). The Front Desk Unit owner shall be reimbursed for the cost of maintaining these areas through a license fee payable by the Association (the "License Fee"). The Front Desk Unit Owner may delegate its duties hereunder to a resort manager (the "Resort Manager").

The Front Desk Unit Owner shall have the right, in its sole discretion, to (a) select a resort manager to manage and/or operate the Front Desk Unit; (b) to change such resort manager from time to time; and (c) to change the name of the Project at any time, as may be required by the Resort License Agreement or otherwise. NEITHER THE DEVELOPER, THE FRONT DESK UNIT OWNER NOR ANY OF THEIR RESPECTIVE AGENTS OR REPRESENTATIVES HAVE MADE ANY REPRESENTATIONS, WARRANTIES, GUARANTEES OR OTHER CLAIMS OF ANY KIND REGARDING THE IDENTITY OF THE RESORT MANAGER FOR THE FRONT DESK UNIT OR IF A RESORT MANAGER WILL BE HIRED TO OPERATE AND MANAGE THE FRONT DESK UNIT. THE DEVELOPER AND THE FRONT DESK UNIT OWNER EXPRESSLY DISCLAIM ANY REPRESENTATIONS, WARRANTIES, GUARANTEES OR OTHER CLAIMS OF ANY KIND REGARDING THE SAME.

2. Fiscal Management; Managing Agent. Developer, acting as the Association, has retained Hawaiiana Management Company, Ltd. as the fiscal and administrative managing agent for the Project (the "Managing Agent"). The Managing Agent shall have the authority, subject to the provisions of the Declaration and Bylaws, to assume control and responsibility for the administration and management of the Project, at the expense of the Association. The Managing Agent shall undertake administrative functions, including, but not limited to, (i) the preparation of a proposed budget and schedule of assessments, (ii) the custody and control of all funds of the Association and the maintenance of the books and records with respect thereto, (iii) the preparation and filing of financial reports, and (iv) the filing of any other applications or reports that may be required by governmental and non-governmental entities.

3. Use of Recreational Facilities. The recreational facilities within the Project, including, without limitation, the swimming pool and the fitness center, are part of the Resort Amenities which are limited common elements appurtenant to the Front Desk Unit as discussed in paragraph 1, above. Unit owners will have the ability to utilize the recreational facilities and other portions of the Resort Amenities pursuant to a license between the Front Desk Unit Owner and the Association, and the Front Desk Unit Owner shall be reimbursed for the maintenance and operation of such areas through the License Fee.

Additionally, there is anticipated to be a number of commercial operations within the Project including restaurants and a spa. Unit owners may pay for the restaurant and spa services on a per use basis.

4. Parking Stalls. There are four hundred forty-two (442) parking stalls in the Project, all of which are limited common elements appurtenant to the Front Desk Unit. Residential Units shall not have an assigned parking stall, and shall not be guaranteed the use of a parking stall. The Front Desk Unit Owner will manage and maintain the parking stalls, and may establish rules and regulations for the use thereof. The costs allocated with managing and maintaining the parking stalls shall be charged to all Unit Owners as a portion of the License Fee.

There are two hundred thirty (230) covered standard stalls, nine (9) uncovered standard stalls, nine (9) covered tandem stalls and eleven (11) uncovered handicapped accessible stalls. There are also one hundred sixty-two (162) covered compact stalls and twenty-one (21) uncovered compact stalls.

5. Transient Use. The residential units in the Project may be used for long-term residential use, hotel or transient vacation rental purposes, or other uses permitted by law, the Declaration and the Bylaws, that are consistent with a resort destination operating pursuant to the First Class Standard; provided that, without the prior written consent of the Front Desk Unit Owner: (i) other than as may be provided in the Declaration, no commercial business activity, or home occupation involving visitation by members of the public on a regular basis shall be conducted from any residential unit; and (ii) notwithstanding anything contained within the Declaration or in law to the contrary, the units in the Project or any interest therein, shall not be the subject of or sold, transferred, conveyed, leased, occupied, rented or used at any time under a time share plan (as defined in Hawaii Revised Statutes, Chapter 514E, as amended) or similar arrangement or program whether covered by Chapter 514E or not, including, without limitation, any so-called "fractional ownership," "vacation license," "travel club membership," "club membership," "membership club," "destination club," "time-interval ownership," "interval exchange" (whether the exchange is based on direct exchange or occupancy rights, cash payments, reward programs or other point or accrual systems) or "interval ownership" as offered and established through a third-party vacation membership service provider who is in the business of providing and managing such programs.

6. Securities Laws and Regulations. Developer makes no representations: (i) regarding the possibility or probability of economic benefit from the purchase and ownership of a unit; (ii) to the effect that Developer will provide services relating to the rental of a unit; or (iii) as to the possible advantages of the ownership or rental of a unit under federal law or state tax laws. Developer makes no representation regarding either the economic benefits to be derived from the ownership, rental or tax treatment of any purchaser of a unit. The tax treatment and economic benefits may vary with individual circumstances, and Seller recommends that a purchaser consult with his or her own attorney, accountant or other tax counsel for advice regarding tax treatment.

7. Hospitality Services. The Front Desk Unit Owner shall offer certain hospitality services to all residential unit owners (the "Standard Hospitality Services") and certain optional hospitality services to owners selecting such services (the "A la Carte Services") (collectively, the "Hospitality Services"). The Front Desk Unit Owner, may alter the types and amounts of Hospitality Services provided at the Project, may offer additional Hospitality Services or decrease Hospitality Services, in its sole discretion. Each residential unit owner will be required to participate in the Standard Hospitality Services and the cost of Standard Hospitality Services will be an expense payable by all residential unit owners. Accordingly, the Front Desk Unit Owner's decision to offer more or less services will cause an adjustment to maintenance fees or other costs attributable to the residential units. The Owner of the Front Desk Unit shall also offer the A la Carte Services to owners requesting such additional services. The individual unit owner requesting such service or such owner's guest or occupant will pay for such A la Carte Services. The Front Desk Unit Owner may delegate its duties hereunder to the Resort Manager. The Hospitality Services are further discussed in the Declaration.

8. Real Property Tax Assessment. Developer shall be responsible for any real property taxes attributable to the property prior to closing. Any real property taxes paid in advance by Developer shall be prorated as a closing cost payable by purchaser pursuant to the sales contract for the purchase of a unit.

9. Master Declaration. In addition to the Amended and Restated Declaration of Condominium Property Regime of Wailea Beach Resort & Residences ("Project Declaration"), purchasers of units in the Project will be subject to that certain Wailea Community Association Amended and Restated Declaration of Covenants and Restrictions dated December 19, 1986 and filed with the Office of the Registrar of the Land Court as Document No. 2479882, as the same may be amended and/or supplemented from time to time ("Master Declaration"), and all rules and regulations promulgated under the Master Declaration. By acquiring an interest in the Project, each owner agrees to observe and comply with all covenants, conditions and other restrictions to which the Project is subject under the Master Declaration.

Unit owners shall automatically become members of the Wailea Community Association ("Wailea Association") and shall be subject to certain obligations, including, but not limited to, the obligation to pay assessments imposed by the Wailea Association, which will be separately assessed to each owner directly. Additionally, unit owners will be required to comply with certain use restrictions, including, but not limited to, the following restrictions further explained in Article V of the Master Declaration:

a. No noxious or offensive activities shall be carried on in the Project, nor shall anything be done or placed thereon which may be or become a nuisance, or cause embarrassment, disturbance or annoyance to other owners. Without limiting the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively to protect the security of the improvements, shall be placed or used without the approval of the Wailea Association's design committee.

b. No time share ownership plan or time share use plan, as defined in Hawaii Revised Statutes, Chapter 514E, shall be permitted to exist within any lot or with respect to the use, occupancy or ownership of any lot.

c. Outside clotheslines or other outside clothes washing, drying or airing facilities shall be screened or maintained in such a manner and in such location as not to be visible from neighboring properties or roads.

d. No owner shall store furniture, fixtures, appliances or other goods or materials in such a manner as to be visible from neighboring properties or roads, except for normal outdoor furniture and fixtures.

NOTE: THIS LIST OF USE AND DEVELOPMENT RESTRICTIONS IS NOT EXHAUSTIVE. PURCHASER SHOULD REVIEW THE MASTER DECLARATION IN ITS ENTIRETY FOR A COMPREHENSIVE EXPLANATION OF RESTRICTIONS AND LIMITATIONS ON PURCHASER'S USE RIGHTS. THE PURCHASER SHOULD ACCORDINGLY REQUEST A COPY OF THE MASTER DECLARATION FROM DEVELOPER.

10. Developer to Pay Actual Costs of Project. Developer hereby discloses that it may initially assume the actual common expenses of the Project, pursuant to Section 514B-41(b) of the Hawaii Revised Statutes, from the date upon which the certificates of occupancy are issued for units within the Project. Unit owners shall not be obligated for the payment of their share of the common expenses until such time as Developer sends to the owners written notice that, after a specified date, the unit owners shall be obligated to pay for the portion of the common expenses that are allocated to their respective units.

11. Resort License Agreement. Developer intends to enter into an agreement with a resort company ("Resort Licensor") for the purposes of branding the Project. Under the Resort License Agreement, Developer and the Association will be required to comply with certain conditions contained therein, including the responsibility to operate, manage and maintain the Project according to certain operating standards. Other than any benefit derived by owners from owning a unit within the Project that may bear the name of the Resort Licensor, there is no direct benefit to owners, nor should owners anticipate future benefits pursuant to the Resort License Agreement. The Resort License Agreement will be subject to modification and termination.

12. Special Management Area Permit. The Project is located within a Special Management Area under Hawaii Revised Statutes Chapter 205A, Part II, which generally requires that certain types of development may require application and issuance of a Special Management Area use permit. Pursuant to application by Developer, on July 11, 2006, the Planning Commission of the County of Maui issued Special Management Area use permit SM1 2005/0035 ("SMA Permit") and Shoreline Setback Variance ("Setback Variance") No. SSV 2005/0004, which permits construction of the Project. The SMA Permit and the Setback Variance establish certain conditions for the Project, and will be available upon request.

13. WHBR-Maluhia AOAO Settlement Agreement. Developer has entered into a settlement agreement with a neighboring property owner with respect to Developer's applications for a SMA permit, Shoreline Setback Variance and Planned Development approvals for the construction of the Project (the "Settlement Agreement"). Under the Settlement Agreement, the Association of Apartment Owners of Maluhia at Wailea will be allowed access to certain amenities of the Project, including the pool area. Additionally, the Settlement Agreement requires the maintenance of certain landscaping within the Project. Purchasers should review the terms of the Settlement Agreement.

14. Flood and Tsunami Hazards. According to the Flood Insurance Rate Map issued by the Federal Emergency Management Agency, the Project is located mainly in Zone C, an area of minimal flooding. A small makai portion is located in Zone A4, a special flood hazard area inundated by the 100-year flood with a base elevation of 7 feet. Additionally, the Project is located in a tsunami hazard zone. Purchasers should inquire with their lender to learn about potential additional insurance requirements.

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 Sections 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.

Wailea Hotel & Beach Resort, L.L.C.
Printed Name of Developer

By: _____ November 9, 2006
Duly Authorized Signatory* Date

Kathryn W. Inouye, Development Manager
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"

UNIT NUMBERS, UNIT TYPES, NUMBER OF BEDROOMS AND BATHROOMS, APPROXIMATE NET LIVING AREA, APPROXIMATE NET LANAI AREA, PERCENTAGE COMMON INTEREST

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
A200	2B	2/3	2,153	290	0.586511%
A201	2B	2/3	2,153	290	0.586511%
A202	2B	2/3	2,153	290	0.586511%
A203	3B1	3/3.5	2,946	290	0.802537%
A300	2B	2/3	2,153	290	0.586511%
A301	2B	2/3	2,153	290	0.586511%
A302	2B	2/3	2,153	290	0.586511%
A303	3B1	3/3.5	2,946	290	0.802537%
A400	2B	2/3	2,153	290	0.586511%
A401	2B	2/3	2,153	290	0.586511%
A402	2B	2/3	2,153	290	0.586511%
A403	3B1	3/3.5	2,946	290	0.802537%
B100	2C	2/2.5	2,255	289	0.614297%
B103	1E	1/2	1,342	364	0.365582%
B200	3B1	3/3.5	2,946	290	0.802537%
B201	2B	2/3	2,153	290	0.586511%
B202	2B	2/3	2,153	290	0.586511%
B203	2B	2/3	2,153	290	0.586511%
B300	3B1	3/3.5	2,946	290	0.802537%
B301	2B	2/3	2,153	290	0.586511%
B302	2B	2/3	2,153	290	0.586511%
B303	2B	2/3	2,153	290	0.586511%
B400	3B1	3/3.5	2,946	290	0.802537%
B401	2B	2/3	2,153	290	0.586511%
B402	2B	2/3	2,153	290	0.586511%
B403	2B	2/3	2,153	290	0.586511%
C100	1C	1/1	1,070	182	0.291485%
C101	1C	1/1	1,070	182	0.291485%
C102	1C	1/1	1,070	182	0.291485%
C103	1C	1/1	1,070	182	0.291485%
C108	1C	1/1	1,070	182	0.291485%
C109	1C	1/1	1,070	182	0.291485%
C110	1C	1/1	1,070	182	0.291485%
C111	1C	1/1	1,070	182	0.291485%
C112	1C	1/1	1,070	182	0.291485%
C113	1C	1/1	1,070	182	0.291485%
C200	1A	1/1	1,064	182	0.289850%
C201	1A1	1/1	1,056	182	0.287671%
C202	1A	1/1	1,064	182	0.289850%
C203	1A1	1/1	1,056	182	0.287671%
C204	1A	1/1	1,064	182	0.289850%

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
C205	1A	1/1	1,064	182	0.289850%
C206	1B	1/2	988	246	0.269147%
C207	1B	1/2	988	163	0.269147%
C208	1A	1/1	1,064	182	0.289850%
C209	1A	1/1	1,064	182	0.289850%
C210	1A1	1/1	1,056	182	0.287671%
C211	1A	1/1	1,064	182	0.289850%
C212	1A1	1/1	1,056	182	0.287671%
C213	1A	1/1	1,064	182	0.289850%
C300	1A	1/1	1,064	182	0.289850%
C301	1A1	1/1	1,056	182	0.287671%
C302	1A	1/1	1,064	182	0.289850%
C303	1A1	1/1	1,056	182	0.287671%
C304	1A	1/1	1,064	182	0.289850%
C305	1A	1/1	1,064	182	0.289850%
C306	1B	1/2	988	246	0.269147%
C307	1B	1/2	988	163	0.269147%
C308	1A	1/1	1,064	182	0.289850%
C309	1A	1/1	1,064	182	0.289850%
C310	1A1	1/1	1,056	182	0.287671%
C311	1A	1/1	1,064	182	0.289850%
C312	1A1	1/1	1,056	182	0.287671%
C313	1A	1/1	1,064	182	0.289850%
C401	3C	3/3	1,996	364	0.543742%
C403	3C	3/3	1,996	364	0.543742%
C404	1A	1/1	1,064	182	0.289850%
C405	1A	1/1	1,064	182	0.289850%
C406	1B	1/2	988	246	0.269147%
C407	1B	1/2	988	163	0.269147%
C408	1A	1/1	1,064	182	0.289850%
C409	1A	1/1	1,064	182	0.289850%
C410	3C	3/3	1,996	364	0.543742%
C412	3C	3/3	1,996	364	0.543742%
C506	1B	1/2	988	246	0.269147%
C507	1B	1/2	988	163	0.269147%
D100	4A	4/4.5	3,336	349	0.908779%
D101	2A	2/3	2,254	420	0.614025%
D200	4A	4/4.5	3,336	440	0.908779%
D201	2A	2/3	2,254	269	0.614025%
E100	2A	2/3	2,254	433	0.614025%
E101	3A	3/4	2,714	355	0.739336%
E102	3A	3/4	2,714	355	0.739336%
E103	3A	3/4	2,714	355	0.739336%
E200	2A	2/3	2,254	269	0.614025%
E201	3A	3/4	2,714	355	0.739336%
E202	3A	3/4	2,714	355	0.739336%

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
E203	3A	3/4	2,714	355	0.739336%
F200	1C	1/1	1,070	182	0.291485%
F201	1C	1/1	1,070	182	0.291485%
F202	1A	1/1	1,064	182	0.289850%
F300	1A	1/1	1,064	182	0.289850%
F301	1A	1/1	1,064	182	0.289850%
F302	1A	1/1	1,064	182	0.289850%
F400	1A	1/1	1,064	182	0.289850%
F401	1A	1/1	1,064	182	0.289850%
F402	1A	1/1	1,064	182	0.289850%
G100	3A	3/4	2,714	355	0.739336%
G101	3A	3/4	2,714	355	0.739336%
G102	3A	3/4	2,714	355	0.739336%
G103	2A	2/3	2,254	337	0.614025%
G200	3A	3/4	2,714	355	0.739336%
G201	3A	3/4	2,714	355	0.739336%
G202	3A	3/4	2,714	355	0.739336%
G203	2A	2/3	2,254	269	0.614025%
H100	2A	2/3	2,254	432	0.614025%
H101	4A	4/4.5	3,336	349	0.908779%
H200	2A	2/3	2,254	269	0.614025%
H201	4A	4/4.5	3,336	440	0.908779%
J201	1C	1/1	1,070	182	0.291485%
J202	1C	1/1	1,070	182	0.291485%
J203	1A	1/1	1,064	182	0.289850%
J300	1A	1/1	1,064	182	0.289850%
J301	1A	1/1	1,064	182	0.289850%
J302	1A	1/1	1,064	182	0.289850%
J303	1A	1/1	1,064	182	0.289850%
J400	1A	1/1	1,064	182	0.289850%
J401	1A	1/1	1,064	182	0.289850%
J402	1A	1/1	1,064	182	0.289850%
J403	1A	1/1	1,064	182	0.289850%
K100	1C	1/1	1,070	182	0.291485%
K101	1C	1/1	1,070	182	0.291485%
K102	1C	1/1	1,070	182	0.291485%
K103	1C	1/1	1,070	182	0.291485%
K104	1C	1/1	1,070	182	0.291485%
K105	1C	1/1	1,070	182	0.291485%
K106	1C	1/1	1,070	182	0.291485%
K108	1C	1/1	1,070	182	0.291485%
K109	1C	1/1	1,070	182	0.291485%
K110	1C	1/1	1,070	182	0.291485%
K200*	1A	1/1	1,064	182	0.289850%
K201*	1A	1/1	1,064	182	0.289850%
K202	1A	1/1	1,064	182	0.289850%

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
K203	1A1	1/1	1,056	182	0.287671%
K204	1A	1/1	1,064	182	0.289850%
K205	1A	1/1	1,064	182	0.289850%
K206	1A	1/1	1,064	182	0.289850%
K207	1A	1/1	1,064	182	0.289850%
K208	1A	1/1	1,064	182	0.289850%
K209	1A	1/1	1,064	182	0.289850%
K210	1A	1/1	1,064	182	0.289850%
K300	1A	1/1	1,064	182	0.289850%
K301*	1A1	1/1	1,056	182	0.287671%
K302	1A	1/1	1,064	182	0.289850%
K303	1A1	1/1	1,056	182	0.287671%
K304	1A	1/1	1,064	182	0.289850%
K305	1A	1/1	1,064	182	0.289850%
K306	1A	1/1	1,064	182	0.289850%
K307	1A	1/1	1,064	182	0.289850%
K308	1A	1/1	1,064	182	0.289850%
K309	1A	1/1	1,064	182	0.289850%
K310	1A	1/1	1,064	182	0.289850%
K401	3C	3/3	1,996	364	0.543742%
K403	3C	3/3	1,996	364	0.543742%
K407	1A	1/1	1,064	182	0.289850%
L200	3B1	3/3.5	2,946	290	0.802537%
L201	3B1	3/3.5	2,946	290	0.802537%
L300	3B1	3/3.5	2,946	290	0.802537%
L301	3B1	3/3.5	2,946	290	0.802537%
L400	3B1	3/3.5	2,946	290	0.802537%
L401	3B1	3/3.5	2,946	290	0.802537%
M200	3B1	3/3.5	2,946	290	0.802537%
M201	3B3	3/3.5	2,697	290	0.734705%
M202	3B2	3/3.5	2,735	372	0.745057%
M203	3B1	3/3.5	2,946	290	0.802537%
M300	3B1	3/3.5	2,946	290	0.802537%
M301	3B3	3/3.5	2,697	290	0.734705%
M302	3B2	3/3.5	2,735	372	0.745057%
M303	3B1	3/3.5	2,946	290	0.802537%
M400	3B1	3/3.5	2,946	290	0.802537%
M401	3B3	3/3.5	2,697	290	0.734705%
M402	3B2	3/3.5	2,735	372	0.745057%
M403	3B1	3/3.5	2,946	290	0.802537%
N200	3B1	3/3.5	2,946	290	0.802537%
N201	3B2	3/3.5	2,735	372	0.745057%
N202	3B3	3/3.5	2,697	290	0.734705%
N203*	3B1	3/3.5	2,946	290	0.802537%
N300	3B1	3/3.5	2,946	290	0.802537%
N301	3B2	3/3.5	2,735	372	0.745057%

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Approximate Net Lanai Area	Percentage Common Interest
N302	3B3	3/3.5	2,697	290	0.734705%
N303	3B1	3/3.5	2,946	290	0.802537%
N400	3B1	3/3.5	2,946	290	0.802537%
N401	3B2	3/3.5	2,735	372	0.745057%
N402	3B3	3/3.5	2,697	290	0.734705%
N403	3B1	3/3.5	2,946	290	0.802537%
Q100	1D	1/1	1,140	137	0.310554%
Q101	2D	2/2.5	2,052	208	0.558997%
Q200	3B1	3/3.5	2,946	290	0.802537%
Q201	3B1	3/3.5	2,946	290	0.802537%
Q300	3B1	3/3.5	2,946	290	0.802537%
Q301	3B1	3/3.5	2,946	290	0.802537%
Q400	3B1	3/3.5	2,946	290	0.802537%
Q401	3B1	3/3.5	2,946	290	0.802537%
CU1			1,796		0.489268%
CU2			3,341		0.910141%
CU3			7,960		2.168429%
CU4			3,105		0.845851%
CU5			3,665		0.998404%
Total			367,086	48,480	100.000000%

* These Units are fully accessible under the Americans with Disabilities Act, 42 U.S.C. §§ 12181 *et seq.*

1. **Location of Units**

a. Residential Units. One hundred ninety-three (193) Residential Units located within the Project and located in four (4) two-story buildings, two (2) three to four-story buildings and seven (7) four-story buildings. There are twelve (12) Residential Units located in Building A, fourteen (14) Residential Units located in Building B, fifty (50) Residential Units located in Building C, four (4) Residential Units located in Building D, eight (8) Residential Units located in Building E, nine (9) Residential Units located in Building F, eight (8) Residential Units located in Building G, four (4) Residential Units located in Building H, eleven (11) Residential Units located in Building J, thirty-five (35) Residential Units located in Building K, six (6) Residential Units located in Building L, twelve (12) Residential Units located in Building M, twelve (12) Residential Units located in Building N and eight (8) Residential Units located in Building Q.

b. Commercial Units. Five (5) Commercial Units located within the Project and identified on the Condominium Map as: "Commercial Unit 1" or "CU-1" or the "Front Desk Unit", located on level 3 of Building A.2 and depicted on the Condominium Map; "Commercial Unit 2" or "CU-2" or the "Lobby Bar", located on level 3 of Building A.2 and depicted on the Condominium Map; "Commercial Unit 3" or "CU-3" or the "Spa", located on level 3 of Building A.2 and depicted on the Condominium Map; "Commercial Unit 4" or "CU-4" or the "Specialty Restaurant", located on level 2 of Building A.2 and depicted on the Condominium Map; and "Commercial Unit 5" or "CU-5" or the "Pool Restaurant", on level 1 of Building F and depicted on the Condominium Map.

2. **Layout of Residential Units**. All Residential Units are single story units with an approximate net living area and approximate net lanai area as set forth in the Condominium Map. The Residential Units shall include the following:

a. Unit Type "1A". All type "1A" units include one (1) bedroom, one (1) bathroom, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map. Units C204, C205 and K207 shall include a plunge pool. Units C200, C202, C208, C209, C211, C213, C304, F300, F301, F302, J300, J301, J302, J303, K200, K202, K204, K205, K208, K209, K210 and K307 shall include an outdoor shower.

b. Unit Type "1A1". All type "1A1" units include one (1) bedroom, one (1) bathroom, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map.

c. Unit Type "1B". All type "1B" units include one (1) bedroom, two (2) bathrooms, a living room, a kitchen, a foyer and a storage room, all as depicted on the Condominium Map. Units C206 and C207 shall include a plunge pool.

d. Unit Type "1C". All type "1C" units include one (1) bedroom, one (1) bathroom, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map. Except Units F200 and F201, which shall not include plunge pool, the remaining type "1C" units shall include a plunge pool.

e. Unit Type "1D". Unit type "1D" includes one (1) bedroom, one (1) bathroom, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map.

f. Unit Type "1E". Unit type "IE" includes one (1) bedroom, two (2) bathrooms, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map.

g. Unit Type "2A". All type "2A" units include two (2) bedrooms, three (3) bathrooms, a living room, a kitchen, a foyer, an entertainment room and a laundry room, all as depicted on the Condominium Map. Units D101, E100, G103 and H100 include a plunge pool and extended lanai.

h. Unit Type "2B". All type "2B" units include two (2) bedrooms, three (3) bathrooms, a living room, a kitchen, a foyer and an entertainment room, all as depicted on the Condominium Map.

i. Unit Type "2C". Unit type "2C" includes two (2) bedrooms, two and one-half (2.5) bathrooms, a living room, a kitchen, a foyer, a den and a laundry room, all as depicted on the Condominium Map.

j. Unit Type "2D". Unit type "2D" includes two (2) bedrooms, two and one-half (2.5) bathrooms, a living room, a kitchen, a foyer, a study and a laundry room, all as depicted on the Condominium Map.

k. Unit Type "3A". All type "3A" units include three (3) bedrooms, four (4) bathrooms, a living room, a kitchen and an entertainment room, all as depicted on the Condominium Map. Units E101, E102, E103, G100, G101 and G102 include a plunge pool.

l. Unit Type "3B1". All type "3B1" units include three (3) bedrooms, three and one-half (3.5) bathrooms, a living room, a kitchen, an entertainment room, a laundry room and an office, all as depicted on the Condominium Map.

m. Unit Type "3B2". All type "3B2" units include three (3) bedrooms, three and one-half (3.5) bathrooms, a living room, a kitchen, an entertainment room, a laundry room and an office, all as depicted on the Condominium Map.

n. Unit Type "3B3". All type "3B3" units include three (3) bedrooms, three and one-half (3.5) bathrooms, a living room, a kitchen, an entertainment room, a laundry room and an office, all as depicted on the Condominium Map.

o. Unit Type "3C". All type "3C" units include three (3) bedrooms, three (3) bathrooms, a living room, a kitchen, a foyer and a laundry room, all as depicted on the Condominium Map.

p. Unit Type "4A". All type "4A" units include four (4) bedrooms, four and one-half (4.5) bathrooms, a living room, a dining room, a kitchen, a foyer, an entertainment room and a laundry room, all as depicted on the Condominium Map. Units D100 and H101 shall include a plunge pool and an outdoor shower.

3. **Layout of Commercial Units.**

a. Commercial Unit 1/CU1 (Front Desk). Commercial Unit 1 includes the arrival lobby, hotel services area, concierge services area and condominium services area, as depicted on the Condominium Map.

b. Commercial Unit 2/CU2 (Lobby Bar). Commercial Unit 2 includes the lobby bar, as depicted on the Condominium Map.

c. Commercial Unit 3/CU3 (Spa). Commercial Unit 3 includes the reception and retail area, men's and women's locker rooms, showers and lounge areas, as depicted on the Condominium Map.

d. Commercial Unit 4/CU4 (Specialty Restaurant). Commercial Unit 4 includes the covered dining area and bar, as depicted on the Condominium Map.

e. Commercial Unit 5/CU5 (Pool Restaurant). Commercial Unit 5 includes the covered dining area, bar and private dining area as depicted on the Condominium Map.

4. **Determination of Approximate Net Living Area.**

The approximate net living area of each Residential Unit in the Project was determined by measuring the area between the perimeter and party walls of each Residential Unit, and includes the area occupied by the non-load bearing and load-bearing walls located between said perimeter and party walls. The approximate net living area of each Commercial Unit was determined by measuring the area between the perimeter and party walls (if any) and/or the imaginary vertical planes (where there is no perimeter wall) of the respective Commercial Unit as depicted on the Condominium Map, and includes the area occupied by the non-load bearing and load-bearing walls located between said perimeter or party walls (if any) and/or the imaginary vertical plans (where there is no perimeter wall), as shown on the Condominium Map.

5. **Common Interest**

The common interest attributable to each unit was calculated by dividing the approximate net living area of each individual unit by the total net living area of all units within the Project. In order to permit the common interest for all units to equal exactly one hundred percent (100%), the common interest attributable to CU1 was increased by .000009%.

EXHIBIT "B"

BOUNDARIES OF EACH UNIT

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

Each Unit shall be deemed to include: (i) all of the walls and partitions that are not load-bearing within its perimeter or party walls (and/or, with respect to each Commercial Unit, the imaginary vertical planes where there is no perimeter wall), (ii) all pipes, shafts, ducts, flues, chutes, equipment, pumps, conduits, wires and other utility or service lines running through such Unit that are utilized for and serve only that Unit, (iii) the interior decorated or finished surfaces of all walls, floors and ceilings surrounding each Unit and the air space located therein, and (iv) all appliances, interior hardware, and fixtures installed therein, and replacements therefor.

Each Unit shall not be deemed to include: (a) the perimeter or party walls or the undecorated or unfinished interior surfaces thereof, (b) the floors and ceilings surrounding each Unit or the undecorated or unfinished interior surfaces thereof, (c) the perimeter doors, door frames, windows and window frames and all exterior hardware associated therewith, or the undecorated or unfinished interior surfaces thereof, (d) the interior load-bearing walls and columns, if any, or the undecorated or unfinished surfaces thereof, (e) any pipes, shafts, ducts, flues, chutes, equipment, pumps, conduits, wires or other utility or service lines that are utilized for or serve more than one Unit, (f) lanais, balconies and patios, (g) exterior surfaces, doors and door frames, including columns, floors, roofs, railings, fences, foundations and walls, or (f) any areas designated as Limited Common Elements.

EXHIBIT "C"

PERMITTED ALTERATIONS TO UNITS

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

A. **GENERAL PROVISIONS**. Subject to the reserved rights of Developer, the Front Desk Unit Owner and the Commercial Unit Owners, no Unit Owner shall do any work that may jeopardize the soundness and safety of the Project, reduce the value thereof, or impair any easement, as reasonably determined by the Board. Except as otherwise expressly provided in the Declaration, and subject to any approvals required under the Master Declaration, restoration or replacement of the Project or any portion thereof or construction of any additional improvement or structural alteration or addition to any improvement, different in any material respect from the Condominium Map, shall be undertaken by a Unit Owner only pursuant to an amendment of the Declaration in accordance with Article XII of the Declaration, duly executed pursuant to the provisions thereof, accompanied by the written consent of the holders of all mortgage liens affecting any of the Units involved, and in accordance with complete plans and specifications therefor first approved in writing by the Front Desk Unit Owner. Promptly upon completion of such restoration, replacement or construction, the Owner shall duly file such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a State of Hawaii registered architect or professional engineer.

B. **APPROVAL OF ADDITIONS OR ALTERATIONS TO RESIDENTIAL UNITS**. No Residential Unit Owner may make or allow any "nonmaterial additions and alterations," as such term is defined in Section 514B-140 of the Act, to his or her Unit or the Limited Common Elements appurtenant thereto, without the approval of the Board, upon consultation with the Front Desk Unit Owner. No Residential Unit Owner may make or allow any material addition or alteration without first obtaining the written consent of seventy-five percent (75%) of the Unit Owners, the consent of all Unit Owners whose Units or appurtenant Limited Common Elements are directly affected, and the approval of the Board and the Front Desk Unit Owner. The Board may only disapprove a proposed addition or alteration where the Board reasonably believes that the addition or alteration could jeopardize the soundness of the Project or impair any easement, or interfere with or deprive any nonconsenting Owner of the use and enjoyment of part of the Project.

C. **NONMATERIAL ADDITIONS OR ALTERATIONS TO RESIDENTIAL UNITS**. Notwithstanding the approval requirements set forth in Section B, above, a Residential Unit 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 Unit Owner, but with notice to the Board and the Front Desk Unit Owner, to make any of the following alterations within his or her Residential Unit, which alterations shall be deemed "nonmaterial additions and alterations" to the Residential Unit: to install, maintain, remove and rearrange partitions (including the party wall between two (2) Units owned by the same Owner) and other structures from time to time within such Unit or Limited Common Element, to finish, alter or substitute any plumbing, electrical or other fixture attached to the ceilings, floors and walls as shall be appropriate for the utilization of such Unit or Limited Common Element by such Owner, and to tile, re-carpet and do or cause to be done such work on the floors of ay Unit or Limited Common Element that does not increase the acoustical transfer from such Unit or Limited Common Element. Nothing contained in this paragraph shall authorize any work or alteration that would jeopardize the soundness or safety of any part of the Project, reduce the value thereof, materially adversely affect any other Unit or Limited Common Element, materially alter the uniform external appearance of the Project, materially increase the transfer of sounds, noise, air or smoke to other Units or Resort Amenities, materially affect or impair any easement or rights of any of the other Unit Owners, or materially interfere with or deprive any non-consenting Owner of the use or enjoyment of any part of the Resort Amenities. Moreover, the Front Desk Unit Owner or the Board may limit the dates and times that any alteration or improvement may be undertaken so as to provide the least inconvenience to other Unit Owners.

D. **UNIT OWNERS TO EXECUTE AMENDMENT DOCUMENTS IN CERTAIN CASES**. In the event that any change or alteration of a Residential Unit pursuant to and in compliance with these provisions shall alter the depiction of the particular Residential Unit on the Condominium Map or the description thereof in the Declaration, then the Owner of such Residential Unit shall amend the Declaration and/or the Condominium Map to set forth such approved change or alteration, which amendment(s) may be executed by the Owner of the affected

Unit or Units and by no other party, and shall become effective upon the filing thereof in the Office. The provisions of Article XII of the Declaration notwithstanding, 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 which are changed or altered (if the mortgagee requires such consent or joinder). Every Unit Owner and all holders of liens affecting any of the Units of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Unit, lien or other interest, consents to and agrees that he or she shall, if required by law or by any such Owner who shall have changed or altered a Unit as aforesaid, join in, consent to, execute, deliver and file all instruments and documents necessary or desirable to effect the amendment of the Declaration and/or the Condominium Map; and appoints such Owner and his or her assigns his or her attorney-in-fact with full power of substitution to execute, deliver and file such documents and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL RESTRICTIONS ON ALTERATIONS TO UNITS CONTAINED IN THE PROJECT DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE PROJECT DOCUMENTS, PURCHASER MUST REFER TO THE DECLARATION, BYLAWS AND HOUSE RULES TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PROJECT DOCUMENTS, THE PROJECT DOCUMENTS WILL CONTROL.

EXHIBIT "D"

COMMON ELEMENTS

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

One freehold estate is designated in all portions of the Project not otherwise defined as a "Unit," called the "Common Elements." Unless otherwise provided in the Declaration, the Common Elements shall include the Land in fee simple and any appurtenances thereto as described in Exhibit "A" to the Declaration and the Limited Common Elements described in Article II, Section D of the Declaration.

EXHIBIT "E"

LIMITED COMMON ELEMENTS

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

The Limited Common Elements are designated, set aside and reserved for the exclusive use of certain Units, and such Units shall have appurtenant thereto, exclusive easements for the use of such Limited Common Elements as set forth in the Declaration. Subject to Article IV, Section I of the Declaration that requires the Association to reimburse the Front Desk Unit Owner for costs and expenses associated with maintaining the Resort Amenities, the costs and expenses of every description pertaining to the Limited Common Elements, including, but not limited to, the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements, shall be charged to the Owner of the Unit to which the Limited Common Element shall be appurtenant, and if there is more than one (1) Unit to which the Limited Common Element shall be appurtenant, then in proportion to the Common Interest appurtenant to each of the respective Units. Unless otherwise provided in the Declaration, Limited Common Elements shall be managed and maintained by the Owner of the Unit to which the Limited Common Element shall be appurtenant; and Limited Common Elements that are appurtenant to more than one (1) Unit shall be managed and maintained by the Front Desk Unit Owner, on behalf of such Unit Owners. The Front Desk Unit Owner shall assess Unit Owners for all costs attributable to the Limited Common Elements appurtenant to said Owner's Unit that are operated and maintained by the Front Desk Unit Owner. In any event that a dispute shall arise between Unit Owners to which a particular Limited Common Element shall be appurtenant with respect to the management and/or maintenance thereof, unless otherwise provided herein or by contract, such dispute shall be resolved by the Front Desk Unit Owner, which shall be the sole arbiter with respect to such matters. The Limited Common Elements appurtenant to the Front Desk Unit shall be maintained by the Front Desk Unit Owner, and the cost and expenses pertaining thereto, including, but not limited to, the costs of maintenance, repair, replacement, improvement or additions, and reserves therefor, shall be payable by the Front Desk Unit Owner; provided that the Front Desk Unit Owner shall be entitled to be reimbursed for all or a portion of such costs associated with the Resort Amenities, plus any general excise or other tax assessed thereon, by the Association pursuant to Article IV, Section I of the Declaration.

1. **Residential Units.** Each Residential Unit shall have appurtenant thereto, as Limited Common Elements:

a. The lanai area adjacent to such Unit, from the decorated or finished surfaces of all walls, floors and ceilings of said lanais, as depicted on the Condominium Map, the approximate areas of which are identified in Exhibit "A" to this public report;

b. The outdoor shower, if any, adjacent to such Unit, as depicted on the Condominium Map;

c. The roof deck, if any, located on the roof above such Unit, as depicted on the Condominium Map. The roof deck shall be managed and maintained by the Front Desk Unit Owner and the costs and expenses of every description pertaining thereto shall be assessed to the Owner of the Unit to which the roof deck is appurtenant;

d. The stairway to the roof deck (if any) shall be a Limited Common Element to the Units requiring the use of the stairway to access the roof deck. The stairway to the roof deck shall be managed and maintained by the Front Desk Unit Owner and the costs and expenses of every description pertaining thereto shall be assessed among the Unit Owners utilizing the stairway access in proportion to the Common Interest appurtenant to such Units; and

e. The plunge pool, if any, adjacent to such Unit, as depicted on the Condominium Map. The plunge pool shall be managed and maintained by the Front Desk Unit Owner and the costs and expenses of every description pertaining thereto shall be assessed to the Owner of the Unit to which the plunge pool is appurtenant.

2. **Commercial Unit 1 (Front Desk Unit).** The Front Desk Unit shall have appurtenant thereto, as Limited Common Elements, all elements of the Project that are not Units, and that are not designated as Limited Common Elements appurtenant to Residential Units or other Commercial Units, including, but not limited to, the following:

a. **Resort Amenities.** The Front Desk Unit shall have appurtenant thereto the Resort Amenities, subject to an irrevocable, nonexclusive license granted to the Association in Article IV, Section I of the Declaration to use the Resort Amenities. The Resort Amenities shall be maintained by the Front Desk Unit Owner. The cost incurred for such maintenance shall be included as part of the License Fee, which is discussed further in the Declaration. The Resort Amenities shall include, but not be limited to, the following:

(i) All perimeter or party walls and the undecorated or unfinished interior surfaces thereof, any load-bearing walls and columns and the undecorated or unfinished interior surfaces thereof, and the floors and ceilings surrounding each Unit and the undecorated or unfinished interior surfaces thereof, all structural components such as foundations, concrete sidewalks and curbs, floor slabs, columns, girders, beams, supports, halls, corridors, elevators, elevator lobbies, exterior stairs and stairways, main walls and roofs, that are not a part of a Unit;

(ii) All perimeter doors, door frames, windows, window frames, and all exterior hardware associated therewith, and the undecorated or unfinished interior surfaces thereof; whether at the perimeter of a Building Structure or at the perimeter of a Unit that are not a part of a Unit;

(iii) All walls, floors and ceilings of any lanai area, from the undecorated or unfinished interior surface thereof;

(iv) All grounds and landscaping, and all trash enclosures within the Project;

(v) All driveways, access lanes, paved areas, ramps, hallways and walkways within the Project;

(vi) All parking areas shown on the Condominium Map, including, without limitation, the parking stalls located therein and the loading docks depicted on the Condominium Map;

(vii) The Recreational Facilities;

(viii) All cables, conduits, ducts, sewer lines, electrical equipment, wiring, pipes, catch basins and other central and appurtenant transmission facilities and installations over, under and across the Project that serve more than one (1) Unit for services such as power, light, water, gas, sewer, storm water, refuse, telecommunications, cable television and television signal distribution;

(ix) All unimproved areas, maintenance, mechanical, electrical, and storage areas and other similar areas, that are not part of a Unit, as depicted on the Condominium Map;

(x) All other apparatus and installations existing for common use, such as tanks, pumps, motors, fans, air-conditioning units, including fan coil equipment located within a Unit, compressors, ducts, shafts, vents, water heating and distribution equipment, fire suppression equipment, trash chutes, laundry chutes and other such installations and apparatus;

(xi) The entire telephone PBX system and all appurtenances thereto; and

(xii) All other parts of the Project necessary or convenient to its existence, maintenance and safety, and normally in common use, and other areas designated on the Condominium Map as Limited Common Elements appurtenant to the Front Desk Unit, except as noted below.

b. **Front Desk Unit Limited Common Elements**. In addition to the Resort Amenities, the Front Desk Unit shall have appurtenant thereto the following Limited Common Elements for its exclusive use which Limited Common Elements shall not be subject to the license granted to the Association under Article IV, Section I of the Declaration:

(i) The function lawn located adjacent to Building M, as depicted on the Condominium Map;

(ii) The ballroom located on level 1 of Building N, as depicted on the Condominium Map; and

(iii) The back-of-house and other areas intended for the exclusive use of the Front Desk Unit Owner.

3. **Commercial Unit 3 (Spa).** Commercial Unit 3 shall have appurtenant thereto the outdoor areas and treatment areas adjacent thereto, as depicted on the Condominium Map.

4. **Commercial Unit 4 (Specialty Restaurant)**. Commercial Unit 4 shall have appurtenant thereto the kitchen area and outdoor dining area adjacent thereto, as depicted on the Condominium Map.

5. **Commercial Unit 5 (Pool Restaurant)**. Commercial Unit 5 shall have appurtenant thereto the kitchen area and outdoor dining area adjacent thereto, as depicted on the Condominium Map.

EXHIBIT "F"

SPECIAL USE RESTRICTIONS

A. **RESIDENTIAL UNITS.**

1. **Use Generally; Restrictions.** The Residential Units shall be occupied and used only for the purposes that are consistent with, and appropriate to, a resort destination operating pursuant to the First Class Standard. Accordingly, the Units may be used for long-term residential use, hotel or transient vacation rental purposes, or other uses permitted by law, the Declaration, the Bylaws and House Rules, that are consistent with a resort destination operating pursuant to the First Class Standard; provided that, without the prior written consent of the Front Desk Unit Owner: (a) other than as may be provided in the Declaration, no commercial business activity, or home occupation involving visitation by members of the public on a regular basis shall be conducted from any Residential Unit; and (b) notwithstanding anything contained herein or in law to the contrary, the Residential Units or any interest therein, shall not be the subject of or sold, transferred, conveyed, leased, occupied, rented or used at any time under a time share plan (as defined in Hawaii Revised Statutes, Chapter 514E, as amended) or similar arrangement or program whether covered by Chapter 514E or not, including, but not limited to, any so-called "fractional ownership," "vacation license," "travel club membership," "club membership," "membership club," "destination club, "time-interval ownership," "interval exchange" (whether the exchange is based on direct exchange or occupancy rights, cash payments, reward programs or other point or accrual systems) or "interval ownership" as offered and established through a third-party vacation membership service provider who is in the business of providing and managing such programs.

The restrictions set forth in subsection (b) above shall be read broadly, and, among other things, shall encompass any type of plan, the nature of which causes Residential Units to be utilized by persons who have either joined a plan or program as a member or whose use is derivative of someone who has joined a plan or program as a member. Determination by the Association that a violation of this provision exists shall be binding on the violating Owner, and the Board may promulgate and effectuate additional rules, regulations, procedures and processes for enforcement of this provision, including but not limited to any surcharge or other charge or assessment that the Board shall solely determine. This Section shall not be terminated or amended without the prior written consent of Developer.

2. **Sales and Marketing.** Except for Residential Units owned by Developer and used for sales and marketing purposes in accordance with Article IV, Section F of the Declaration, no "open houses" or similar activity promoting the sale of a Residential Unit shall be permitted at the Project.

3. **Sales and Marketing Materials.** All sales and marketing materials provided to an Owner in connection with the Unit or the Project that are otherwise the property of Developer, including, but not limited to, any imagery, logos, artistic renderings, weblinks, layout depictions, video clips, and other similar marketing materials, may not be used by an Owner or any rental agent in the promotion of any Unit in the Project in any fashion whatsoever without the prior written approval of Developer, which approval may be withheld by Developer in its sole discretion. Any use of such material in any way by Owner or any rental agent without such permission will entitle Developer or the Front Desk Unit Owner to immediately enjoin such use and to pursue any and all remedies against the Owner and/or rental agent that Developer or the Front Desk Unit Owner may have, independently of the obligations set forth in the Declaration. The Owner and/or rental agent will be fully responsible to pay for all costs incurred by Developer or the Front Desk Unit Owner in enforcing its proprietary rights in and to such material, including, but not limited to, any and all attorneys' fees and costs.

4. **Leases and Rentals.** It is intended that the Residential Units may be leased or used for transient and/or hotel rentals. As such, Owners of Residential Units shall have the absolute right, without obtaining the consent or joinder of any other Owners, to lease or rent their Units or portions thereof, subject to the provisions of the Act, the Declaration and the Bylaws. All leases and rentals of Units or portions thereof shall be made in accordance with any applicable zoning ordinances and other applicable laws, including, but not limited to, the Residential Landlord Tenant Code, Chapter 521 of the Hawaii Revised Statutes, unless otherwise exempted therefrom.

Notwithstanding the foregoing, to ensure the continuing operation of the Project as a resort destination operating pursuant to the First Class Standard, and to maintain the consistency of services offered at the Project, Owners may only rent their Residential Units on their own or through a rental agent authorized by the Board. Any person or entity desiring to become an authorized rental agent shall make an application to the Board for approval and demonstrate compliance with the following criteria, and any additional criteria that may from time to time be established by the Board:

a. Rental agent has at least five (5) years experience renting or managing transient occupancy units;

b. Rental agent is registered to do business in the State of Hawaii, is in good standing and has current permits, licenses and registrations required by law for it to perform necessary rental functions, and is a resident of the County;

c. Rental agent agrees to comply with applicable Hawaii law pertaining to client trust accounts and commingling of funds with other operating accounts in the Project;

d. Rental agent agrees to be responsible for all filings and for paying all applicable Hawaii State taxes generated from its rental operations at the Project, including, but not limited to, any general excise taxes or transient accommodations taxes, as may be applicable; and

e. Rental agent agrees to obtain, at such rental agent's expense, a policy of liability insurance with a limit of not less than Two Million and No/100 Dollars ($2,000,000.00) per occurrence, naming the Front Desk Unit Owner, the Resort Manager, the Association and the Board as additional insureds, to the extent reasonably practicable, and shall provide the Front Desk Unit Owner, the Resort Manager and the Board with a certificate of insurance confirming that such insurance is being maintained.

B. **COMMERCIAL UNITS**. The Commercial Units and the Resort Amenities may be used for any commercial purpose permitted by zoning and other applicable laws, the Declaration, the Bylaws and the Master Declaration, including, but not limited to, restaurants, health clubs, administrative offices, concierge services, storage, sales and marketing offices, and activity desks or offices; provided that such use is consistent with the First Class Standard. The Commercial Unit Owners may enter into such agreements as they deem appropriate to utilize the Commercial Units. Any income from the Commercial Units, the Limited Common Elements appurtenant to the Commercial Units, including the Resort Amenities, shall belong solely to the Commercial Unit Owner to which such income derived. This Section shall not be terminated or amended without the prior written consent of the Commercial Unit Owner thereby affected, to the extent permitted by applicable law.

C. **SEPARATE MORTGAGES**. Each Owner shall have the right to mortgage or to otherwise encumber all, but not less than all, of such Owner's Unit. Any mortgage shall be subordinate to all of the provisions of the Project Documents and, in the event of foreclosure, the provisions of the Project Documents shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise. Notwithstanding any other provision of the Project Documents, no breach of the provisions herein contained, nor the enforcement of any lien created pursuant to the provisions hereof, shall impair, defeat or render invalid the priority of the lien of any mortgage encumbering a Unit or encumbering Developer's interest in the Project.

D. **PROHIBITION ON ACTIVITIES THAT MAY JEOPARDIZE THE PROJECT**. No Unit Owner shall do or suffer or permit anything to be done or kept on or in any Unit or appurtenant Limited Common Element or elsewhere on the Project that will: (1) injure the reputation of the Project; (2) jeopardize the safety or soundness of the Project; (3) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants; (4) reduce the value of the Project; (5) result in the cancellation of insurance applicable to the Project or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws; (6) increase the rate of insurance applicable to the Units or the contents thereof, or to the Project; (7) violate any applicable law, ordinance, statute, rule or regulation of any local, county, state or federal government or agency thereof; or (8) cause the violation of any license agreement(s) entered into for the benefit of the Project, including, but not limited to, the Resort License Agreement.

E. **CHANGES TO BUILDING STRUCTURES AND UNITS**. The Front Desk Unit Owner shall have the right to change the exterior appearance of any Building Structure, which Building Structure shall be a portion of the Resort Amenities. No change shall be made which shall result in an appearance that is inconsistent with a resort destination operating pursuant to the First Class Standard. Except for the Front Desk Unit Owner, which shall have the right to change the appearance of such Unit and the Resort Amenities without consent, no Unit Owner shall in any way, form or manner enclose, affix any improvement thereon, or extend any lanai attached to a Unit. In addition, no Unit Owner shall, without the prior written consent of the Front Desk Unit Owner, and without first obtaining any requisite governmental permits or approvals, change or cause a change to the exterior appearance of a Unit or Limited Common Element in any manner.

F. **OWNERS TO MAINTAIN UNITS AND LIMITED COMMON ELEMENTS IN GOOD ORDER**. The Owner of a Unit shall keep the interior of his or her Unit and all appliances, plumbing, electrical and other fixtures and appurtenances constituting a part of the Unit and the Limited Common Elements appurtenant thereto in good order and repair in accordance with the First Class Standard, and shall be responsible for any damage or loss caused by his or her failure to do so. Decisions on repairs or modifications to the Limited Common Elements shall be made by the Owners of Units to which such Limited Common Elements are appurtenant, subject to the provisions of Section E, above, and subject to any additional provisions stated in the Bylaws; provided that the Front Desk Unit Owner shall be responsible for the management and maintenance of certain Limited Common Elements appurtenant to the Residential Units, as more particularly described in the Declaration. Unit Owners shall be responsible for any damage or loss caused by such Owner's tenants, guests, or invitees to any of the Common Elements and Limited Common Elements.

G. **USE OF LIMITED COMMON ELEMENTS**. Subject to the reserved rights of Developer herein and reserved to the declarant in the Master Declaration, Unit Owners shall have the right to use the Limited Common Elements appurtenant to their Units for any purpose permitted by zoning and other applicable laws, the Declaration, the Master Declaration, the Resort Rules and the House Rules. Notwithstanding anything provided to the contrary, or from which a contrary intent may be inferred, neither the Board nor the Association shall have any right to change the use of or lease or otherwise use any Limited Common Element without the prior written consent of all Units to which such Limited Common Element is appurtenant. The Owners of at least seventy-five percent (75%) of the Common Interests that are appurtenant to Units to which any particular Limited Common Element shall be appurtenant shall have the right to change the use of a particular Limited Common Element.

H. **SEVERANCE OF COMMON ELEMENTS FROM UNIT**. No Owner shall be entitled to sever his or her Unit, or any portion thereof, from his or her undivided interest in the Common Elements, in any easement interests appurtenant thereto or licenses granted under the Declaration. Neither may such component interests be severally sold, conveyed, leased, encumbered, hypothecated or otherwise dealt with, and any such attempt to do so in violation of this provision shall be void and of no effect. Developer and its successors, assigns and grantees and each Owner each covenant and agree that the Units and the corresponding undivided interest in the Common Elements and the easements, licenses and other interests appurtenant thereto, shall not be separated or separately conveyed, and (1) each such undivided interest in the Common Elements and any easements appurtenant to a Unit shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to title to the Unit, and (2) each such Unit shall be deemed to be conveyed or encumbered with its respective undivided interest in the Common Elements and in any easements, licenses or other interests appurtenant thereto even though the description in the instrument of conveyance or encumbrance may refer only to the title to the respective undivided interest.

I. **SEPARATION, COMBINATION OF UNITS; TRANSFER OF INTEREST**. No Owner may partition or separate a Unit or the legal rights comprising ownership of a Unit from any other part thereof, nor shall an Owner combine a Unit with another or any portion of another Unit. No Owner shall sell, assign, convey, transfer, gift, devise, bequeath, hypothecate or encumber anything other than a single, complete Unit; provided, however, that nothing herein contained shall (1) limit the right of Developer and its successors and assign to sell Units as contemplated herein, or (2) restrict the manner in which title to Unit may lawfully be held under Hawaii law (e.g., joint tenants, tenants in common, or the like). Except as provided in clause (1) above, every sale, assignment, conveyance, transfer, gift, devise, bequest, hypothecation, encumbrance or other disposition of a Unit or any part thereof shall be presumed to be a disposition of the entire Unit, together with all appurtenant rights and interests created by law or by the Declaration or any other Project Document. The transfer of any Unit shall operate to the

new Owner of the Unit the interest of the prior Owner in all funds held by the Association even though not expressly mentioned or described in the instrument of transfer, and without any further instrument or transfer.

Notwithstanding the foregoing, for as long as Developer owns a Unit, Developer shall have the right to (1) relocate the boundaries of and between two adjoining Units, (2) physically combine a part of or combination of parts of the space of one Unit with a part of or combination of parts of the space within one or more adjoining Units, or (3) subdivide a Unit or part of a Unit to create additional Units (in each case, provided that the affected Units are owned by Developer or the Owners of the affected Units otherwise consent). Before exercising its rights herein, Developer must obtain all necessary approvals from any governmental authority having jurisdiction over the Units. The cost and expense incurred for legal, architectural and/or engineering fees and all other costs and expenses incurred by the Association in connection with Developer's exercise of rights under this Section shall be borne by Developer. Developer shall be permitted to execute and record any amendment to the Declaration or Condominium Map, or both, effectuating the relocation of boundaries of, combination or subdivision, or redesignation of Units. If Developer requires, whether for title purposes, governmental approvals or otherwise, the Board shall ratify the action in connection with effectuating such relocation of boundaries, combination or subdivision, or redesignation of Units, and take such necessary actions in connection therewith if the requirements in this Section have been satisfied. The rights reserved to Developer under this Section shall not apply to a Unit after Developer first conveys such Unit to an unaffiliated third-party purchaser.

J. **ADA COMPLIANCE**. To the extent required, the Project will be constructed in compliance with Americans With Disabilities Act (42 U.S.C. §§ 12101 et seq.) and, in accordance therewith, certain Residential Units designated as "**ADA Accessible Units**," as more specifically identified in Exhibit "A" to this public report will be designed and constructed to be accessible to disabled persons. All Residential Units that are designated as ADA Accessible Units, as well as all improvements therein, must at all times be in compliance with the Americans With Disabilities Act as well as all other laws, ordinances, building codes, rules, regulations, orders and directives of any governmental authority having jurisdiction now or in the future applicable to such ADA Accessible Units (collectively, "**Applicable Laws**"). Each Owner of an ADA Accessible Unit shall not modify such Unit without the prior written approval of the Front Desk Unit Owner and the Board, and shall be responsible, at such Owner's sole cost and expense, and shall take all actions required, to cause such ADA Accessible Unit to be in compliance in all respects with all Applicable Laws.

K. **NUISANCES**. No nuisances (as defined by the Front Desk Unit Owner or the Association, as applicable) shall be allowed on the Resort Amenities, nor shall any use or practice be allowed which is a source of annoyance to the occupants of Units or which interferes with the peaceful possession or proper use of the Resort Amenities by its residents or occupants. No activities or business conducted from the Front Desk Unit by or on behalf of the Front Desk Unit Owner shall be deemed a nuisance. Noises and uses which are typically encountered in a hotel setting, including, but not limited to (1) transient noise and guest or pedestrian traffic from passage through hallways; (2) transient noise from other Units; (3) opening and closing of doors; (4) cleaning and/or provision of other related services; and (5) special events taking place on the Resort Amenities such as luaus and other gatherings shall not be deemed a nuisance, as such noises and/or uses are deemed to be common and accepted occurrences in a hotel setting. Normal construction activities shall not be considered to violate the terms and conditions of this Section. By accepting a deed to a Unit, a Unit Owner acknowledges that the Project is adjacent to hotels and retail/entertainment facilities and that noise, lights and odors common to such activities and related commercial activities as well as construction activities, may exist on or near the Project, at any time and from time to time.

L. **WEIGHT AND SOUND RESTRICTION**. Hard and/or heavy surface floor coverings, including, but not limited to, tile, marble, wood or the like, may not be installed in any part of a Unit without the consent of the Front Desk Unit Owner. Furthermore, the Unit Owner must ensure that a sound control underlayment system is used, which system must be approved by the Front Desk Unit Owner. The installation of the foregoing insulation materials shall be performed in a manner that provides proper mechanical isolation of the flooring materials from any rigid part of the Building Structure, whether of the concrete subfloor (vertical transmission) or adjacent walls and fittings (horizontal transmission) and must be installed prior to the Unit being occupied. Also, the installation of any improvement or heavy object must be submitted to and approved by the Front Desk Unit Owner, and be compatible with the overall structural design of the Building Structure. The Front Desk Unit Owner may require a structural engineer to review certain of the proposed improvements, with such review to be at the

Owner's sole expense. Owners will be held strictly liable for violations of these restrictions and for all damages resulting therefrom and the Front Desk Unit Owner has the right to require immediate removal of the violations. Each Owner, by acceptance of a deed or other conveyance of his or her Unit, hereby acknowledges and agrees that sound transmission is very difficult to control, and that noises from adjoining or nearby Units and or mechanical equipment can often be heard from another Unit. Developer does not make any representation or warranty as to the level of sound transmission between and among Units and the portions of the Project, and each Unit Owner hereby waives and expressly releases any such warranty and claim for loss or damage resulting from such sound transmission.

M. **SIGNS**. Except as provided to Developer and the Front Desk Unit Owner under the Declaration, no sign, poster, billboard, advertising device or other display of any kind shall be displayed without the prior written approval of the Front Desk Unit Owner.

N. **ANTENNAS, SATELLITE DISHES**. To the extent permitted by applicable law, no Owner may install any antenna, satellite dish or other transmitting or receiving apparatus in or upon his or her Unit (and/or areas appurtenant thereto), without the prior written consent of the Front Desk Unit Owner.

O. **UNSIGHTLY ARTICLES**. No unsightly articles shall be permitted to remain upon or within any Unit, the Resort Amenities, or any Limited Common Element so as to be visible from ay other portion of the Project.

P. **SPECIAL MANAGEMENT AREA PERMIT REQUIREMENTS**. The use of the Resort Amenities will be subject to any conditions imposed by the Special Management Area Permit covering the Project. Each Owner's ownership, use and occupancy is subject to, limited by and must conform and comply with Chapter 205A of the Hawaii Revised Statutes, as amended, and the terms, conditions, obligations and other provisions set forth in the Special Management Area Permit. Each Owner is further deemed to acknowledge that the Resort Amenities of the Project are subject to a shoreline setback imposed and regulated by Section 205A-41 of the Hawaii Revised Statutes, as amended, which prohibits certain structures and activities within the shoreline area.

Q. **PROHIBITION AGAINST INCREASING ENCLOSED LIVING AREA**. The enclosed living area of any Residential Unit (as such living area is depicted on the Condominium Map on the date the Unit is conveyed to an Owner by Developer) may not be increased. This prohibition includes any partial or full enclosure of any outdoor shower area or lanai that is adjacent to the Unit.

R. **NON-APPLICABILITY TO DEVELOPER AND FRONT DESK UNIT OWNER**. Notwithstanding anything provided herein to the contrary, as long as there are unsold Units in the Project, the provisions of Article VI of the Declaration shall not apply to the Units owned by Developer, the Front Desk Unit Owner, or the Limited Common Elements appurtenant thereto, or to any improvements proposed or made by Developer in connection with its development, construction, promotion, marketing, sales, or leasing of any Unit or any portion of the Project.

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

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

2. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance.

3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

   INSTRUMENT : DECLARATION

   DATED : January 17, 1975
   FILED : Land Court Document No. 713123

   Said Declaration was amended and/or supplemented by instruments dated December 31, 1975, filed as Land Court Document No. 748896, dated July 30, 1976, filed as Land Court Document No. 775417, and dated December 30, 1976, filed as Land Court Document No. 799269.

4. DESIGNATION of the following easements shown on Map 11, as set forth by Land Court Order No. 43594, filed December 31, 1975:

   (A) EASEMENT "18" for drainage purposes.

   (B) EASEMENT "19" for electrical utility purposes.

   (C) EASEMENT "20" for building setback purposes.

   (D) EASEMENT "21" for waterline purposes.

   (E) EASEMENT "22" for roadway and utility purposes.

   (F) EASEMENT "23" for electrical utility purposes.

   (G) EASEMENT "24" for drainage purposes.

   (H) EASEMENT "25" for electrical utility purposes.

   (I) EASEMENT "26" for parking, utility, drainage and landscaping purposes.

   (J) EASEMENT "27" for drainage, landscaping, pedestrian access, recreational and building setback purposes.

   (K) EASEMENT "28" for waterline purposes.

   (L) EASEMENT "29" for pedestrian access, recreational and landscaping purposes.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

   INSTRUMENT : DEED

   DATED : December 31, 1975
   FILED : Land Court Document No. 748897

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, in the unrecorded WAILEA BEACH HOTEL DEVELOPMENT AGREEMENT dated July 30, 1976, of which a short form is also dated July 30, 1976, filed as Land Court Document No. 775419, by and between WAILEA DEVELOPMENT COMPANY, a joint venture (a Hawaii general partnership) comprised of Wailea Land Corporation, a Delaware corporation and The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, "Owner", and GROSVENOR INTERNATIONAL (HAWAII) LIMITED, a Hawaii corporation, "Developer".

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT	:	DEED
DATED	:	December 30, 1976
FILED	:	Land Court Document No. 799270

8. DESIGNATION OF EASEMENTS "37" and "38"

PURPOSE	:	electrical
SHOWN	:	on Map 14, as amended, as set forth by Land Court Order No. 46743, filed March 7, 1977

9. GRANT

TO	:	HAWAIIAN TELEPHONE COMPANY now known as VERIZON HAWAII INC.
DATED	:	September 19, 1977
FILED	:	Land Court Document No. 874667
GRANTING	:	an easement over said Easement "19"

10. DESIGNATION OF EASEMENT "36"

SHOWN	:	on Map 14, as amended, as set forth by Land Court Order No. 46743, filed March 7, 1977, as amended by Land Court Order No. 46744, filed March 7, 1977

11. GRANT

TO	:	BOARD OF WATER SUPPLY OF THE COUNTY OF MAUI
DATED	:	February 21, 1978
FILED	:	Land Court Document No. 874669
GRANTING	:	an easement for utility purposes over said Easement "22"

12. GRANT

TO	:	HAWAIIAN TELEPHONE COMPANY now known as VERIZON HAWAII INC.
DATED	:	September 21, 1977
FILED	:	Land Court Document No. 874672
GRANTING	:	an easement for utility purposes over said Easement "38"

13. GRANT

TO	:	MAUI ELECTRIC COMPANY, LIMITED
DATED	:	September 21, 1977
FILED	:	Land Court Document No. 874676
GRANTING	:	an easement for utility purposes over said Easement "37"

14. GRANT

TO	:	MAUI ELECTRIC COMPANY, LIMITED and HAWAIIAN TELEPHONE COMPANY now known as VERIZON HAWAII INC.
DATED	:	September 19, 1977
FILED	:	Land Court Document No. 875227
GRANTING	:	an easement for utility purposes over said Easements "23" and "25"

15. DESIGNATION OF EASEMENTS "132", "133" and "134"

SHOWN	:	on Map 22, as set forth by Land Court Order No. 50929, filed August 14, 1978

16. GRANT

TO	:	BOARD OF WATER SUPPLY OF THE COUNTY OF MAUI
DATED	:	February 21, 1978
FILED	:	Land Court Document No. 876976
GRANTING	:	an easement for waterline purposes over said Easement "36"

17. GRANT

TO	:	COUNTY OF MAUI
DATED	:	October 20, 1978
FILED	:	Land Court Document No. 908360
GRANTING	:	easements for underground water pipelines over said Easements "132", "133" and "134"

18. DESIGNATION OF EASEMENT "199"

SHOWN	:	on Map 31, as set forth by Land Court Order No. 58688, filed January 2, 1981

19. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT	:	WAILEA COMMUNITY ASSOCIATION AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS
DATED	:	July 13, 1998
FILED	:	Land Court Document No. 2479882

The foregoing Declaration restated the original Declaration dated December 19, 1986, filed as Land Court Document No. 1427923.

Said Declaration was amended by instrument dated April 6, 2004, filed as Land Court Document No. 3114057.

20. (A) 25 feet building setback line along the northerly and southerly boundaries of Lot 217, as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003.

(B) 15 feet minimum front yard setback line along the easterly boundary (Wailea Alanui Drive) affecting Lot 217, as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003.

(C) 150 feet Shoreline Setback based on edge of vegetation as located on July 13, 2003, as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003.

21. The following matters shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003, to-wit:

(A) CRM Sign "Mokapu/Ulua Beach" crosses the southeast boundary for a maximum distance of 1.5 feet into Wailea Alanui Drive.

(B) ME Box straddles boundary along Wailea Alanui Drive.

(C) Concrete Pad straddles boundary along Wailea Alanui Drive.

22. The following encroachments of improvements into easements as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003:

(A) CRM Sign "Mokapu/Ulua Beach" is within Easement "26".

(B) Concrete slab and irrigation control valves cross into Easement "19".

(C) Wooden Railing is within Easement "24".

(D) Three (3) propane tanks, storage structures/enclosure, stage, jacuzzi tank, wooden deck, asphaltic concrete unit cross into Easement "26".

(E) Imu, coffee bar, storage structures cross into Easements "26" and "27".

(F) Tennis table, stage and steps cross into Easement "28".

(G) Swimming pool, coffee bar, storage structures cross over into Easement "29".

(H) Jacuzzi tank, stage and steps cross into Easement "199".

23. The following encroachments of improvements into building setback lines, as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor, with R. M. Towill Corporation, dated September 22, 2003, last revised December 19, 2003:

(A) CRM Sign "Mokapu/Ulua beach" is within 15 feet minimum front yard setback line.

(B) Three (3) propane tanks, CRM retaining wall, storage structures/enclosure, stage and imu are within the 25 feet building setback line along Lot 8.

(C) Imu, stage and steps are within 25 feet building setback line along Lot 8.

(D) CRM wall, tile retaining wall and headwall are within 25 feet building setback line along Lot 216.

(E) Imu, coffee bar, storage structures, tennis table, steps, swimming pool, jacuzzi tank and building (25 feet in height) and planters are within 150 feet shoreline setback.

24. MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

MORTGAGOR	:	WAILEA HOTEL & BEACH RESORT, L.L.C., a Delaware limited liability company
MORTGAGEE	:	BANK OF AMERICA, N.A., a national banking association, as Administrative Agent
DATED	:	as of March 24, 2004
FILED	:	Land Court Document No. 3087805
AMOUNT	:	$63,000,000.00

25. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT	:	ASSIGNMENT OF LEASES AND RENTS
DATED	:	March 24, 2004
RECORDED	:	Document No. 2004-060044
PARTIES	:	WAILEA HOTEL & BEACH RESORT, L.L.C., a Delaware limited liability company ("Assignor"), and BANK OF AMERICA, N.A., a national banking association, as Administrative Agent ("Assignee")

26. FINANCING STATEMENT

DEBTOR	:	WAILEA HOTEL & BEACH RESORT, L.L.C., a Delaware limited liability company
SECURED PARTY	:	BANK OF AMERICA, N.A.
RECORDED	:	Document No. 2004-060045
RECORDED ON	:	March 24, 2004

27. The terms and provisions contained in the following:

INSTRUMENT	:	DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "WAILEA BEACH RESORT & RESIDENCES" CONDOMINIUM PROJECT
DATED	:	June 23, 2006
FILED	:	Land Court Document No. 3446757
MAP	:	1830 and any amendments thereto

The foregoing includes, but is not limited to, matters relating to (i) other than as may be provided herein, no commercial business activity, or home occupation involving visitation by members of the public on a regular basis shall be conducted from any Residential Unit; and (ii) notwithstanding anything contained herein or in law to the contrary, the Units in the Project or any interest therein, shall not be the subject of or sold, transferred, conveyed, leased, occupied, rented or used at any time under a time share plan or similar arrangement or program.

Said Declaration was amended and restated by that certain AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF WAILEA BEACH RESORT & RESIDENCES AND CONDOMINIUM MAP dated November 9, 2006, filed as Land Court Document No. 3573894.

28. The terms and provisions contained in the following:

INSTRUMENT :	BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS
DATED :	June 23, 2006
FILED :	Land Court Document No. 3446758

Said By-Laws were amended and restated by that certain AMENDED AND RESTATED BYLAWS OF THE ASSOCIATION OF WAILEA BEACH RESORT & RESIDENCES dated November 9, 2006, filed as Land Court Document No. 3573895.

29. The terms and provisions contained in the following:

INSTRUMENT :	AGREEMENT REGARDING AFFORDABLE HOUSING
DATED :	August 21, 2006
RECORDED :	Document No. 2006-190599
PARTIES :	WAILEA HOTEL & BEACH RESORT, L.L.C., a Delaware limited liability company, and the COUNTY OF MAUI, a political subdivision of the State of Hawaii

30. Any unrecorded leases and matters arising from or affecting the same.

31. Encroachments or any other matters which a survey prepared after September 28, 2003, revised October 10, 2003, would disclose.

EXHIBIT "H"

RIGHTS RESERVED BY DEVELOPER

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

DECLARATION

A. **RESERVED RIGHT TO GRANT AND RECEIVE EASEMENTS**. These rights are set forth in Article XVII of the Declaration. Developer will have, among other things, the right to grant utility easements, and to delete, cancel, relocate, realign, reserve, grant and receive any and all easements and rights of way over, under and on the common elements. Developer's rights under said Article XVII are reserved until December 31, 2026.

B. **RESERVED RIGHT TO ALTER, SUBDIVIDE AND CONSOLIDATE UNITS**. This right is set forth in Article XVIII of the Declaration. Developer will have, among other things, the right until December 31, 2026, to (1) alter the floor plan of any Unit which it owns so long as the common interest appurtenant to the Unit does not change; (2) subdivide any Unit which it owns at any time to create two or more Units so long as the total common interest appurtenant to the newly-created Units are equal to the common interest appurtenant to the original Unit; (3) convert the status of certain portions of an existing Unit to common element status to facilitate the subdivision so long as the total common interest appurtenant to the newly-created Unit(s) equal the common interest appurtenant to the original Unit; and (4) consolidate two or more Units which it owns and convert any area between Units to Unit status.

C. **RESERVED RIGHT TO CONVERT LIMITED COMMON ELEMENTS TO UNITS**. This right is set forth in Article XIX of the Declaration. Developer shall have, among other things, the right until December 31, 2026, without obtaining the approval of any party with an interest in the Project, including any other Owner and/or mortgagee, to convert a limited common element appurtenant to a Unit owned by Developer, or any portion thereof, into a separate Unit of the Project.

D. **RESERVED RIGHT TO RECHARACTERIZE AND REDESIGNATE LIMITED COMMON ELEMENTS**. This right is set forth in Article XX of the Declaration. Developer will have, among other things, the right until December 31, 2026, to (1) recharacterize all or a portion of certain limited common elements as may be appurtenant to an Unit owned by Developer as being common elements of the Project; and (2) redesignate all or a portion of certain limited common elements as may be appurtenant to any Unit owned by Developer, to another Unit or Units owned by Developer.

E. **RESERVED RIGHTS REGARDING SPECIAL MANAGEMENT AREA PERMITS AND OTHER PERMITS**. This right is set forth in Article XXII of the Declaration. Developer will have, among other things, the right until December 31, 2026, to (1) amend the Project Documents, (2) enter into any agreements, including without limitation, to declare and subject the project land and improvements to restrictive covenants, (2) designate and grant easements, (3) secure any other governmental permits, and (4) do all things necessary and convenient to satisfy the requirements of any land use or other permits pertaining to the Project, including without limitation, the Special Management Area use permit issued by the County of Maui, as the same may be amended or modified.

F. **RESERVED RIGHT TO CONVEY PROPERTY TO THE ASSOCIATION**. This right is set forth in Article XXIII of the Declaration. Developer will have, among other things, the right until December 31, 2026, to convey to the Association, and the Association shall accept, title to any property owned by Developer, including without limitation, any or all of the Commercial Units, together with the responsibility to perform any and all duties associated therewith, which, upon conveyance or dedication to the Association, the Association shall maintain at its expense for the benefit of the Owners.

G. **RESERVED RIGHT TO CONDUCT SALES ACTIVITIES**. This right is set forth in Article XXIV of the Declaration. Developer will have, among other things, the right until the later of December 31, 2026 or the closing of the sale of the last unsold Unit in the Project, to conduct extensive sales activities at the Project, including the use of any Unit owned by Developer and the common elements (excluding the limited common elements appurtenant to Units not owned by Developer).

H. **RESERVED RIGHT TO CONSTRUCT THE PROJECT IN PHASES.** This right is set forth in Article XXV of the Declaration. Developer will have, among other things, the right until December 31, 2026, to construct the Project in phases. Developer shall be under no obligation to construct any unit or building in the Project until such time as Developer has submitted to the commission such information and documentation as required pursuant to Section 514B-92 of the Act, as amended, for the use of purchaser deposits to pay project costs.

I. **RESERVED RIGHT TO COMPLY WITH RESORT LICENSE AGREEMENT**. This right is set forth in Article XXVI of the Declaration. Developer shall have the reserved right, without obtaining the approval of any party with an interest in the Project, to amend the Project Documents to rename the Project, impose restrictions on the use of the Project name, and make any other changes to the Project Documents as may be required by the Resort License Agreement, and to execute, file and deliver any and all documents necessary to effect the same.

J. **ASSIGNMENT OF RESERVED RIGHTS**. Pursuant to Article XXVII of the Declaration, the rights reserved by Developer are fully assignable.

K. **CONSENT TO DEVELOPER'S RESERVED RIGHTS; APPOINTMENT OF DEVELOPER AND ASSOCIATION AS ATTORNEY-IN-FACT**. Pursuant to Article XXVIII of the Declaration, every party acquiring an interest in the Project consents to Developer's exercise of its reserved rights and to the execution, delivery and recording of any documents to effect these rights. Every party agrees to execute, deliver and record documents and do what may be necessary or convenient to effect the same; and appoints Developer its attorney-in-fact to execute, deliver and record such documents and do such other things on his behalf.

BYLAWS

A. **RESERVED RIGHT TO AMEND BYLAWS**. This right is set forth in Article X, Section 11 of the Bylaws. Developer shall have the reserved right to unilaterally amend the Bylaws for the purpose of complying with any applicable State, Federal or County law, or for the purpose of incorporating requirements imposed by any institutional mortgage lender or by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, U.S. Department of Housing and Urban Development or Veterans Administration, or for the purpose of bringing the Project and/or the Bylaws into compliance with the laws and rules of any other jurisdiction in which Developer intends to register, market or sell Units. Each and every party acquiring an interest in the Project, by such acquisition, consents to such amendments as described in the preceding sentence and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its assigns his attorney-in-fact with full power of substitution to execute and deliver such documents and instruments and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be effected by the disability of such party or parties. Further, no amendment to the Declaration or these Bylaws that affects the Developer's reserved rights contained within the Declaration shall be valid, unless consented to by the Developer in writing.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER SHOULD REFER TO THE DECLARATION, BYLAWS AND HOUSE RULES TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

EXHIBIT "I"

BUDGET

ASSOCIATION OF WAILEA BEACH RESORT & RESIDENCES				
Forecasted Year 1 Budget (1)				
11/27/06				
	ALL UNITS		**RESIDENTIAL UNITS**	
CASH RECEIPTS	**Monthly**	**Yearly**	**Monthly**	**Yearly**
Maintenance Fees	$450,378.42	$5,404,541.07	$150,317.18	$1,803,806.12
Parking	$0.00	$0.00		
Telephone	$0.00	$0.00		
Commercial Space Rental	$0.00	$0.00		
Resort Use Fee	$0.00	$0.00		
Total Cash Receipts	$450,378.42	$5,404,541.07	$150,317.18	$1,803,806.12
CASH DISBURSEMENTS				
License Fee for Resort Amenities	$439,442.64	$5,273,311.70		
Hospitality Services			$150,317.18	$1,803,806.12
Management				
Audit/Tax fees	$383.33	$4,600.00		
Legal Fees	$200.00	$2,400.00		
Credit & Collections	$1,000.00	$12,000.00		
Custodial Services	$4,166.64	$49,999.68		
Fiscal & Adminstrative Management	$2,052.07	$24,624.84		
Office and Administrative Expenses	$900.00	$24,624.84		
Reserve Study	$150.00	$1,800.00		
Condo Fund	$656.67	$7,880.00		
Board Expense/Meetings	$150.00	$1,800.00		
Taxes-Income	$0.00	$0.00		
GET/Other	$0.00	$0.00		
Commercial Unit - allocations	$0.00	$0.00		
Real Property Taxes				
Insurance	$125.00	$1,500.00		
Comp General Liability	$0.00	$0.00		
Umbrella	$0.00	$0.00		
Directors & Officers	$0.00	$0.00		
Flood	$0.00	$0.00		
Fidelity Bond	$0.00	$0.00		
Boiler Machinery	$0.00	$0.00		
Capital Reserve Funding	$0.00	$0.00	$0.00	$0.00
TOTAL DISBURSEMENTS	$449,226.35	$5,404,541.07	$150,317.18	$1,803,806.12
Less Misc Income	$0.00	$0.00	$0.00	$0.00
TOTAL MAINTENANCE FEE (Net of Electricity, Propane & Water/Sewer for Units)	$449,226.35	$5,404,541.07	$150,317.18	$1,803,806.12
Electricity	$0.00	$0.00	$0.00	$0.00
Propane	$0.00	$0.00	$0.00	$0.00
Water/Sewer	$0.00	$0.00	$0.00	$0.00
TOTAL MAINTENANCE FEES	$449,226.35	$5,404,541.07	$150,317.18	$1,803,806.12
(1) Forecasted budget based on AAA five diamond, first class resort standards.				

I, Emory Bush, as agent for Wailea Beach Resort & Residences, hereby certify that the above estimated budget was prepared on a cash basis in accordance with generally accepted accounting principles.

Emory Bush — 12-7-06

Signature — Date

* Pursuant to section 514B-148 of the Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the fiscal year that begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount is an estimate only.

The Budget is intended to show the estimated expenses of operating the Project, inclusive of the License Fee payable to the Front Desk Unit owner for the maintenance and operation of the resort Amenities, as discussed in the Declaration. All amounts set forth herein are estimates only, and may change for reasons beyond the control of the Developer. Such estimates are not intended to be and do not constitute any representation or warranty as to the accuracy of such estimates. The Budget may increase due to insurance premiums, utility costs, maintenance services, and other costs.

WAILEA BEACH RESORT & RESIDENCES		
License Fee Budget		
11/27/06		
	Monthly	**Annually**
Expenses		
Payroll (Note 1)		
Rooms		
Cleaning	$73,652.29	$883,827.51
Valet	$15,088.01	$181,056.06
Telephone	$11,307.25	$135,686.94
Phone income	-$3,991.88	-$47,902.60
Administrative & General		
Executive Office	$25,065.25	$300,782.97
Human Resources	$4,230.34	$50,764.08
Security	$38,673.74	$464,084.83
Engineering	$50,854.14	$610,249.72
Total Payroll:	$218,871.01	$2,626,452.10
Utilities (Note 2)		
Electricity	$50,000.00	$600,000.00
Propane	$2,500.00	$30,000.00
Water/Sewer	$19,000.00	$228,000.00
Total Utilities:	$71,500.00	$858,000.00
Repairs & Maintenance (Note 3)		
Building Material & Supplies	$2,000.00	$24,000.00
Electrical & Mechanical	$500.00	$6,000.00
Flooring	$833.33	$10,000.00
Flowers	$800.00	$9,600.00
Furniture and Fixtures	$500.00	$6,000.00
Glazing	$500.00	$6,000.00
Grounds & Landscaping	$22,500.00	$270,000.00
Heating & Air Conditioning	$2,208.33	$26,500.00
Light bulbs	$2,083.33	$25,000.00
Locks and Keys	$1,000.00	$12,000.00
Operating Supplies	$1,000.00	$12,000.00
Pool & Spa	$1,500.00	$18,000.00
Plumbing and Sewage	$1,200.00	$14,400.00
Total Repairs and Maintenance	$36,625.00	$439,500.00
Service Contracts		
Cable Television	$6,755.00	$81,060.00
Internet Service	$5,790.00	$69,480.00
Data Processing Equipment	$2,000.00	$24,000.00
Elevators	$6,900.00	$82,800.00
Equipment	$4,000.00	$48,000.00
Exterminating	$3,860.00	$46,320.00
Fire Alarm	$2,000.00	$24,000.00
Heating and Air Conditioning	$2,500.00	$30,000.00
Marble and Metal Maintenance	$6,250.00	$75,000.00
Payroll Service	$541.67	$6,500.00
Security Equipment	$3,000.00	$36,000.00
Street Sweeping	$1,500.00	$18,000.00
Telephone System	$2,500.00	$30,000.00

WAILEA BEACH RESORT & RESIDENCES		
License Fee Budget		
11/27/06		
Tree trimming	$2,000.00	$24,000.00
Waste Removal	$6,500.00	$78,000.00
Window Washing	$1,666.67	$20,000.00
Total Service Contracts:	$57,763.33	$693,160.00
Administrative		
Insurance - Property & GL	$25,583.33	$307,000.00
Insurance - Flood	$291.67	$3,500.00
Legal Fees	$2,000.00	$24,000.00
Management Fee	$5,208.30	$62,499.60
Contingency	$666.67	$8,000.00
Reserve Study	$150.00	$1,800.00
Printing Postage and Stationary	$208.33	$2,500.00
Total Administrative Costs:	$34,108.30	$409,299.60
Other		
Bank Fees	$50.00	$600.00
Credit and Collection	$500.00	$6,000.00
Equipment leases	$0.00	$0.00
Licenses and Permits	$250.00	$3,000.00
Uniforms	$5,000.00	$60,000.00
Total Other:	$5,800.00	$69,600.00
RESERVE		
Capital reserve*	$14,775.00	$177,300.00
Total Expenses:	$439,442.64	$5,273,311.70

I, Emory Bush, as agent for Wailea Beach Resort & Residences, hereby certify that the above estimated Licensed Fee Disbursement was prepared on a cash basis in accordance with generally accepted accounting principles.

Emory Bush 12-3-06

Signature Date

* Pursuant to section 514B-148 of the Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the fiscal year that begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount is an estimate only.

The License Fee Budget is intended to show the estimated License Fee payable to the Front Desk Unit Owner for the maintenance and operation of the Resort Amenities, as discussed in the Declaration. The amounts set forth herein are common expenses of the Project as set forth in the Budget, and are separately itemized for illustrative purposes only. Purchasers shall not be relieved of the obligation to pay for any portion of the common expenses of the Project by waiving his or her rights to use the Resort Amenities or any portion thereof. All amounts set forth herein are estimates only, and may change for reasons beyond the control of the Developer. Such estimates are not intended to be and do not constitute any representation or warranty as to the accuracy of such estimates. The License Fee Budget may increase due to increases in insurance premiums, utility costs, maintenance services, and other costs.

WAILEA BEACH RESORT & RESIDENCES		
Hospitality Services		
11/27/06		
	Monthly	**Annually**
Expenses		
Payroll (Note 1)		
Rooms		
Front Desk	$89,743.00	$1,076,916.05
Cleaning		
Bell, Concierge, Greeter, Butler	$60,574.17	$726,890.07
Telephone		
Administrative & General		
Business Center		
Executive Office		
Human Resources		
Information Systems		
Security		
Engineering		
Total Payroll:	$150,317.18	$1,803,806.12
Total Expenses:	$150,317.18	$1,803,806.12

I, Emory Bush, as agent for Wailea Beach Resort & Residences, hereby certify that the above estimated budget was prepared on a cash basis in accordance with generally accepted accounting principles.

Emory Bush 12-3-06

Signature Date

ASSOCIATION OF WAILEA BEACH RESORT & RESIDENCES

Monthly Maintenance Fee Allocations

11/27/06

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
A200	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
A201	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
A202	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
A203	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
A300	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
A301	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
A302	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
A303	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
A400	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
A401	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
A402	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
A403	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
B100	2C	2/2.5	2,255	0.614297%	0.649446%	$2,759.58	$976.22	$3,735.80
B103	1E	1/1	1,342	0.365582%	0.386500%	$1,642.12	$580.96	$2,223.08
B200	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
B201	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
B202	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
B203	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
B300	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
B301	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
B302	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
B303	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
B400	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
B401	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
B402	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
B403	2B	2/3	2,153	0.586511%	0.620070%	$2,634.76	$932.07	$3,566.83
C100	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
C101	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
C102	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
C103	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
C108	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
C109	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65

ASSOCIATION OF WAILEA BEACH RESORT & RESIDENCES

Monthly Maintenance Fee Allocations

11/27/06

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
C110	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
C111	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
C112	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
C113	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
C200	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C201	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
C202	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C203	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
C204	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C205	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C206	1B	1/1	988	0.269147%	0.284547%	$1,209.08	$427.72	$1,636.80
C207	1B	1/1	988	0.269147%	0.284547%	$1,209.08	$427.72	$1,636.80
C208	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C209	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C210	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
C211	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C212	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
C213	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C300	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C301	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
C302	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C303	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
C304	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C305	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C306	1B	1/1	988	0.269147%	0.284547%	$1,209.08	$427.72	$1,636.80
C307	1B	1/1	988	0.269147%	0.284547%	$1,209.08	$427.72	$1,636.80
C308	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C309	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C310	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
C311	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C312	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
C313	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C401	3C	3/3	1,996	0.543742%	0.574853%	$2,442.63	$864.10	$3,306.73

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Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
C403	3C	3/3	1,996	0.543742%	0.574853%	$2,442.63	$864.10	$3,306.73
C404	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C405	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C406	1B	1/1	988	0.269147%	0.284547%	$1,209.08	$427.72	$1,636.80
C407	1B	1/1	988	0.269147%	0.284547%	$1,209.08	$427.72	$1,636.80
C408	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C409	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
C410	3C	3/3	1,996	0.543742%	0.574853%	$2,442.63	$864.10	$3,306.73
C412	3C	3/3	1,996	0.543742%	0.574853%	$2,442.63	$864.10	$3,306.73
C506	1B	1/1	988	0.269147%	0.284547%	$1,209.08	$427.72	$1,636.80
C507	1B	1/1	988	0.269147%	0.284547%	$1,209.08	$427.72	$1,636.80
D100	4A	4/4.5	3,336	0.908779%	0.960777%	$4,082.47	$1,444.21	$5,526.68
D101	2A	2/3	2,254	0.614025%	0.649158%	$2,758.36	$975.80	$3,734.16
D200	4A	4/4.5	3,336	0.908779%	0.960777%	$4,082.47	$1,444.21	$5,526.68
D201	2A	2/3	2,254	0.614025%	0.649158%	$2,758.36	$975.80	$3,734.16
E100	2A	2/3	2,254	0.614025%	0.649158%	$2,758.36	$975.80	$3,734.16
E101	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
E102	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
E103	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
E200	2A	2/3	2,254	0.614025%	0.649158%	$2,758.36	$975.80	$3,734.16
E201	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
E202	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
E203	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
F200	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
F201	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
F202	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
F300	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
F301	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
F302	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
F400	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
F401	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
F402	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
G100	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23

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Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
G101	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
G102	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
G103	2A	2/3	2,254	0.614025%	0.649158%	$2,758.36	$975.80	$3,734.16
G200	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
G201	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
G202	3A	3/4	2,714	0.739336%	0.781639%	$3,321.29	$1,174.94	$4,496.23
G203	2A	2/3	2,254	0.614025%	0.649158%	$2,758.36	$975.80	$3,734.16
H100	2A	2/3	2,254	0.614025%	0.649158%	$2,758.36	$975.80	$3,734.16
H101	4A	4/4.5	3,336	0.908779%	0.960777%	$4,082.47	$1,444.21	$5,526.68
H200	2A	2/3	2,254	0.614025%	0.649158%	$2,758.36	$975.80	$3,734.16
H201	4A	4/4.5	3,336	0.908779%	0.960777%	$4,082.47	$1,444.21	$5,526.68
J201	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
J202	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
J203	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
J300	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
J301	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
J302	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
J303	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
J400	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
J401	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
J402	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
J403	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K100	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K101	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K102	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K103	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K104	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K105	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K106	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K108	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K109	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K110	1C	1/1	1,070	0.291485%	0.308163%	$1,309.43	$463.22	$1,772.65
K200	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70

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Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
K201	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K202	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K203	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
K204	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K205	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K206	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K207	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K208	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K209	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K210	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K300	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K301	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
K302	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K303	1A1	1/1	1,056	0.287671%	0.304131%	$1,292.29	$457.16	$1,749.45
K304	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K305	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K306	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K307	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K308	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K309	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K310	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
K401	3C	3/3	1,996	0.543742%	0.574853%	$2,442.63	$864.10	$3,306.73
K403	3C	3/3	1,996	0.543742%	0.574853%	$2,442.63	$864.10	$3,306.73
K407	1A	1/1	1,064	0.289850%	0.306435%	$1,302.08	$460.62	$1,762.70
L200	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
L201	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
L300	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
L301	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
L400	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
L401	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
M200	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
M201	3B3	3/3.5	2,697	0.734705%	0.776743%	$3,300.49	$1,167.58	$4,468.07
M202	3B2	3/3.5	2,735	0.745057%	0.787687%	$3,346.99	$1,184.03	$4,531.02

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Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
M203	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
M300	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
M301	3B3	3/3.5	2,697	0.734705%	0.776743%	$3,300.49	$1,167.58	$4,468.07
M302	3B2	3/3.5	2,735	0.745057%	0.787687%	$3,346.99	$1,184.03	$4,531.02
M303	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
M400	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
M401	3B3	3/3.5	2,697	0.734705%	0.776743%	$3,300.49	$1,167.58	$4,468.07
M402	3B2	3/3.5	2,735	0.745057%	0.787687%	$3,346.99	$1,184.03	$4,531.02
M403	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
N200	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
N201	3B2	3/3.5	2,735	0.745057%	0.787687%	$3,346.99	$1,184.03	$4,531.02
N202	3B3	3/3.5	2,697	0.734705%	0.776743%	$3,300.49	$1,167.58	$4,468.07
N203	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
N300	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
N301	3B2	3/3.5	2,735	0.745057%	0.787687%	$3,346.99	$1,184.03	$4,531.02
N302	3B3	3/3.5	2,697	0.734705%	0.776743%	$3,300.49	$1,167.58	$4,468.07
N303	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
N400	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
N401	3B2	3/3.5	2,735	0.745057%	0.787687%	$3,346.99	$1,184.03	$4,531.02
N402	3B3	3/3.5	2,697	0.734705%	0.776743%	$3,300.49	$1,167.58	$4,468.07
N403	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
Q100	1D	1/1	1,140	0.310554%	0.328323%	$1,395.09	$493.52	$1,888.61
Q101	2D	2/2.5	2,052	0.558997%	0.590981%	$2,511.16	$888.34	$3,399.50
Q200	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
Q201	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
Q300	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
Q301	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
Q400	3B1	3/3.5	2,946	0.802537%	0.848456%	$3,605.21	$1,275.38	$4,880.59
Q401	3B1	3/3.5	2,946	0.802537%	0.848439%	$3,605.21	$1,275.38	$4,880.59
CU1			1,796	0.489268%		$2,197.92		$2,197.92
CU2			3,341	0.910141%		$4,088.59		$4,088.59
CU3			7,960	2.168429%		$9,741.15		$9,741.15
CU4			3,105	0.845851%		$3,799.79		$3,799.79

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Unit Number	Unit Type	Bedrooms/ Bathrooms	Approximate Net Living Area	Percentage Common Interest	Residential Percentage Common Interest	Maintenance Fees	Residential Units Hospitality Services	Total Maintenance Fees & Hospitality Services
CU5			3,665	0.998404%		$4,485.09		$4,485.09
TOTAL	198		367,086	100.000000%	100.000000%	$449,226.00	$150,317.00	$599,543.00

The Maintenance Fee allocations set forth herein are estimates of the monthly common expenses for a unit, which include both maintenance fees and hospitality service fees payable by residential unit owners. Residential unit owners shall not be relieved of the obligation to pay for any portion of the common expenses of the project by waiving his or her rights to use the hospitality services or any portion thereof. The Maintenance Fee Allocations set forth herein are not intended and do not constitute any representation or warranty by the Developer, including, but not limited to, any representation or warranty as to the accuracy of such estimates. These fees may increase due to increases in insurance premiums, utility costs, maintenance services, management fees and other costs.

EXHIBIT "J"

SUMMARY OF SALES CONTRACT

Capitalized terms have the same meaning as ascribed to such terms in the Sales Contract ("Sales Contract").

The specimen Sales Contract, filed with the State of Hawaii Real Estate 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 Sales Contract. The Sales Contract further provides that any form of reservation agreement entered into between Purchaser and Seller prior to execution of the Sales Contract shall be automatically terminated upon execution of the Sales Contract and all deposits held under such reservation agreement shall be applied to the Sales Contract, in the manner set forth in the Sales Contract.

Among other provisions the specimen Sales Contract provides:

1. Prior to execution of the Sales Contract, Purchaser shall receive: (i) a true copy of the Public Report for the Project, either personally or by registered or certified mail with return receipt requested, and the Notice of Right to Cancel advising Purchaser of Purchaser's right to cancel the Sales Contract, the delivery of which is required by Hawaii Revised Statutes, Section 514B-86, and (ii) a copy of the Federal Property Report. Purchaser shall also have been given an opportunity to read said reports.

2. Purchaser may cancel the Sales Contract within thirty (30) days of Purchaser's receipt of the Public Report. It is understood that Purchaser may, at any time after Purchaser's receipt of the Notice of Right to Cancel, waive Purchaser's right to cancel the Sales Contract. If Purchaser shall fail to execute the Notice of Right to Cancel within thirty (30) days of Purchaser's receipt of the Public Report, Purchaser shall be deemed to have waived Purchaser's right to cancel the Sales Contract (by Purchaser's failure to give said written notice of cancellation). The conveyance of the Unit to the Purchaser within the thirty (30)-day period referenced above shall also be treated as a waiver by Purchaser of Purchaser's right to cancel the Sales Contract.

3. Notwithstanding the foregoing pursuant to the Federal Interstate Land Sales Full Disclosure Act Purchaser shall have the option to cancel the Sales Contract by notice to the Seller until midnight of the seventh (7th) day following the signing of the Sales Contract by Purchaser. If Purchaser does not receive a Federal Property Report prepared pursuant to the rules and regulations of the Office of Interstate Land Sales Registration, US Department of Housing and Urban Development, in advance of Purchaser signing the Sales Contract, the Sales Contract may be cancelled by Purchaser for two-years from the date of signing by Purchaser. The foregoing seven (7) day rescission period provided pursuant to the Federal Interstate Land Sales Full Disclosure Act shall commence upon Purchaser's execution of this Sales Contract and may run concurrent with the thirty (30)-day rescission period provided pursuant to Hawaii law, as discussed above.

4. If the Sales Contract shall become binding prior to the completion of construction, the Sales Contract shall provide a Completion Deadline for Seller's completion of the Project. If the Project is not completed by the Completion Deadline, Purchaser may cancel his or her Sales Contract at any time thereafter.

5. The Seller has entered into an Escrow Agreement, summarized in Exhibit "K" herein, with Title Guaranty Escrow Services, Inc. ("Escrow"), covering the deposit with Escrow of all funds paid by the Purchaser under the Sales Contract and the disbursement of the funds by Escrow. Escrow may charge a cancellation fee on account of escrow services performed not to exceed $250.00.

6. The Sales Contract requires the Purchaser to pay the Total Purchase Price by a series of payments prior to Closing. Such payments include any Reservation Deposit due upon execution of the Deposit and Reservation Agreement, if any, the initial payment when Purchaser signs the Sales Contract, a second deposit and a third deposit. Purchaser shall then deposit at or prior to Closing, the remaining balance due.

7. The Sales Contract provides that Purchaser will receive interest on Purchaser's Deposits as set forth in the Sales Contract.

8. Purchaser's obligations under the Sales Contract are not contingent or conditional on Purchaser's ability to secure financing from a mortgage lender or on Purchaser's ability to sell Purchaser's current residence or any other property. Financing by Seller of any portion of the Total Purchase Price is not available.

9. The Sales Contract provides that Purchaser will pay all closing costs associated with the purchase and sale. The Sales Contract also provides that at Closing, Purchaser shall pay (a) one (1) month's maintenance fee for the Condominium Association, and (b) a non-refundable, non-transferable start-up fee to the Condominium Association in the amount equal to two (2) months of 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.

10. The Sales Contract provides that it shall not be construed as a present transfer of any rights or of any interest in the Unit, but rather states that it is an agreement to transfer in the future. By execution of the Sales Contract, the Purchaser agrees to waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest arising under the Sales Contract in favor of the lien or charge on the Project of the security interests of the Lender, including but not limited to any lien, mortgage or charge securing a loan made to finance the acquisition of the land and the costs of construction (if applicable) and any and all advances therefore until the filing of the Unit Deed.

11. The Sales Contract provides that it may not be assigned by Purchaser. Any assignment of the Sales Contract is void and of no legal effect. Notwithstanding the foregoing, Purchaser may assign its rights under the Sales Contract to affiliated entities for estate planning purposes with the consent of Seller, provided that any such assignment shall not release Purchaser from its obligations under the Sales Contract. In the event that Purchaser decides to make such an assignment for estate planning purposes, Purchaser shall provide written notice thereof to Seller at least fifteen (15) days prior to the Closing Date, as defined in the Sales Contract, and shall provide to Seller copies of such documents as Seller, in its sole and absolute discretion, deems necessary to complete Closing.

12. The Sales Contract provides that any dispute by or between Seller and Purchaser arising out of or incident to the 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 Sales Contract. The Sales Contract also provides that any dispute by or between Seller and Purchaser arising out of or incident to the 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.

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THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE SALES CONTRACT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE PURCHASER'S RIGHTS AND OBLIGATIONS UNDER THE SALES CONTRACT, PURCHASER MUST REFER TO THE SALES CONTRACT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE SALES CONTRACT, THE SALES CONTRACT WILL CONTROL.

EXHIBIT "K"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement for the Project dated May 19, 2006 ("Agreement") contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. As and when Seller shall enter into a reservation agreement ("Reservation Agreement") or a sales contract ("Sales Contract") for the reservation of or the conveyance of an Unit or other interest in the Project, it shall require the payments of deposits due thereunder to be promptly made to Escrow. Seller shall deliver an executed copy of the Reservation Agreement or Sales Contract to Escrow together with the name(s) and address(es) of the purchaser as noted on the Reservation Agreement or Sales Contract or otherwise as updated by the purchaser with Seller as being purchaser's last known address.

B. Escrow shall receive, deposit and hold in separate escrow accounts and disburse as set forth in the Agreement: (a) all payments received by it under the Reservation Agreements and/or Sales Contracts, (b) such sums received by it under the Agreement from or for the account of Seller, and (c) all sums received by it from any other source with respect to the Project. Escrow shall not at any time commingle or permit the commingling of any purchaser's funds with funds belonging to or held for the benefit of Seller. All funds and instruments received from purchasers or prospective purchasers shall be held by Escrow in accordance with the provisions contained in Chapter 514A and/or Chapter 514B of the Hawaii Revised Statutes, as applicable ("Act"). All monies received by Escrow shall be deposited, within a reasonable time of the receipt by Escrow and in reasonably convenient and practical sums, in a trust fund with a bank, savings and loan or trust company authorized to do business in the State of Hawaii under an escrow arrangement, and shall be held in immediately available funds in accordance with the terms of the Agreement.

C. Any interest earned on funds delivered to Escrow under the Agreement shall, in accordance with the provisions of the Reservation Agreement or Sales Contract, accrue to the benefit of the purchaser in the form of a credit to purchaser's escrow account upon closing; provided that should closing not occur, the purchaser shall not receive any interest accrued and all interest shall be credited to the account of Seller unless otherwise provided in the Agreement, the Reservation Agreement or the Sales Contract. No interest shall be paid on such deposits as may be used by Seller to pay for construction costs and other expenses. Escrow shall establish a separate account for each purchaser, and such purchaser shall provide Escrow with such purchaser's social security or federal tax identification number. The purchaser shall pay Escrow a fee of Twenty-Five and No/100 Dollars ($25.00) for each separate account created. Escrow shall not be liable to either Seller or any purchaser for loss or diminution in funds invested in accordance with instructions given to Escrow.

D. Notwithstanding anything contained in the Agreement to the contrary, Escrow shall make no disbursements of purchasers' funds or proceeds from the reservation or sale of such units (including any payments made on loan commitments from lending institutions), except by way of refunds thereof, until the Commission has issued an effective date for the Public Report for the Project under Chapter 514B, Seller has provided a letter to Escrow stating (a) that the Sales Contracts have become binding under the provisions of Section 514B-86 of the Act, (b) that there have been no material changes to the Project that would give purchasers a right to rescind under Section 514B-87 of the Act, and (c) that Seller waives any option reserved in any Sales Contract in favor of Seller to cancel the Sales Contract.

E. Purchasers' funds may be used for construction and other allowable expenses as identified below prior to closing pursuant to Section 514B-92 of the Act, provided that binding contracts exist under which such funds have been deposited into escrow, and said expenses are approved for payment by Seller and the project lender or an otherwise qualified, financially disinterested person. If such funds are to be used for construction prior to closing, the funds shall be taken evenly from all purchasers under binding sales contracts for the building in which said purchaser's unit is located and shall be disbursed by Escrow upon the submission of bills therefor, and upon direction to do so from Seller from time to time to pay for:

(a) Construction costs of the buildings and improvements in proportion to the valuation of the work completed by the contractor in accordance with the contract documents, as certified by a registered architect or engineer;

(b) Architectural, engineering, and interior design service fees in proportion to the services performed within each phase of services;

(c) The costs of purchasing furnishings and fixtures for the units;

(d) Finance and legal fees, and other incidental expenses of constructing the units or developing the Project; and

(e) Such other costs incurred in connection with the construction of the improvements of the Project.

Any funds remaining shall not be disbursed until construction of the Project has been completed (or until construction of the particular unit being conveyed has been completed, to the extent that Chapter 514B permits such disbursement) and Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared (or, to the extent permitted by Chapter 514B, have been dealt with in such a fashion as to avoid non-compliance with Section 514B-45 of the Act), unless sufficient funds have been set aside for any bona-fide dispute.

F. Each purchaser shall be entitled to a return of his or her funds, without interest, except as provided below, and Escrow shall pay such funds to such purchaser, promptly after request for return by the purchaser, if one of the following has occurred:

(a) A return of funds is requested pursuant to the terms of the Reservation Agreement;

(b) Escrow receives a written request from Seller to return to the purchaser the funds of the purchaser then being held hereunder by Escrow;

(c) Seller notifies Escrow in writing of Seller's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Seller;

(d) The condition providing for a refund under Section 514B-87 of the Act (as amended on the date upon which the Sales Contract becomes binding and effective) has been met, and written notice thereof has been provided by Seller;

(e) If a Sales Contract is signed prior to the completion of construction, upon the expiration of the completion deadline for construction of the unit, as set forth in the Sales Contract and Public Report, except that Seller may extend the completion deadline for *force majeure* as defined in the Sales Contract.

If purchaser shall be entitled to a refund of his or her funds pursuant to Sections (c), (d) or (e), above, purchaser shall also be entitled to all interest accrued thereon, and Escrow shall pay such interest to such purchaser. Upon the cancellation of any Sales Contract as specified above, Escrow shall be entitled to a cancellation fee. Notwithstanding anything in the Agreement or in any Sales Contract provided to the contrary, said compensation of Escrow shall be the sole expense of the individual purchaser and shall not in any way be the obligation of Seller, unless cancellation is made pursuant to Section 514B-87 of the Act, whereupon Seller shall pay such fee.

G. Except as otherwise provided by law, Escrow shall give each purchaser entitled to a return of his or her funds notice thereof by certified or registered mail, addressed to such purchaser at his address shown on the Reservation Agreement or Sales Contract any address later made known to Escrow by such purchaser. If such purchaser shall not have claimed such refund within sixty (60) days from the date said notice is mailed, Escrow shall deposit such funds into a special account in a bank or other depository selected by Escrow in the name of Seller, as trustee for the benefit of such purchaser. After having sent Seller written notice of the foregoing acts, Escrow shall thereupon be released from further liability hereunder with respect to such funds and such purchaser.

H. If the purchaser fails to make any payment on or before the due date thereof or if the purchaser does or fails to do any act that would constitute an event of default under the Sales Contract, Escrow shall promptly give to such purchaser and to Seller, written notice of default. If the purchaser has failed to cure the default after the delivery of notice by Escrow and such default continues after the expiration of any grace period, Escrow shall so advise Seller. If Seller shall thereafter certify in writing to Escrow: (1) that Seller has elected to terminate the Sales Contract and has notified the purchaser, or (2) that purchaser is otherwise in default, then, and in either event, Escrow, subject to the provisions relating to dispute and conflicting demands set forth in paragraph 19 of the Agreement, shall thereafter treat all funds of the purchaser paid under such Sales Contract, less Escrow's cancellation fee, as funds of Seller and not of the purchaser. Thereafter, such funds shall be held free of the escrow established by the Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds (less Escrow's cancellation fee).

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THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE ESCROW AGREEMENT, PURCHASER MUST REFER TO THE ESCROW AGREEMENT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT WILL CONTROL.

EXHIBIT "L"

SUMMARY OF DEED FORM

Capitalized terms have the same meaning ascribed to such terms in the Unit Deed.

The specimen Unit Deed, Encumbrances and Reservation of Rights with Powers of Attorney for Wailea Beach Resort & Residences ("Deed" or "Unit Deed") contains among others, the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The premises conveyed comprises a portion of Wailea Beach Resort & Residences condominium property regime situate at the Honuaula, District of Makawao, Island and County of Maui, State of Hawaii.

B. The Grantor (Developer) is the lawful owner of the fee simple interest in the real property and the rights to be transferred to the Purchaser; the same are free and clear of and from all encumbrances except as identified in the Deed and except for the lien of real property taxes not yet by law required to be paid; the Grantor has good right and title to sell and convey said real property in the manner set forth in the Deed; and the Grantor will WARRANT AND DEFEND the same unto the Purchaser forever against the lawful claims and demands of all persons, except as mentioned in the Deed.

C. Purchaser agrees, for the benefit of all other owners of the other Units in the Project, to at all times observe, perform, comply with and abide by all of the covenants, agreements, obligations, conditions and other provisions set forth in the Declaration, the Bylaws and the House Rules, as any of the same exist or may hereafter be amended in accordance with law, and accepts and approves of the Declaration, Bylaws and House Rules.

D. Purchaser agrees and consents to the exercise by Grantor of any of its reserved rights set forth in the Deed and in the Declaration, and Purchaser agrees to sign such documents and do such things as may be required to permit Grantor to exercise those reserved rights, including the signing, delivery and filing of all documents which may be necessary. Purchaser appoints Grantor as Purchaser's "attorney-in-fact" which means that Grantor can act for Purchaser or on Purchaser's behalf, with "full power of substitution," which means that someone else may take Grantor's place to sign, deliver and file all documents and to do all things on Purchaser's behalf, which grant of authority, being coupled with an interest, means that the Grantor has an interest beyond just in the power Purchaser is giving, cannot be revoked by Purchaser for the term of the reserved rights, and will not be affected by Purchaser's disability.

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THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE UNIT DEED. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE UNIT DEED, PURCHASER MUST REFER TO THE UNIT DEED TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE UNIT DEED, THE UNIT DEED WILL CONTROL.