AMENDED
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	HONOKAHUA BEACH HOTEL
Project Address	One Ritz Carlton Drive Lahaina, Hawaii 96761
Registration Number	6403 (conversion)
Effective Date of Report	March 14, 2008
Developer	W2005 Kapalua/Gengate Hotel Realty, 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; and (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]

This Amended Developer's Public Report ("Public Report") amends and replaces in its entirety the Developer's initial Public Report effective October 3, 2007.

1. Section 1.12 – The title report was updated on March 4, 2008 and the updated encumbrances on title are noted in the revised Exhibit "F".

2. Section 3.1 – A First Amendment to Declaration was recorded on February 4, 2008. The Amendment generally:

   a. Includes the C.A.R.E. ("Clean and Repair Everything") program as a Base Service.

   b. Incorporates and describes several methods of calculating the allocation of Common Expenses among Unit Owners including the Shared Facilities Fee Unit Allocation, Weighted Common Interest and equal share among all Units. The method used is based on anticipated extent of use, amount of use and permissible use of various components of the Project. The Shared Facilities Fee Unit Allocation and Weighted Common Interest are further explained in the budget. Exhibit "C" to the Declaration containing the Shared Facilities Fee Unit Allocation is deleted from the Declaration and included in the budget.

   c. Deletes requirement to fund the Unit Maintenance Agreement ("UMA") through a reserve and allows for payment upon necessary FF&E expenditures as set forth in the UMA. Section 6.9 in the Public Report (at page 18e) is amended accordingly. FF&E is defined on page 18h.

3. Section 3.1 – A Second Amendment to Declaration was recorded on March 4, 2008. The Project land description was changed due to final subdivision approval. The area is smaller as a result.

4. Exhibit "H" (Project budget and maintenance fees) was revised and replaced.

5. Developer has checked Section 5.6.2, and Box A on page 15 and as such intends on using Purchaser's deposits prior to closing to pay project costs pursuant to the condominium law. Based on this, Developer also unchecked 5.6.1 on page 14. The Developer has also submitted with this filing those additional documents required under the Hawaii condominium law for use of such funds.

6. Sections 1.1 and 6.15j. and Exhibit "Q" have been revised/replaced with the updated subdivision information.

7. Developer has revised its Sales Contract form to provide for credits to purchasers under certain circumstances.

SEE PAGE 18. FOR ADDITIONAL DISCLOSURES

To better understand how this project is structured, prospective purchasers can get an overview by first reading paragraphs 6.3-6.16 commencing on page 18 of this public report.

Also, a careful reading of Exhibit "I" and Exhibit "M" is encouraged.

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EXHIBIT Q: Final Subdivision Map Depicting Land Underlying the Project

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	n/a
Address of Project	One Ritz Carlton Drive Lahaina, Hawaii 96761
Address of Project is expected to change because	
Tax Map Key (TMK)	(2) 4-2-004:15, 21 (Lot 2A-1 and Lot A-7-C-1)
Tax Map Key is expected to change because	The land recently underwent subdivision final approval; the final subdivided lot now consists of lot 2A-1 and A-7-C-1 or TMK Nos. (2) 4-2-004:15, 21 (por.) (see Exhibit "Q")
Land Area	Approximately 28 acres (subject to further change; see Section 6.14(j))
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	6 (maximum) per building due to graded slope on which buildings sit; there are nine (9) maximum levels each in the East Wing and the West Wing (See Condominium Map)
Number of New Building(s)	0
Number of Converted Building(s)	2
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, hollow tile, steel, glass, stucco

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"						

135	**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:	980
Number of Guest Stalls in the Project:	711
Number of Parking Stalls Assigned to Each Unit:	0
Attach Exhibit ___"A"___ specifies the types of parking stall(s) (regular, compact or tandem and whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. The parking in the project will initially be a part of the Shared Facilities, which is part of the Limited Common Elements appurtenant to the Front Desk Unit. All parking areas will be within the Shared Facilities and the Front Desk Unit Owner will manage the parking and use of the parking by Owners, including the possibility that all parking will be by valet only. Owners will be subject to the rules and regulations promulgated by the Front Desk Unit Owner for the use of such parking stalls. See Section 6.14.a. for more details regarding parking.	

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"; Exhibit "A-1" describes the "Class Common Interest". The Class Common Interest is the percentage share assigned to a Unit within a Unit Class, as further set forth in the Declaration and Bylaws and in Exhibit "A-1" herein.
As follows:

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

X	Swimming pool
X	Laundry Area (East Wing Amenity)
	Storage Area
	Tennis Court
X	Recreation Area
	Trash Chute/Enclosure(s)
X	Exercise Room
	Security Gate
	Playground
	Other (describe): Note that the facilities noted herein will be available for use by owners as part of the Shared Facilities. As such, the Association will have a license to use such areas through payment of a Shared Facilities Fee. See 6.3 on Page 18 for details.

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	19
Stairways	14
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: As described in House Rules
X	Number of Occupants: As described in House Rules
X	Other: There are numerous additional restrictions on the use and occupancy of the units set forth in the Declaration. Purchaser should make careful review of such provisions.
	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 "F" describes the encumbrances against title contained in the title report described below.
Date of the title report: March 4, 2008
Company that issued the title report: First American Title Company, 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
☒	Residential	107	☒ Yes ☐ No	H-M Hotel; Park; Lahaina Project District 1 (Kapalua)
☒	Commercial	23	☒ Yes ☐ No	H-M Hotel; Park; Lahaina Project District 1 (Kapalua)
☐	Mix Residential/Commercial		☐ Yes ☐ No	
☒	Hotel	1	☒ Yes ☐ No	H-M Hotel; Park; Lahaina Project District 1 (Kapalua)
☐	Timeshare		☐ Yes ☐ No	
☐	Ohana		☐ Yes ☐ No	
☐	Industrial		☐ Yes ☐ No	
☐	Agricultural		☐ Yes ☐ No	
☐	Recreational		☐ Yes ☐ No	
☒	Other (specify) Front Desk, Spa, Office (2)	4	☒ Yes ☐ No	H-M Hotel; Park; Lahaina Project District 1 (Kapalua)
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			☒ Yes ☐ No	
Variances to zoning code have been granted.			☐ Yes ☒ No	
Describe any variances that have been granted to zoning code.				

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	☒	☐	☐
Structures	☒	☐	☐
Lot	☒	☐	☐

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.	__X__ Applicable _____ 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:

See Exhibit "O"

Developer's statement of the expected useful life of each item reported above:

Neither the Developer, nor the architects, engineers or consultants whom prepared the property reports discussed in Exhibit "O" make any representations as to the expected useful life of the structural components and mechanical and electrical installations.

List of any outstanding notices of uncured violations of any building code or other county regulations:

According to the letter from the County of Maui, Department of Public Works, Development & Services Administration dated July 5, 2007, attached as Exhibit "P," there is an outstanding certificate of occupancy that has not been obtained for Commercial Unit 12 of the Project, with such unit consisting of an area of approximately 475 square feet.

*Estimated cost of curing any violations described above:

The processing fee for obtaining the certificate of occupancy is $180.00, and any other additional costs in connection with obtaining the certificate of occupancy.

***Developer does not anticipate obtaining the foregoing certificate of occupancy, and Owners are advised that, if necessary, the Association may be required to obtain such certificate of occupancy in the future.**

Verified Statement from a County Official

Regarding any converted structures in the project, attached as Exhibit __"P"_____ 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:	

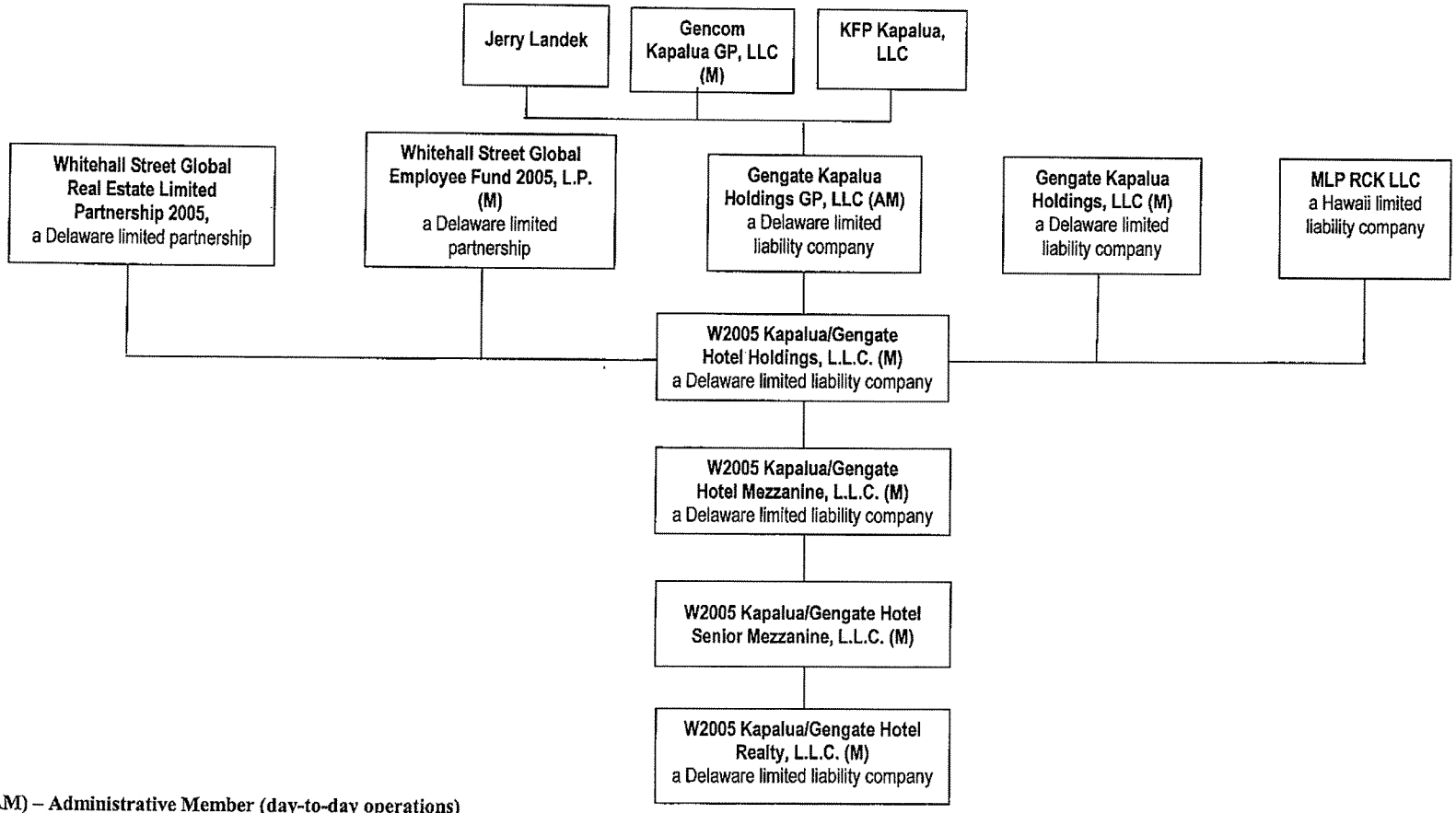
1.17 Project with Assisted Living Facility

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: W2005 Kapalua/Gengate Hotel Realty, L.L.C. c/o Gencom Group Business Address: 801 Brickell Avenue, Penthouse 2 Miami, Florida 33131 Business Phone Number: (305) 442-9808 E-mail Address: info@gencomgrp.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).	See attached Sheet 9a
2.2 Real Estate Broker	Name: S&P Destination Properties, Inc. Business Address: 1100 Alakea Street, Suite 1210 Honolulu, Hawaii 96813 Business Phone Number: (808) 394-2585 E-mail Address: chuntress@sprealestate.com
2.3 Escrow Depository	Name: First American Title Company, Inc. Business Address: 1177 Kapiolani Boulevard Honolulu, Hawaii 96814 Business Phone Number: (808) 536-3866
2.4 General Contractor	Name: Ledcor US Pacific Business Address: 1001 Bishop Street, Pauahi Tower, Suite 1250 Honolulu, Hawaii 96813 Business Phone Number: (808) 540-0777
2.5 Condominium Managing Agent	Name: The Ritz-Carlton Hotel Company, LLC Business Address: 4445 Willard Avenue, Suite 800 Chevy Chase, Maryland 20815 Business Phone Number: (301) 547-4700
2.6 Attorney for Developer	Name: Imanaka Kudo & Fujimoto Attn: Mitchell Imanaka, Esq./ Nikki Senter, Esq. Business Address: 745 Fort Street, 17th Floor Honolulu, Hawaii 96813 Business Phone Number: (808) 521-9500

W2005 KAPALUA/GENGATE HOTEL REALTY, L.L.C.
ORGANIZATIONAL CHART



(AM) – Administrative Member (day-to-day operations)
(M) – Managing Member
Note: Only members of authorized signatory disclosed

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3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	June 29, 2007	2007-160950

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	January 31, 2008	2008-016362
Bureau of Conveyances	February 26, 2008	2008-033495

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	July 13, 2007	2007-160951

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.	
Land Court Map Number	
Bureau of Conveyances Map Number	4513
Dates of Recordation of Amendments to the Condominium Map: March 4, 2008	

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. The 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. The House 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 Resort Rules (governing the Shared Facilities are also proposed)
Have Been Adopted and Date of Adoption	
Developer does not plan to adopt House Rules	

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.		
Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
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 "G"

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 "H" 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.

THE AMOUNTS SET FORTH BELOW ARE ESTIMATES ONLY AND MAY CHANGE FOR REASONS BEYOND THE CONTROL OF THE DEVELOPER.

INSURANCE, ENERGY AND LABOR COSTS ARE CURRENTLY IN FLUX AND CAN SUBSTANTIALLY INCREASE OVER A SHORT PERIOD OF TIME. THE DEVELOPER CANNOT PREDICT HOW CHANGES IN THE ECONOMIC, SOCIAL AND POLITICAL CONDITIONS IN HAWAII, THE U.S. AND/OR GLOBALLY MAY IMPACT SUCH COSTS. PURCHASERS ARE AWARE AND ACKNOWLEDGE THAT THE BUDGET, AND, AS A RESULT, EACH PURCHASER'S MAINTENANCE FEE, MAY INCREASE SUBSTANTIALLY DUE TO INCREASING COSTS, INCLUDING COSTS ATTRIBUTED TO THE INSURANCE COVERAGE AND ENERGY.

PURCHASER RECOGNIZES AND ACKNOWLEDGES THAT SUCH COMMON INTERESTS AND MAINTENANCE FEES ARE SUBJECT TO CHANGE AS THE PROJECT AND/OR THE HONOKAHUA BEACH HOTEL EVOLVES. SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER OR CONDOMINIUM MANAGER, INCLUDING, BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

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) basic phone
*Purchasers should be aware that the fees for the utilities for the common elements (including the limited common elements, i.e., Shared Facilities) are a part of the maintenance fee through the Shared Facilities Fee, which is a common expense. See Section 6.3 for more details.	

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 (if any)
	Water
	Sewer
	TV cable
X	Other (specify) Additional phone services (including long distance), internet connection

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 "I" contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
X	Escrow Agreement dated: June 27, 2007 Name of Escrow Company: First American Title Company, Inc. Exhibit "J" contains a summary of the pertinent provisions of the escrow agreement.
X	Other: Exhibit "L" contains a summary of the pertinent provisions of the specimen Unit Deed and Exhibit "M" contains a summary of Special Use Restrictions.

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.

	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.

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. This means, among other things, that if Developer defaults under the mortgage, the mortgagee may take over the Project, cancel the sales contracts and refund the Buyer's deposits, less escrow cancellation fees, and the Buyer shall have no further interest in the Project.

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. A summary of the warranty is set forth in Exhibit "K" set forth herein.
Appliances and furniture: The Developer will pass on the manufacturers' or other vendors' warranties made to it, if any, on any appliances and furniture included as part of the unit being conveyed.

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

Status of Construction: Renovations commenced on July 2, 2007.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: n/a
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: Two (2) years from the date Purchaser executes the Sales Contract for their unit.

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 **X**	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 _____	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: Master Declaration of Covenants, Conditions, and Restrictions for Honokahua Beach Hotel and Residences dated June 29, 2007, recorded in the State of Hawaii Bureau of Conveyances as Document No. 2007-160949, as may be amended from time to time; Condominium Management Agreement, the Declaration of Covenants and Restrictions dated December 29, 1976 recorded in Liber 11922 at Page 31 and as Document No. 76-11395, as amended by Amended and Restated Declaration of Covenants and Restrictions dated September 30, 1987, recorded in Liber 21185 at Page 173 and as Document No. 87-149611, as amended, and the Resort Rules; see Section 6 herein for more details.

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 a Material Change

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

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

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

(1) Checking the waiver box on the rescission form; or

(2) Letting the 30-day rescission period expire, without taking any action to rescind; or

(3) Closing the purchase of the unit before the 30-day rescission period expires.

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

All capitalized terms used below shall have the meaning set forth in the Declaration of Condominium Property Regime of Honokahua Beach Hotel ("Declaration"), unless otherwise defined herein.

6.1. Kapalua Resort; Master Declarations. In addition to the Declaration, purchasers of units in the Project will be subject to that certain Master Declaration of Covenants, Conditions and Restrictions for Honokahua Beach Hotel and Residences dated June 29, 2007 recorded in said Bureau as Document No. 2007-160949; and that certain Declaration of Covenants and Restrictions dated December 29, 1976, recorded in Liber 11922 at Page 31 and as Document No. 76-11395, as amended by Amended and Restated Declaration of Covenants, Conditions and Restrictions dated September 30, 1987 recorded in Liber 21185 at page 173 and as Document No. 87-149611, as amended; and that certain Declaration of Covenants, Conditions and Restrictions with Authorization of Time Share and Transient Vacation Rentals recorded on March 27, 2007 in said Bureau as Document No. 2007-054524, as all such documents have been amended and/or may be amended and/or supplemented from time to time (collectively "Master Declarations"). Purchasers should pay special attention to additional design and use restrictions and additional fees imposed by such Master Declarations.

By way of such Master Declarations, purchasers of the Project may be subject to certain obligations, which may be imposed by such Master Declarations. All purchasers should review the Master Declarations for any additional obligations, including, without limitation, the ability of the declarants to enter into cross-facilities licenses and rights to use facilities and/or amenities between various other condominium projects owned by the Developer and the ability to assess Owners for use of the same.

The Developer of the Project does not own the surrounding Kapalua Resort and does not sell, offer or provide any right to use resort facilities. Purchasing a unit in the Project does not confer any interest in or rights to use any facilities within the Kapalua Resort, including, without limitation, existing or future spas, golf courses, and other Kapalua Resort recreational, entertainment or commercial facilities. All commercial, recreational, resort and other facilities within the Kapalua Resort are subject to change from time to time, and facilities currently open to the public may not be so in the future.

6.2. Developer to Pay Actual Costs of Project. The Developer hereby discloses that it may initially assume the actual common expenses of the Project, pursuant to Section 514B-41 of the Hawaii Revised Statutes, as applicable, from the date upon which certificates of occupancy are issued for the respective units of the Project, unless otherwise prohibited by law. Accordingly should Developer decide to initially pay actual costs, no unit owner shall be obligated to pay his or her respective share of the common expenses until the Developer mails a written notice notifying unit owners of the Project that, after a date certain, each unit owner shall thereafter be obligated to pay for the respective share of common expenses allocated to said owner's unit.

6.3. Project Structure. The entire West Wing of the property comprises one (1) Hotel Unit to be owned by the Developer and operated as a hotel. The East Wing of the property consists of one-hundred seven (107) Resort Units to be sold to third parties.

To ensure the continuing maintenance and operation of the Project pursuant to the Project Quality Standard, as such standard is defined in the Declaration, the owner of the Front Desk Unit shall be responsible for the maintenance and operation of portions of the Project referred to as the "Shared Facilities," as further described in the Declaration, which shall be limited common elements appurtenant to the Front Desk Unit. The Shared Facilities shall include areas which would typically be classified as common areas in a condominium project, including, but not limited to, the grounds, landscaping, hallways, walkways, parking areas, recreational amenities, lobbies and building structure. The Front Desk Unit owner shall be reimbursed for the cost of maintaining these areas through a license fee payable by the Association. The Front Desk Unit Owner may delegate its duties to manage and maintain the Shared Facilities to a hotel manager (the "Hotel Manager").

The Front Desk Unit Owner shall also have the right and ability to limit Owners' use of certain Shared Facilities based on Unit Class. For example, Commercial Unit Owners may not be permitted to

use the pool. As such, Owners of different Unit Classes may pay differing Shared Facilities Fees based on the Shared Facilities Allocation and what is fair and equitable based on permitted use.

In addition to the Shared Facilities, the Front Desk Unit shall have other appurtenant limited common elements referred to as the "Front Desk Facilities" which shall be for the exclusive use of the Front Desk Unit Owner and the Hotel Manager and their employees for the support of the hotel operations and which shall also be used for the support of the Project as a whole. The Front Desk Facilities will include the back-of-the-house areas and support offices, employee locker rooms, employee breakroom, employees corridors and stairwells, etc., as depicted on the Condominium Map. There will also be other commercial units, such as the meeting rooms, ballrooms, retail shops, etc., and a Spa Unit and Office Units.

Each Owner recognizes the right of the Front Desk Unit Owner from time to time to establish and amend such uniform rules and regulations as the Front Desk Unit Owner may deem necessary for the management, control and use by Owners of the Shared Facilities and/or the Front Desk Facilities (as necessary), and, as may be necessary for the protection of the Shared Facilities and/or Front Desk Facilities ("Resort Rules"). Each Owner agrees that the Owner's rights under the Declaration and the Bylaws shall be in all respects subject to appropriate Resort Rules, which shall be taken to be a part of the Project; and the Owner agrees to obey all such Resort Rules as the same now are or may from time to time be amended, and see that the same are faithfully observed by the invitees, guests, contractors, vendors, suppliers, employees and tenants of Owner. The Resort Rules shall be binding upon all occupants of the Units. The Front Desk Unit Owner shall have the power to adopt such Resort Rules, including any amendments thereof, as are consistent with and in furtherance of existing law, the Bylaws and the Declaration, together with a list of specific fines and penalties for the violation of a rule or ruled by any Owner.

The Front Desk Unit Owner will also own the Hotel Unit, as further described in the Declaration and depicted on the Condominium Map, which will contain hotel operations. The Hotel Unit, since different in character and use from the Resort Units, may or may not be subject to all or a portion of the Resort Rules. Should the Resort Rules contradict the House Rules as applicable to the Front Desk Unit, Spa Unit, Office Units, Hotel Unit and Commercial Units, the Resort Rules shall prevail as to such provisions. The Resort Rules may also contain additional rules and regulations for use by Resort Unit Owners in the Project of the Shared Facilities and Front Desk Facilities, which may not apply to all the Unit Classes.

The Front Desk Unit Owner shall have the right, in its sole discretion, to (a) select a hotel manager to manage and/or operate the Front Desk Unit; (b) change such Hotel Manager from time to time; and (c) change the name of the Project at any time. 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 HOTEL MANAGER FOR THE FRONT DESK UNIT OR IF A HOTEL 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.

6.4. Ritz-Carlton Marks; Branding. Owners acknowledge that: (i) the Unit is being developed and sold by Developer and not by THE RITZ-CARLTON HOTEL COMPANY, L.L.C. ("RITZ-CARLTON"); (ii) RITZ-CARLTON has not confirmed the accuracy of any marketing or sales materials provided by Developer, is not part of or an agent for the Developer, and has not acted as broker, finder or agent in connection with the sale of the Unit; (iii) Owner has no right to use or interest in the RITZ-CARLTON Marks; and (iv) owner waives and releases RITZ-CARLTON from and against any liability with respect to any representations or defects or any claim whatsoever, relating to the marketing, sale or construction of the Unit or the Project.

Owner further acknowledges that in the event the Hotel Management Agreement between the Developer and RITZ-CARLTON (the "Hotel Management Agreement") for the operation of THE RITZ- CARLTON, KAPALUA is terminated for any reason, RITZ-CARLTON shall have the right to terminate the Condominium Management Agreement and if RITZ-CARLTON does so, or if the Condominium

Management Agreement is otherwise terminated for any reason, all use of the RITZ-CARLTON Marks (which means those certain trademarks and service marks, including the mark "THE RITZ-CARLTON" and the "Lion and Crown Logo") shall cease, at the Project, all indicia of affiliation of the Project with RITZ-CARLTON, including all signs or other materials bearing any of the RITZ-CARLTON Marks, shall be removed from the Project, and all services to be provided by RITZ-CARLTON to the Project shall cease.

So long as the Condominium Management Agreement is in effect, the East Wing containing the Resort Units shall have the right to be known as "THE RESIDENTIAL SUITES AT THE RITZ-CARLTON, KAPALUA" or by any other name as may be approved by RITZ-CARLTON. Use of the RITZ-CARLTON Marks shall be limited to use of the approved name (i) on signage on or about the Project, and (ii) by the Association or any individual Unit Owners, and their agents, solely to identify the address of the Project or the Units. No other use will be permitted of the RITZ-CARLTON Marks. All uses of the RITZ-CARLTON Marks, including the approved name, are subject to removal upon the expiration or termination of the Hotel Management Agreement or the Condominium Management Agreement. Owner acknowledges that RITZ-CARLTON reserves the right (whether itself or through an Affiliate) to license and/or operate any other residential project using the RITZ-CARLTON Marks or any other mark or trademark at any other location, including a site proximate to the Project.

6.5. Ritz-Carlton Re-Sale Royalty Fee. Owners acknowledge that they shall be obligated to pay a Re-Sale Royalty Fee to RITZ-CARLTON in the amount of: (i) if the sale of a Resort Unit occurs on or before December 31,2015, seventy-five one hundredths percent (0.75%) of the aggregate Residential Gross Revenues (as defined in the Declaration) received by Owner in connection with its sale of its Unit and (ii) if the sale occurs after December 31, 2015, one percent (1.0%) of the aggregate Residential Gross Revenues received by Owner in connection with its sale of its Unit. Such Re-Sale Royalty Fee shall be payable for so long as the Hotel Management Agreement remains in effect or RITZ-CARLTON or any of its Affiliates manages, franchises or otherwise operates any portion of THE RITZ-CARLTON, KAPALUA.

a) Authority. The Hotel Manager shall collect the Re-Sale Royalty Fee from a transferring Resort Unit Owner upon each transfer, conveyance or other action which results in a change in the beneficial ownership (i.e. primary right to occupy or to receive the rents and profits, if any, of a Resort Unit) of a Resort Unit unless otherwise exempt under Section d) below. The Re-Sale Royalty Fee shall be payable to the Hotel Manager upon the closing of the transfer or conveyance, at the completion of the act resulting in a change in beneficial ownership of a Resort Unit or any other transaction deemed to be a transfer of property under applicable law, and shall be secured by a lien on the Resort Unit that is being transferred or conveyed, as set forth in Section e) below. Each Owner shall notify the Hotel Manager of a pending transfer, conveyance or action resulting in a change in beneficial ownership at least seven (7) days prior to the transfer, conveyance or action. Such notice shall include the name of the buyer or transferee, the date of the transfer, conveyance or action and other information as may be required by the Hotel Manager. The Hotel Manager shall have the right to resolve all disputes regarding whether a transfer, conveyance or act results in a change in beneficial ownership of a Resort Unit, and such decision shall be final and binding.

b) Payment. The Re-Sale Royalty Fee shall be collected by the Hotel Manager.

c) Transfer of Shares in Holding Company. A transfer or surrender of share(s) or other equity interests in an entity which is the record fee title holder of a Resort Unit, or its parent company, or any other similar transaction, shall be considered a transfer of title to a Resort Unit in the Project and the same shall be subject to all of the obligations set forth in this Section and the parties to the same shall be jointly and severally liable to pay the Re-Sale Royalty Fee to Hotel Manager, unless otherwise independently exempt under Section d) below.

d) Exempt Property and Exempt Transfers.

1) Exempt Property. The following property subject to the Declaration shall be exempted from the charge created herein:

i) all properties to the extent dedicated and accepted by any governmental entity;

ii) all Common Elements; and

iii) all Units in the Project that are not Resort Units.

2) Exempt Transfers. The following transfer of a Resort Unit shall be exempt from the charge created herein:

i) the transfer of a Resort Unit by the surviving joint tenant with right of survivorship or tenant by the entirety by devise, through the laws of descent, or by operation of law, upon the death of a joint tenant or a spouse;

ii) the transfer of a Resort Unit by devise or through the laws of descent to a family member;

iii) the transfer of a Resort Unit pursuant to a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the Owner's spouse or reciprocal beneficiary, as defined under Hawaii law, becomes the owner of the Resort Unit;

iv) the transfer of a Resort Unit into an inter vivos trust in which the Owner is and remains the primary beneficiary, and the Owner continues to occupy and use the Resort Unit; and

v) the transfer of a Resort Unit to an unaffiliated, arms-length mortgagee that held an interest in the Unit as security for repayment of a debt upon a judicial or non-judicial foreclosure sale of the Unit.

e) Lien for Re-Sale Royalty Fee. All amounts of the Re-Sale Royalty Fee due and unpaid, together with costs of collection and enforcement including attorneys' fees, shall constitute a lien upon the Resort Unit that is transferred or conveyed to secure the payment of any Re-Sale Royalty Fee.

In the case of a conveyance of the Resort Unit subject to the Re-Sale Royalty Fee provided for hereinabove, the grantee of the subject Resort Unit shall be jointly and severally liable with the grantor of the subject Resort Unit for the Re-Sale Royalty Fee, without prejudice to the grantee's right to recover from the grantor the entire amount of the Re-Sale Royalty Fee that should have been paid by grantor at the closing of the sale of the Resort Unit. The lien of the Re-Sale Royalty Fee on the subject Resort Unit shall be subject and subordinate to first mortgages and security interests given by an Owner in good faith and for value to any institutional lender and recorded prior to the recordation of a notice of lien by Hotel Manager, which mortgages and security interests shall be superior to the lien and security interest of Hotel Manager for the Re-Sale Royalty Fee.

The lien may be foreclosed by action by the Hotel Manager, in like manner as a mortgage of real property, including, but not limited to, by way of power of sale, as specified and in accordance with the provisions of Chapter 667 of the Hawaii Revised Statutes, as amended, and said lien shall extend to cover all money and other proceeds and amounts received on account of the Resort Unit and its use, including all rents, insurance and condemnation proceeds, sales proceeds, cash and non-cash proceeds as defined in Section 490:9-306 of the Hawaii Revised Statutes. Hotel Manager shall be entitled to any fees or costs related to the collection or enforcement of the Re-Sale Royalty Fee, including attorney's fees and court costs. In any such foreclosure, the Resort Unit Owner shall be required to pay a reasonable rental for the Resort Unit and the Hotel Manager shall be entitled to the appointment of a receiver to collect the same. Action to recover a money judgment for an unpaid Re-Sale Royalty Fee shall be maintainable without foreclosing or waiving the lien securing the same.

Prior to foreclosing upon such lien, the Hotel Manager shall provide thirty (30) calendar days prior written notice of its intention to foreclose, by mailing such notice, postage prepaid, to the last known

address of all persons having an interest in such Resort Unit as shown in a title report pertaining to the Resort including, but not limited to, any holder or insurer of a mortgage of any interest in the Resort Unit.

Any Resort Unit Owner may obtain a release of the lien created hereunder by making payment to the Hotel Manager of the Re-Sale Royalty Fee owed. Upon receipt of such payment, the Hotel Manager shall file an appropriate instrument to effectuate the release of said Owner's Resort Unit from the lien provided for in this Section at the Unit Owner's expense.

6.6. Transient Use. The Resort Units shall be occupied and used only for the purposes that are consistent with, and appropriate to, a resort destination operating pursuant to the Project Quality Standard. ***Accordingly, the Units may be used for hotel or transient vacation rental purposes or transient lodging for periods of less than thirty (30) days, or residential use, or other uses permitted by law, the Master Covenants, Conditions and Restrictions, the Declaration, the Bylaws and the House Rules, that are consistent with a resort destination operating pursuant to the Project Quality Standard;*** provided that: (a) Resort Unit Owner shall be permitted to personally occupy their Unit and may also make their Unit available for use to third parties when not occupied by such Unit Owner; (b) other than as may be provided in the Declaration, no commercial business activity, or home occupation shall be conducted from any Resort Unit; (c) notwithstanding anything contained herein or in law to the contrary, the Resort 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, other than one that may be offered by the Hotel Manager from time to time to the extent permitted by law and the Kapalua CC&Rs and Time Share and Transient Vacation Rental Declaration; and (d) no Resort Unit shall be used as part of any occupancy plan or for similar purposes unless pursuant to a program of operation of Hotel Manager, or its affiliates or designees, or as otherwise agreed to by Hotel Manager, which shall include: (i) any joint ownership, whether or not ownership is deeded, of a Resort Unit where unrelated (i.e., non-family) owners share and enjoy use or occupation of the Resort Unit according to a periodic (fixed or floating) schedule based on time intervals, points or other rotational system; or (ii) any club, the membership of which allows access and use of one or more properties by its members based on availability and reservation priorities, commonly known as destination clubs (equity or non-equity) or vacation clubs; further provided that the Hotel Unit shall remain free from the restrictions set forth in (c) above. The foregoing restrictions are collectively referred to as "Occupancy Restrictions."; provided that the Hotel Unit shall remain free from the use restrictions set forth herein. The Occupancy Restrictions may be enforced by the Association, the Front Desk Unit Owner and/or by the Hotel Manager.

6.7. 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 Developer recommends that a purchaser consult with his or her own attorney, accountant or other tax counsel for advice regarding tax treatment.

6.8. Hospitality Services. Certain Base Services may be offered to all Resort Unit Owners by the Front Desk Unit Owner. Such base services may include, but are not limited to PBX, voicemail, and arranging for such other services as may be required to maintain the Project Quality Standard or as may be required by the Condominium Management Agreement or Hotel Management Agreement or any successor hotel or license agreement. The Base Services are intended to provide all Owners, guests, transient renters and long-term tenants of Resort Units with a uniform resort-like experience when in residence at the Project and the cost of such Base Services will be passed back to Owners as a Common Expense. Owners acknowledge that the Front Desk Unit Owner may alter the types and amounts of

Base Services provided at the Project or may offer additional Base Services that in the Front Desk Unit Owner's discretion, is necessary to maintain the Project Quality Standard or to comply with the Condominium Management Agreement or Hotel Management Agreement, or may not offer any Base Services at all, which may in turn affect the total cost of such services and, accordingly, increase or decrease amounts chargeable to Resort Unit Owners as a portion of the Common Expense. There will also be direct billing privileges for, Resort Unit Owners for the provision of services for which an established price list is available (such as room service, personal laundry, and long distance or other telecommunications services) (the "Supplemental Services"), provided that such Supplemental Services shall be established through a rental program agreement, if such Resort Unit is a Participating Resort Unit, or through an A La Carte Services agreement, if such Resort Unit is a Non-Participating Resort Unit (which services shall then be categorized as "A La Carte Services") between the Resort Unit Owner and the Front Desk Unit Owner with such credit and billing information as shall be requested by the Front Desk Unit Owner. The Hotel Manager may, on commercially reasonable terms, bill the cost of any A la Carte Services to the Resort Unit Owner, or may create an incidental account to be paid by any authorized occupant to the Front Desk Unit Owner.

6.9. Unit Maintenance Agreement. In order to (i) provide for management and maintenance services of each Resort Unit, (ii) monitor each owner's compliance with applicable occupancy and zoning requirements and the condominium documents, and (iii) ensure that the units and its contents within the Project are maintained pursuant to the Project Quality Standard, as such term is defined in the Declaration, each Resort Unit Owner will be required to execute and deliver a Unit Maintenance Agreement at closing. Unit owners will be charged a fee for the services provided thereunder either as an assessment from the Association or a direct charge from the owner of the Front Desk Unit. The Unit Maintenance Agreement shall also require and establish a cumulative reserve ("Unit Replacement Reserve") for all Resort Units solely to cover the costs of replacement, substitution, addition or refurbishing the FF&E for the Resort Units, and for other routine capital expenditures ("FF&E Modifications") all as necessary to maintain the Resort Units in accordance with the Project Quality Standard and pursuant to one or more FF&E programs established by the Hotel Manager. The Unit Replacement Reserve shall be held in a separate account by the Hotel Manager and no Owner shall be entitled to any payment or withdrawal from the Unit Replacement Reserve upon the sale or transfer of such Owner's Unit or for any other reason. Each Resort Unit Owner may pay a lump sum assessment equal to the full amount of Unit Owner's share of the cost of FF&E Modifications within 30 days after invoice or may elect to contribute into the Unit Replacement Reserve a fixed amount as set forth in the UMA, on an annual, equal quarterly or monthly basis, or as otherwise established by the Front Desk Unit Owner, which amount may be increased by the Front Desk Unit Owner from time to time to meet the Project Quality Standard. Through participation in the Unit Maintenance Agreement, each instance that the Front Desk Unit Owner makes a determination that the FF&E is in need of replacement, each Resort Unit Owner will be required to participate in each such replacement and to pay for such Resort Unit Owner's share of the costs of such replacement of the FF&E, the cost of which will be assessed against each Resort Unit Owner based on either a unit-by-unit actual cost basis, a percentage interest basis, a square foot basis or such other reasonable cost allocation as the Front Desk Unit Owner shall determine in the Unit Maintenance Agreement.

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

6.11. Right of Front Desk Unit Owner to Select Hotel Manager. Each purchaser specifically acknowledges and agrees that the Front Desk Unit Owner shall have the right, in its sole discretion, to change the Hotel Manager from time to time; and to change the name of the Project at any time and/or as may be required by the Hotel Management Agreement, or any license agreements or successor license agreements. EACH UNIT OWNER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT NEITHER 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 CURRENT OR FUTURE IDENTITY OF THE HOTEL MANAGER FOR THE FRONT DESK UNIT OR IF A HOTEL MANAGER WILL BE HIRED TO OPERATE AND MANAGE THE FRONT DESK UNIT. DEVELOPER AND THE FRONT DESK UNIT OWNER

EXPRESSLY DISCLAIM ANY REPRESENTATIONS, WARRANTIES, GUARANTEES OR OTHER CLAIMS OF ANY KIND REGARDING THE SAME.

6.12. Construction Defects. CHAPTER 672, HAWAII REVISED STATUTES, EFFECTIVE JULY 1, 2004, CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED, OR CONSTRUCTED YOUR HOME OR FACILITY. NINETY DAYS BEFORE YOU FILE YOUR LAWSUIT OR OTHER ACTION, YOU MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR ANY DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT YOUR ABILITY TO FILE A LAWSUIT OR OTHER ACTION.

6.13. Fiscal Management; Condominium Manager. Developer, acting as the Association, has retained Ritz-Carlton as the Condominium Manager of the Project (the "Condominium Manager"). The Condominium Manager 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 Condominium Manager 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. Ritz-Carlton will also be the initial Hotel Manager of the Project.

6.14. Ritz-Carlton Club Sales. Developer will permit an affiliate of the Hotel Manager to conduct activities and distribute to guests at the Project material which markets and describes the Kapalua Bay condominium project, which includes the Ritz-Carlton time-share program currently known as the "Ritz-Carlton Club"; provided that Ritz-Carlton has obtained any necessary licenses and registrations to do so. The specific marketing activities include, without limitation, the ability to provide a marketing message with each Project guest's check-in package and the ability to provide marketing collateral to each Project guest in their rooms. The content, quality, nature, type and duration of such marketing material shall be in keeping with the Project Quality Standard.

6.15. Additional Disclosures:

a. Parking. All parking areas are currently a part of the Shared Facilities, which are Limited Common Elements appurtenant to the Front Desk Unit. Parking shall be managed by the Front Desk Unit Owner (and /or the Hotel Manager on the Front Desk Unit Owner's behalf). RESERVED PARKING SPACES WILL NOT BE ASSIGNED TO RESORT UNITS. Purchasers are aware that there are hotel operations at the Project, including ballroom functions, large meetings, food and beverage functions, and hotel operations support staff which may at times cause the parking to be very tight. As such, all spaces will be available on a "first-come" basis and/or as assigned by the Front Desk Unit Owner. The Front Desk Unit Owner also has the right to make all parking at the Project valet only and Owners will not be allowed to self-park. Any use of valet, whether mandatory or voluntary, is subject to charge. Purchasers also acknowledge that the current parking lot for the Project may be relocated to outside the Project. If relocated, Purchasers will have a use right in such stalls. In light of the planned future developments by Developer, the amount of stalls provided and the configuration and/or size of the parking area is subject to such change or changes as determined by the Front Desk Unit Owner.

b. Security Disclaimer. The Association, the Front Desk Unit Owner, the Hotel Manager and/or Condominium Manager may, but shall not be obligated to maintain or support certain activities within the Project designed to make the Project safer than it might otherwise be.

Neither the Association, the Front Desk Unit Owner, the Hotel Manager, the Condominium Manager nor Developer shall in any way be considered insurers or guarantors of security within the Project, and neither the Association, the Front Desk Unit Owner, the Hotel Manager, the Condominium

Manager or Developer, nor any successor or assign of the foregoing shall be held liable for any loss or damage by reason of failure to provide security or the ineffectiveness of security measures undertaken. All owners and occupants of any unit, tenants, guests and invitees of any owner, as applicable, acknowledge that the Association the Board, the Front Desk Unit Owner, the Hotel Manager, the Condominium Manager or Developer or any successors or assigns of the foregoing do not represent or warrant that any fire protection system or other security system installed within the Project may not be compromised or circumvented, that any fire protection or burglar alarm systems or other security systems will prevent loss by fire, smoke, burglary, theft, hold-up, terrorism or otherwise, nor that fire protection or burglar alarm systems or other security systems will in all cases provide the detection or protection for which the system was designed or intended. Purchaser, his or her family, agents, transient guests, or other occupants of any unit, as applicable, acknowledges and understands that the Front Desk Unit Owner, the Hotel Manager, the Association, its Board and committees, the Condominium Manager or Developer, and any other successor to Developer is not an insurer, and that each owner, his or her family, agents, transient guests, or other occupants of a unit assume all risks for loss or damage to persons, units and the contents of units, and further acknowledges that the Front Desk Unit Owner, the Hotel Manager, the Association, its Board and committees, the Condominium Manager or Developer, or any successor-in-interest to Developer have made no representations or warranties, nor has Purchaser, his or her family, agents, transient guests, long-term guests, or other occupants of a unit relied upon any representation or warranty, expressed or implied, including any warranty of merchantability as to the fitness of any alarm systems or other security systems recommended or installed, or any security measure undertaken within the Project.

c. Mold Development. Molds, mildews, toxins and fungi may exist and/or develop within the unit and/or the Project. Purchaser is hereby advised that certain molds, mildews, toxins and/or fungi may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose health risk. By acquiring title to a unit, Purchaser shall be deemed to have assumed the risks associated with molds, mildew, toxins and/or fungi and to have released Developer and the Front Desk Unit Owner from any and all liability resulting from the same.

d. Hotel; Condominium Living. The Developer intends to operate the Hotel Unit, comprised of the West Wing of the Project, as a hotel. The Resort Units in the East Wing, however, will be sold and conveyed to individual purchasers and may be operated as an integrated part of the hotel. As such, the intensity of use of the units in the Project may vary substantially. Resort Unit Owners intending to reside long-term at the Project should be aware that they will reside in very close proximity to other persons, as well as commercial businesses and the hotels operation in the West Wing and in the main hotel building, with attendant limitations on solitude and privacy. Walls, floors and ceilings have been designed to meet applicable building codes. Owners will hear noise from adjacent units within the Project, including, but not limited to, noise from showers, bathtubs, sinks, toilets or other sources of running water and/or plumbing fixtures. Also, Owners may hear noise from such items as the pool, generators, vacuum cleaners, stereos or televisions, or from people running, walking, exercising or socializing. Finally, Owners can expect to hear high levels of sound, music, noise, odors, vibrations and other nuisances from retail and commercial outlets in the Project. Owners may also experience light entering the Resort Units from commercial lighting in the Project and from street lights located in close proximity to the window and doors for the Units. Each Resort Unit Owner specifically acknowledges and agrees that Resort Units may be rented to transient guests on each floor that Resort Units are located and that the West Wing will contain hotel operations.

e. Noise. The Association and Developer have no control over and shall not be responsible for the transmission of noise, light or odors within the Project and/or from adjacent retail/entertainment, commercial and hotel developments, and the potential effect of such noise, light or odors on units within the Project.

f. Neighboring Developments. Certain portions of land (the "Neighboring Developments") outside, abutting and/or near the Project may be subject to redevelopment, and in the future may or will be developed by Developer and/or third parties over whom Developer has no control. The Association and Developer may have no jurisdiction over future Neighboring Developments, and, accordingly, there is no representation as to the nature, use or architecture of any future development or improvements on Neighboring Developments. Any such use, development and/or construction on

Neighboring Developments may result in noise, dust, or other "nuisance" to the Project or owners, and Purchaser acknowledges the same. Should Developer also be the developer of any Neighboring Developments, Developer shall have the sole right to determine the nature, use and architecture of such Neighboring Developments.

g. Views. DEVELOPER HAS NOT MADE ANY ORAL OR WRITTEN STATEMENT, REPRESENTATION OR WARRANTY THAT THERE IS ANY "VIEW" FROM THE UNIT OR THAT ANY EXISTING "VIEW" WILL NOT BE OBSTRUCTED IN THE FUTURE. Purchaser, by accepting title to the Unit acknowledges that: (a) there are no protected views in the Project, and the units are not assured the existence or unobstructed continuation of any particular view, (b) any view from the unit is not intended as part of the value of the unit, and is not guaranteed, and Developer makes no representation or warranty regarding the effect of the view on the value of the unit, and (c) any future development, construction, landscaping, growth of trees or other installation of improvements by Developer, the Front Desk Unit Owner, other owners or owners of other property in the vicinity of the Project, may impair the view from the unit, and Purchaser consents to such view impairment. Purchaser acknowledges that the Developer intends to develop another condominium project similar in height and possibly density to the Project ocean side of the Project and as such the existing view corridors will likely be impacted in the near future.

h. FF&E. Developer intends to install countertops, finishes and fixtures and furniture within the units consisting of certain materials as may be depicted in marketing and sales collateral. Each purchaser specifically acknowledges and agrees that display samples represent the typical quality, color, texture, shading, finish and marking of particular furnishings and finishes. An exact match in color, type, quality, shading and finishes is neither implied nor guaranteed and all finishes are subject to variation. Purchasers further acknowledge and agree that due to the material, mineral composition and crystalline structure of finishes (i.e., countertops), small natural discolorations, pulling and/or small pits and bumps may be visible on the furnishings and/or polished surfaces. These shall not be considered flaws, as they do not impair the function or durability of the material. Purchasers acknowledge and agree that due to the porous nature of stone and variation in textiles, other natural materials and the certain finishes and fabrics will still be susceptible to staining. Owners and occupants of units will be responsible for cleaning of stains at their own expense.

i Honokahua Burial Grounds; TMK No. (2)4-2-04-14 (Lot A-7-C-2). Honokahua Burial Grounds ("Honokahua") is a Native Hawaiian burial area neighboring the Project, located between the Project and the ocean. Lot A-7-C-2 is currently owned in fee simple by the Developer and is subject to a preservation and conservation easement. The maintenance of such area may eventually become an expense of the Project through either an easement, right of way, or use right. The Developer also may convey fee simple title of Honokahua to the Association through the exercise of its reserved right in the Declaration to do so, to the extent permitted by law.

j. Subdivision/Withdrawal; Final Lot Description. The developer received final subdivision approval from the County of Maui. The final subdivision divided the original Lot 2A into Lots 2A-1 and 2A-2. The land underlying the Project will now be described as Lot 2A-1 and A-7-C-1 and the new Project land area will be approximately 28 acres. Developer has amended the Declaration to incorporate the new land description. The configurations and sizes of the lots are subject to additional change depending on any additional County requirements or changes in development plans.

As part of its overall development plan, the Developer also has plans to exercise its reserved right to subdivide and withdraw the entire or portion of the approximately 6.25 acre parking lot for the Project as currently depicted on the Condominium Map. In the event of such subdivision and withdrawal, the Developer intends to provide parking for the Project outside of the Project, potentially within the other adjacent projects developed by Developer. In order to provide adequate parking for the Project and in order to comply with governing law, the Developer and the Front Desk Unit Owner further have the reserved right to enter into, grant and/or receive licenses, various use rights, rights of ways and/or easements for use of and access to parking spaces by owners within the Project and to make any such right a Shared Facility and the costs associated with such right a Shared Facilities Fee, as further described in the Declaration.

k. Potential Beach Hazards. Purchasers should be aware that the beach area fronting the property is known to have high surf and dangerous currents. Swimming in Honokahua Beach is at your own risk.

l. West Maui Airport. The Project is located in close proximity to the West Maui Airport. There may be some noise in the Project associated with overhead air traffic. The West Maui Airport, however, only received propeller planes (no jets) and has limited hours of operation.

m. Golf Course and Resort-Related Activities. Purchasers understand and agree that the Project may be adjacent to or near one or more golf courses and other resort facilities and that resort-related activity, including, without limitation, golf tournaments, luaus, and concerts, may be held within close proximity and occupancy of the West Wing and activity at the Hotel may increase during such events. Each Purchaser acknowledges that the location of his Unit may result in nuisances or hazards to persons and property on the Unit as a result of normal golf course operations or as a result of such other resort-related activities. Each Purchaser covenants for itself, its heirs, successors, successors-in-title and assigns that is shall assume all risks associated with such location, including, but not limited to, the risk of property damage or personal injury arising from stray golf balls or actions incidental to such resort-related activities.

n. Conversion and Renovation of Existing Hotel; Continuing Improvements. The structures in the Project were originally constructed in 1991-1992. Although the property has been renovated, the intensity of renovation varies on different portions of the property from minimal and cosmetic construction to more substantial, structural changes. As such, there may be portions of the property that are the subject of greater wear and tear than other portions of the property. The Developer has not replaced all component parts of the property or all electrical, mechanical and structural infrastructures. Purchasers should make careful review of the attached Exhibit "O" describing the existing condition of the building structure and its mechanical and electrical components and what is anticipated to be replace, renovated and refurbished prior to closing. Purchaser should review copies of the preconstruction and as built plans of the original structure and the renovation plans prior to closing.

Developer may or may not make certain additional improvements to the limited common elements appurtenant to certain commercial units owned by Developer in the future, including adding Commercial Units to such areas pursuant to its reserved right to do so in the Declaration. Such build out, if done, will likely take place after closing on your unit. As such, there may be transmission of some additional noise associated with such construction after occupancy of your unit and changes in the Common Interest appurtenant to your Unit and accordingly the Maintenance Fees. Purchaser should make careful review of the Developer's reserved right to convey Limited Common Elements to Units in the Declaration.

Further, according to the letter from the County of Maui, Department of Public Works Development & Services Administration dated July 5, 2007 attached hereto as Exhibit "P" and discussed in Section 1.15 of this Public Report, there is a certificate of occupancy that had not been obtained for certain retail improvements done to the Project in 1993. Purchaser is advised that the Developer does not anticipate obtaining the outstanding certificate of occupancy, and if necessary, the Association may be required to obtain such certificate of occupancy in the future.

6.16. Night Use Fee. All Resort Units may be subject to a surcharge to compensate for any additional financial impact such use may have for the Project, as determined by the Front Desk Unit Owner. Without limiting the generality of the foregoing, Front Desk Unit Owner may establish a nightly usage fee on an annual basis in an amount reasonably determined by Front Desk Unit Owner as the cost of providing services such as check-in and check-out service, registration services, recreational services and guest services and key service; provided that such services are subject to change. Each person who occupies a Resort Unit, including an Owner, shall be charged such nightly usage fee to compensate the Front Desk Unit Owner for these services, in an amount established annually by the Front Desk Unit Owner in its reasonable discretion. The nightly usage fee shall accrue nightly for each night that a person, including the Unit Owner, is in residence and shall be paid by the occupant of the Resort Unit upon demand at check-out. Any amounts not paid by the occupant of the Resort Unit upon check-out

shall be invoiced to the Resort Unit Owner and shall be payable within thirty (30) days of delivery of such invoice.

The Developer declares subject to the penalties set forth in Section 5148-69, HRS that this project continues to conform 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 5148-5 and 32(a) (13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, 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 as amended and the exhibits attached to this report (if any) as amended 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 as amended 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 as amended at least 30 days prior to the anniversary date of the effective date of this report.

W2005 KAPALUA/GENGATE HOTEL REALTY, L.L.C.,
a Delaware limited liability company

By: W2005 Kapalua/Gengate Hotel Senior Mezzanine, L.L.C.,
a Delaware limited liability company, its managing member

By: W2005 Kapalua/Gengate Hotel Mezzanine, L.L.C.,
a Delaware limited liability company,
its managing member

By: W2005 Kapalua/Gengate Hotel Holdings, L.L.C.,
a Delaware limited liability company,
its managing member

By: Gengate Kapalua Holdings GP, LLC,
a Delaware limited liability company,
administrative member

By: Gencom Kapalua GP, LLC,
a Delaware limited liability company,
its managing member

Date: JAN 3 1 2008

By: _____
Name (Print): KARIM ALIBHAI
Title: PRESIDENT

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.**

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.

EXHIBIT "A"

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

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

A. RESORT UNITS (EAST WING)[1]

Unit Number[2]	Unit Type[3]	Bedroom / Bathrooms	Approximate Net Living Area (sf)[4]	Approximate Lanai Area (sf)	Percentage Common Interest[5]
1118/1120	N1-R	2/2	1325	329	0.306492%
1121/1123	N	2/2	1323	324	0.306030%
1122/1124	N1	2/2	1325	332	0.306492%
1125	M2	1/1	872	228	0.201707%
1126/1128	L1A	2/2	1398	445	0.323378%
1127/1129	L	2/3	1646	383	0.380744%
1218/1220	N1-R	2/2	1325	316	0.306492%
1221/1223	N	2/2	1323	315	0.306030%
1222/1224	N1	2/2	1325	323	0.306492%
1225	M2	1/1	872	223	0.201707%
1226/1228	L1	2/2	1477	460	0.341652%
1227/1229	L	2/3	1646	391	0.380744%
1306/1308	N1-R	2/2	1325	320	0.306492%
1307/1309	N	2/2	1323	308	0.306030%
1310	M1-R	1/1	878	172	0.203095%
1311	M-R	1/1	870	229	0.201244%
1312	M1	1/1	878	172	0.203095%
1314/1316	N3-R	2/2	1333	317	0.308343%
1315	M	1/1	870	229	0.201244%
1317/1319	N3	2/2	1323	317	0.306030%
1318/1320	N1-R	2/2	1325	310	0.306492%
1321/1323	N	2/2	1323	309	0.306030%
1322/1324	N1	2/2	1325	304	0.306492%
1325	M2	1/1	872	215	0.201707%
1326/1328	L1	2/2	1477	460	0.341652%
1327/1329	L	2/3	1646	391	0.380744%
1401	M3	1/1	872	215	0.201707%
1402	K1	1/1	872	240	0.201707%
1403/1405	N-R	2/2	1323	332	0.306030%
1404	K1-R	1/1	872	240	0.201707%
1406/1408	N1-R	2/2	1325	308	0.306492%
1407/1409	N	2/2	1323	308	0.306030%
1410	M1-R	1/1	878	215	0.203095%
1411	M-R	1/1	870	215	0.201244%
1412	M1	1/1	878	215	0.203095%
1414/1416	N3-R	2/2	1333	310	0.308343%
1415	M	1/1	870	215	0.201244%
1417/1419	N3	2/2	1323	310	0.306030%
1418/1420	N1-R	2/2	1325	274	0.306492%
1421/1423	N	2/2	1323	274	0.306030%
1422/1424	N1	2/2	1325	277	0.306492%

Unit Number[2]	Unit Type[3]	Bedroom / Bathrooms	Approximate Net Living Area (sf)[4]	Approximate Lanai Area (sf)	Percentage Common Interest[5]
1425	M2	1/1	872	147	0.201707%
1426/1428	L1	2/2	1477	363	0.341652%
1427/1429	L	2/3	1646	327	0.380744%
1501	M3	1/1	872	216	0.201707%
1502	K1	1/1	872	231	0.201707%
1503/1505	N-R	2/2	1323	309	0.306030%
1504	K1-R	1/1	872	231	0.201707%
1506/1508	N1-R	2/2	1325	308	0.306492%
1507/1509	N	2/2	1323	309	0.306030%
1510	M1-R	1/1	878	215	0.203095%
1511	M-R	1/1	870	215	0.201244%
1512	M1	1/1	878	215	0.203095%
1514/1516	N3-R	2/2	1333	310	0.308343%
1515	M	1/1	870	215	0.201244%
1517/1519	N3	2/2	1323	310	0.306030%
1518/1520	N1-R	2/2	1325	264	0.306492%
1521/1523	N	2/2	1323	265	0.306030%
1522/1524	N1	2/2	1325	260	0.306492%
1525	M2	1/1	872	181	0.201707%
1526/1528	L1	2/2	1477	385	0.341652%
1527/1529	L	2/3	1646	339	0.380744%
1601	M3	1/1	872	217	0.201707%
1602	K1	1/1	872	231	0.201707%
1603/1605	N-R	2/2	1323	311	0.306030%
1604	K1-R	1/1	872	231	0.201707%
1606/1608	N1-R	2/2	1325	272	0.306492%
1607/1609	N	2/2	1323	267	0.306030%
1610	M1-R	1/1	878	182	0.203095%
1611	M-R	1/1	870	183	0.201244%
1612	M1	1/1	878	182	0.203095%
1614/1616	N3-R	2/2	1333	270	0.308343%
1615	M	1/1	870	183	0.201244%
1617/1619	N3	2/2	1323	270	0.306030%
1618/1620	N1-R	2/2	1325	221	0.306492%
1621/1623	N	2/2	1323	258	0.306030%
1622/1624	N1	2/2	1325	265	0.306492%
1625/1627	N2	2/2	1432	263	0.331243%
1626	P	2/2.5	2558	713	0.591704%
1701	M3	1/1	872	214	0.201707%
1702	K1	1/1	872	228	0.201707%
1703/1705	N-R	2/2	1323	297	0.306030%
1704	K1-R	1/1	872	228	0.201707%
1706/1708	N1-R	2/2	1325	267	0.306492%
1707/1709	N	2/2	1323	267	0.306030%
1710	M1-R	1/1	878	182	0.203095%
1711	M-R	1/1	870	184	0.201244%
1712	M1	1/1	878	182	0.203095%
1714/1716	N3-R	2/2	1333	270	0.308343%
1715	M	1/1	870	184	0.201244%
1717/1719	N3	2/2	1323	270	0.306030%

Unit Number[2]	Unit Type[3]	Bedroom / Bathrooms	Approximate Net Living Area (sf)[4]	Approximate Lanai Area (sf)	Percentage Common Interest[5]
1801	M3	1/1	872	165	0.201707%
1802	K1	1/1	872	171	0.201707%
1803/1805	N-R	2/2	1323	256	0.306030%
1804	K1-R	1/1	872	171	0.201707%
1806/1808	N1-R	2/2	1325	267	0.306492%
1807/1809	N	2/2	1323	267	0.306030%
1810	M1-R	1/1	878	182	0.203095%
1811	M-R	1/1	870	184	0.201244%
1812	M1	1/1	878	182	0.203095%
1814/1816	N3-R	2/2	1333	270	0.308343%
1815	M	1/1	870	184	0.201244%
1817/1819	N3	2/2	1323	270	0.306030%
1901	M3	1/1	872	165	0.201707%
1902	K1	1/1	872	171	0.201707%
1903/1905	N-R	2/2	1323	256	0.306030%
1904	K1-R	1/1	872	171	0.201707%
Subtotal			124158	28309	28.719616%

B. HOTEL UNIT (WEST WING)[6]

Unit Number	Approximate Net Living Area (sf)	Approximate Lanai Area (sf)	Percentage Common Interest
Hotel Unit	194204	32259	44.922277%

C. COMMERCIAL UNITS[7]

Unit Number	Current Use[8]	Approximate Net Living Area (sf)	Approximate Limited Common Area (sf)	Percentage Common Interest
CU-1	Anuenue Room	11830	18239	2.736456%
CU-2	Fitness Center	3637	0	0.841292%
CU-3	Retail	1796	0	0.415442%
CU-4	Retail	804	0	0.185977%
CU-5	3-Meal Restaurant	16786	1085	3.882853%
CU-6	Lobby Bar	1261	0	0.291688%
CU-7	Sushi Bar	1414	0	0.327079%
CU-8	Retail	779	0	0.180194%
CU-9	Retail	326	0	0.075409%
CU-10	Retail	265	0	0.061298%
CU-11	Retail	449	0	0.103860%
CU-12	Retail	475	0	0.109875%
CU-13	Laundry	2084	0	0.482060%
CU-14	Board & Meeting Rooms	2994	0	0.692557%
CU-15	Meeting Room	479	0	0.110800%
CU-16	Junior Ballroom	8037	0	1.859078%

CU-17	Multi-Purpose Room	3565	0	0.824638%
CU-18	Main Ballroom	26987	2054	6.242497%
CU-19	Board Rooms	704	0	0.162846%
CU-20	Meeting Room & Prefunction	1971	0	0.455922%
CU-21	Business Center	233	0	0.053896%
CU-22	Ritz Kids Club	1636	0	0.378431%
CU-23	Banyan Tree Restaurant	5927	734	1.371004%
CU TOTAL		94439	22112	21.845152%

D. FRONT DESK UNIT[9]

Apartment Number	Approximate Net Living Area (sf)	Percentage Common Interest
Front Desk Unit	3381	0.782076%

E. SPA UNIT[10]

Apartment Number	Approximate Net Living Area (sf)	Approximate Limited Common Area (sf)	Percentage Common Interest
Spa Unit	11956	2294	2.765602%

F. OFFICE UNITS[11]

Apartment Number	Approximate Net Living Area (sf)	Percentage Common Interest
Office Unit 1	1740	0.402488%
Office Unit 2	2433	0.562789%
Total	4173	0.965277%

G. PARKING[12]

There are a **total of 974 parking spaces** in the Project. The breakdown of the parking is as follows:

Standard	406
Compact	406
Accessible	12
Van Accessible	10
Off-Site	26
Bus parking	4
Motorcycle	6
Stalls available at service yard	10
Additional grass stalls provided	100
TOTAL PARKING PROVIDED	**980**

[1] All of the Resort Units are located on Levels 1E through 9E in the East Wing of the Project. All Resort Units have the number of Bedrooms/Bathrooms noted herein and a "Living/Dining" area, as depicted on the Condominium Map. Resort Unit Types L, L1, L1A and P also have full kitchens, also as depicted on the Condominium Map.

[2] Some of the Units are identified with two room numbers. Such units are configured as "lock off" units, whereby the Unit may be divided in order to create two or more separate living sections. The Condominium Map depicts in detail the floor plans and layouts of these "lock off" units.

[3] Note that Unit Type N3 and N3-R are identical in layout, except that Unit Type N3 has an 8" shear wall (versus the standard 5.5" metal stud wall in Unit Type N3-R) along the corridor in the "lock off" and an existing furred out area in the "Living/Dining" area. As such, Unit Type N3-R is ten (10) sq. ft. larger than Unit Type N3.

[4] The Approximate Net Living Area of each Unit was determined by measuring the area between the finished, decorated interior perimeter and party walls of each Unit, and includes the area occupied by the non-load bearing and load-bearing walls located between said perimeter and party walls.

[5] The common interest attributable to each Unit in the Project was calculated by dividing the Approximate Net Living Area of each Unit by the total Approximate Net Living Area of all Units within the Project. In order to permit the common interest for all Units in the Project to equal exactly one hundred percent (100%), the common interest attributable to the Hotel Unit was decreased by .000013%. THE COMMON INTERESTS SET FORTH HEREIN ARE BASED ON THE DEVELOPER'S BEST ESTIMATE AT THE TIME OF FILING OF THE DECLARATION FOR THE PROJECT. THE DEVELOPER HAS THE RESERVED RIGHT TO MODIFY THE COMMON INTEREST IN THE EVENT THAT THERE IS A VARIATION IN APPROXIMATE NET LIVING AREA.

[6] The Hotel Unit comprises the interior of the West Wing of the Project, as further described in this Declaration and depicted on the Condominium Map. Within the Hotel Unit there are 262 Guest Rooms, each containing 1 bedroom and 1 bathroom; and 34 Executive Suites and 1 Suite, each containing 1 bedroom and 1.5 bathrooms. The Hotel Unit is also comprised of the corridors, walkways, landings and other improvements and areas in the West Wing, as depicted on the Condominium Map and further described in this Declaration. The Hotel Unit also contains ten (10) ADA accessible Guest Rooms as follows: 2143, 2153, 2235, 2325, 2339, 2425, 2525, 2621, 2725 and 2825.

[7] Commercial Units 1 through 21 are located on the Lower Level or Lobby Level of the East Main, Center Main and West Main portions of the hotel building. Commercial Unit 22 is located in the West Wing, but is not part of the Hotel Unit. Commercial Unit 23 is comprised of its own free-standing single-level building.

[8] For purposes of this Exhibit "A", the "Current Use" is based on the use of the Commercial Unit at the time this Declaration is recorded and is being provided for reference purposes. The Developer does not represent and/or warrant that the Commercial Units will continue to be utilized under its "Current Use," and the Developer has the right to change the "Current Use" of each Commercial Unit at any time in its sole discretion. The Developer also does not warrant that any Commercial Unit will offer specific goods or services, nor that any Commercial Unit will remain open during any specific times. All revenue generated from Commercial Units shall be the property of Developer.

[9] The Front Desk Unit is located on the Lobby Level of the Center Main portion of the hotel building and has appurtenant thereto as Limited Common Elements the Front Desk Facilities and the Shared Facilities, as depicted on the Condominium Map and as set forth in this Declaration.

[10] The Spa Unit is located on the Lower Level of the West Main portion of the hotel building and has appurtenant thereto as Limited Common Elements the lanai and pavilion areas, as depicted on the Condominium Map and as set forth in this Declaration.

[11] Office Unit 1 is located on the Lower Level of the Center Main portion of the hotel building and Office Unit 2 is located on the Lower Level of the East Main portion of the hotel building.

[12] All parking areas are currently a part of the Shared Facilities, which are Limited Common Elements appurtenant to the Front Desk Unit. Parking shall be managed by the Front Desk Unit Owner (and /or the Hotel Manager on the Front Desk Unit Owner's behalf). RESERVED PARKING SPACES WILL NOT BE ASSIGNED TO RESORT UNITS. Owners are aware that there are hotel operations at the Project, including ballroom functions, large meetings, food and beverage functions, and hotel operations support staff which may at times cause the parking to be in high demand. As such, all spaces will be available on a "first-come first-served" basis, and/or as assigned by the Front Desk Unit Owner. The Front Desk Unit Owner also has the right to make all parking at the Project valet-only, and, in such event, Owners will not be allowed to self-park. Owners also acknowledge that the current parking lot for the Project may be relocated to somewhere beyond the defined boundaries of the Project. If relocated, Owners will have a use right in such stalls, subject, however, to the restrictions set forth above. In light of planned future developments by Developer, the number of stalls provided and the configuration and/or size of the parking area is subject to change.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL PROVISIONS PERTAINING TO AND/OR DESCRIPTIONS OF THE UNITS CONTAINED IN THE DECLARATION, BYLAWS, HOUSE RULES AND RESORT RULES ("CONDOMINIUM DOCUMENTS"). WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF PROVISIONS PERTAINING TO AND/OR DESCRIPTIONS OF THE UNITS CONTAINED IN THE CONDOMINIUM DOCUMENTS, PURCHASER MUST REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

EXHIBIT "A-1"

CLASS COMMON INTEREST

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

In addition to the Common Interest, each Unit shall have assigned to it, for administrative purposes, a Class Common Interest as set forth below. The Class Common Interest is calculated based on a ratio of the specific unit type area to the total area of all units of the same specific unit type (i.e., for Commercial Units, the area of CU-1 or 11,830 sq. ft. divided by the TOTAL CU AREA or 94,151 sq. ft., expressed as a percent), as further set forth in the Declaration and Bylaws.

All Owners of Units in a Unit Class shall have the right to vote his or her Class Common Interest with respect to matters requiring voting by Unit Class, and each Unit in a Unit Class shall be responsible for its proportionate share of all Class Common Expenses of the Project, if any.

Furthermore, the nine (9) member Board of Directors shall consist of the following: one (1) director each from the Front Desk Unit Class, Commercial Unit Class, Spa Unit Class, Office Unit Class; one (1) director from the Hotel Unit Class; and four (4) directors total from the Resort Unit Class. The procedure for appointment is further described in Article III of the Bylaws.

The Approximate Net Living Area of each Unit was determined by measuring the area between the finished, decorated interior perimeter and party walls of each Unit, and includes the area occupied by the non-load bearing and load-bearing walls located between said perimeter and party walls.

Developer has further adjusted the Class Common Interest, in its discretion, in order to ensure that the total Class Common Interest for all Units in a Unit Class in the aggregate equals one hundred percent (100%).

A. RESORT UNIT CLASS (EAST WING)

Unit Number	Unit Type	Bedroom / Bathrooms	Approximate Net Living Area (sf)	Approximate Lanai Area (sf)	Class Common Interest
1118/1120	N1-R	2/2	1325	329	1.067180%
1121/1123	N	2/2	1323	324	1.065578%
1122/1124	N1	2/2	1325	332	1.067189%
1125	M2	1/1	872	228	0.702331%
1126/1128	L1A	2/2	1398	445	1.125985%
1127/1129	L	2/3	1646	383	1.325730%
1218/1220	N1-R	2/2	1325	316	1.067189%
1221/1223	N	2/2	1323	315	1.065578%
1222/1224	N1	2/2	1325	323	1.067189%
1225	M2	1/1	872	223	0.702331%
1226/1228	L1	2/2	1477	460	1.189613%
1227/1229	L	2/3	1646	391	1.325730%
1306/1308	N1-R	2/2	1325	320	1.067189%
1307/1309	N	2/2	1323	308	1.065578%
1310	M1-R	1/1	878	172	0.707163%
1311	M-R	1/1	870	229	0.700720%
1312	M1	1/1	878	172	0.707163%
1314/1316	N3-R	2/2	1333	317	1.073632%
1315	M	1/1	870	229	0.700720%

Unit Number	Unit Type	Bedroom / Bathrooms	Approximate Net Living Area (sf)	Approximate Lanai Area (sf)	Class Common Interest
1317/1319	N3	2/2	1323	317	1.065578%
1318/1320	N1-R	2/2	1325	310	1.067189%
1321/1323	N	2/2	1323	309	1.065578%
1322/1324	N1	2/2	1325	304	1.067189%
1325	M2	1/1	872	215	0.702331%
1326/1328	L1	2/2	1477	460	1.189613%
1327/1329	L	2/3	1646	391	1.325730%
1401	M3	1/1	872	215	0.702331%
1402	K1	1/1	872	240	0.702331%
1403/1405	N-R	2/2	1323	332	1.065578%
1404	K1-R	1/1	872	240	0.702331%
1406/1408	N1-R	2/2	1325	308	1.067189%
1407/1409	N	2/2	1323	308	1.065578%
1410	M1-R	1/1	878	215	0.707163%
1411	M-R	1/1	870	215	0.700720%
1412	M1	1/1	878	215	0.707163%
1414/1416	N3-R	2/2	1333	310	1.073632%
1415	M	1/1	870	215	0.700720%
1417/1419	N3	2/2	1323	310	1.065578%
1418/1420	N1-R	2/2	1325	274	1.067189%
1421/1423	N	2/2	1323	274	1.065578%
1422/1424	N1	2/2	1325	277	1.067189%
1425	M2	1/1	872	147	0.702331%
1426/1428	L1	2/2	1477	363	1.189613%
1427/1429	L	2/3	1646	327	1.325730%
1501	M3	1/1	872	216	0.702331%
1502	K1	1/1	872	231	0.702331%
1503/1505	N-R	2/2	1323	309	1.065578%
1504	K1-R	1/1	872	231	0.702331%
1506/1508	N1-R	2/2	1325	308	1.067189%
1507/1509	N	2/2	1323	309	1.065578%
1510	M1-R	1/1	878	215	0.707163%
1511	M-R	1/1	870	215	0.700720%
1512	M1	1/1	878	215	0.707163%
1514/1516	N3-R	2/2	1333	310	1.073632%
1515	M	1/1	870	215	0.700720%
1517/1519	N3	2/2	1323	310	1.065578%
1518/1520	N1-R	2/2	1325	264	1.067189%
1521/1523	N	2/2	1323	265	1.065578%
1522/1524	N1	2/2	1325	260	1.067189%
1525	M2	1/1	872	181	0.702331%
1526/1528	L1	2/2	1477	385	1.189613%
1527/1529	L	2/3	1646	339	1.325730%
1601	M3	1/1	872	217	0.702331%
1602	K1	1/1	872	231	0.702331%
1603/1605	N-R	2/2	1323	311	1.065578%
1604	K1-R	1/1	872	231	0.702331%
1606/1608	N1-R	2/2	1325	272	1.067189%
1607/1609	N	2/2	1323	267	1.065578%
1610	M1-R	1/1	878	182	0.707163%

Unit Number	Unit Type	Bedroom / Bathrooms	Approximate Net Living Area (sf)	Approximate Lanai Area (sf)	Class Common Interest
1611	M-R	1/1	870	183	0.700720%
1612	M1	1/1	878	182	0.707163%
1614/1616	N3-R	2/2	1333	270	1.073632%
1615	M	1/1	870	183	0.700720%
1617/1619	N3	2/2	1323	270	1.065578%
1618/1620	N1-R	2/2	1325	221	1.067189%
1621/1623	N	2/2	1323	258	1.065578%
1622/1624	N1	2/2	1325	265	1.067189%
1625/1627	N2	2/2	1432	263	1.153369%
1626	P	2/2.5	2558	713	2.060278%
1701	M3	1/1	872	214	0.702331%
1702	K1	1/1	872	228	0.702331%
1703/1705	N-R	2/2	1323	297	1.065578%
1704	K1-R	1/1	872	228	0.702331%
1706/1708	N1-R	2/2	1325	267	1.067189%
1707/1709	N	2/2	1323	267	1.065578%
1710	M1-R	1/1	878	182	0.707163%
1711	M-R	1/1	870	184	0.700720%
1712	M1	1/1	878	182	0.707163%
1714/1716	N3-R	2/2	1333	270	1.073632%
1715	M	1/1	870	184	0.700720%
1717/1719	N3	2/2	1323	270	1.065578%
1801	M3	1/1	872	165	0.702331%
1802	K1	1/1	872	171	0.702331%
1803/1805	N-R	2/2	1323	256	1.065578%
1804	K1-R	1/1	872	171	0.702331%
1806/1808	N1-R	2/2	1325	267	1.067189%
1807/1809	N	2/2	1323	267	1.065578%
1810	M1-R	1/1	878	182	0.707163%
1811	M-R	1/1	870	184	0.700720%
1812	M1	1/1	878	182	0.707163%
1814/1816	N3-R	2/2	1333	270	1.073632%
1815	M	1/1	870	184	0.700720%
1817/1819	N3	2/2	1323	270	1.065578%
1901	M3	1/1	872	165	0.702331%
1902	K1	1/1	872	171	0.702331%
1903/1905	N-R	2/2	1323	256	1.065578%
1904	K1-R	1/1	872	171	0.702331%
Subtotal			124158	28309	100.000000%

Note: In order to permit the Class Common Interest for the Resort Unit Class to equal exactly one hundred percent (100%), the Class Common Interest attributable to Resort Unit 1118/1120 was decreased by .000009%.

B. HOTEL UNIT CLASS (WEST WING)

Unit Number	Approximate Net Living Area (sf)	Approximate Lanai Area (sf)	Percentage Common Interest
Hotel Unit 1	194204	32259	100.000000%

C. COMMERCIAL UNIT CLASS

Unit Number	Current Use[3]	Approximate Net Living Area (sf)	Approximate Limited Common Area (sf)	Percentage Common Interest
CU-1	Anuenue Room	11830	18239	12.526608%
CU-2	Fitness Center	3637	0	3.851163%
CU-3	Retail	1796	0	1.901757%
CU-4	Retail	804	0	0.851343%
CU-5	3-Meal Restaurant	16786	1085	17.774436%
CU-6	Lobby Bar	1261	0	1.335253%
CU-7	Sushi Bar	1414	0	1.497263%
CU-8	Retail	779	0	0.824871%
CU-9	Retail	326	0	0.345196%
CU-10	Retail	265	0	0.280604%
CU-11	Retail	449	0	0.475439%
CU-12	Retail	475	0	0.502970%
CU-13	Laundry	2084	0	2.206715%
CU-14	Board & Meeting Rooms	2994	0	3.170300%
CU-15	Meeting Room	479	0	0.507206%
CU-16	Junior Ballroom	8037	0	8.510255%
CU-17	Multi-Purpose Room	3565	0	3.774923%
CU-18	Main Ballroom	26987	2054	28.576118%
CU-19	Board Rooms	704	0	0.745455%
CU-20	Meeting Room & Prefunction	1971	0	2.087061%
CU-21	Business Center	233	0	0.246720%
CU-22	Ritz Kids Club	1636	0	1.732335%
CU-23	Banyan Tree Restaurant	5927	734	6.276009%
CU TOTAL		94439	22112	100.000000%

Note: In order to permit the Class Common Interest for the Commercial Unit Class to equal exactly one hundred percent (100%), the Class Common Interest attributable to Commercial Unit 1 (CU-1) was increased by .000004%.

D. FRONT DESK UNIT CLASS

Apartment Number	Approximate Net Living Area (sf)	Percentage Common Interest
Front Desk Unit	3381	100.000000%

E. SPA UNIT CLASS

Apartment Number	Approximate Net Living Area (sf)	Approximate Limited Common Area (sf)	Percentage Common Interest
Spa Unit	11956	2294	100.000000%

F. OFFICE UNIT CLASS

Apartment Number	Approximate Net Living Area (sf)	Percentage Common Interest
Office Unit 1	1740	41.696621%
Office Unit 2	2433	58.303379%
Total	4173	100.000000%

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

EXHIBIT "B"

BOUNDARIES OF THE UNIT

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

The respective Resort Units, Commercial Units, Office Units, Spa Unit and Front Desk Unit shall not be deemed to include: (a) the perimeter and party walls and the undecorated or unfinished interior surfaces thereof, (b) the floors and ceilings surrounding each Unit and the undecorated or unfinished interior surfaces thereof, (c) the perimeter doors, door frames, windows and window frames and all exterior hardware associated therewith, and the undecorated or unfinished interior surfaces thereof, (d) any pipes, shafts, ducts, flues, chutes, equipment, pumps, conduits, wires and other utility or service lines that are utilized for or serve more than one Unit, (e) lanais, balconies and patios, (f) exterior surfaces, doors and door frames, including columns, floors, roofs, railings, fences, foundations and walls, and (g) any areas designated as Limited Common Elements. The respective Resort Units, Commercial Units, Office Units, Spa Unit and Front Desk Unit shall be deemed to include: (i) all of the walls and partitions that are not load-bearing within its perimeter and party walls, interior load-bearing walls and columns, if any, and the undecorated or unfinished surfaces thereof, (ii) all pipes, shafts, ducts, flues, chutes, equipment, pumps, conduits, wires and other utility or service lines running through such Unit and/or its walls, that are utilized for and serve only that Unit, including, without limitation, any grease catch, drainage system, or other apparatus serving only the respective Commercial Unit, Office Units, Spa Unit and Front Desk Unit, as applicable, (iii) the interior decorated and 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.

The Hotel Unit shall not be deemed to include : (a) the perimeter or party walls and the undecorated and unfinished interior surfaces of the building envelope of the West Wing (as depicted on the Condominium Map), (b) the floors and ceilings surrounding the building envelope and the undecorated and unfinished interior surfaces thereof, (c) the perimeter doors, door frames, windows and window frames and all exterior hardware associated with the building envelope, and the undecorated or unfinished interior surfaces thereof, (d) any pipes, shafts, ducts, flues, chutes, equipment, pumps, conduits, wires and other utility and service lines that are utilized for or serve more than the Unit, (e) lanais, balconies and patios, (f) exterior surfaces, doors and door frames, including columns, floors, roofs, railings, fences, foundations and walls, and (g) any areas designated as Limited Common Elements or a Unit. The Hotel Unit shall be deemed to include: (i) all of the walls and partitions that within the building envelope and the interior decorated and finished surfaces of all walls, floors and ceilings surrounding the Unit and the air space located therein, (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 the Unit, (iii) interior load-bearing walls and columns, if any, and the undecorated and unfinished surfaces thereof within the building envelope, and (iv) all appliances, interior hardware, and FF&E installed therein, and replacements therefore serving the Unit.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE UNIT BOUNDARIES DESCRIBED IN THE DECLARATION. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE UNIT BOUNDARIES DESCRIBED IN THE DECLARATION, PURCHASER SHOULD REFER TO THE DECLARATION TO DETERMINE THE UNIT BOUNDARIES IN DETAIL. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, THE DECLARATION WILL CONTROL.

EXHIBIT "C"

PERMITTED ALTERATIONS TO THE UNITS

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

A. **GENERAL PROVISIONS**. No Unit Owner, other than the Developer prior to closings of all Resort Units, 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 to the contrary, 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 of the Project, shall be undertaken by any 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 and the Hotel Manager. Promptly upon completion of such restoration, replacement or construction, the Owner shall duly record 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**. No 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, the Front Desk Unit Owner, and the Hotel Manager. No Resort Unit Owner may make or allow any material addition or alteration without first obtaining the written consent of sixty-seven percent (67%) of the Common Interest, the consent of all Unit Owners whose Units or appurtenant Limited Common Elements are directly affected, and the approval of the Board, the Front Desk Unit Owner, and the Hotel Manager.

C. **ADDITIONS OR ALTERATIONS TO RESORT UNITS.** In addition to the foregoing requirements, to ensure that the Project operates pursuant to the Project Quality Standard, and to ensure a uniform appearance and consistent level of quality among the Resort Units and to protect the structural integrity of the Project, no Resort Unit Owner may make any addition, alteration or improvement to his or her Unit without the prior written consent of the Front Desk Unit Owner and the Hotel Manager. The Front Desk Unit Owner and the Hotel Manager each shall have the right, in its sole and absolute discretion, to deny consent if either the Front Desk Unit Owner or the Hotel Manager determines that the addition, alteration or improvement is inconsistent with the Project Quality Standard or would otherwise be inconsistent with the uniform appearance of the Resort Units.

1. No Owner shall commence work on any alterations or additions within a Unit or the appurtenant Limited Common Elements until the Owner has submitted to the Board and the Front Desk Unit Owner a written request (which may include plans and specifications if the Board or the Front Desk Unit Owner require) and said Owner has received the written consent of (i) sixty-seven percent (67%) of the Unit Owners; (ii) all Unit Owners whose Units or appurtenant Limited Common Elements are directly affected by such addition or alteration; (iii) the Board and the Front Desk Unit Owner; provided that "nonmaterial alterations or additions," as such term is defined in Section 514B-140 of the Act, shall require only the approval of the Board and the Front Desk Unit Owner, as further provided in the Declaration. The Board or the Front Desk Unit Owner may, at the expense of the requesting Owner, consult with an appropriate design professional in reviewing said plans.

2. The Board and the Front Desk Unit Owner shall respond to the submission of a request within a reasonable time of the receipt thereof by the Board and the Front Desk Unit Owner. Nothing contained in this section shall authorize or permit any work affecting the Shared Facilities, including the exterior appearance of the Project or the rights of any other Owner.

3. The Board and the Front Desk Unit Owner may impose reasonable conditions on its approval of any such request including, without limitation, requiring (i) changes or amendments to the request, (ii) supervision of the work by an architect, or engineer, or other construction professional, or (iii) performance of the work by a licensed contractor.

4. The Board or the Front Desk Unit Owner may inspect the work from time to time and direct a halt in construction for any reason and the Board and the Front Desk Unit Owner may require the removal or correction of any work which was (i) not authorized by the Board or the Front Desk Unit Owner, or (ii) which may adversely affect the Shared Facilities, including the exterior of the Project or the rights of any other Unit Owner.

Nothing contained in this paragraph shall authorize any work or alteration that would in any way alter or affect any load-bearing wall and/or 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 Shared Facilities, 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 Shared Facilities. Resort Unit Owner shall be required to make any changes deemed necessary by the Front Desk Unit Owner, in its sole discretion, as may be necessary to restore the Resort Unit to comply with the Project Quality Standard and to ensure a uniform appearance and consistent level of quality among the Resort Units at the sole expense of the Resort Unit Owner to the satisfaction of the Front Desk Unit Owner. Moreover, the Front Desk Unit Owner 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. **ADDITIONS OR ALTERATIONS TO HOTEL UNITS**. The Owner of the Hotel Unit may make or allow any additions and/or alterations to the Hotel Unit pursuant to Section A. above. The Hotel Unit Owner, however, shall not be required to obtain any additional consents or approvals, other than the necessary governmental approvals prior to any additions and/or alterations to the Hotel Unit.

E. **UNIT OWNERS TO EXECUTE AMENDMENT DOCUMENTS IN CERTAIN CASES**. In the event that any change or alteration of a Unit pursuant to and in compliance with this Article shall alter the depiction of the particular Unit on the Condominium Map or the description thereof in the Declaration, then the Owner of such 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 recordation thereof in the Bureau. 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) and the Front Desk Unit Owner, as appropriate. 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 record 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 record such documents and to do such things on his 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 CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE CONDOMINIUM DOCUMENTS, PURCHASER MUST REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

EXHIBIT "D"

COMMON ELEMENTS

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

One freehold estate is designated in all portions of the Project not defined as a "Unit" in the Declaration. This freehold estate shall be called the "Common Elements."

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 Exhibit "E" herein.

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

EXHIBIT "E"

LIMITED COMMON ELEMENTS

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

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, 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. Unless otherwise provided herein, Limited Common Elements shall be managed and maintained by the Owner of the Unit to which the Limited Common Element shall be appurtenant. For example, the Limited Common Elements appurtenant to the Front Desk Unit shall be maintained by the Front Desk Unit Owner, and the costs 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, plus any general excise tax assessed thereon, by the Association as more fully set forth in Article IV, Section I, of the Declaration.

The following describes the Limited Common Elements in the Project:

1. **Resort and Hotel Units.** Each Resort Unit and the Hotel Unit shall have appurtenant thereto, as Limited Common Elements:

a. One or more lanai(s), if any, adjacent to such Unit, from the decorated or finished surface of all walls, floors and ceilings of said lanais, as depicted on the Condominium Map, the total areas of which are identified in Exhibit "A" attached hereto; and

b. The interior of the assigned mailbox, if any, as may be located within the Project. Such mailbox shall be identified by the same number as the Unit to which it is a Limited Common Element.

2. **Commercial Units.** Certain Commercial Units shall have appurtenant thereto, as Limited Common Elements:

a. Commercial Unit 1 – The "Aloha Pavillion" adjacent to Commercial Unit 1, as depicted on the Condominium Map.

b. Commercial Unit 5 – The "Entry" area and "Patio" area adjacent to Commercial Unit 5, as depicted on the Condominium Map.

b. Commercial Unit 18 – The "Prefunction Terrace" adjacent to Commercial Unit 18, as depicted on the Condominium Map.

c. Commercial Unit 23 – The "Private Dining Patio" and outdoor lanai and walkways adjacent to Commercial Unit 23, as depicted on the Condominium Map.

3. **Spa Unit.** The lanai and pavilion adjacent to the Spa Unit, as depicted on the Condominium Map.

4. **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 Resort Units, or Commercial Units, the Hotel Unit, the Spa Unit or the Office Units including, but not limited to, the following:

a. **Shared Facilities.** The Front Desk Unit shall have appurtenant thereto the following facilities **("Shared Facilities")**, subject to an irrevocable, nonexclusive license granted to the Association in Article IV, Section I of the Declaration to use the Shared Facilities, subject to additional charge as determined by Hotel Manager. The Shared Facilities shall be maintained by the Front Desk Unit Owner. The cost incurred for such maintenance shall be included as part of the Shared Facilities Fee, which is discussed in the Declaration. The Shared Facilities shall include, but not be limited to, the following:

(i) The Building Structure, including, without limitation, all perimeter or party walls of a Unit 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 and any attic space;

(ii) All perimeter doors, door frames, windows, window frames, of a Unit 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, trash enclosures, maintenance or tool sheds and equipment storage facilities within the Project;

(v) All driveways, access lanes, paved areas, ramps, hallways and walkways, maintenance sheds or equipment storage facilities within the Project;

(vi) All parking areas shown on the Condominium Map;

(vii) The swimming pools, decks and other recreational facilities and the Owners Lounge as depicted on the Condominium Map.

(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, and mechanical room and electrical rooms not located in the East Wing;

(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 (if any), laundry chutes (if any) and other such installations and apparatus;

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

(xii) Foyers, stairways, promenades, vestibules, terraces, phone booths, arcades (if any), bathrooms located in these areas;

(xiii) That certain portion of the Land described in Exhibit "C" of the Declaration located North of the Project **("Ocean Front Parcel")**; and

(xiv) The East Wing Shared Facilities, as depicted in the Condominium Map **("East Wing Shared Facilities")**, which Resort Unit Owners will have a non-exclusive license to use (and the Front Desk Unit Owner can use by virtue of such area being a Shared Facility), including:

(a) The hallways and corridors located in the East Wing;

(b) Any landing, ice and/or vending rooms located among the Resort Units;

(c) Any mechanical and electrical rooms located in the East Wing that only services the East Wing, if not located in the attic space;

(d) The self-service laundry facility located in the East Wing (if any); and

(e) All other areas called out as "East Wing Shared Facilities" or "EW Shared Facility" on the Condominium Map, if any.

(xv) 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 in Article II, Section D.4.b of the Declaration.

b. **Front Desk Facilities.** In addition to the Shared Facilities, the Front Desk Unit shall have appurtenant thereto the following Limited Common Elements for its exclusive use to support operations at the Project that shall not be subject to the license granted to the Association under Article IV, Section I of the Declaration, as depicted on the Condominium Map:

(i) Employee breakrooms, locker areas, loading docks, employee and vendor parking areas, administrative offices, general cold and dry storage facilities not otherwise set forth above or depicted on the Condominium Map as a Unit or Shared Facility;

(ii) Storage rooms, housekeeping facilities, maid service areas and other support service areas, service elevators, maintenance and housekeeping storage areas, service landings and lobbies, elevator mechanical rooms for service elevators, maintenance workshops not otherwise set forth above or depicted on the Condominium Map as a Unit or Shared Facility;

(iii) All back-of-house offices, hallways, corridors and other areas intended for the exclusive use of the Front Desk Unit Owner to support hotel operations at the Project not otherwise set forth above or depicted on the Condominium Map as a Unit or Shared Facility;

(iv) The non-public bathrooms;

(v) All other remaining areas not defined as a Unit, a Limited Common Element or a Shared Facility intended for the use of the Front Desk Unit Owner to support operation of the Project and not otherwise shaded or outlined in the Condominium Map.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL LIMITED COMMON ELEMENTS CONTAINED IN THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE CONDOMINIUM 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 CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. Title to all mineral and metallic mines reserved to the State of Hawaii.

2. AS TO PARCEL ONE (AS DESCRIBED IN THE DECLARATION, AS AMENDED) ONLY:

   a. Reservations of minerals, surface waters and ground waters contained in Exchange Deed dated January 20, 1976, recorded at said Bureau in Book 11649 at Page 208.

   b. Reservations of minerals, surface and ground waters, and prehistoric and historic remains contained in Quitclaim Deed dated October 14, 1982, recorded at said Bureau in Book 16659 at Page 294, Quitclaim Deed dated June 24, 1982, recorded at said Bureau in Book 19749 at Page 343, and Quitclaim Deed dated June 24, 1986, recorded at said Bureau as Document No. 90-065173.

   c. Lease or rights of way in favor of Maui Electric Company, Limited, and GTE Hawaiian Telephone Company Incorporated, now Verizon Hawaii, Inc., dated October 9, 1961, recorded at said Bureau in Book 4162 at Page 301, for a term of 35 years commencing October 9, 1961, and thereafter from year to year until terminated.

   d. A grant of easement for electrical and incidental purposes in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, now Hawaiian Telcom, Inc., dated December 30, 1981, recorded at said Bureau in Book 16169 at Page 516.

   e. Terms and conditions contained in that certain Subdivision Agreement (Large Lots) dated August 10, 1990, recorded at said Bureau as Document No. 90-124627.

   f. Terms and conditions of that certain Private Water System Agreement dated October 28, 1997, recorded at said Bureau as Document No. 98-009964.

   g. Sewerline Easement 1 in favor of Kapalua Land Company, Ltd., containing an area of 3,025 square feet, more particularly described on the survey of Reed M. Ariyoshi, Licensed Professional Surveyor, dated April 15, 1999.

   h. Terms and conditions of that certain Private Water System Agreement dated July 17, 1986, recorded at said Bureau in Book 19693 at Page 171.

   i. A grant of easement for electrical and utility purposes in favor of Maui Electric Company, Limited and Hawaiian Telcom, Inc., recorded February 19, 2008 at said Bureau as Document No. 2008-023907.

3. AS TO PARCEL TWO (AS DESCRIBED IN THE DECLARATION, AS AMENDED) ONLY:

   a. Shoreline setback lines as they may be established by the State Land Use Commission or by the County pursuant to Sections 205A-41 to 205A-43.6, inclusive, of the Hawaii Revised Statutes.

   b. A grant of easement for utility and incidental purposes in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, now Verizon Hawaii, Inc., dated May 7, 1976, recorded at said Bureau in Book 11443 at Page 479, as amended by instruments dated August 5, 1981, recorded at said Bureau in Book 16030 at Page 319, and dated August 21, 1985, recorded at said Bureau in Book 18998 at Page 100.

c. Terms and conditions contained in that certain Private Water System Agreement dated September 11, 1985, recorded at said Bureau in Book 18936 at Page 48.

d. Terms and conditions of that certain Subdivision Agreement (Large Lots) dated October 10, 1985, recorded at said Bureau in Book 19029 Page 227.

e. Terms and conditions of that certain Private Water System Agreement dated August 5, 1991, recorded at said Bureau as Document No. 91-115967.

4. Terms, conditions, reservations, covenants, conditions and restrictions as contained in Declaration of Covenants dated December 29, 1976, recorded at said Bureau in Book 11922 at Page 26, as amended and restated by instrument dated September 30, 1987, recorded at said Bureau in Book 21185 at Page 173.

Said Declaration was supplemented by instruments dated April 5, 1990, recorded at said Bureau as Document No. 90-049427, dated September 12, 1990, recorded at said Bureau as Document No. 90-142160, and dated May 23, 1991, recorded at said Bureau as Document No. 91-067724.

Said Declaration was amended by instruments dated July 18, 1989, recorded at said Bureau in Book 23623 at Page 18, dated December 6, 1989, recorded at said Bureau in Book 24012 at Page 17, dated October 18, 1990, recorded at said Bureau as Document No. 90-164621, and dated October 4, 1999, recorded at said Bureau as Document No. 99-160407.

5. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the document entitled Unilateral Agreement and Declaration for Conditional Zoning, recorded October 11, 1989 at said Bureau in Book 23752 at Page 583.

6. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the document entitled Private Water System Agreement, recorded September 19, 1990 at said Bureau as Document No. 90-144995.

Said Agreement was amended by instrument dated December 1, 1992, recorded at said Bureau as Document No. 93-003835.

7. Terms and conditions contained in that certain Amended and Restated Golf Course Use Agreement dated September 27, 2000, effective as of September 27, 2000, made by and between Maui Land and Pineapple Company, Inc., "Owner", NI Hawaii Resort, Inc., "Hotel Owner", and The Ritz-Carlton Hotel Company, L.L.C., "Operator", recorded at said Bureau as Document No. 2000-135418.

Said amended and restated Golf Course Use Agreement was assigned to W/2005 Kapalua/Gengate Hotel Realty, L.L.C., a Delaware limited liability company, by mesne Assignment dated March 13, 2006, recorded March 21, 2006 at said Bureau as Document No. 2006-053675.

Said Golf Course Use Agreement was amended and restated by that certain Second Amended and Restated Golf Course Agreement dated March 27, 2007, a Memorandum of Second Amended and Restated Golf Course Use Agreement recorded April 12, 2007 at said Bureau as Document No. 2007-065256.

8. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the document entitled Subdivision Agreement (Large Lots), recorded May 2, 2000 at said Bureau as Document No. 2000-059492 .

9. Terms and conditions to that certain Grant of Encroachment Licenses Agreement dated January 4, 2001, made by and between Maui Land & Pineapple Company, Inc., and RCK Hawaii, LLC dba RCK Hawaii-Maui, recorded January 10, 2001 at said Bureau as Document No. 2001-003568.

10. Terms and conditions of that certain Memorandum of Management Agreement dated January 31, 2001, made by and between RCK Hawaii, LLC dba RCK Hawaii-Maui, and The Ritz-Carlton Hotel Company, L.L.C., recorded February 8, 2001 at said Bureau as Document No. 2001-018414.

11. The terms and provisions contained in the unrecorded Commercial Facility License Agreement dated July 28, 2004, made by and between The Ritz-Carlton Hotel Company, L.L.C., dba The Ritz-Carlton, Kapalua, "Licensor", and Cellco Partnership, a Delaware general partnership, d/b/a Verizon Wireless, "Licensee", which Agreement licenses to Licensee a portion of the Licensor's property for a term of five years, subject to certain rights to extend, as disclosed by Memorandum of License dated July 28, 2004 recorded August 10, 2004 at said Bureau as Document No. 2004-163791.

12. An unrecorded Hotel Space Lease Agreement dated on or about April 27, 2006, executed by The Ritz-Carlton Hotel Company, LLC, a Delaware limited liability company ("Operator"), solely in its capacity as operator acting on behalf of W2005 Kapalua/Gengate Hotel Realty, L.L.C., a Delaware limited liability company ("Landlord"), as Lessor, and The Ritz Carlton Development Company, Inc., a Delaware corporation ("Tenant") , as Lessee, for a term as set forth therein, as disclosed by a Memorandum of Hotel Space Lease, recorded May 22, 2006 at said Bureau as Document No. 2006-095166 .

13. A Grant of Easement for waterline easement, in favor of Kapalua Water Company, Ltd., a Hawaii corporation, recorded March 27, 2007 at said Bureau as Document No. 2007-054520.

14. A Grant of Easement for wastewater easement, in favor of Kapalua Waste Treatment Company, Ltd., a Hawaii corporation, recorded March 27, 2007 at said Bureau as Document No. 2007-054521.

15. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Declaration of Covenants, Conditions and Restrictions with Authorization of Time Share and Transient Vacation Rentals recorded March 27, 2007 at said Bureau as Document No. 2007-054524.

16. The terms and provisions contained in the Memorandum of Option and Right of First Refusal made by and between W2005 Kapalua/Gengate Hotel Realty, L.L.C., a Delaware limited liability company ("Purchaser"), Maui Land & Pineapple Company, Inc., a Hawaii corporation ("Seller"), and W2005 Kapalua/Gengate Hotel Holdings, L.L.C., a Delaware limited liability company ("Company") recorded March 27, 2007 at said Bureau as Document No. 2007-054526.

17. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the

United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Warranty Deed with Reservations and Covenants recorded March 27, 2007 at said Bureau as Document No. 2007-054527.

18. Matters shown on the ALTA/ACSM Land Title Survey dated February 28, 2007, prepared by Ronald M. Fukumoto, Licensed Professional Land Surveyor No. 5451, to-wit:

a. Apparent encroachments from Lot 2A-1 onto adjoining properties:

i. Portions of (2)-auto sprinkler and standpipe on the northeasterly side of the property is within Lot 1D.

ii. Portion of rock wall along the westerly side of the property is within Lot 1A.

iii. Portion of concrete masonry unit wall along the westerly side of the property is within Lot 1A.

iv. Portion of the PVC drain pipe along the northwesterly side of the property is within Lot 1A.

v. Portion of MECO Box along the northerly side of the property is within Lot A-7-C-2.

b. Apparent encroachment from Lot 1F onto Lot 2A-1:

i. Portion of sidewalk along the southerly side of the property is within Lot 2A-1.

c. Apparent encroachment from Lot 1B onto Lot 2A-1:

i. Portion of propane tank along the westerly side of property is within Lot 2A-1.

d. Apparent encroachment from Lot 1A onto Lot 2A-1:

i. Portion of AC parking lot along the westerly side of property is within Lot 2A.

e. Apparent encroachment from Lot B onto Lot A-7-C-1:

i. Portions of (2)-fences along the easterly side of the property are within Lot A-7-C-1.

f. Apparent encroachment from Lot 2-A-2 into Lot A-7-C-1:

i. Portion of (2)-tennis courts along the northeasterly side of the property is within Lot A-7-C-1.

19. A mortgage to secure an original principal indebtedness of $232,426,079.00, and any other amounts or obligations secured thereby.

Dated: March 27, 2007
Mortgagor: W2005 Kapalua/Gengate Hotel Realty, L.L.C., a Delaware limited liability company
Mortgagee: Lehman Brothers Holdings Inc., a Delaware corporation
Recorded March 27, 2007 at said Bureau as Document No. 2007-054528.

20. The Assignment of Leases and Rents in favor of Lehman Brothers Holdings Inc., a Delaware corporation, as additional security for the payment of the indebtedness in the amount of $232,426,079.00, which was recorded March 27, 2007 at said Bureau as Document No. 2007-054529.

21. A financing statement

    Debtor: W2005 Kapalua/Gengate Hotel Realty, L.L.C., a Delaware limited liability company
    Secured Party: Lehman Brothers Holdings Inc.
    Recorded March 27, 2007 at said Bureau as Document No. 2007-054530.

22. The terms and provisions contained in the Subordination, Non-Disturbance and Attornment Agreement recorded March 27, 2007 at said Bureau as Document No. 2007-054531.

23. Master Declaration of Covenants, Conditions and Restrictions for Honokahua Beach Hotel and Residences dated June 29, 2007, recorded at said Bureau as Document No. 2007-160949.

24. Declaration of Condominium Property Regime of Honokahua Beach Hotel and Condominium Map dated June 29, 2007, recorded at said Bureau as Document No. 2007-160950.

    The foregoing Declaration was amended by instrument recorded on February 4, 2008 at said Bureau as Document No. 2008-016362 and by instrument recorded on March 4, 2008 at said Bureau as Document No. 2008-033495.

25. Condominium Map No. 4513.

26. Bylaws of the Association of Honokahua Beach Hotel dated July 13, 2007, recorded at said Bureau as Document No. 2007-160951.

27. The terms and provisions contained in the Hold Harmless Agreement made by and between the County of Maui and W2005 Kapalua/Gengate Hotel Realty, L.L.C. recorded January 25, 2008 at said Bureau as Document No. 2008-011911.

28. Rights of tenants, as tenants only, with no rights to purchase or rights of first refusal.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL THE ENCUMBRANCES ON TITLE CONTAINED IN THE UDPATED PRELIMINARY TITLE REPORT FOR THE PROJECT ("TITLE REPORT"). WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE TITLE REPORT, PURCHASER MUST REFER TO THE TITLE REPORT PURCHASER RECEIVES UPON CLOSING TO DETERMINE THE MOST UPDATED ENCUMBRANCES AFFECTING THE PROJECT. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND ANY TITLE REPORT, THE UPDATED TITLE REPORT RECEIVED UPON CLOSING WILL CONTROL.

EXHIBIT "G"

RIGHTS RESERVED TO 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, Bylaws and House Rules and Resort Rules.

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

DECLARATION

A. **RESERVED RIGHT TO GRANT AND RECEIVE EASEMENTS**. This right is set forth in Article XVII of the Declaration. Developer shall have, among other things, the right to delete, cancel, relocate, realign, reserve, designate, grant and receive any and all easements, rights of way and/or licenses over, under through, across and upon the Project, the Other Condominium Project(s) or other neighboring parcels of Land for utility, refuse disposal, driveways, parking areas, roadways, bicycle paths and for cross-easement and/or licenses with Other Condominium Project(s) for use of recreational facilities and/or services offered from Other Condominium Project(s) and to determine method of allocation of expenses in an equitable manner in exchange for such grants of easements, rights of way and/or licenses. Developer's rights under said Article XVII are reserved until December 31, 2027.

B. **RESERVED RIGHT TO ALTER, SUBDIVIDE AND CONSOLIDATE UNITS**. This right is set forth in Article XVIII of the Declaration. Developer shall have, among other things, the right until December 31, 2027, 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 Limited Common Element status to facilitate any subdivision so long as the total common interest appurtenant to the newly-created Unit(s) equal the Common Interest appurtenant to the original Unit; (4) consolidate two or more Units which it owns and convert any area between Units to part of a Unit; and (5) recalculate the Common Interest appurtenant to each Unit upon such subdivision and/or consolidation, provided that the total common interest appurtenant to the newly-created units shall equal the Common Interest appurtenant to the original Units.

C. **RESERVED RIGHT TO MODIFY PROJECT AND TO AMEND PROJECT DOCUMENTS AND/OR THE CONDOMINIUM MAP.** In accordance with Article XIX of the Declaration, Developer shall have the reserved right to and until December 31, 2027, to effect such modifications to Units and the Common Elements in the Project and/or to execute, file and deliver any amendments to the Declaration, the Condominium Map, the Bylaws and House Rules as may be necessary or allowed to effect compliance by the Project, the Association or by the Developer, with all laws which apply to the Project.

D. **RESERVED RIGHT TO CONVERT LIMITED COMMON ELEMENTS TO UNITS**. This right is set forth in Article XX of the Declaration. Developer shall have, among other things, the right until December 31, 2027, 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 or Units owned by Developer, or any portion thereof, into a separate Unit of the Project.

E. **RESERVED RIGHT TO RECHARACTERIZE AND REDESIGNATE LIMITED COMMON ELEMENTS**. This right is set forth in Article XXI of the Declaration. Developer shall have, among other things, the right until December 31, 2027, to (1) recharacterize all or a portion of certain Limited Common Elements as may be appurtenant to a Unit owned by Developer or the Front Desk Unit Owner as being Common Elements of the Project, thus giving up or waiving the exclusive use of such area or areas; and (2) redesignate all or a portion of certain Limited Common Elements as may be appurtenant to any Unit owned by Developer or the Front Desk Unit Owner, to another Unit or Units owned by Developer or the Front Desk Unit Owner.

F. **RESERVED RIGHTS REGARDING SMA, LAND USE ENTITLEMENTS, AND OTHER PERMITS AND THE MASTER COVENANTS, CONDITIONS AND RESTRICTIONS**. This right is set forth in Article XXII of the Declaration. Developer shall have, among other things, the right until December 31, 2027, to (1) amend the Project Documents, including, without limitation the Declaration, (2) enter into any agreements, including without limitation, to declare and subject the Land and Improvements to restrictive covenants, (3) designate and grant easements, (4) secure any other governmental permits, and (5) do all things necessary and convenient to satisfy the requirements and/or conditions of any land use or other permits pertaining to the Project, including without limitation, the SMA land use entitlements issued by the County and the Master Covenants, Conditions and Restrictions, and to execute, record and deliver any and all documents necessary to effect the same.

G. **RESERVED RIGHT TO CONVEY PROPERTY TO THE ASSOCIATION**. This right is set forth in Article XXIII of the Declaration. Developer and the Front Desk Unit Owner shall have, among other things, the right until December 31, 2027, to convey to the Association, and the Association shall accept, title to any property owned by Developer, including without limitation, the Front Desk Unit, any or all of the Commercial Units, the Office Units, the Spa Unit and/or Hotel Unit, together with any appurtenant Limited Common Elements thereto and 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.

H. **RESERVED RIGHT TO CONDUCT SALES ACTIVITIES**. This right is set forth in Article XXIV of the Declaration. Developer shall have, among other things, the right until the later of December 31, 2027 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 Units and Limited Common Elements appurtenant to such Units not owned by Developer).

I. **RESERVED RIGHT TO COMPLY WITH LICENSE AGREEMENTS.** This right is set forth in Article XXV of the Declaration. Developer shall have, among other things, the right until December 31, 2027, to amend the Project Documents, including, but not limited to, the Declaration, to rename the Project, and to impose restrictions on the use of the Project name, and make any other changes to the Project Documents as may be required under the terms of the License Agreement or Hotel Management Agreement and any successors thereto, and to execute, record and deliver any and all documents necessary to effect the same.

J. **RESERVED RIGHT TO SUBDIVIDE, WITHDRAW AND CONSOLIDATE THE LAND**. Pursuant to Article XXVI of the Declaration, the Developer shall have the right to and until December 31, 2027 to subdivide and withdraw and/or consolidate portions of the Land underlying the Project, and to convey such withdrawn portions to itself or one or more third parties or subject it to another condominium property regime neighboring the Project or annex it into one or more of the Other Condominium Project(s) and/or consolidate all of it or portions thereof back into the Project. With regard to the area being subdivided and withdrawn, such portion shall not have been improved with any Resort Units, but may contain other Improvements described in the Declaration or shown on the Condominium Map, including, without limitation, the entire or portion of the approximately 6.2454 acre parking lot for the Project, which may become part of another one of the Other Condominium Project(s).

K. **RESERVED RIGHT TO PERFORM ADMINISTRATIVE AND OWNERSHIP MERGER**. Developer shall have the reserved right at any time or times prior to December 31, 2027 pursuant to Article XXVII of the Declaration, without being required to obtain the joinder or consent of any Owner, lienholder or other person, to perform an administrative or ownership merger of the Project with any Other Condominium Project(s) in accordance with the provisions contained in the Declaration.

L. **RESERVED RIGHT TO DEVELOP AND CONSTRUCT THE BUILDING AND IMPROVEMENTS AND/OR THE SHARED FACILITIES, FRONT DESK FACILITIES, COMMERCIAL UNITS, SPA UNIT, OFFICE UNITS AND/OR THEIR APPURTENANT LIMITED COMMON ELEMENTS AT THE SAME TIME OR AT ALL**. All buildings and Improvements in the Project and/or the Shared Facilities or Front Desk Facilities or the Commercial Units, the Spa Unit and the Office Units and their appurtenant Limited Common Elements may not be constructed at the same time or at all. As such, pursuant to Article XXVIII of the Declaration, the Developer shall have the right to and until December 31, 2027 to construct such buildings and Improvements and/or the Shared Facilities or Front Desk Facilities or the Commercial Units, the

Spa Unit and the Office Units and their appurtenant Limited Common Elements at different times and may or may not construct all such areas represented herein.

M. **RESERVED RIGHT TO CONSTRUCT ROADS, DRIVEWAYS AND WALKWAYS.** As set forth in Article XXIX of the Declaration, Developer shall have the reserved right to and until December 31, 2027, to maintain and construct roads, driveways and walkways anywhere within the Project, including without limitation, within any Limited Common Element area of the Project; provided that construction of roads, driveways and walkways shall not adversely impact or impair the square footage of any Unit of the Project.

N. **RESERVED RIGHT TO ALTER THE NUMBER OF UNITS IN THE PROJECT**. The Developer shall have the reserved right to and until December 31, 2027 in accordance with Article XXX of the Declaration, to reduce or increase the number of Units in the Project, notwithstanding anything provided to the contrary, and except as otherwise provided by law, and to record and file amendments to the Project Documents to reflect such alteration.

O. **RESERVED RIGHT TO UTILIZE LIMITED COMMON ELEMENT AREAS APPURTENANT TO FRONT DESK UNIT.** The Developer, as Owner of the Front Desk Unit in accordance with Article XXXI, shall have the reserved right, but shall have no obligation to and until December 31, 2027 to operate convey, sell, lease and/or utilize all or any part of the Limited Common Elements that are appurtenant to such Unit for any purpose permitted by law, not prohibited by any other agreement or the Master Covenants, Conditions and Restrictions, including, without limitation, providing services and amenities conducive to a Project Quality Standard. The Developer, as Owner of the Front Desk Unit, shall also have the right to recharacterize the Limited Common Elements appurtenant to the Front Desk Unit as Front Desk Facilities, Shared Facilities and/or East Wing Shared Facilities.

P. **RESERVED RIGHT TO INSPECT THE CONDITION OF THE COMMON ELEMENTS AND THE IMPROVEMENTS AND FACILITIES THEREON.** Developer shall have the reserved right to and until December 31, 2027 in accordance with Article XXXII of the Declaration, to inspect the condition of the Common Elements, including the Limited Common Elements, and the improvements and facilities thereon, if any, and to perform maintenance and any repairs thereto as Developer deems necessary or appropriate in Developer's sole and absolute discretion.

Q. **RESERVED RIGHT TO LEASE OR TRANSFER COMMERCIAL UNITS, SPA UNIT, FRONT DESK UNIT, AND/OR OFFICE UNITS**. The Developer shall have the reserved right to and until December 31, 2027 in accordance with Article XXXIII of the Declaration, to lease or transfer ownership of the Commercial Units, the Front Desk Unit, the Spa Unit and/or Office Units to the Association or a third-party and to redesignate the Limited Common Elements appurtenant to such Commercial Units to Units owned by the Association or such third-party and to the extent necessary or required, to amend the Declaration and the Condominium Map to effect the same. The Developer shall further reserve the right to retain administrative and management control over such areas, unless such right is otherwise delegated to the Association or such third party buyer at the time of such transfer.

R. **RESERVED RIGHT TO ADD ADDITIONAL LAND TO THE PROJECT; ASSOCIATION'S RIGHT TO ACT ON BEHALF OF UNIT OWNERS.** The Developer shall have the reserved right, but not the obligation, to and until December 31, 2027 in accordance with Article XXXIV of the Declaration, to do all things necessary and proper to effect or otherwise facilitate the maintenance of any adjoining parcels of land owned by the Developer ("Adjoining Parcel") as Developer deems appropriate in its sole discretion, and to convey the fee simple title in and to any or all of the Adjoining Parcel and any improvements constructed thereon, if any, to the Association by way of a quitclaim deed.

S. **ASSIGNMENT OF RESERVED RIGHTS**. Pursuant to Article XXXV of the Declaration, the rights reserved by Developer are fully and freely assignable in whole or in part.

T. **CONSENT TO DEVELOPER'S RESERVED RIGHTS; APPOINTMENT OF DEVELOPER AND ASSOCIATION AS ATTORNEY-IN-FACT**. Pursuant to Article XXXVI 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

The Developer has the right to amend the Bylaws as 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 prior written consent is received by the Developer.

HOUSE RULES

The Developer has the right to amend the House Rules as set forth in Article XVII of the House Rules and Article X, Section 1 of the Bylaws. Prior to the election of the first Board, Developer reserves the right to amend the House Rules in any manner without the joinder, consent or approval of any other party.

RESORT RULES

The Developer, as the owner of the Front Desk Unit, has the unilateral right to promulgate, amend, supplement, terminate and enforce the Resort Rules as set forth in Article X, Section 3 of the Bylaws and Article XV of the Resort Rules.

* * * * *

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

EXHIBIT "H"

INITIAL ESTIMATED MAINTENANCE FEES

THE AMOUNTS SET FORTH BELOW ARE ESTIMATES ONLY AND MAY CHANGE FOR REASONS BEYOND THE CONTROL OF THE DEVELOPER.

INSURANCE, ENERGY AND LABOR COSTS ARE CURRENTLY IN FLUX AND CAN SUBSTANTIALLY INCREASE OVER A SHORT PERIOD OF TIME. THE DEVELOPER CANNOT PREDICT HOW CHANGES IN THE ECONOMIC, SOCIAL AND POLITICAL CONDITIONS IN HAWAII, THE U.S. AND/OR GLOBALLY MAY IMPACT SUCH COSTS. PURCHASERS ARE AWARE AND ACKNOWLEDGE THAT THE BUDGET, AND, AS A RESULT, EACH PURCHASER'S MAINTENANCE FEE, MAY INCREASE SUBSTANTIALLY DUE TO INCREASING COSTS, INCLUDING COSTS ATTRIBUTED TO THE INSURANCE COVERAGE AND ENERGY.

PURCHASER RECOGNIZES AND ACKNOWLEDGES THAT SUCH COMMON INTERESTS AND MAINTENANCE FEES ARE SUBJECT TO CHANGE AS THE PROJECT AND/OR THE HONOKAHUA BEACH HOTEL EVOLVES. SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER OR CONDOMINIUM MANAGER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

ASSOCIATION OF HONOKAHUA BEACH HOTEL

Proposed 2008 Calendar Year Budget

	TOTAL ASSOCIATION	Resort Units	Hotel Unit	Commercial Units	Front Desk Unit	Spa Unit	Office Units
EXPENSE							
Accounting	16,864	4,843	7,576	3,684	132	466	163
Administration	4,333	1,245	1,947	947	34	120	42
Human Resources	6,978	2,004	3,135	1,524	55	193	67
Electricity - Units	2,258,489	479,595	1,000,223	656,635	17,413	83,130	21,493
Water & Sewer - Units	537,605	145,449	227,507	138,292	3,961	17,508	4,889
Gas / Propane - Units	973,306	37,958	59,373	827,310	48,665	-	-
D&O Insurance	10,500	3,016	4,717	2,294	82	290	101
Audit / Tax Preparation Fees	15,000	4,308	6,738	3,277	117	415	145
Legal Fees	6,000	1,723	2,695	1,311	47	166	58
Management Fees	243,000	192,600	1,800	41,400	1,800	1,800	3,600
Shared Facilities Fee	10,799,101	2,779,422	4,649,908	2,829,961	86,172	345,392	108,247
TOTAL BUDGET	**$ 14,871,177**	**$ 3,652,162**	**$ 5,965,618**	**$ 4,506,634**	**$ 158,478**	**$ 449,480**	**$ 138,804**

ASSOCIATION OF HONOKAHUA BEACH HOTEL

Shared Facilities Fee Budget & Allocations Schedule

	TOTAL ASSOCIATION	Resort Units	Hotel Unit	Commercial Units	Front Desk Unit	Spa Unit	Office Units
EXPENSE							
Housekeeping - Common Areas	$ 645,184	$ 138,971	$ 267,637	$ 197,728	$ 7,079	$ 25,032	$ 8,737
Unit Interior Maintenance (C.A.R.E.)	74,495	74,495	-	-	-	-	-
PBX - Operators	493,585	41,132	412,966	24,679	2,468	7,404	4,936
PBX - Equipment	104,918	22,599	43,522	32,154	1,151	4,071	1,421
Accounting	151,778	151,778	-	-	-	-	-
Administration - Resort Units Dedicated	313,043	313,043	-	-	-	-	-
Human Resources	132,581	38,077	59,559	28,963	1,037	3,667	1,280
Loss Prevention	934,489	201,286	387,647	286,391	10,253	36,257	12,655
Repairs & Maintenance	1,517,856	326,942	629,641	465,174	16,654	58,891	20,555
Grounds & Landscaping	1,212,724	261,217	503,065	371,661	13,306	47,052	16,423
Electricity	752,830	162,157	312,291	230,718	8,260	29,209	10,195
Water & Sewer	358,403	77,199	148,674	109,839	3,932	13,906	4,853
Cable Television	123,600	32,736	90,864	-	-	-	-
Internet Access	68,000	18,010	49,990	-	-	-	-
Systems Support	27,031	27,031	-	-	-	-	-
Trash Removal	220,000	24,253	37,936	154,000	660	2,335	815
Kapalua Resort Fee	1,128,000	72,225	682,091	331,692	-	41,992	-
Property Taxes - Shared Facilities	10,720	2,309	4,447	3,285	118	416	145
Property Insurance	1,200,000	344,635	539,067	262,142	9,385	33,187	11,583
General Liability Insurance	190,800	54,797	85,712	41,681	1,492	5,277	1,842
Workers Comp Insurance	16,064	4,613	7,216	3,509	126	444	155
Reserve For Replacement - East Wing LCE's	188,663	188,663	-	-	-	-	-
Reserve For Replacement - Shared Facilities	934,337	201,253	387,584	286,344	10,251	36,251	12,653
TOTAL SHARED FACILITIES FEE	**$ 10,799,101**	**$ 2,779,422**	**$ 4,649,908**	**$ 2,829,961**	**$ 86,172**	**$ 345,392**	**$ 108,247**
Operating Expenses	$ 9,676,101	$ 2,389,505	$ 4,262,324	$ 2,543,616	$ 75,920	$ 309,141	$ 95,595
Reserve For Replacement	$ 1,123,000	$ 389,917	$ 387,584	$ 286,344	$ 10,251	$ 36,251	$ 12,653

The amounts set forth in this budget are estimates only and may change for reasons beyond the control of the developer. Insurance, energy and labor cost are currently in flux and can substantially increase over a short period of time. The developer cannot predict how changes in the economic, social and political conditions in Hawaii, the U.S. and/or globally may impact such cost. Purchasers are aware and acknowledge that the budget, and as a result, each purchaser's maintenance fee, may increase substantially due to increasing cost, including cost attributed to insurance coverage and energy.

The Unit Interior Maintenance charge represents 30% of the current estimated cost for providing the C.A.R.E. service (as set forth in the declaration). At this time, Front Desk Unit Owner has agreed to subsidize 70% of the total C.A.R.E. costs. The Unit Interior Maintenance charge is subject to increase from time to time based on the cost of providing the C.A.R.E. service, and Front Desk Unit Owner reserves the right to change the percentage of any subsidy provided and further reserves the right not to subsidize such costs at all.

Pursuant to Chapter 514B of the Hawaii Revised Statutes, a new association created after January 1, 1993 need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. The budget for Reserves is an estimate only, subject to change.

This budget does not include those costs and fees associated with the Unit Maintenance Agreement (UMA) and/or any reserve contribution required therein. Such costs and fees associated therewith shall be a separate charge, based on, and, allocated in accordance with, the provisions in the UMA and will not be a part of the common expenses for the Project.

I , Walter O. Hall employed by Ritz Carlton Hotel Company, LLC, the managing agent of THE ASSOCIATION OF HONOKAHUA BEACH HOTEL project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted principals on an accrual basis.

Signature

January 31, 2008
Date

ASSOCIATION OF HONOKAHUA BEACH HOTEL

SUMMARY OF ALLOCATIONS

	BUDGET ALLOCATION					
UNIT TYPE	ELECTRICITY - UNITS [1]	WATER & SEWER - UNITS [1]	GAS / PROPANE - UNITS [1]	MANAGEMENT FEES [2]	SHARED FACILITIES FEE [3]	ALL OTHER EXPENSES [4]
Resort Units	21.2352%	27.0550%	3.8999%	$1,800 per unit	Refer to Table Below	28.7196%
Hotel Unit	44.2873%	42.3186%	6.1001%			44.9223%
Commercial Units	29.0741%	25.7237%	85.0000%			21.8452%
Front Desk Unit	0.7710%	0.7367%	5.0000%			0.7821%
Spa Units	3.6808%	3.2566%	0.0000%			2.7656%
Office Units	0.9516%	0.9093%	0.0000%			0.9653%

1. The budgeted amounts for Electricity-Units, Water & Sewer - Units, and Gas/Propane - Units, were calculated using an estimated weighted common interest method ("Weighted Common Interest") based on anticipated usage of these utilities, as further detailed above. The method of calculating the Weighted Common Interest is subject to change in the future should this method not accurately reflect actual use.

2. The Management Fees are divided equally on a per unit basis.

3. The Shared Facilities Fee detail is provided with the budget and the various allocations are summarized immediately below.

4. All other expense line items are allocated based on Common Interest as defined in the Declaration.

		SHARED FACILITIES FEE UNIT ALLOCATIONS [1]						
UNIT TYPE	PERMITTED SHARED FACILITIES FOR USE	PBX LABOR SERVICES	CABLE TELEVISION & INTERNET SERVICES	KAPALUA RESORT SERVICES	FACILITIES SERVICE & UTILITY AREAS UTILIZATION	TRASH REMOVAL	RESIDENTIAL DEDICATED SERVICES	ALL OTHER SHARED FACILITIES EXPENSES [2]
Resort Units	All	8.3333%	26.4851%	6.4029%	21.5397%	11.0241%	100.0000%	28.7196%
Hotel Unit	All, except East Wing Shared Facilities	83.6667%	73.5149%	60.4690%	41.4822%	17.2436%	0.0000%	44.9223%
Commercial Units	All, except Article II.D.4.a.(vii) and (xiii)	5.0000%	0.0000%	29.4053%	30.6468%	70.0000%	0.0000%	21.8452%
Front Desk Unit	All, except Article II.D.4.a.(vii) and (xiii)	0.5000%	0.0000%	0.0000%	1.0972%	0.3002%	0.0000%	0.7821%
Spa Units	All, except Article II.D.4.a.(vii) and (xiii)	1.5000%	0.0000%	3.7227%	3.8799%	1.0616%	0.0000%	2.7656%
Office Units	All, except Article II.D.4.a.(vii) and (xiii)	1.0000%	0.0000%	0.0000%	1.3542%	0.3705%	0.0000%	0.9653%

1. In accordance with Article IV.I. in the Declaration, the Shared Facilities Fee is first allocated among the different Unit types in the Project based on the Shared Facilities Fee Unit Allocations reflected above. Each Unit's share of the Shared Facilities Fee is then allocated among each individual Unit, based on the Unit Class Common Interest set forth in Exhibit "D" in the Declaration. The Shared Facilities Fee Unit Allocations set forth on this schedule are intended to be a fair and equitable allocation of the Shared Facilities Fee based on anticipated usage of various Shared Facility areas by the different unit types and services and amenities provided to the different unit types. As provided in Article IV.I., the Shared Facilities Fee Unit Allocations set forth above are subject to change

2. All other expense line items not covered by one of the specific methods listed in the above table are allocated based on Common Interest as defined in the Declaration.

ASSOCIATION OF HONOKAHUA BEACH HOTEL

MAINTENANCE FEE SCHEDULE BY UNIT

A. RESORT UNITS (EAST WING)

Unit No.	Unit Type	Bedroom / Bathrooms	Approximate Net Living Area	Approximate Lanai Area (sf)	Percentage of Common Interest	Residential Rel. Common Interest	FULL YEAR TOTAL BUDGET	MONTHLY TOTAL BUDGET
1118/1120	N1-R	2/2	1325	329	0.306492%	1.0671870%	$ 38,975.40	$ 3,247.95
1121/1123	N	2/2	1323	324	0.306030%	1.0655783%	38,916.65	3,243.05
1122/1124	N1	2/2	1325	332	0.306492%	1.0671870%	38,975.40	3,247.95
1125	M2	1/1	872	228	0.201707%	0.7023318%	25,650.30	2,137.52
1126/1128	L1A	2/2	1398	445	0.323378%	1.1259830%	41,122.73	3,426.89
1127/1129	L	2/3	1646	383	0.380744%	1.3257280%	48,417.74	4,034.81
1218/1220	N1-R	2/2	1325	316	0.306492%	1.0671870%	38,975.40	3,247.95
1221/1223	N	2/2	1323	315	0.306030%	1.0655783%	38,916.65	3,243.05
1222/1224	N1	2/2	1325	323	0.306492%	1.0671870%	38,975.40	3,247.95
1225	M2	1/1	872	223	0.201707%	0.7023318%	25,650.30	2,137.52
1226/1228	L1	2/2	1477	460	0.341652%	1.1896120%	43,446.56	3,620.55
1227/1229	L	2/3	1646	391	0.380744%	1.3257280%	48,417.74	4,034.81
1306/1308	N1-R	2/2	1325	320	0.306492%	1.0671870%	38,975.40	3,247.95
1307/1309	N	2/2	1323	308	0.306030%	1.0655783%	38,916.65	3,243.05
1310	M1-R	1/1	878	172	0.203095%	0.7071647%	25,826.80	2,152.23
1311	M-R	1/1	870	229	0.201244%	0.7007197%	25,591.42	2,132.62
1312	M1	1/1	878	172	0.203095%	0.7071647%	25,826.80	2,152.23
1314/1316	N3-R	2/2	1333	317	0.308343%	1.0736320%	39,210.78	3,267.57
1315	M	1/1	870	229	0.201244%	0.7007197%	25,591.42	2,132.62
1317/1319	N3	2/2	1323	317	0.306030%	1.0655783%	38,916.65	3,243.05
1318/1320	N1-R	2/2	1325	310	0.306492%	1.0671870%	38,975.40	3,247.95
1321/1323	N	2/2	1323	309	0.306030%	1.0655783%	38,916.65	3,243.05
1322/1324	N1	2/2	1325	304	0.306492%	1.0671870%	38,975.40	3,247.95
1325	M2	1/1	872	215	0.201707%	0.7023318%	25,650.30	2,137.52
1326/1328	L1	2/2	1477	460	0.341652%	1.1896120%	43,446.56	3,620.55
1327/1329	L	2/3	1646	391	0.380744%	1.3257280%	48,417.74	4,034.81
1401	M3	1/1	872	215	0.201707%	0.7023318%	25,650.30	2,137.52
1402	K1	1/1	872	240	0.201707%	0.7023318%	25,650.30	2,137.52
1403/1405	N-R	2/2	1323	332	0.306030%	1.0655783%	38,916.65	3,243.05
1404	K1-R	1/1	872	240	0.201707%	0.7023318%	25,650.30	2,137.52
1406/1408	N1-R	2/2	1325	308	0.306492%	1.0671870%	38,975.40	3,247.95
1407/1409	N	2/2	1323	308	0.306030%	1.0655783%	38,916.65	3,243.05
1410	M1-R	1/1	878	215	0.203095%	0.7071647%	25,826.80	2,152.23
1411	M-R	1/1	870	215	0.201244%	0.7007197%	25,591.42	2,132.62
1412	M1	1/1	878	215	0.203095%	0.7071647%	25,826.80	2,152.23
1414/1416	N3-R	2/2	1333	310	0.308343%	1.0736320%	39,210.78	3,267.57
1415	M	1/1	870	215	0.201244%	0.7007197%	25,591.42	2,132.62
1417/1419	N3	2/2	1323	310	0.306030%	1.0655783%	38,916.65	3,243.05
1418/1420	N1-R	2/2	1325	274	0.306492%	1.0671870%	38,975.40	3,247.95
1421/1423	N	2/2	1323	274	0.306030%	1.0655783%	38,916.65	3,243.05
1422/1424	N1	2/2	1325	277	0.306492%	1.0671870%	38,975.40	3,247.95
1425	M2	1/1	872	147	0.201707%	0.7023318%	25,650.30	2,137.52
1426/1428	L1	2/2	1477	363	0.341652%	1.1896120%	43,446.56	3,620.55
1427/1429	L	2/3	1646	327	0.380744%	1.3257280%	48,417.74	4,034.81
1501	M3	1/1	872	216	0.201707%	0.7023318%	25,650.30	2,137.52
1502	K1	1/1	872	231	0.201707%	0.7023318%	25,650.30	2,137.52
1503/1505	N-R	2/2	1323	309	0.306030%	1.0655783%	38,916.65	3,243.05
1504	K1-R	1/1	872	231	0.201707%	0.7023318%	25,650.30	2,137.52
1506/1508	N1-R	2/2	1325	308	0.306492%	1.0671870%	38,975.40	3,247.95
1507/1509	N	2/2	1323	309	0.306030%	1.0655783%	38,916.65	3,243.05
1510	M1-R	1/1	878	215	0.203095%	0.7071647%	25,826.80	2,152.23
1511	M-R	1/1	870	215	0.201244%	0.7007197%	25,591.42	2,132.62
1512	M1	1/1	878	215	0.203095%	0.7071647%	25,826.80	2,152.23
1514/1516	N3-R	2/2	1333	310	0.308343%	1.0736320%	39,210.78	3,267.57
1515	M	1/1	870	215	0.201244%	0.7007197%	25,591.42	2,132.62
1517/1519	N3	2/2	1323	310	0.306030%	1.0655783%	38,916.65	3,243.05
1518/1520	N1-R	2/2	1325	264	0.306492%	1.0671870%	38,975.40	3,247.95
1521/1523	N	2/2	1323	265	0.306030%	1.0655783%	38,916.65	3,243.05
1522/1524	N1	2/2	1325	260	0.306492%	1.0671870%	38,975.40	3,247.95
1525	M2	1/1	872	181	0.201707%	0.7023318%	25,650.30	2,137.52
1526/1528	L1	2/2	1477	385	0.341652%	1.1896120%	43,446.56	3,620.55

ASSOCIATION OF HONOKAHUA BEACH HOTEL

MAINTENANCE FEE SCHEDULE BY UNIT

A. RESORT UNITS (EAST WING) - CONTINUED

Unit No.	Unit Type	Bedroom / Bathrooms	Approximate Net Living Area	Approximate Lanai Area (sf)	Percentage of Common Interest	Residential Rel. Common Interest	FULL YEAR TOTAL BUDGET	MONTHLY TOTAL BUDGET
1527/1529	L	2/3	1646	339	0.380744%	1.3257280%	$ 48,417.74	$ 4,034.81
1601	M3	1/1	872	217	0.201707%	0.7023318%	25,650.30	2,137.52
1602	K1	1/1	872	231	0.201707%	0.7023318%	25,650.30	2,137.52
1603/1605	N-R	2/2	1323	311	0.306030%	1.0655783%	38,916.65	3,243.05
1604	K1-R	1/1	872	231	0.201707%	0.7023318%	25,650.30	2,137.52
1606/1608	N1-R	2/2	1325	272	0.306492%	1.0671870%	38,975.40	3,247.95
1607/1609	N	2/2	1323	267	0.306030%	1.0655783%	38,916.65	3,243.05
1610	M1-R	1/1	878	182	0.203095%	0.7071647%	25,826.80	2,152.23
1611	M-R	1/1	870	183	0.201244%	0.7007197%	25,591.42	2,132.62
1612	M1	1/1	878	182	0.203095%	0.7071647%	25,826.80	2,152.23
1614/1616	N3-R	2/2	1333	270	0.308343%	1.0736320%	39,210.78	3,267.57
1615	M	1/1	870	183	0.201244%	0.7007197%	25,591.42	2,132.62
1617/1619	N3	2/2	1323	270	0.306030%	1.0655783%	38,916.65	3,243.05
1618/1620	N1-R	2/2	1325	221	0.306492%	1.0671870%	38,975.40	3,247.95
1621/1623	N	2/2	1323	258	0.306030%	1.0655783%	38,916.65	3,243.05
1622/1624	N1	2/2	1325	265	0.306492%	1.0671870%	38,975.40	3,247.95
1625/1627	N2	2/2	1432	263	0.331243%	1.1533685%	42,122.89	3,510.24
1626	P	2/2.5	2558	713	0.591704%	2.0602782%	75,244.71	6,270.39
1701	M3	1/1	872	214	0.201707%	0.7023318%	25,650.30	2,137.52
1702	K1	1/1	872	228	0.201707%	0.7023318%	25,650.30	2,137.52
1703/1705	N-R	2/2	1323	297	0.306030%	1.0655783%	38,916.65	3,243.05
1704	K1-R	1/1	872	228	0.201707%	0.7023318%	25,650.30	2,137.52
1706/1708	N1-R	2/2	1325	267	0.306492%	1.0671870%	38,975.40	3,247.95
1707/1709	N	2/2	1323	267	0.306030%	1.0655783%	38,916.65	3,243.05
1710	M1-R	1/1	878	182	0.203095%	0.7071647%	25,826.80	2,152.23
1711	M-R	1/1	870	184	0.201244%	0.7007197%	25,591.42	2,132.62
1712	M1	1/1	878	182	0.203095%	0.7071647%	25,826.80	2,152.23
1714/1716	N3-R	2/2	1333	270	0.308343%	1.0736320%	39,210.78	3,267.57
1715	M	1/1	870	184	0.201244%	0.7007197%	25,591.42	2,132.62
1717/1719	N3	2/2	1323	270	0.306030%	1.0655783%	38,916.65	3,243.05
1801	M3	1/1	872	165	0.201707%	0.7023318%	25,650.30	2,137.52
1802	K1	1/1	872	171	0.201707%	0.7023318%	25,650.30	2,137.52
1803/1805	N-R	2/2	1323	256	0.306030%	1.0655783%	38,916.65	3,243.05
1804	K1-R	1/1	872	171	0.201707%	0.7023318%	25,650.30	2,137.52
1806/1808	N1-R	2/2	1325	267	0.306492%	1.0671870%	38,975.40	3,247.95
1807/1809	N	2/2	1323	267	0.306030%	1.0655783%	38,916.65	3,243.05
1810	M1-R	1/1	878	182	0.203095%	0.7071647%	25,826.80	2,152.23
1811	M-R	1/1	870	184	0.201244%	0.7007197%	25,591.42	2,132.62
1812	M1	1/1	878	182	0.203095%	0.7071647%	25,826.80	2,152.23
1814/1816	N3-R	2/2	1333	270	0.308343%	1.0736320%	39,210.78	3,267.57
1815	M	1/1	870	184	0.201244%	0.7007197%	25,591.42	2,132.62
1817/1819	N3	2/2	1323	270	0.306030%	1.0655783%	38,916.65	3,243.05
1901	M3	1/1	872	165	0.201707%	0.7023318%	25,650.30	2,137.52
1902	K1	1/1	872	171	0.201707%	0.7023318%	25,650.30	2,137.52
1903/1905	N-R	2/2	1323	256	0.306030%	1.0655783%	38,916.65	3,243.05
1904	K1-R	1/1	872	171	0.201707%	0.7023318%	25,650.30	2,137.52
SUBTOTAL - RESORT UNITS			**124158**	**28309**	**28.71962%**	**100.00%**	**$ 3,652,162**	**$ 304,347**

ASSOCIATION OF HONOKAHUA BEACH HOTEL

MAINTENANCE FEE SCHEDULE BY UNIT

B. HOTEL UNIT (WEST WING)

Unit No.	Approximate	Approximate	Percentage of Common Interest	FULL YEAR TOTAL BUDGET	MONTHLY TOTAL BUDGET
Hotel Unit	194204	32259	44.92%	$ 5,965,618	$ 497,135

C. COMMERCIAL UNITS

Unit Number	Current Use	Approximate Net Living Area (sf)	Approximate Limited Common Area (sf)	Percentage Common Interest	Percentage of Total Commercial Common Interest	FULL YEAR TOTAL BUDGET	MONTHLY TOTAL BUDGET
CU TOTAL		94439	22112	21.8452%	82.88%	$ 4,506,634	$ 375,553

D. FRONT DESK UNIT

Apartment Number	Approximate Net Living Area (sf)	Percentage Common Interest	Percentage of Total Commercial Common Interest	FULL YEAR TOTAL BUDGET	MONTHLY TOTAL BUDGET
Front Desk Unit	3381	0.782076%	2.97%	$ 158,478	$ 13,206

E. SPA UNIT

Apartment Number	Approximate Net Living Area (sf)	Approximate Limited Common Area (sf)	Percentage Common Interest	Percentage of Total Commercial Common Interest	FULL YEAR TOTAL BUDGET	MONTHLY TOTAL BUDGET
Spa Unit	11956	2294	2.765602%	10.49%	$ 449,480	$ 37,457

F. OFFICE UNITS

Apartment Number	Approximate Net Living Area (sf)	Percentage Common Interest	Percentage of Total Commercial Common Interest	FULL YEAR TOTAL BUDGET	MONTHLY TOTAL BUDGET
OFFICE Total	4173	0.965277%	3.66%	$ 138,804	$ 11,567

Total Commercial	$ 5,253,397
TOTAL ASSOCIATION	**$ 14,871,177**

EXHIBIT "I"

SUMMARY OF SPECIMEN PRIORITY RESERVATION AGREEMENT AND SALES CONTRACT

A. RESERVATION AGREEMENT

Capitalized terms have the same meaning ascribed to such terms in the Priority Reservation Agreement ("Reservation Agreement").

1. Nature of Priority Reservation Program. The Prospective Purchaser acknowledges and understands that the execution of a Reservation Agreement and the payment of the Reservation Deposit do not guarantee the availability of any Unit. Instead, this program offers participating Prospective Purchasers the opportunity to preview and select Units in a Priority Position (as defined below), in advance of the offering of those Units to other prospective buyers who are not participants in the Priority Reservation Program, on the terms and conditions set forth below.

2. The Reservation Deposit. With the execution of a Reservation Agreement, each Prospective Purchaser is asked to make a payment of a deposit in the amount specified in the Reservation Agreement, payable in US Dollars in immediately available funds (the "Reservation Deposit"). Both the Reservation Deposit and the Reservation Agreement are required in order to participate in the Priority Reservation Program. Developer shall not accept any Reservation Deposit not accompanied by an executed Reservation Agreement, and shall not accept a Reservation Agreement without a deposit. Upon tender of the Reservation Deposit, the Prospective Purchaser shall be given a Priority Position, as defined below, to purchase up to a total of two (2) Units offered for sale by Developer at the Project.

On the Selection Day, the Prospective Purchaser and Developer may enter into a Sales Contract (see below) for a specific Unit selected by Prospective Purchaser. In the event that the parties to the Reservation Agreement fail to enter into a Sales Contract on Selection Day, this Reservation Agreement shall immediately terminate, and the Reservation Deposit shall be refunded to Prospective Purchaser.

3. Receipt Time, Cutoff Time, Final Submission Deadline. The "Receipt Time" for purposes of establishing Priority Positions shall be the date and time of Developer's and/or Exclusive Listing Broker's receipt of the Reservation Agreement, the Receipt for Public Report and the Reservation Deposit ("Required Documents"). Developer shall indicate in the space at the end of the Reservation Agreement the Receipt Time and the name of Developer's sales agent with whom Prospective Purchaser has been dealing.

Receipt Times for Priority Positions shall be established by the order in which the Required Documents are received, with the final date for receipt of Required Documents currently being set at 5:00 p.m. Hawaii Standard Time of the day prior to the Selection Event (the "Cut-Off Time"). Following the Cut-Off Time, Prospective Purchasers may be permitted to participate in the process for assignment of Priority Positions to purchase Units, as described below. Developer may stop taking Reservation Agreements at any time.

4. Assigning of Priority Positions. Provided that Prospective Purchaser has submitted and Developer has received the Required Documents, Prospective Purchaser will qualify for a Selection Time for the potential purchase of a Unit based on the following order of priority groups:

a) Round "A" Selections - Any current partner, employee, associate, affiliate, customer of Ritz-Carlton or Developer (as identified in a list provided by Developer prior to opening of reservations), who is qualified in accordance with Developer's conditions and requirements, may be allowed to purchase up to one (1) Unit at the designated Selection Time.

b) Round "B" Selections - Any current partner, associate, employee or past client of S & P Destination Properties, or any person holding fee simple title to real property in the Kapalua resort, who is qualified in accordance with Developer's conditions and requirements, may be allowed to purchase up to one (1) Unit at the Selection Time.

c) Round "C" Selections - Any remaining prospective purchasers may be allowed to purchase up to one (1) Unit at their respective designated Selection Times.

Prospective Purchaser acknowledges that Selection Times will be allocated among persons in each of the above categories based upon factors considered relevant by Developer including, but not limited to, Receipt Time and scheduled random draws (if applicable). In the event that any participating Prospective Purchasers have the same Receipt Times, Developer and/or its Exclusive Listing Broker may then randomly draw the names of those Prospective Purchasers to determine priority.

5. Selection of Units at the Selection Event. Developer and/or its Exclusive Listing Broker will provide Prospective Purchaser with at least ten (10) business days prior written notice ("Selection Notice") identifying the date of the selection event ("Selection Event"). In accordance with the Priority Position selection process set forth above, at the Selection Event, Prospective Purchaser shall have the opportunity to select from those Units remaining, sign a Sales Contract, and deliver additional deposits, for up to two (2) Units, as outlined above, after persons with prior Priority Positions have had their opportunity to select Units. If Prospective Purchaser is not present (either in person or by documented power of attorney) when his or her name is announced in the priority selection process, Prospective Purchaser will forfeit his or her right to make a selection at the Selection Event.

6. Termination. Prospective Purchaser shall have the right to an unqualified refund of the Reservation Deposit upon receipt by Developer of a written request from Prospective Purchaser requesting a refund of the Reservation Deposit. Developer also has an independent and unilateral right to terminate the Reservation Agreement by giving notice to the Escrow Agent of its termination of the Reservation Agreement and directing the Escrow Agent to return the Reservation Deposit to Prospective Purchaser. In the event of termination by either party, Developer shall use its best efforts to cause the Escrow Agent to return the Reservation Deposit to Prospective Purchaser within seven (7) days once the Reservation Deposit check has cleared.

7. Restriction on Assignability. Prospective Purchaser may not assign, convey or otherwise transfer any portion of its interest under the Reservation Agreement, including, without limitation, Prospective Purchaser's Priority Position or any rights associated with such Priority Position, without Developer's prior written consent, which Developer may withhold in its sole and absolute discretion. Developer may assign the Reservation Agreement to an affiliate or partner of Developer without notice to Prospective Purchaser.

8. No Assurance on Purchase Price. Prospective Purchasers understand that the purchase price for each Unit has not been set. No assurance is given at this time as to the purchase price for any Unit.

B. SALES CONTRACT

Capitalized terms have the same meaning 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. Purchaser shall also have been given an opportunity to read said report prior to execution of the Sales Contract.

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.

4. The Seller has entered into an Escrow Agreement, summarized in Exhibit "J" herein a local Escrow company, 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 pursuant to the Escrow Agreement.

5. The Sales Contract requires the Purchaser to pay the Total Purchase Price by a series of payments prior to Closing. Such payments include any Prior Deposits, if any and an initial Contract Deposit when Purchaser signs the Sales Contract. Purchaser shall then deposit at or prior to Closing, the remaining Balance Due.

6. The Sales Contract provides that Purchaser will not receive interest on Purchaser's Deposits, unless otherwise set forth in the Sales Contract.

7. Purchaser's obligations under the Sales Contract are not contingent or conditioned 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.

8. 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.

9. Notwithstanding anything provided to the contrary, Developer shall complete renovation and construction of the Resort Unit so as to permit normal occupancy of the Unit within two (2) years from that date that Purchaser executes the Sales Contract (the "Completion Deadline"). Notwithstanding the foregoing, such two (2) year period shall be extended for any period of time during which Developer is actually and necessarily delayed in beginning or completing construction if such delay is caused by events which are legally recognized under Hawaii law as defenses to contract actions based on impossibility of performance or frustration, including, but not limited to, fire, earthquake, act of God, the elements, war, terrorist or civil disturbances, litigation, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or materials, or any other matter or condition beyond Developer's control. In the event Developer fails to complete construction by the Completion Deadline, Purchaser shall have the right and option to cancel the Sales Contract and receive a refund of all moneys paid, plus accrued interest thereon, or may pursue those remedies set forth in Section D.38 of the Sales Contract, plus have any other remedies available by law.

10. Purchaser acknowledges and agrees that Developer may cancel the Sales Contract if Developer has not obtained Sales Contract to purchase at least seventy percent (70%) of the Resort Units in the Project on or before one hundred eighty (180) days after the date of the first executed Sales Contract by a Purchaser (the "Presale Contingency"). The Presale Contingency is set by Developer in its sole and absolute discretion. If the Presale Contingency for the Project is not satisfied for any reason, Developer shall have no obligation to construct any portion of the Project or to sell the Resort Unit to Purchaser; provided that Developer may exercise its right to terminate after such one hundred eighty (180) day period as long as the seventy percent (70%) threshold was not obtained during the 180-day period. In the event Developer elects to cancel the Sales Contract pursuant to this section, Purchaser shall be entitled to a full refund of all monies paid by Purchaser to Developer hereunder and under the Sales Contract, plus accrued interest thereon. This Presale Contingency is for the benefit of Developer only, and not for the benefit of Purchaser, and may be waived by Developer in Developer's sole and absolute

discretion. If such Presale Contingency is satisfied, Developer will construct the Resort Unit in accordance with the Building Completion Date provision in the Sales Contract.

11. 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 therefor until the filing of the Unit Deed.

12. 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 without 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.

13. 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 Maui, Hawaii.

14. **There are specific additional disclosures in Section 27 of the Sales Contract which should be carefully reviewed by Purchasers, including, without limitation, provisions for a Ritz-Carlton Re-Sale Royalty Fee, use of Ritz-Carlton Brand Marks, parking circumstances at the Project, security disclaimers, noise, views, mold, and neighboring burial ground disclaimers.**

* * * * *

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

EXHIBIT "J"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement for the Project dated June 27, 2007 ("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 a 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 514B of the Hawaii Revised Statutes. All monies received by Escrow hereunder 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. Notwithstanding anything in the Agreement to the contrary, Escrow shall make no disbursements of purchasers' funds or proceeds from the reservation of or sale of units in the Project (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided in the Agreement, or for payment of project costs as provided in the Agreement, until (a) Seller has obtained an effective date for the Public Report for the Project and delivered a true copy of such report to Purchaser; (b) purchaser has waived any right to cancel or rescind the Sales Contract; and (c) Seller shall have affirmed to Escrow that there has been no "material changes" in the Project;.

D. In addition, if purchaser deposits are to be released prior to closing or if units are conveyed or leased prior to completion of construction, Seller shall certify to Escrow in writing and to Escrow's satisfaction that Seller has complied with all of the requirements of Section 514B-92 or Section 514B-93 of the Hawaii Revised Statutes.

E. Each purchaser shall be entitled to a return of his or her funds, without interest, unless otherwise provided in the Agreement, and Escrow shall pay such funds to such purchaser, promptly after request for return by the purchaser, if one of the following has occurred:

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

(2) Seller shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow;

(3) Seller shall have notified Escrow of purchaser's exercise of a purchaser's right to cancel the Sales Contract pursuant to Section 514B-86 of the Hawaii Revised Statutes (thirty-day right to cancel);

(4) Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller;

(5) If the Sales Contract is signed prior to the completion of construction, Seller shall have notified Escrow of purchaser's right to cancel the Sales Contract pursuant to Section 514B-89 of the Hawaii Revised Statutes (failure to complete construction before specified completion deadline); or

(6) Seller shall have notified Escrow of purchaser's exercise of purchaser's right to rescind the Sales Contract pursuant to Section 514B-87 of the Hawaii Revised Statutes, by a valid rescission signed by all purchasers of the affected unit and postmarked no later than midnight of the thirtieth (30th) calendar day after the date that purchasers received the notice of rescission from Seller.

Upon the cancellation of any Sales Contract as specified above, Escrow shall be entitled to a cancellation fee of $75.00; and in any event not more than $250.00; plus all costs incurred by Escrow, which shall be paid by the purchaser unless otherwise provided in the Agreement. Escrow shall not be entitled to a cancellation fee where a return of funds is requested pursuant to the terms of the Reservation Agreement.

F. 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 Sales Contract or 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.

G. Upon five (5) days' written notice from Seller or Seller's mortgage lender, Escrow will act with due diligence and dispatch to "preclose" sales (a) by arranging for the execution of the Unit Deeds and such other documents as are required to effect the transfer of title, and (b) by calling for the payments then required from Purchaser, all as provided for in the Sales Contract. In the case of a bulk sale (defined for purposes of this Agreement as ten (10) or more Units), written preclosing notice shall be given by Seller at least sixty (60) days in advance.

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 15 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 "K"

SUMMARY OF CONSTRUCTION WARRANTIES

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

1. Building and Other Improvements: The Developer will provide to purchaser a one (1) year "fit and finish" warranty and a one (1) year warranty on the common elements to the Association from the date of turnover.

2. FF&E: The Developer will pass on the manufacturers' or other vendors' warranties made to it, if any, on any appliances included as part of the residential units being conveyed, for the owner to apply for and administer as may be needed.

EXHIBIT "L"

SUMMARY OF SPECIMEN UNIT DEED

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

The specimen Unit Limited Warranty Deed, Encumbrances and Reservations of Rights with Power of Attorney for Honokahua Beach Hotel ("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 the Honokahua Beach Hotel condominium property regime situate at Lahaina, County of Maui, State of Hawaii, which legal description is further incorporated into the Declaration.

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 Grantee; the same are free and clear of and from all encumbrances created or suffered by the Grantor, 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 Grantee, forever, against the lawful claims and demands of all persons claiming through Grantor, except as mentioned in the Deed.

C. Grantee 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, the House Rules and Resort Rules, as any of the same exist or may hereafter be amended in accordance with law, and accepts and approves of the Declaration, Bylaws, House Rules and Resort Rules.

D. Grantee agrees and consents to the exercise by Grantor of any of its reserved rights set forth in the Deed and in the Declaration, and Grantee 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. Grantee appoints Grantor as Purchaser's "attorney-in-fact" which means that Grantor can act for Grantee or on Grantee'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 Grantee's behalf, which grant of authority, being coupled with an interest, means that the Grantor has an interest beyond just in the power Grantee is giving, cannot be revoked by Grantee for the term of the reserved rights, and will not be affected by Grantee's disability.

E. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT GRANTEE SHALL BE OBLIGATED TO PAY A RE-SALE ROYALTY FEE TO RITZ-CARLTON HOTEL COMPANY L.L.C ("RITZ-CARLTON") IN THE EVENT GRANTEE RESELLS GRANTEE'S UNIT IN THE AMOUNT OF: (A) IF THE SALE OCCURS ON OR BEFORE DECEMBER 31, 2015, SEVENTY-FIVE ONE HUNDREDTHS PERCENT (0.75%) OF THE AGGREGATE RESIDENTIAL GROSS REVENUES (AS DEFINED IN THE DECLARATION) RECEIVED BY PURCHASER IN CONNECTION WITH ITS SALE OF ITS UNIT AND (B) IF THE SALE OCCURS AFTER DECEMBER 31, 2015, ONE PERCENT (1.0%) OF THE AGGREGATE RESIDENTIAL GROSS REVENUES RECEIVED BY PURCHASER IN CONNECTION WITH ITS SALE OF ITS UNIT. SUCH RE-SALE ROYALTY FEE SHALL BE PAYABLE FOR SO LONG AS THE HOTEL MANAGEMENT AGREEMENT (AS DEFINED IN THE DECLARATION) REMAINS IN EFFECT OR RITZ-CARLTON OR ANY OF ITS AFFILIATES MANAGES, FRANCHISES OR OTHERWISE OPERATES THE HONOKAHUA BEACH HOTEL AND SHALL CONTINUE TO APPLY TO ALL SUBSEQUENT OWNERS, SUCCESSORS-IN-INTEREST AND ASSIGNS AND SHALL BE A COVENANT THAT RUNS WITH THE LAND. THE TERMS USED HEREIN ARE FURTHER DEFINED AND/OR DESCRIBED IN THE DECLARATION. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTEE HAS MADE CAREFUL REVIEW OF THE DECLARATION.

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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.

EXHIBIT "M"

SUMMARY OF SPECIAL USE RESTRICTIONS

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

A. **RESORT UNITS.**

1. **Use Generally; Restrictions**. The Resort Units shall be occupied and used only for the purposes that are consistent with, and appropriate to, a resort destination operating pursuant to the Project Quality Standard. ***Accordingly, the Units may be used for hotel or transient vacation rental purposes or transient lodging for periods of less than thirty (30) days, residential use, or other uses permitted by law, the Master Covenants, Conditions and Restrictions, this Declaration, the Bylaws and the House Rules, that are consistent with a resort destination operating pursuant to the Project Quality Standard;*** provided that: (a) Resort Unit Owner shall be permitted to personally occupy their Unit and may also make their Unit available for use to third parties when not occupied by such Unit Owner; (b) other than as may be provided herein, no commercial business activity, or home occupation shall be conducted from any Resort Unit; (c) notwithstanding anything contained herein or in law to the contrary, the Resort Units or any interest therein, ***shall <u>not</u> 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; provided that such uses in this Section (c) shall be permitted if offered by the Hotel Manager from time to time to the extent permitted by law and the Kapalua CC&Rs and Time Share and Transient Vacation Rental Declaration; and (d) no Resort Unit shall be used as part of any occupancy plan or for similar purposes unless pursuant to a program of operation of Hotel Manager, or its affiliates or designees, or as otherwise agreed to by Hotel Manager, which shall include: (i) any joint ownership, whether or not ownership is deeded, of a Resort Unit where unrelated (i.e., non-family) owners share and enjoy use or occupation of the Resort Unit according to a periodic (fixed or floating) schedule based on time intervals, points or other rotational system; or (ii) any club, the membership of which allows access and use of one or more properties by its members based on availability and reservation priorities, commonly known as destination clubs (equity or non-equity) or vacation clubs; further provided that the Hotel Unit shall remain free from the restrictions set forth in (c) above. The foregoing restrictions are collectively referred to as "Occupancy Restrictions."***

2. **Sales and Marketing**. Except for 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 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 the Hotel Manager or the Front Desk Unit Owner or 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 the Hotel Manager, Front Desk Unit Owner and/or Developer, as applicable, which approval may be withheld in their sole discretion. Any use of such material in any way by Owner or any rental agent without such permission will entitle Hotel Manager, Developer or the Front Desk Unit Owner to immediately enjoin such use and to pursue any and all remedies against the Owner, independently of the obligations set forth in the Declaration. The Owner 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. **Unit Maintenance Agreement**. All Resort Unit Owners will be required to enter into a Unit Maintenance Agreement with the Front Desk Unit Owner (in the form then in use by the Front Desk Unit Owner) and each Resort Unit Owner will be required to be a party to such Unit Maintenance Agreement for so long

as such Owner owns a Resort Unit, and no Owner shall have the right to opt out of receiving the services to be provided pursuant to the Unit Maintenance Agreement or the fees, costs or charges to be paid for such services, except as provided therein. All Owners will receive the services specified in the Unit Maintenance Agreement at the costs and upon the other terms and conditions set forth therein, and all costs to provide such services and for reserves shall be paid by the Owner to the Front Desk Unit Owner as and when due pursuant to the terms and conditions of the Unit Maintenance Agreement. The costs to provide such services are in addition to the Common Expenses hereunder and will be charged to each Owner separately. The Front Desk Unit Owner may delegate its duties under the Unit Maintenance Agreement to the Hotel Manager. The Unit Maintenance Agreement shall also require and establish a cumulative reserve ("**Unit Replacement Reserve**") for all Resort Units solely to cover the costs of replacement, substitution, addition or refurbishing the FF&E for the Resort Units, and for other routine capital expenditures, all as necessary to maintain the Resort Units in accordance with the Project Quality Standard and pursuant to one or more FF&E programs established by the Hotel Manager. The Unit Replacement Reserve shall be held in a separate account by the Hotel Manager and no Owner shall be entitled to any payment or withdrawal from the Unit Replacement Reserve upon the sale or transfer of such Owner's Unit or for any other reason. Each Resort Unit Owner shall deposit into the Unit Replacement Reserve a fixed amount, on an annual basis or in equal quarterly or monthly installments, established by the Front Desk Unit Owner, which amount may be increased by the Front Desk Unit Owner from time to time to meet the Project Quality Standard. Through participation in the Unit Maintenance Agreement, each instance that the Front Desk Unit Owner makes a determination that the FF&E is in need of replacement (for the purposes of replacing the FF&E due to wear and tear, age or to perform general refurbishment or renovation of the Units), each Resort Unit Owner will be required to participate in each such replacement and to pay for such Resort Unit Owner's share of the costs of such replacement of the FF&E, the cost of which will be assessed against each Resort Unit Owner based on either a unit-by-unit actual cost basis, a percentage interest basis, a square foot basis or such other reasonable cost allocation as the Front Desk Unit Owner shall determine in the Unit Maintenance Agreement. If a Unit's FF&E does not comply with the Project Quality Standard, and the Resort Unit Owner does not perform the work or purchase the items recommended or required by the Front Desk Unit Owner with reasonable promptness under the circumstances, the Front Desk Unit Owner may perform such work or purchase such items at the expense of the Resort Unit Owner. The Front Desk Unit Owner may also perform such work or purchase such items at the expense of the Resort Unit Owner without any prior notice to such Resort Unit Owner in the event of an emergency, or at any time if requested by any Resort Unit Owner for such Owner's Unit. The decision of the Front Desk Unit Owner, as it relates to compliance or non-compliance with the above FF&E provisions, shall be conclusive and binding on all Resort Unit Owners. In the event of a dispute concerning the compliance or non-compliance of a Unit, or its décor, adornment, furnishings, or the need for repair or replacement, the decision of the Front Desk Unit Owner shall be binding upon all parties to the dispute.

B. **COMMERCIAL UNITS**. The Commercial Units may be used for any commercial purpose permitted by zoning and other applicable laws, the Declaration, the Bylaws, the Master Covenants, Conditions and Restrictions, including, but not limited to, restaurants, health clubs, food and beverage outlets, spas, administrative offices, concierge services, storage, sales and marketing offices, and activity desks or offices; provided that such use is consistent with the Project Quality Standard and approved by the Front Desk Unit Owner. The Commercial Unit Owners may enter into such agreements as they deem appropriate to utilize the Commercial Units, subject to any approvals required herein or in the Hotel Management Agreement. Any income from the Commercial Units and/or the Limited Common Elements appurtenant to the Commercial Units, 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 Front Desk Unit and the Commercial Unit Owner thereby affected, to the extent permitted by applicable law.

C. **FRONT DESK UNIT**. The Front Desk Unit and the Shared Facilities and Front Desk Facilities may be used for any commercial purpose permitted by zoning and other applicable laws, the Declaration and the Bylaws, including, but not limited to, administrative offices, concierge services, storage, sales and marketing offices, and activity desks or offices; provided that such use is consistent with the Project Quality Standard. The Front Desk Unit Owner may enter into such agreements as it deems appropriate to utilize the Front Desk Unit to provide Base, Supplemental and/or A la Carte Services to Unit Owners (but shall not be limited to such use), including, but not limited to, reservations, registration services, concierge services, luggage services, security, interior unit maintenance and housekeeping services and real estate sales and leasing activities; provided that any income derived from such services shall belong solely to the Front Desk Unit Owner. This Section shall not be terminated or

amended without the prior written consent of the Front Desk Unit Owner, to the extent permitted by applicable law. The Front Desk Unit shall have the right to delegate any of its rights and obligations set forth herein to the Hotel Manager or the Condominium Manager.

D. **OFFICE UNITS**. The Office Units may be used for management and administrative functions to support the Project and any other purpose permissible by zoning and other applicable laws, the Declaration and the Bylaws; provided that such use is consistent with the Project Quality Standard.

E. **HOTEL UNIT**. The Hotel Unit shall be occupied and used only for the purposes that are consistent with, and appropriate to, a resort destination operating pursuant to the Project Quality Standard. ***Accordingly, the Unit may be used hotel or transient vacation rental purposes or transient lodging for periods of less than thirty (30) days or other uses permitted by law, the Master Covenants, Conditions and Restrictions, the Declaration, the Bylaws and the House Rules, that are consistent with a resort destination operating pursuant to the Project Quality Standard***. The Hotel Unit Owner shall be permitted to perform hotel operations in the Unit and make the Unit available for use by transients. In the event that the Hotel Unit is subdivided to create multiple, separate Units similar to the Resort Units described herein, all restrictions on use applicable to the Resort Units set forth in Section VI.A. above shall apply to the separate Units created by the aforesaid subdivision of the Hotel Unit that are not owned by Developer. The Hotel Unit shall also consist of the club Lounge, as depicted on the Condominium Map.

F. **SPA UNIT**. The Spa Unit, and the Limited Common Elements appurtenant to the Spa Unit shall be used for recreational purposes and any other purposes permissible by zoning and any other applicable law, the Declaration and the Bylaws. The Spa Unit Owner shall have the right to generate revenue, establish a club program or other form of membership agreement to allow access to the Spa Unit by other Unit Owners and their guests and charge fees at its sole discretion for such use.

G. **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.

H. **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, including, without limitation, altering or affecting the load-bearing walls in any Unit in any way; (3) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants in a destination resort setting; (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 the Hotel Management Agreement, the Condominium Management Agreement, and any license agreement(s) entered into for the benefit of the Project. Each Owner acknowledges that his or her conduct or acts in violation of the Declaration or any of the Project Documents can result in the termination of the Hotel Management Agreement.

I. **CHANGES TO BUILDING STRUCTURES AND UNITS**. The Front Desk Unit Owner shall have the right to change the Building Structure, which Building Structure shall be a portion of the Shared Facilities. No change shall be made which shall result in an appearance that is inconsistent with a resort destination operating pursuant to the Project Quality Standard or which shall affect the Unit without prior consent of the Unit Owner. Except for the Front Desk Unit Owner, the Commercial Unit Owners, the Hotel Unit Owner, the Office Unit Owners, and the Spa Unit Owner, each of which shall have the right to change the appearance of such Unit and the Shared Facilities 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. Unit Owner shall not do or suffer anything to be done to or kept on the load-bearing walls within the Unit.

J. **OWNERS TO MAINTAIN UNITS AND LIMITED COMMON ELEMENTS IN GOOD ORDER**. Subject to the provisions of the Unit Maintenance Agreement, 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, if any, and the Limited Common Elements appurtenant thereto in good order and repair in accordance with the Project Quality 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 Article IV, Section I above, and subject to any additional provisions stated in the Bylaws. 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.

K. **USE OF COMMON ELEMENTS**. Subject to the reserved rights of Developer contained herein, and the express limitations on use set forth herein, each Unit Owner may use the Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Unit Owners, subject always to:

1. The right of the Board, upon the approval of the Owners of sixty-seven percent (67%) of the Common Interest, to change the use of the Common Elements that are not also designated Limited Common Elements;

2. The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements not actually used by any of the Unit Owners for an originally intended special purpose and that are not also designated Limited Common Elements, as determined by the Board; provided, that unless the approval of the Owners of sixty-seven percent (67%) of the Common Interest is obtained, any such lease shall not have a term exceeding five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) calendar days' written notice; and

3. The right of the Board to lease or otherwise use for the benefit of the Association those Common Elements not falling within Article VI, Section K.2 above, which are not also designated Limited Common Elements, upon obtaining: (a) the approval of the Owners of sixty-seven percent (67%) of the Common Interest, including all directly affected Owners, and (b) the approval of all mortgagees of record which hold mortgages on Units with respect to which Owner approval is required by (a) above, if such lease or use would be in derogation of the interest of such mortgagees.

L. **USE OF LIMITED COMMON ELEMENTS**. Subject to the reserved rights of Developer contained herein, 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 Master Covenants, Conditions and Restrictions, the Declaration 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 sixty-seven percent (67%) 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.

M. **SPECIAL MANAGEMENT AREA PERMIT (SMA) AND LAND USE ENTITLEMENTS**. The Project will be subject to the use restrictions and conditions set forth in the SMA and any land use entitlements, issued by the County of Maui Department of Planning, and any subsequent permits issued to Developer, as the same may be amended. Developer shall have the right to amend such permits without the consent or joinder of the Owner of any other Unit or any other person or entity.

N. **PROHIBITION AGAINST INCREASING ENCLOSED LIVING AREA**. The enclosed living area of any Resort Unit (as such living area is depicted on the Condominium Map on the date the Unit is conveyed to any Owner by Developer) or the Limited Common Element appurtenant thereto may not be increased. This prohibition includes any partial or full enclosure of any lanai that is adjacent to the Unit.

O. **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 of rights of ways appurtenant thereto or licenses granted under the Declaration or the Master Declaration, as appropriate. 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.

P. **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) subject to the Occupancy Restrictions, 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 the applicable Units, 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.

Q. **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 the Fair Housing Act (142 U.S.C. §§3601 et seq.) The Project must at all times be in compliance with the Americans With Disabilities Act ("ADA") and the Fair Housing Act ("FHA") 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, as applicable ("**Applicable Laws**"). As such, should any ADA or FHA facilities or Units be conveyed to third parties, each such Owner 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 Units to continue to be in compliance in all respects with all Applicable Laws.

R. **NUISANCES**. No nuisances (as defined by the Front Desk Unit Owner) shall be allowed on the Shared Facilities, 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 Shared Facilities by its residents or occupants. All Unit Owners and their occupants shall exercise extreme care about causing or permitting excessive noise that may disturb other occupants. No activities or business conducted from the Front Desk Unit, the Hotel Unit, Commercial Units, Spa Unit, or Office Units 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 Shared Facilities 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 contains 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.

S. **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 Project. 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 in a high-rise building such as the Project 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.

T. **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.

U. **ANTENNAS, SATELLITE DISHES**. No Owner may install any antenna, satellite dish or other transmitting or receiving apparatus, any wiring or other device for electrical or telephone installations, television, machines, or other equipment or appurtenances in or upon his or her Unit or, in or on the Building Structure (and/or areas appurtenant thereto), without the prior written consent of the Front Desk Unit Owner from time to time in its sole discretion.

V. **UNSIGHTLY ARTICLES**. No unsightly articles shall be permitted to remain upon or within any Unit, the Shared Facilities, or any Limited Common Element so as to be visible from ay other portion of the Project. No refuse or trash of any kind shall be thrown, placed or kept in any Shared Facilities, Front Desk Facilities, East Wing Amenities, Resort Unit lanai, other than within disposal facilities provided for such purposes.

W. **PETS**. No pets of any kind shall be allowed in a Unit without the approval of the Front Desk Unit Owner, which approval may be withheld in the Front Desk Unit Owner's sole and absolute discretion; provided,

however, that notwithstanding this provision, 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.

X. **NON-APPLICABILITY TO DEVELOPER**. Notwithstanding anything provided herein to the contrary, as long as there are unsold Units in the Project, the provisions set forth above shall not apply to the Units owned by Developer 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.

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

EXHIBIT "N"

SUMMARY OF SPECIAL MANAGEMENT AREA (SMA) PERMIT

CHARMAINE TAVARES
Mayor
JEFFREY S. HUNT
Director
COLLEEN M. SUYAMA
Deputy Director

MAY 0 7 2007

COUNTY OF MAUI
DEPARTMENT OF PLANNING

May 1, 2007

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
7005 3110 0002 6290 7704

Mr. Mich Hirano, AICP
Munekiyo & Hiraga Inc.
305 High Street
Suite 104
Wailuku, Maui, Hawaii 96793

Dear Mr. Hirano:

SUBJECT: SPECIAL MANAGEMENT AREA USE PERMIT AND PROJECT DISTRICT PHASE 11 APPROVALS FOR PROPOSED LOBBY AND COMMON AREA IMPROVEMENTS INCLUDING, BUT NOT LIMITED TO, RENOVATION TO THE PORTE COCHERE, LOBBY LOUNGE, BAR AND SUSHI BAR, EXPANSION OF HOTEL RESTAURANT, SPA FACILITIES, BANYAN TREE RESTAURANT, PAVILLION AND STORAGE AREA, NEW FITNESS CENTER, GOURMET MARKET, LUAU AND ENVIRONMENTAL EDUCATION CENTER, RESURFACING OF POOL DECK AND OVERALL DRAINAGE AND LANDSCAPING IMPROVEMENTS AND A TEMPORARY SALES TRAILER WITHIN THE PARKING LOT ON 33.197 ACRES LAND AT TMK: 4-2-004:021, KAPALUA, MAUI, HAWAII (SM1 2006/0039) AND (PH2 2006/0007)

At a special meeting on April 16, 2007, at the Lahaina Civic Center, the Maui Planning Commission (Commission) conducted a public hearing on the above requests. After due deliberation, the Commission voted to grant approval of the Project District Phase II and Special Management Area Use Permit applications, subject to the following conditions:

250 SOUTH HIGH STREET, WAILUKU, MAUI, HAWAII 96793
PLANNING DIVISION (808) 270-7735; ZONING DIVISION (808) 270-7253; FACSIMILE (808) 270-7634

Project District Phase II

1. That the project's final site plan shall be submitted to the Planning Department together with the Phase III Project District Application within one year of the granting of the Phase II Project District approval; and

2. That full compliance with all applicable governmental requirements shall be rendered.

Special Management Area Use Permit

Standard Conditions

1. That construction of the proposed project shall be initiated by **April 30, 2010.** Initiation of construction shall be determined as construction of off-site improvements, issuance of a foundation permit and initiation of construction of the foundation, or issuance of a building permit and initiation of building construction, whichever occurs first. Failure to comply within this three (3) year period will automatically terminate this Special Management Area Use Permit unless a time extension is requested no later than ninety (90) days prior to the expiration of said three (3) year period. The Planning Director shall review and approve a time extension request but may forward said request to the Planning Commission for review and approval;

2. That the construction of the project shall be completed within five (5) years after the date of its initiation. Failure to complete construction of this project will require unfinished portions of the project to obtain a new Special Management Area Permit. A time extension shall be requested no later than ninety (90) days prior to the completion deadline. The Planning Director shall review and approve a time-extension request but may forward said request to the Planning Commission for review and approval;

3. The permit holder or any aggrieved person may appeal to the Planning Commission any action taken by the Planning Director on the subject permit no later than ten (10) days from the date the Director's action is reported to the Commission;

4. That final construction shall be in accordance with revised architectural plans dated **February 20, 2007**;

5. That appropriate measures shall be taken during construction to mitigate the short term impacts of the project relative to dust and soil erosion from wind and water, ambient noise levels, and traffic disruptions;

6. That the subject Special Management Area Use Permit shall not be transferred without prior written approval in accordance with Section 12-202-17(d) of the Special Management Area Rules of the Maui Planning Commission. However, in the event that a contested case hearing preceded issuance of said Special Management Area Use Permit, a public hearing shall be held upon due published notice, including actual written notice to the last known addresses of parties to said contested case and their counsel;

7. That the applicant, its successors and permitted assigns shall exercise reasonable due care as to third parties with respect to all areas affected by subject Special Management Area Use Permit and shall procure at its own cost and expense, and shall maintain during the entire period of this Special Management Area Use Permit, a policy or policies of comprehensive liability insurance in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) naming the County of Maui as an additional named insured, insuring and defending the applicant and County of Maui against any and all claims or demands for property damage, personal injury and/or death arising out of this permit, including but not limited to: (1) claims from any accident in connection with the permitted use, or occasioned by any act or nuisance made or suffered in connection with the permitted use in the exercise by the applicant of said rights; and (2) all actions, suits, damages and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms and conditions of this permit. A copy of a policy naming County of Maui as an additional named insured shall be submitted to the Department within ninety (90) calendar days from the date of transmittal of the decision and order;

8. That full compliance with all applicable governmental requirements shall be rendered;

9. That the applicant shall submit plans regarding the location of any construction related structures such as, but not limited to trailers, sheds, equipment and storage areas and fencing to be used during the construction phase to the Maui Planning Department for review and approval;

10. That the applicant shall submit to the Planning Department five (5) copies of a detailed report addressing its compliance with the conditions established with the subject Special Management Area Use Permit. A preliminary report shall be reviewed and approved by the Planning Department prior to issuance of the building permit. A final compliance report shall be submitted to the Planning Department for review and approval prior to issuance of a certificate of occupancy;

11. That the applicant shall develop the property in substantial compliance with the representations made to the Commission in obtaining the Special Management Area Use Permit. Failure to so develop the property may result in the revocation of the permit;

12. That appropriate energy conservation measures shall be incorporated into the project, which may include but are not limited to, energy conserving building materials, solar water heaters, state of the art air conditioning systems, photo voltaic systems, etc.;

13. That all exterior illumination shall consist of fully shielded downward lighting throughout the project;

14. Appropriate filtration measures to separate petroleum products and other potential contaminants shall be incorporated into the project's final drainage plan and shall be maintained regularly per manufacturer's specifications, with the contaminant residuals from stormwater treatment to be properly disposed of.. Records of the disposal shall be kept by the applicant and made available for inspection by county and state agencies upon request. Plans for the filtration measures shall be submitted to the Planning Department together with the preliminary compliance report. Evidence of appropriate mechanisms to comply with this condition after filtration measures have been installed shall be submitted to the Planning Department as part of the final compliance report;

Project Specific Conditions

15. That the applicant shall be responsible for all required infrastructural improvements as required by Maui County Code, as amended, and other County Rules and Regulations. Said improvements shall be completed prior to issuance of a certificate of occupancy for the project unless improvements are bonded by the developer;

16. That water conservation measures shall be incorporated into the design and operation of the project;

17. That an appropriate Best Management Practices (BMPs) plan shall be reviewed and approved by the Department of Public Works and Environmental Management. Said plan shall address impacts associated with erosion, contaminants, and construction waste. Approval of a grading permit by DPWEM that incorporates said BMP's will constitute approval of the BMP's. The approved plan shall be filed with the Maui Planning Department within 10 days of approval of the BMP's;

18. That should a noise permit be required by the Department of Health, a copy of said permit shall be submitted to the Planning Department prior to issuance of a building permit;

19. A qualified archaeological monitor or monitors shall be present during all ground-altering activities conducted in the project area in order to document any historic properties which may be encountered during the proposed undertaking and to provide mitigation measures as necessary. An archaeological monitoring plan will need to be submitted to the State Historic Preservation Division for review and acceptance, prior to the commencement of any ground-altering activities. An archaeological monitoring plan must contain the following nine specifications: (1) The kinds of remains that are anticipated and where in the construction area the remains are likely to be found; (2) How the remains and deposits will be documented; (3) How the expected types of remains will be treated; (4) The archaeologist conducting the monitoring has the authority to halt the construction in the immediate area of the find in order to carry out the plan; (5) A coordination meeting between the archaeologist and construction crew is scheduled, so that the construction team is aware of the plan; (6) What laboratory work will be done on remains that are collected; (7) A schedule of report preparation; (8) Details concerning

the archiving of any collections that are made; and (9) An acceptable report documenting the findings of the monitoring activities shall be submitted to the State Historic Preservation Division for review upon 180 days following the completion of the proposed undertaking;

20. The State Historic Preservation Division (Maui and O'ahu offices) shall be notified via facsimile at on-set and completion of the project and the monitoring program;

21. That on-site pedestrian movements be accommodated by providing designated pedestrian routes and paths to avoid the co-mingling of vehicular and pedestrian traffic on the project driveway and access road;

22. That the project maintain sufficient site distances for motorists entering the intersection of the project driveway and Office Road;

23. That stop-controlled operations at the intersection of the project driveway and Office Road be maintained;

24. That a detailed recycling plan shall be submitted to the Department of Public Works and Environmental Management for review and approval prior to issuance of a building permit;

25. That the temporary sales trailer shall be limited to a period of two years or until April 16, 2009. Extensions to this time period may be granted for good cause by the Planning Department; and

26. That the applicant meet with the Parks Department to verify if any parks assessment will apply to the conversion of hotel rooms to condo-hotel suites. A written determination from the Parks Department on this issue shall be submitted with the project's preliminary compliance report.

Further, the Commission adopted the Report and Recommendation prepared by the Maui Planning Department for the April 16, 2007 meeting as the Findings of Fact, Conclusions of Law, and Decision and Order, attached hereto and made a part hereof. Parties to proceedings before the Commission may obtain judicial review of decision and orders issued by the Commission in the manner set forth in Chapter 91-14, Hawaii Revised Statutes.

Thank you for your cooperation. If additional clarification is required, please contact Staff Planner Ann Cua, of this office, by e-mail at ann.cua@mauicounty.gov or by telephone at (808)-270-7521.

Sincerely,

JEFFREY S. HUNT, AICP
Planning Director

Enclosures

xc: Clayton I. Yoshida, AICP, Planning Program Administrator
Aaron H. Shinmoto, P.E., Planning Program Administrator
Ann T. Cua, Staff Planner
Development Services Administration (2)
State Department of Health
Jeffrey Eng, Director, Department of Water Supply (w/report)
Melissa Kirkendahl, DLNR, SHPD

JSH:ATC:bv

Project File
General File

K:\WP_DOCS\PLANNING\SM1\2006\0039_RitzCarltonHotelRenovations\MPCapproval.wpd

EXHIBIT "O"

SUMMARY OF ENGINEER'S REPORT

Developer has obtained the following reports regarding the condition of the structures and the Project:

- Architectural Due Diligence and Existing Conditions Assessment for Ritz-Carlton Kapalua Hotel dated June 2007 prepared by Ushijima Architects, Inc. ("Architect Report"); and

- Structural Condition Property Report regarding observations of May 24, 2007 prepared by Martin & Chock, Inc. ("Structural Report"); and

- Mechanical Due Diligence Report dated June 2007 prepared by Mechanical Enterprises, Inc. ("Mechanical Report"); and

- Electrical Due Diligence Report for the Ritz-Carlton Kapalua dated June 15, 2007 prepared by Ronald N.S. Ho & Associates ("Electrical Report").

The aforementioned property reports were based on a visual inspection of the Project and/or review of the construction drawings and the condominium map, and collectively such property reports shall be referred to as the "Due Diligence Reports." Developer makes no warranty or representation whatsoever that Developer has provided all studies, reports, tests or other written investigations that may pertain to the condition of the units or any other areas of the Project. To the extent that Developer may have hired or commissioned any study, test or other investigation of the condition, useful life, legal compliance or any other matter relating to the units, the Project, the land underlying the Project, or any furnishings, fixtures, appliances or other consumer products or anything else installed, attached, affixed or otherwise contained in the units, the Project or the land underlying the Project, and to the extent Developer may make the results of any such study, test or investigation available to Owner in connection with the offer or sale of a unit in the Project, Developer disclaims and makes no warranty or promise regarding the accuracy, reliability or value of any statement or opinion expressed by such third-party. OWNER AGREES THAT OWNER'S USE OR CONSIDERATION OF ANY SUCH INFORMATION IN CONNECTION WITH THE OFFER OR SALE OF THE UNIT SHALL BE THE OWNER'S SOLE RISK. According to the Due Diligence Reports, generally, the present condition of the structural components and mechanical and electrical installations material to the use and enjoyment of the units are in fair to good condition. Owners are also referred to the following additional disclosure items regarding the Resort Units:

1. **GENERAL CONDITION OF THE PROJECT**. The Project was originally constructed in 1991-1992, and although the Developer does anticipate renovating certain components within the units and in the Project, Owners should not expect that the Resort Units being offered for sale, nor any components of the Project, will be like new-construction condition. Further, the Project is subject to weathering, rust, corrosion, earthquake, floods, heavy rain and similar occurrences or conditions which may alter the Project's condition or affect is suitability for any proposed use. Developer shall have no responsibility or liability for or with respect to any such occurrence or condition.

2. **GENERAL CONDITION OF THE UNITS AND CORRIDORS**. The Architect Report provides that the units were originally constructed in 1991-1992, and typical wear of the walls, cased openings, ceilings and carpeting of the units is evident. Cased openings (the frame openings from hallways to rooms and framed openings within the corridors) may exhibit signs of dents and the wall covering surrounding the cased openings may be splitting or peeling. Additionally, some observed cased openings in the corridors were missing wall scones. Some unit ceilings show signs of typical wear, and may exhibit signs of peeling paint. Generally, the Resort Units will undergo some cosmetic renovation that may include one or more of the following: (i) recarpeting; (ii) doorway upgrades; (iii) wood laminate flooring; (iv) bathroom plumbing fixtures; (v) shower/tub replacement; (vi) replacement of lounge and/or lanai furniture and (vii) addition of kitchen sinks, faucets and food waste disposers.

3. **LANAIS; RAILINGS AND SLIDING DOORS.** Developer does not anticipate undertaking general repairs of the lanais and railings and Owners should anticipate repairs as necessary. Owners should be aware that general weather conditions and typical use of the units may cause slippery conditions and typical wear to the lanai tiles and lanai furniture, and accordingly, Owners should anticipate repairs as necessary to assure that lanais and railings are maintained in a safe condition. According to the Architect Report some of the observed lanai rails show signs of corrosion, discoloration and lanai tiles may have moss growth due to the overflow from the unit above and chipping and cracking due to typical wear. Additionally, the lanai rails for certain units are spaced father apart than the width permitted under the current building code; however, this legal nonconformity may remain so long as the existing lanai rails are not removed or replaced. Owners should be aware that lanai rails may present a danger to small children, animals and adults using the lanais. Further, Owners should be aware that the sliding doors to the lanais will not be replaced. Owners should anticipate repairs as necessary.

The Architect Report provides that one of the observed units had an unusual opening, an approximately 4-inch diameter cored opening from the floor above, in the concrete ceiling of the exterior lanai. The opening was not over an occupied area of the unit, and did not appear to be related to any structural component, mechanical or electrical system. The opening was immediately patched, and there were no other unusual openings discovered at any of the other observed units.

4. **ADA ACCESSIBLE UNITS.** There are certain units designated as "accessible" units to comply with the American with Disabilities Act of 1990 and related laws ("ADA") (such units will be referred to as "Accessible Units"). The Architect Report provides that the observed Accessible Units may not be fully accessible, however, according to letters dated April 8, 2007 and May 8, 2007 from Paul Sheriff Incorporated, ADA consultant, upon the renovation of the Project as a whole, the design and number of Accessible Units in the Project will meet ADA requirements.

5. **STRUCTURAL CONDITION OF THE PROJECT.** On October 15, 2006 two earthquakes and numerous aftershocks occurred off of the northwest coast of the Island of Hawaii, with one of the earthquakes occurring approximately 80 miles from the Project. According to the Structural Report, the Project does not appear to have any structural damage or permanent deformation as a result of the earthquakes. There were no significant findings of tension structural cracks or damage or separation between dissimilar structural components of the Project. Further, no cracks were apparent in any of the observed concrete walls and concrete columns, and overall the concrete walls and concrete columns were found to be in good condition. However, the fireproofing of certain steel beams in the Project were found to be in poor condition and may exhibit signs of spalling and corrosion due to constant exposure to the elements.

6. **MECHANICAL SYSTEMS; VENTILATION SYSTEM AND AIR-CONDITIONING SYSTEM.** According to the Mechanical Report, there are utility set exhaust fans located in the attic spaces of each building that service the toilet exhaust ventilation system and there are exhaust registers in the bathrooms of each Resort Unit. Overall the exhaust ventilation system for the toilet exhaust and the supply fans are in fairly good condition. The renovation plans for the Project anticipate the replacement of four (4) exhaust fans to service the Resort Units.

The air-conditioning system servicing the Resort Units consist of either (i) typical chilled water floor mounted vertical or horizontal fan coil units servicing the Resort Units with supply and return grilles mounted on the wall of the Resort Units or (ii) chilled water fan coil units un the attic space with a galvanized ductwork distribution system. There is a main chiller plant that provides the chilled water to the Resort Units. All of the Resort Units' fan coil units are interlocked with the lanai door to shut down when the lanai door is opened. According to the Mechanical Report, some of the fan coil unit's drain pans are corroding while most of the mounted vertical or horizontal fan coil units are in good condition and the fan coil units in the office space are showing signs of corrosion. The Electrical Report provides that some of the observed fan coil door switches do not work properly to shut off the air-conditioning when the lanai door is open. The renovation plans for the Project anticipate the following regarding the air-conditioning system servicing the Resort Units: (i) replacement of two (2) corridor air handling units; (ii) replacement of twelve (12) fan coil units; (iii) replacement of two (2) fan coil units and associated ducting; (iv) relocation of twelve (12) existing an coil units and (v) replacement of broken fan coil door switches.

7. **PLUMBING SYSTEM; PLUMBING FIXTURES.** The Resort Units are serviced by a domestic water distribution system consisting of a backflow water preventer and a main water line that runs into the main chiller plant. According to the Mechanical Report the domestic water distribution lines are in fair condition, however, the main backflow preventer is beginning to show signs of corrosion. The renovation plans for the Project anticipate the relocation of several domestic water risers in the buildings containing the Resort Units.

According to the Mechanical Report the majority of the plumbing fixtures observed were originally installed when the Project was constructed in 1991-1992. Currently, the Resorts Units typically contain the following plumbing fixtures: (i) a water closet; (ii) a tub shower; (iii) a shower; (iv) one (1) or two (2) lavatories (depending on the type of unit) and (v) a powder room (depending on the type of unit). The renovation plans for the Project anticipate extensive renovations or replacements of the plumbing fixtures as follows: (i) replacement of all bathrooms lavatories and faucets; (ii) replacement of all shower heads and valve covers; (iii) removal of approximately ninety (90) showers; (iv) removal of approximately ninety (90) bathtubs and the replacement of approximately one hundred fourteen (114) bathtubs, filler spouts and valve covers; (v) replacement of approximately sixty (60) bathtub filler spouts and valve covers and (vi) modifications to existing waster and vent piping changes to accommodate the renovations of the plumbing fixtures. Further, the renovation plans anticipate the addition of a public laundry room in the wing with the Resort Units to consist of six (6) washer/dryer combinations.

8. **ELECTRICAL COMPONENTS.** According to the Electrical Report, overall the electrical receptacles, CATV and telephone outlets are in good condition. The renovation plans for the Project anticipate extensive electrical upgrades as follows: (i) upsize of two (2) step-down transformers and 208-volt distribution panel; (ii) installation of new electrical feeders and load centers for each Resort Unit; (iii) splitting and re-routing of existing branch circuits to new load centers; (iv) installation of new circuits to accommodate the new kitchen appliances; (v) replacement and/or upgrade of lighting in the bathrooms and kitchens and any corresponding electrical work; (vi) change-out of the corridor lighting fixtures; (vii) electrical branch circuits for mechanical equipment and for the new public laundry room; (viii) possible upgrade of television distribution system to accommodate HDTV signals and (ix) possible installation of dedicated high-speed internet local area network.

9. **FIRE AND LIFE SAFETY SYSTEMS.** The Mechanical Report and Electrical Report disclose that there is an automatic fire sprinkler system equipped for the Resort Units, and that generally the fire alarm devices appear to be in good condition. The Mechanical Report recommends provisions for relief to the fire sprinkler system pressure.

10. **SHARED FACILITIES AND COMMERCIAL UNITS.** The Due Diligence Reports discusses the various Commercial Units and Shared Facilities that were generally found to be in fair condition. However, the Architect Report provides that the Aloha Garden Pavilion, an outdoor open-sided roofed structure, has some exposed metal electrical conduits, that the lighting fixtures have corroded due to the exposure to salt air, and that the covered walkway connecting the Aloha Garden Pavilion to other structures in the Project are in poor shape.

THE FOREGOING IS NOT AN EXHAUSTIVE LIST OF THE ITEMS DISCUSSED IN THE DUE DILIGENCE REPORTS, AND THE FOREGOING MERELY HIGHLIGHTS AND SUMMARIZES SOME OF THE ITEMS DISCUSSED IN THE DUE DILIGENCE REPORTS. OWNER IS AGAIN ADVISED THAT OWNER'S USE OR CONSIDERATION OF ANY OF THE FOREGOING INFORMATION IN CONNECTION WITH THE OFFER OR SALE OF THE UNIT SHALL BE AT OWNER'S SOLE RISK.

EXHIBIT "P"

VERIFIED STATEMENT OF COUNTY OFFICIAL

CHARMAINE TAVARES
Mayor

JEFFREY S. HUNT
Director

COLLEEN M. SUYAMA
Deputy Director

RECEIVED JUN 0 6 2007

COUNTY OF MAUI
DEPARTMENT OF PLANNING

June 4, 2007

Mr. Mitchell A. Imanaka
Imanaka Kudo & Fujimoto
Fort Street Tower
745 Fort Street, 17th Floor
Honolulu, Hawai`i 96813

Dear Mr. Imanaka,

RE: ZONING CONFIRMATION FOR THE RITZ-CARLTON LOCATED AT ONE RITZ-CARLTON DRIVE, KAPALUA, LAHAINA, MAUI, HAWAII; TMK: (2) 4-2-004:021 (RFS NO. 07-0000241)

We apologize for our late response, and any inconvenience this may have caused.

The subject property is located within the County's PD-LAH/1 Lahaina Project District 1. Additionally, the subject property is located within the Special Management Area (SMA). Based on our records, and the maps and information that you provided, we find that the subject property is in compliance with all applicable land use rules and regulations, pertaining to use, setback, height, density, parking and landscaping. Additionally, we are not aware of any variances or outstanding violations in relation to Maui County Code, Title 19 or Chapter 205-A, Hawaii Revised Statutes, pertaining to the SMA.

The subject request has also been forwarded to the Department of Public Works and Environmental Management's Development Services Administration, for their appropriate response regarding compliance to building ordinances. For additional information regarding this, you may contact Ms. Sharon Norrod, at (808) 270-7379.

Should you have any questions regarding this letter, you may contact Trisha Kapua`ala, Staff Planner, at Trisha.Kapuaala@mauicounty.gov or (808) 270-8008.

Sincerely,

AARON SHINMOTO
Planning Program Administrator

250 SOUTH HIGH STREET, WAILUKU, MAUI, HAWAII 96793
MAIN LINE (808) 270-7735; FACSIMILE (808) 270-7634
CURRENT DIVISION (808) 270-8205; LONG RANGE DIVISION (808) 270-7214; ZONING DIVISION (808) 270-7253

xc: Mich Hirano, Munekiyo & Hiraga, Inc.
Trisha Kapua`ala, Staff Planner
Sharon Norrod, Development Services Administration, DPWEM

AHS:TMLK:gan

07/ZAED TMK File
07/General File

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CHARMAINE TAVARES
Mayor

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

MICHAEL M. MIYAMOTO
Deputy Director

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

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

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

July 5, 2007

Mr. Mitchell A. Imanaka
IMANAKA KUDO & FUJIMOTO
745 Fort Street, 17th Floor
Honolulu, Hawaii 96813

SUBJECT; REQUEST FOR SERVICE #07-0000164
CONDOMINIUM CONVERSION PROJECT
ONE RITZ CARLTON DRIVE, KAPALUA, MAUI, HAWAII
TMK (2) 4-2-004:021

Dear Mr. Imanaka:

This is regarding your January 16, 2007, request for information on the subject property for the proposed condominium project.

We recently received the requested site map denoting placement of the structures on the premises. Based on the information provided, we are able to determine the following:

1. The structures are in compliance with building ordinances and codes applicable to the project at the time it was built:

Permit #	Description	CO Issued
B90/2816	Hotel - Wings A,B,C,D,E,F	10/19/92
B90/2817	Office/banquet/retail/meeting/ Building	10/27/92
B90/2818	Pool Bar	10/27/92
B90/2819	Tennis Building	10/27/92 (Pro Shop)
B90/2820	Beach Facility	10/27/92 (Food/Towel Distribution)
B98/0054	Aloha Garden Pavilion	04/08/98

2. There are no pending subdivisions, building and code appeals, or administrative waivers currently in process for the premises.

3. We issued Plan Review Waiver (PRW) Building Permit #B93/1523 on August 3, 1993, for retail improvements to the space in the hotel lobby occupied by Conrad Jewelers. However we are unable to locate a certificate of occupancy (CO) for the completed work to satisfy the conditions of approval of the non-occupancy agreement of the PRW building permit.

   Miscellaneous inspections will be required for issuance of the CO for the retail space. An application and instructions for Request for Miscellaneous Inspections are enclosed for your use. Upon receipt and processing of the miscellaneous inspection request, the applicant will be provided an application for a Request for Certificate of Occupancy to obtain all applicable agencies' approvals before the CO can be issued. Please contact Building Permit Supervisor Renee Segundo at (808) 270-7250 if you have any questions regarding the miscellaneous inspection and certificate of occupancy processes.

4. Based on available information, we are unable to determine if building permits will be required for the proposed condominium conversion project.

Please call the Planning Department at (808) 270-7735 to confirm whether planning and zoning requirements have been met.

If you have any questions regarding this letter, please call me at (808) 270-7379.

Sincerely,

Sharon Norrod

SHARON NORROD
Kiva Resource Technician

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Enclosures

COUNTY OF MAUI
Department of Public Works
Development Services Administration
250 South High Street, Wailuku, Hawaii 96793

INSTRUCTIONS FOR REQUEST FOR MISCELLANEOUS INSPECTIONS

Miscellaneous inspections not covered by an issued electrical, plumbing, or building permit can be obtained pursuant to Maui County Code (MCC)16.18A.107-2(b), 16.20A.200, and 16.26.108.7, Miscellaneous Inspections. Miscellaneous inspection fees are $60 for a minimum two hours, and $30 per hour, or fraction thereof, if additional time is required to complete the inspection, for each inspection type for each structure.

Purpose	**Basic Fee**
Certificate of Occupancy	$180
HRS Section 514 compliance.....	$180
Finalize Permit.....	$60 per inspection type
**Exception: Plumbing and Gas permits are regulated by the Plumbing Code and, therefore, considered a single inspection type*	
State Dept. of Health Licensing of Adult Residential Care Homes or Special Treatment Facility.....	Exempt per MCC 16.26.108.7(1)
State Dept. of Human Services Licensing of Foster Child Care Institutions and Adult or Child Care Centers.....	Exempt per MCC 16.26.108.7(2)
Liquor License Requirement	$180
Other	$60 per inspection type

Note: If additional time is required to complete the inspection, the applicant will be notified of additional fees to be paid before the certificate of occupancy or comment letter will be issued. A separate request for miscellaneous inspection is also required for each structure, and certificate of occupancy. Payment is to be made payable to "COUNTY OF MAUI".

Required Submittals:

1. Completed Request for Miscellaneous Inspections form.
2. Miscellaneous inspection fee.
3. Three (3) sets:
   a. Site plan designating placement of structure(s) on property.
   b. Floor plan(s) of area(s) to be inspected.
4. Notarized letter of authorization from fee owner, or copy of lease agreement, if applicant is not the fee owner.

Please contact the Building Permit Office at (808) 270-7250 if you have any questions regarding the miscellaneous inspection process. Office hours are from 8:00 a.m. to 4:00 p.m., Monday through Friday. Or, you can email us at building.permits@co.maui.hi.us .

COUNTY OF MAUI
Department of Public Works
Development Services Administration
250 South High Street ● Wailuku, Hawaii 96793
Phone (808) 270-7250

No. _____
Fee _____
Date _____
Approved _____

Miscellaneous Inspections

I hereby request special inspections for:

[x] Building - 60.00 [x] Electrical - $60.00 [x] Plumbing - $60.00

Name or Description of Structure: RITZ CARLTON HOTEL

Address: ONE RITZ CARLTON DRIVE, KAPALUA

TMK: (2) 4-2-004:021

Legal Owner MAUI LAND & PINEAPPLE COMPANY

Tenant/Lessee: RCK HAWAII LLC

Purpose:

[X] Certificate of Occupancy (RETAIL USE)

[ ] H.R.S. Section 514B-84(a)(2) compliance

[ ] Home Owners Insurance

[ ] Finalize Permit
Building Permit #_____
Electrical Permit #_____
Plumbing Permit #_____
Gas Permit #_____

[ ] State Department of Health Licensing of Adult Residential Care Homes or Special Treatment Facility

[ ] State Department of Human Services Licensing of Foster Child Care Institutions and Adult or Child Care Centers

[ ] Liquor License requirement

[ ] Other, please explain CLOSE OUT PLAN REVIEW WAIVER PERMIT #B93/1523 - CONRAD JEWELERS - ALTERATIONS TO RETAIL SPACE LOCATED IN LOBBY OF HOTEL.

Note: Inspector, please call to arrange for inspections. _____

_____
Owner/Lessee (Please Print) Date

_____
Owner/Lessee (Signature) Phone No.

_____
Mailing Address

_____

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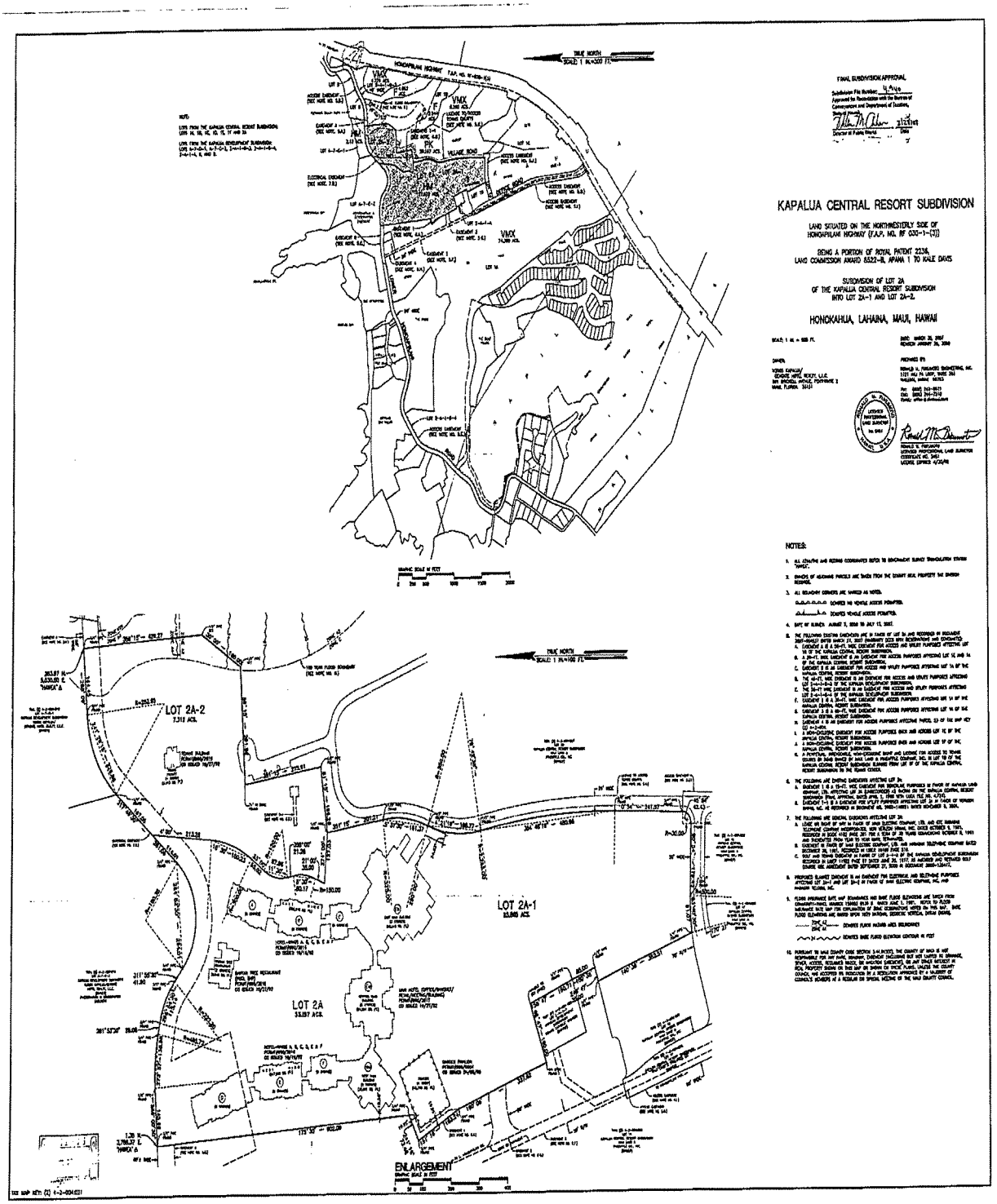
EXHIBIT "Q"

FINAL SUBDIVIDED LOT UNDERLYING PROJECT