

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

| | |
|--------------------------|--|
| CONDOMINIUM PROJECT NAME | KEAWE BUSINESS CENTER ULUPONO SHOWROOMS |
| Project Address | 68 Ulupono Street, Lahaina, Maui, Hawaii 96761 |
| Registration Number | 6409 |
| Effective Date of Report | September 18, 2007 |
| Developer(s) | Lahaina Commercial Center, LLC |

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, 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 commended 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 project consists of ten (10) commercial/light industrial units as shown on the Condominium Map. The following paragraphs attempt to highlight certain features not always found in other projects:

INTERIOR LAYOUT: Each unit is being sold initially as unfinished loft space with stubbed-in utilities, interior half-bath, and unfinished ceiling and floor. At Developer's option, each purchaser shall install interior partitions and finishes at said purchaser's own expense.

Each purchaser will have the responsibility of obtaining a building permit from the County of Maui before constructing any interior improvements. Each purchaser (and the purchaser's architect) must make sure that the improvements comply with all applicable laws and codes and will be required to obtain a certificate of occupancy when purchaser's improvements are completed.

UNIT-DIVIDING WALLS: At the time of initial offering of units, the walls dividing abutting units from each other may be left open to permit installation of utility services and outlets. Each abutting unit has a non-exclusive easement to maintain such services and outlets. There may be conflicts between abutting owners as to placement of such services in the same wall, and the condominium documents require each owner to act cooperatively and reasonably.

Abutting unit owners may amend the Condominium Map and Declaration to reflect relocated and reconfigured common boundaries by mutual agreement. Also, the Developer may alter such boundaries during the process of developing and selling the condominium units.

Unless otherwise agreed in the sales contract for any unit, the Developer may install only the open studs of unit dividing walls at Developer's own expense before the closing and transfer to a purchaser of any unit. On each side of said studs, each unit purchaser shall be obligated to install the interior wall within his unit together with any desired insulation to reduce the passage of sound between abutting units, all at said owner's own expense. The responsibility for wall finishes and utility installations in each such unit shall be the cost and responsibility of the unit purchaser.

PARKING: At least one (1) parking space will be assigned by the Developer to each unit. Additional spaces may be assigned by Developer in Developer's discretion on a unit-by-unit basis as units are sold.

PURCHASER'S BUSINESS USE: In Purchaser's contract to purchase the unit, Purchaser shall be asked to make a representation to Seller concerning the nature or category of Purchaser's business use of the unit. Seller will rely on that representation in determining the types of businesses to be conducted in other units as they are sold.

Developer makes no representations or warranty to any purchaser as to the types of uses to which units in the project may be put, or whether such uses may or may not be compatible with or competitive with purchaser's.

A unit which is sold for warehouse or storage use may be limited thereafter to that type of use, due to the limitations on the number of parking spaces in the condominium, and the County of Maui's requirements for increased parking for a unit in which active, non-storage commercial uses are being conducted.

There will be a total of eighteen (18) parking spaces in the project to serve a total of 9,000 net square feet of commercial/light industrial uses. If all units are used for business uses, which under the Maui County Code requires one (1) space for each 600 square feet of industrial or storage area, then there will be sufficient parking for those uses. However, some uses, such as office, commercial or retail uses, and

food service, may require a greater number of parking spaces. There is no guaranty that parking will be sufficient to meet the minimum parking required by the Maui County Code for a purchaser's proposed use of the unit.

BUSINESS AND STORE FRONTS: The exterior wall of each unit fronting the public area is a limited common element appurtenant to said unit. The owner of said unit shall have the ability to modify said wall to add or change the entry door, install windows and signage, and generally to customize the appearance of the business facade to enhance said owner's business. However, the design, colors, materials and appearance of such improvements must be approved in advance, in writing, by the Developer (or a committee of the Association to be formed). All signage will be subject to Developer's approval.

CONSULTATION WITH AGENCIES: Purchasers are urged to consult with all appropriate County of Maui agencies in order to determine all requirements for purchaser's proposed uses, all building code requirements applicable to purchaser's proposed improvements, and all required permits and approvals.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW ALL CONDOMINIUM DOCUMENTS GIVEN TO HIM/HER AND REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

TABLE OF CONTENTS

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

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| 5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance | 14 |
| 5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance | 14 |
| 5.6.2 Purchaser Deposits Will Be Disbursed Before Closing | 14 |
| 5.7 Rights Under the Sales Contract | 16 |
| 5.8 Purchaser's Right to Cancel or Rescind a Sales Contract | 16 |
| 5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract..... | 16 |
| 5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed..... | 17 |
| 5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change . | 17 |
| 6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT..... | 18 |
| EXHIBIT A: Descriptions of Units | |
| EXHIBIT B: List of Encumbrances | |
| EXHIBIT C: Schedule of Estimated Maintenance Fees EXHIBIT C-1: Permitted Uses/Use Restrictions | |
| EXHIBIT D: Summary of Sales Contract | |
| EXHIBIT E: Summary of Escrow Agreement | |

General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

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

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

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

| | | |
|--|--|---|
| Fee Simple or Leasehold Project | <input checked="" type="checkbox"/> Fee Simple | <input type="checkbox"/> Leasehold (attach Leasehold Exhibit) |
| Developer is the Fee Owner | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Fee Owner's Name if Developer is not the Fee Owner | Not applicable | |
| Address of Project | 68 Ulupono Street, Lahaina, Maui, Hawaii 96761 | |
| Address of Project is expected to change because | Not applicable | |
| Tax Map Key (TMK) | (2) 4-5-10-53 | |
| Tax Map Key is expected to change because | Not applicable | |
| Land Area | 20,458 square feet | |
| Developer's right to acquire the Property if Developer is not the Fee Owner (describe) | Not applicable | |

1.2 Buildings and Other Improvements

| | |
|--|---------------------------------------|
| Number of Buildings | 1 |
| Floors Per Building | 1 |
| Number of New Building(s) | 1 |
| Number of Converted Building(s) | 0 |
| Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.) | Concrete, steel, wood, glass and tile |

1.3 Unit Types and Sizes of Units

| Unit Type | Quantity | BR/Bath | Net Living Area | Net Other Areas | Other Areas (lanai, garage, etc.) | Total Area |
|--------------------|----------|-------------|-----------------|-----------------|-----------------------------------|---------------|
| A | 2 | 1 half-bath | 733 sq. ft. | | | 733 sq. ft. |
| B | 7 | 1 half-bath | 749 sq. ft. | | | 749 sq. ft. |
| C | 1 | 1 half-bath | 2,291 sq. ft. | | | 2,291 sq. ft. |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| See Exhibit _____. | | | | | | |

| | |
|----|------------------------------|
| 10 | 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: | 18 plus one (1) loading stall |
| Number of Guest Stalls in the Project: | |
| Number of Parking Stalls Assigned to Each Unit: | |
| Attach Exhibit ____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open). | |
| If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. The Developer will assign not less than one(1) stall to each unit, to be determined. Developer may designate said stall in the deed conveying the unit to the purchaser at closing. All unassigned stalls, if any, will be for common use. Loading stall use is controlled by the owner of Unit 10. | |

1.5 Boundaries of the Units

| |
|--|
| Boundaries of the unit: Interior unfinished surfaces of perimeter walls, floors and ceilings; except in the case where a perimeter wall separates each unit from its abutting unit where the boundary is the wall's centerline. |
|--|

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): Non-structural interior partitions and finishes may be installed and altered by the unit owner. Exterior business fronts may be installed and altered subject to design approvals. |
|---|

1.7 Common Interest

| |
|---|
| <u>Common Interest</u> : 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 <u>A</u> . |
| As follows: |

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

| | |
|-------------------------------------|--|
| <input type="checkbox"/> | Swimming pool |
| <input type="checkbox"/> | Laundry Area |
| <input type="checkbox"/> | Storage Area |
| <input type="checkbox"/> | Tennis Court |
| <input type="checkbox"/> | Recreation Area |
| <input type="checkbox"/> | Trash Chute/Enclosure(s) |
| <input type="checkbox"/> | Exercise Room |
| <input type="checkbox"/> | Security Gate |
| <input type="checkbox"/> | Playground |
| <input checked="" type="checkbox"/> | Other (describe): Building, parking areas, grounds, trash enclosure and central mailboxes. |

1.9 Common Elements

| | |
|---|---------------|
| <p><u>Common Elements:</u> Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.</p> | |
| <p>Described in Exhibit _____.</p> | |
| <p>Described as follows:</p> | |
| <ol style="list-style-type: none"> 1. The underlying land in fee simple and appurtenant easements. 2. The building (except that which comprises the units themselves) and parking area. 3. Any utility lines serving more than one (1) unit. | |
| Common Element | Number |
| Elevators | 0 |
| Stairways | 0 |
| Trash Chutes | 0 |

1.10 Limited Common Elements

| |
|--|
| <p><u>Limited Common Elements:</u> A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.</p> |
| <p>Described in Exhibit _____.</p> |
| <p>Described as follows:</p> |
| <ol style="list-style-type: none"> 1. Not less than one (1) parking stall will be assigned to each of the units as a limited common element. See disclosure in Special Attention, page 1a. 2. A concrete pad for exterior air-conditioning equipment is assigned to each unit as a limited common element. 3. Any business facade fronting a unit which is installed and maintained by the owner of said unit shall be a limited common element of said unit. |

1.11 Special Use Restrictions

| | |
|---|---|
| <p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p> | |
| <input checked="" type="checkbox"/> | Pets: None allowed. |
| <input type="checkbox"/> | Number of Occupants: |
| <input checked="" type="checkbox"/> | Other: See Exhibit C-1 re list of permitted uses and use restrictions |
| <input type="checkbox"/> | There are no special use restrictions. |

1.12 Encumbrances Against Title

| |
|--|
| <p>An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p> |
| <p>Exhibit <u>B</u> describes the encumbrances against title contained in the title report described below.</p> |
| <p>Date of the title report: July 25, 2007</p> |
| <p>Company that issued the title report: Title Guaranty of Hawaii, Inc.</p> |

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

| Uses Permitted by Zoning | | | | | | | |
|--|----------------------------|--------------|-------------------------------------|-----|-------------------------------------|----|----------------------|
| | Type of Use | No. of Units | Use Permitted by Zoning | | Zoning | | |
| <input type="checkbox"/> | Residential | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| <input checked="" type="checkbox"/> | Commercial | 10 | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No | M-1 Light Industrial |
| <input type="checkbox"/> | Mix Residential/Commercial | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| <input type="checkbox"/> | Hotel | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| <input type="checkbox"/> | Timeshare | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| <input type="checkbox"/> | Ohana | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| <input checked="" type="checkbox"/> | Industrial | | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| <input type="checkbox"/> | Agricultural | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| <input type="checkbox"/> | Recreational | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| <input type="checkbox"/> | Other(specify) | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws? | | | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No | |
| Variances to zoning code have been granted. | | | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No | |
| Describe any variances that have been granted to zoning code. | | | | | | | |

1.14 Other Zoning Compliance Matters

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

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

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

1.15 Conversions

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

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

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

| | |
|---|---|
| <p>2.1 Developer(s)</p> | <p>Name: Lahaina Commercial Center, LLC</p> <p>Business Address: 3103 West Coast Highway, Suite 308 Newport Beach, California 92663</p> <p>Business Phone Number: (949)646-9300 E-mail Address: kentnewport@aol.com</p> |
| <p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p> | <p>Kent McNaughton</p> |
| <p>2.2 Real Estate Broker</p> | <p>Name: CardOneRealty Corp. Business Address: P. O. Box 339, Kihei, Maui, Hawaii 96753</p> <p>Business Phone Number: (808)891-8469 E-mail Address:</p> |
| <p>2.3 Escrow Depository</p> | <p>Name: Title Guaranty Escrow Services, Inc. Business Address: 80 Puunene Avenue, Kahului, Maui, Hawaii 96732</p> <p>Business Phone Number: (808)871-2200</p> |
| <p>2.4 General Contractor</p> | <p>Name: Not yet selected Business Address:</p> <p>Business Phone Number:</p> |
| <p>2.5 Condominium Managing Agent</p> | <p>Name: Peake & Levoy, LLC Business Address: 246 Papa Place, Suite 2, Kahului, Maui, Hawaii 96732</p> <p>Business Phone Number: (808)877-7073</p> |
| <p>2.6 Attorney for Developer</p> | <p>Name: Thomas D. Welch, Jr. Business Address: Mancini, Welch & Geiger LLP, 33 Lono Avenue, Suite 470, Kahului, Maui, Hawaii 96732</p> <p>Business Phone Number: (808)871-8351</p> |

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| Bureau of Conveyances | July 17, 2007 | 2007-132225 |

| Amendments to Declaration of Condominium Property Regime | | |
|--|------------------|-----------------|
| Land Court or Bureau of Conveyances | Date of Document | Document Number |
| | | |
| | | |
| | | |

3.2 Bylaws of the Association of Unit Owners

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

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| Bureau of Conveyances | July 17, 2007 | 2007-132226 |

| 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 | 4478 |
| Dates of Recordation of Amendments to the Condominium Map: | |

3.4 House Rules

| | | |
|---|--|---|
| The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective. | | |
| The House Rules for this project: | | |
| Are Proposed | | ✓ |
| Have Been Adopted and Date of Adoption | | |
| 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 Condominium Documents

| | |
|-------------------------------------|--|
| <input type="checkbox"/> | No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any). |
| <input checked="" type="checkbox"/> | <p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <p>(a) The right to change the condominium project to add or subtract units, to change the locations of walls between abutting units, and to change the common interest percentages of changed units to reflect their changed floor areas;</p> <p>(b) The right to make changes to correct errors, resolve ambiguities, or comply with legal requirements;</p> <p>(c) The right to assign and re-assign parking spaces to individual units.</p> |

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):

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

4.2 Estimate of the Initial Maintenance Fees

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 C contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:

| | |
|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | Electricity for the common elements |
| <input type="checkbox"/> | Gas for the common elements |
| <input checked="" type="checkbox"/> | Water |
| <input checked="" type="checkbox"/> | Sewer |
| <input type="checkbox"/> | TV cable |
| <input type="checkbox"/> | Other (specify) |

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:

| | |
|-------------------------------------|-------------------------------|
| <input checked="" type="checkbox"/> | Electricity for the Unit only |
| <input type="checkbox"/> | Gas for the Unit only |
| <input type="checkbox"/> | Water |
| <input type="checkbox"/> | Sewer |
| <input checked="" type="checkbox"/> | TV cable |
| <input type="checkbox"/> | Other (specify) |

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

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

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

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

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

| Type of Lien | Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance |
|---|--|
| Mortgage and Financing Statement recorded as Documents Nos. 2006-112806 and 2006-112807 | Purchaser will lose the right to acquire the unit but escrow shall return all Purchaser's deposits. |

5.4 Construction Warranties

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

| |
|---|
| Building and Other Improvements: Contractor's Warranty: One (1) year from substantial completion |
| Appliances: There are no appliances being sold with the units. |

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

| |
|---|
| Status of Construction: |
| Construction has not yet begun. Estimated date of completion is August 31, 2008. |
| 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: |
| Twenty-four (24) months from the date the sales contract becomes effective. |
| Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: |
| Not applicable. |

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

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

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

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

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

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

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

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

| | |
|----|--|
| 1. | Developer's Public Report |
| 2. | Declaration of Condominium Property Regime (and any amendments) |
| 3. | Bylaws of the Association of Unit Owners (and any amendments) |
| 4. | Condominium Map (and any amendments) |
| 5. | House Rules, if any |
| 6. | Escrow Agreement |
| 7. | Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted. |
| 8. | Other: Several documents listed on Exhibit B attached hereto as encumbrances against title. |

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

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

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

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

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

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

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

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

(a) WATER. The condominium will be served by the County of Maui by a central water meter. Cost of water service to each unit shall be assessed to each unit by the Association of Unit Owners as a common expense. The board of directors of the Association may elect to install check meters on some or all of the units and to allocate water service costs proportionately according to periodic meter readings.

(b) SEWER. The condominium shall be served by the County of Maui's public sewer system. Sewer charges will be billed and paid in the same manner as water service charges are allocated.

(c) LAHAINA BUSINESS PARK. Keawe Business Center Ulupono Showrooms is a member of the Lahaina Business Park Association, which is the association formed for the Lahaina Business Park as a whole for the purpose of holding, maintaining, operating and managing all of the common areas and facilities of the land. These consist of roadways, drainage areas and other common facilities. The subdivision has been registered with the State of Hawaii Department of Commerce and Consumer Affairs under Hawaii Revised Statutes Chapter 484, and a Public Offering Statement for the subdivision has been issued. IT IS RECOMMENDED THAT THE PURCHASER OF EACH CONDOMINIUM UNIT OBTAIN A COPY OF THE MOST RECENT PUBLIC OFFERING STATEMENT FOR THE SUBDIVISION. THE STATEMENT CONTAINS MANY IMPORTANT DESCRIPTIONS ABOUT THE SUBDIVISION AS A WHOLE, AS WELL AS THE OPERATIONS AND MANAGEMENT OF THE HOMEOWNERS ASSOCIATION, ITS BUDGETS AND RESERVES.

Each condominium owner will be a co-member of said Lahaina Business Park Association along with all the other owners of condominiums in Keawe Business Center Ulupono Showrooms. Each owner will pay its share of Association assessments as administered by the Association of this condominium acting on behalf of all unit owners, all as provided in Section 5A of the Declaration of Condominium Property Regime and as provided in the Declaration of Protective Covenants, Conditions and Restrictions for Lahaina Business Park, dated December 13, 1999, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 99-198569, as amended.

(d) SPECIAL MANAGEMENT AREA (SMA). The condominium is not located in the Special Management Area.

(e) FLOOD ZONE. The condominium is not located in a special flood hazard zone.

(f) MAIL DELIVERY. Mail delivery shall be made to the central mailbox facility located at Ulupono Street.

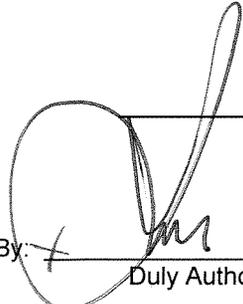
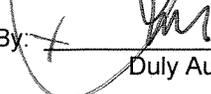
(g) INSURANCE. The condominium association will carry casualty insurance and liability insurance on the common elements as a whole, including the individual units as unfinished "loft space" only. Individual unit owners will be responsible to insure themselves against loss or damage to their internal improvements and alterations and their own contents, equipment, inventory and personal property. Also, individual unit owners will be responsible for insurance against liability claims for injuries and damages to tenants or third persons occurring within, or in connection with the owner's operation of, the unit.

(h) ZONING. The Developer hereby certifies that the zoning applicable to the condominium is M-1 Light Industrial District.

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

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

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

 _____
Lahaina Commercial Center, LLC
Printed Name of Developer
By:  _____
Duly Authorized Signatory* August 7, 2007
Date

Kent A. McNaughton, Member, duly authorized
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT "A"

DESCRIPTION OF UNITS

| UNIT NO. | TYPE | LOCATION | APPROXIMATE NET AREA (Sq. Feet) | COMMON INTEREST |
|----------|------|------------------|---------------------------------|-----------------|
| 1 | A | North end | 733 | .08145 |
| 2 | B | North end | 749 | .08322 |
| 3 | B | North middle | 749 | .08322 |
| 4 | B | North middle | 749 | .08322 |
| 5 | B | Middle | 749 | .08322 |
| 6 | B | South middle | 749 | .08322 |
| 7 | B | South middle | 749 | .08322 |
| 8 | B | South | 749 | .08322 |
| 9 | C | Southeast corner | 2291 | .25456 |
| 10 | A | Southwest corner | 733 | .08145 |
| | | | | 1.00 |

Description of Building: Keawe Business Center Ulupono Showrooms is a one (1) story building constructed of concrete, glass, steel, masonry, wood, and related building materials.

Locations of Units: The units are numbered according to their location, from north to south as units 1 through 8; and from east to west, as units 9 and 10. The locations of the units are shown on the Condominium Map also.

Layouts of Units: Each unit is initially defined as loft space surrounded only by its perimeter boundaries with no interior partitions (except the enclosed half-bath installed in each unit by the Developer. The interior layout of each unit shall be determined by the owner(s) thereof and shall be constructed or installed pursuant to Section 8(f) of the Declaration of Condominium Property Regime.

END OF EXHIBIT "A"

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

***Comments in parenthesis below are not part of the encumbrances provided by the title company and do not represent any warranty or representation by the State of Hawaii Real Estate Commission or the title company but are explanations provided by Developer's attorney to assist Purchasers in understanding the disclosures in this Exhibit "B". They are not approved by the title company and will not be set forth or referred to in Purchaser's title insurance policy to be issued at the time of purchase.**

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

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

*(Note: This encumbers most properties in Hawaii and does not affect the use or value of the condominium property.)

3. Lease in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, now known as Hawaiian Telcom, Inc., dated October 13, 1967, recorded in Liber 5893 on Page 226; leasing and demising rights-of-way, each twenty-five (25) feet in width, over, across and under all lands owned and held by Pioneer Mill Company, Limited situate in the District of Lahaina on the Island of Maui in the State of Hawaii, for a term of 35 years from the date hereof, and thereafter from year to year until terminated.

*(Note: This establishes a utilities easement, which does not impact the use or value of the condominium property.)

4. The terms and provisions contained in Quitclaim Deed dated November 15, 1993, recorded as Document No. 93-188009.

Above Deed was confirmed by Final Judgment Quieting Title and Decree dated ---, filed in the Circuit Court of the Second Circuit, State of Hawaii, Civil No. 95-0473(1), on September 24, 1996, recorded as Document No. 96-140978 on October 1, 1996.

*(Note: These documents reserve all surface and underground water rights on the land and require all property owners to waive all claims of nuisances resulting from the nearby agricultural activities.)

5. Notice of Imposition of Conditions by the Land Use Commission dated September 6, 1995, recorded as Document No. 95-115382, re: for reclassification of 37.742 acres from State Land Use Agricultural District to State Land Use Urban District.

*(Note: This document establishes development conditions for the Lahaina Business Park as a whole and does not affect the use or enjoyment of the condominium units in accordance with the condominium documents and Park Declaration.)

6. The terms and provisions contained in Amended Conditions Applicable to an Amendment of District Boundary from Agriculture to Urban dated January 15, 1996, recorded as Document No. 96-006257, by West Maui Venture Group, a Hawaii limited partnership "Petitioner" and "Owner".

The foregoing Amended Conditions Applicable to an Amendment of District Boundary from Agriculture to Urban amends and supersedes the original Conditions Applicable to an Amendment of District Boundary from Agriculture to Urban, dated December 21, 1995, recorded as Document No. 95-169817.

*(Note: This document establishes development conditions for the Lahaina Business Park as a whole and does not affect the use or enjoyment of the condominium units in accordance with the condominium documents and Park Declaration.)

7. The terms and provisions contained in Unilateral Agreement and Declaration of Conditional Zoning dated April 19, 1996, recorded as Document No. 96-062320, by West Maui Venture Group, a Hawaii general partnership "Declarant".

*(Note: This document establishes development conditions for the Lahaina Business Park as a whole and does not affect the use or enjoyment of the condominium units in accordance with the condominium documents and Park Declaration.)

8. The terms and provisions contained in Final Judgment Quieting Title and Decree dated --- (filed September 24, 1996 in the Circuit Court of the Second Circuit), recorded as Document No. 96-140978.

The foregoing includes, but is not limited to the matters relating to the following:

a. All mineral and metallic mines are reserved in favor of the State of Hawaii.

b. The rights of native tenants are reserved.

c. All historic and archeological sites are reserved in favor of the State of Hawaii.

d. All water having its source upon or flowing over, under or through the real property is reserved in favor of the State of Hawaii.

e. The right to a continuous or uninterrupted flow of waters through, over, under and across the real property is reserved in favor of the State of Hawaii.

*(Note: This document does not affect the use and enjoyment of the condominium units in accordance with the condominium documents and the Park Declaration.)

9. The terms and provisions contained in Hold-Harmless Agreement dated November 17, 1999, recorded as Document No. 99-191882, by and between County of Maui, "County", and West Maui Venture Group, a Hawaii general partnership, "Developer" and "Owner".

*(Note: This document absolves the County of Maui from liability in connection with granting certain approvals for the development of the Lahaina Business Park.)

10. The terms and provisions contained in Declaration of Protective Covenants, Conditions and Restrictions for the Lahaina Business Park dated December 13, 1999, recorded as Document No. 99-198569.

*(Note: This establishes criteria for the design, construction, and use of the Lahaina Business Park. The project as it is designed will comply with this Declaration.)

11. The terms and provisions contained in Hold-Harmless Agreement dated November 8, 2001, recorded as Document No. 2001-182621, by and between County of Maui, "County" and West Maui Venture Group, a Hawaii general partnership, "Developer" and "Owner".

*(Note: This document absolves the County of Maui from liability in connection with granting certain approvals for the development of the Lahaina Business Park.)

12. The terms and provisions contained in Hold-Harmless Agreement dated May 11, 2004, recorded as Document No. 2004-105974, by and between County of Maui, "County", and West Maui Venture Group, a Hawaii corporation, "Developer" and "Owner".

*(Note: This document absolves the County of Maui from liability in connection with granting certain approvals for the development of the Lahaina Business Park.)

13. Designation of Easement "E-1" for electrical purpose as shown on File Plan No. 2402.

*(Note: This establishes a utilities easement, which does not impact the use or value of the condominium property.)

14. The terms and provisions contained in Warranty Deed dated January 11, 2006, recorded as Document No. 2006-009544.

*(Note: This deed refers to encumbrances and obligations noted elsewhere in this Developer's Public Report.)

15. Real Property Mortgage, Security Agreement and Financing Statement made by Lahaina Commercial Center, LLC, a California limited liability company, in favor of First Hawaiian Bank, a Hawaii corporation, dated June 15, 2006, recorded as Document No. 2006-112806.

Cross-Default and Cross-Collateralization Agreement dated June 15, 2006, recorded as Document No. 2006-123907, by and among, Gateway Commercial Center, LLC, a California limited liability company, Keawe Commercial Center, LLC, a California limited liability company, Lahaina Commercial Center, LLC, a California limited liability company, and Maui Commercial Center, LLC, a California limited liability company (individually and collectively, the "Borrowers"), Kent A. McNaughton, individually and as Trustee of the Kent McNaughton Living Trust ated July 1, 2003, and Paul Copenbarger, individually (individually and collectively, the "guarantors"), Gateway Commercial Center, LLC, a California limited liability company, Lahaina Commercial Center, LLC, a California limited

liability company, and Maui Commercial Center, LLC, a California limited liability company (individually and collectively, the "Mortgagors") in favor of First Hawaiian Bank, a Hawaii corporation, (the "Lender").

*(Note: Each unit will be released from the lien of these documents upon its sale and transfer to the unit purchaser.)

16. Financing Statement made by Lahaina Commercial Center, LLC, as Debtor, to First Hawaiian Bank, as Secured Party, recorded on June 20, 2006 as Document No. 2006-112807 (covers the land described herein, besides other land).

*(Note: Each unit will be released from the lien of this document upon its sale and transfer to the unit purchaser.)

17. Grant to Maui Electric Company, Limited, a Hawaii corporation, and Verizon Hawaii Inc., a Hawaii corporation, now known as Hawaiian Telcom, Inc., dated December 14, 2004, recorded as Document No. 2006-115401, granting a perpetual right and easement over Easement "E-1" for utility purposes.

*(Note: This establishes a utilities easement, which does not impact the use or value of the condominium property.)

18. The terms and provisions contained in Declaration of Condominium Property Regime for "Keawe Business Center Ulupono Showrooms" Condominium Project dated July 17, 2007, recorded as Document No. 2007-132225, covered by Map 4478 and any amendments thereto.

19. The terms and provisions contained in By-Laws of the Association of Apartment Owners dated July 17, 2007, recorded as Document No. 2007-132226.

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

*(Note: Upon the sale and transfer to the unit purchaser, each unit and its common interest will be conveyed free and clear of any unrecorded lease.)

END OF EXHIBIT "B"

EXHIBIT "C"

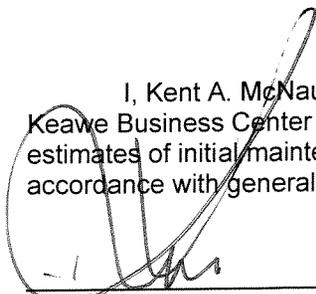
Keawe Business Center Ulupono Showrooms

| KEAWE INDUSTRIAL BUILDING ONE | | | | | | | | | | | | 4/11/07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------|-------------|---------------|----------------|-----------------------------|---------|---------|---------|---------|----------|----------|----------|--------|--------|---------|-------------|---------------|----------------|-----------------------------|--------|-----|--------|-------|-----|------|--------|-----|--------|-------|-----|------|--------|-----|--------|-------|-----|------|--------|-----|--------|-------|-----|------|--------|-----|--------|-------|-----|------|--------|-----|--------|-------|-----|------|--------|-----|--------|-------|-----|------|--------|-----|--------|-------|-----|------|--------|-------|---------|--------|-----|------|---------|-----|--------|-------|-----|------|
| MONTH BY MONTH FORECAST | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DESCRIPTION | MONTH 1 | MONTH 2 | MONTH 3 | MONTH 4 | MONTH 5 | MONTH 6 | MONTH 7 | MONTH 8 | MONTH 9 | MONTH 10 | MONTH 11 | MONTH 12 | TOTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| REVENUE | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 43,708 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| COMMON EXPENSES: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Utilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ELECTRICITY-Common Area | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 2,100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| WATER & SEWER | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| WATER-IRRIGATION | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 720 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Repairs & Maintenance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FIRE ALARM MAINTENANCE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FIRE SYSTEM PHONE LINE | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FIRE SYSTEM MONITORING | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 780 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MAINTENANCE SUPPLIES | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SECURITY PATROL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| REFUSE/CARDBOARD | 425 | 425 | 425 | 425 | 425 | 425 | 425 | 425 | 425 | 425 | 425 | 425 | 5,100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LANDSCAPING | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 5,400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| REPAIRS & MAINTENANCE | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PARKING LOT MAINT. | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Administrative | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AUDIT/TAX PREP FEES | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MANAGEMENT FEES | 660 | 660 | 660 | 660 | 660 | 660 | 660 | 660 | 660 | 660 | 660 | 660 | 7,920 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BANK SUPPLIES & SVCS | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 240 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| INSURANCE-PROP&LIAB | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 7,800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| INSURANCE - D & O | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| INSURANCE - Umbrella Liability | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LEGAL FEES | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ASSOCIATION DUES | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RESERVE - COMMON * | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 2,248 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL COMMON EXPENSES | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 3,642 | 43,708 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NET | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Unit #</th> <th>Sq. Ft.</th> <th>% OF COMMON</th> <th>ANNUAL COMMON</th> <th>COMMON MONTHLY</th> <th>TOTAL PER SQ. FT. PER MONTH</th> </tr> </thead> <tbody> <tr> <td>UNIT 1</td> <td>733</td> <td>8.145%</td> <td>3,560</td> <td>297</td> <td>0.40</td> </tr> <tr> <td>UNIT 2</td> <td>749</td> <td>8.322%</td> <td>3,637</td> <td>303</td> <td>0.40</td> </tr> <tr> <td>UNIT 3</td> <td>749</td> <td>8.322%</td> <td>3,637</td> <td>303</td> <td>0.40</td> </tr> <tr> <td>UNIT 4</td> <td>749</td> <td>8.322%</td> <td>3,637</td> <td>303</td> <td>0.40</td> </tr> <tr> <td>UNIT 5</td> <td>749</td> <td>8.322%</td> <td>3,637</td> <td>303</td> <td>0.40</td> </tr> <tr> <td>UNIT 6</td> <td>749</td> <td>8.322%</td> <td>3,637</td> <td>303</td> <td>0.40</td> </tr> <tr> <td>UNIT 7</td> <td>749</td> <td>8.322%</td> <td>3,637</td> <td>303</td> <td>0.40</td> </tr> <tr> <td>UNIT 8</td> <td>749</td> <td>8.322%</td> <td>3,637</td> <td>303</td> <td>0.40</td> </tr> <tr> <td>UNIT 9</td> <td>2,291</td> <td>25.456%</td> <td>11,126</td> <td>927</td> <td>0.40</td> </tr> <tr> <td>UNIT 10</td> <td>733</td> <td>8.145%</td> <td>3,560</td> <td>297</td> <td>0.40</td> </tr> </tbody> </table> | | | | | | | | | | | | | | Unit # | Sq. Ft. | % OF COMMON | ANNUAL COMMON | COMMON MONTHLY | TOTAL PER SQ. FT. PER MONTH | UNIT 1 | 733 | 8.145% | 3,560 | 297 | 0.40 | UNIT 2 | 749 | 8.322% | 3,637 | 303 | 0.40 | UNIT 3 | 749 | 8.322% | 3,637 | 303 | 0.40 | UNIT 4 | 749 | 8.322% | 3,637 | 303 | 0.40 | UNIT 5 | 749 | 8.322% | 3,637 | 303 | 0.40 | UNIT 6 | 749 | 8.322% | 3,637 | 303 | 0.40 | UNIT 7 | 749 | 8.322% | 3,637 | 303 | 0.40 | UNIT 8 | 749 | 8.322% | 3,637 | 303 | 0.40 | UNIT 9 | 2,291 | 25.456% | 11,126 | 927 | 0.40 | UNIT 10 | 733 | 8.145% | 3,560 | 297 | 0.40 |
| Unit # | Sq. Ft. | % OF COMMON | ANNUAL COMMON | COMMON MONTHLY | TOTAL PER SQ. FT. PER MONTH | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 1 | 733 | 8.145% | 3,560 | 297 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 2 | 749 | 8.322% | 3,637 | 303 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 3 | 749 | 8.322% | 3,637 | 303 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 4 | 749 | 8.322% | 3,637 | 303 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 5 | 749 | 8.322% | 3,637 | 303 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 6 | 749 | 8.322% | 3,637 | 303 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 7 | 749 | 8.322% | 3,637 | 303 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 8 | 749 | 8.322% | 3,637 | 303 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 9 | 2,291 | 25.456% | 11,126 | 927 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT 10 | 733 | 8.145% | 3,560 | 297 | 0.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL WAREHOUSE SPACE | 9,000 | 100.00% | \$ 43,708 | 3,642 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

*Mandatory reserve assessment and collection in effect beginning 2008 budget year. The Developer has conducted a reserve study in accordance with Section 514B of the Hawaii Revised Statutes, as amended.

Schedule of Estimated Maintenance Fees

I, Kent A. McNaughton, Managing Member of Lahaina Commercial Center, LLC, Developer of Keawe Business Center Ulupono Showrooms condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Kent A. McNaughton

August 7, 2007

Date

STATEMENT OF DEVELOPER UNDER HRS SECTION 514B-41(b)

A unit owner, including the Developer, shall become obligated for the payment of the share of the common expenses allocated to the owner's unit at the time the certificate of occupancy relating to the owner's unit is issued by the appropriate county agency; provided that the unit owner shall not be obligated for the payment of the owner's share of the common expenses until such time as the Developer sends the owners written notice that, after a specified date, the unit owners shall be obligated to pay for the portion of common expenses that is allocated to their respective units. The Developer shall mail the written notice to the owners, the association, and the managing agent, if any, at least thirty (30) days before the specified date.

END OF EXHIBIT "C"

EXHIBIT "C-1"

Uses Permitted by Maui County Ordinances

19.24.020 Use regulations.

A. Within the M-1 district, no building, structure or premises shall be used and no building or structure hereafter erected, structurally altered, replaced, or enlarged except for one or more of the following uses:

1. Any use permitted in a B-1, B-2, or B-3 district; provided, however, that no building, structure or portion thereof shall be hereafter erected, converted, or moved onto any lot in an M-1 district for dwelling purposes, including hotels and motels, except living quarters used by watchmen or custodians of industrially used property;
2. Animal kennels;
3. Carpet cleaning plants;
4. Cold storage plants;
5. Commercial laundries;
6. Craft, cabinet and furniture manufacturing;
7. Assembly of electrical appliances, radios and phonographs including the manufacture of small parts such as coils, condensers, crystal holders and the like;
8. Farm implement sales and service;
9. General food, fruit and vegetable processing and manufacturing plants;
10. Ice cream and milk producing, manufacturing and storage;
11. Laboratories--experimental, photo or motion picture, film or testing;
12. Light and heavy equipment and product display rooms, storage and service;
13. Machine shop or other metal working shop;
14. The manufacture, compounding or treatment of articles or merchandise from the following previously prepared materials; aluminum, bone, cellophane, canvas, cloth, cork, feathers, felt, fibre, fur, glass, hair, horn, leather, plastics, precious or semi-precious metals or stones, shell, tobacco and wood;
15. The manufacture, compounding, processing, packing or treatment of such products as candy, cosmetics, drugs, perfumes, pharmaceutical, toiletries, and food products except the rendering or refining of fats and oils;
16. The manufacture, dyeing and printing of cloth fabrics and wearing apparel;
17. The manufacture of musical instruments, toys, novelties and rubber and metal stamps;
18. Manufacture of pottery and figurines or other similar ceramic products;
19. Milk bottling or central distribution stations;
20. Plumbing shops having more than five employees;
21. Poultry or rabbit slaughter incidental to a retail business on the same premises;
22. Radio transmitting and television stations; provided, that towers are of the self-sustaining type without guys;
23. Replating shop;
24. Retail lumber yard including mill and sash work, except that mill and sash work shall be conducted within a completely enclosed building;
25. Small boat building;
26. Soda water and soft drink bottling and distribution plants;
27. Tire repair operation including recapping and retreading;
28. Vocational and trade schools giving general instruction as prescribed by the State Department of Education;
29. Warehouse, storage and loft buildings;
30. Wearing apparel manufacturing;
31. Wholesale business, storage buildings, nonexplosive goods and warehouses;
32. Apartment houses.

B. The above uses are to be conducted wholly within a completely enclosed building, or within an area enclosed on all sides except the front of the lot, by a solid fence or wall or cyclone fence at least six feet in height. (Prior code § 8-1.12(b))

Note: The foregoing permitted uses are limited by the restrictions which follow on the next page.

Restrictions on Uses within Keawe Business Center Ulupono Showrooms

The Units shall be occupied and used only for office, retail and wholesale sales, and warehousing as permitted by the state of Hawaii statutes and rules and regulations and County of Maui ordinances, and subject to such limitations as may be contained herein and in the Bylaws and Project Rules and Regulations which may be adopted from time to time governing the use of the Units.

Specifically prohibited uses include the following:

1. any use which creates an unsafe, obnoxious or offensive impact on other occupants within the project by reason of the emission of odor, dust, fumes, smoke, noise, noxious substances, vibration, refuse matter, water-carried waste or similar irritants unless appropriate mitigating measures to control such emissions are in full operation and effect, as approved by the Board;
2. any use which increases the cost of insurance to the Association;
3. dumping, storage, disposal, incineration, treatment, processing or reduction of dead animals, garbage or refuse;
4. any use which causes or permits any Hazardous Materials to be generated, used, transported, stored or disposed of upon, in or about any Unit or the common elements, except in small quantities needed for the occupants reasonable business use of the Unit and in a manner that complies with all applicable Hazardous Materials Laws.
5. any use which requires, in accordance with the off-street parking requirements in County of Maui's ordinances, more parking than one parking stall for every 500 square feet of floor area (or equivalent in parking stalls per seats, etc.), except for those Units or portions of Units that are restricted to warehouse use which shall require no more than one parking stall for every 600 square feet of floor area.
6. any use that subjects Keawe Business Center Ulupono Showrooms to the sewer surcharge under Section 14.31.030 of the Maui County Code, unless the Unit owner enters into an agreement acceptable to the Board to pay for the surcharge portion of the sewer bill (or pro rata as reasonably determined by the Board if more than one surcharge user).
7. laundromats, unless the Unit owner upgrades the water meter at the Unit owner's cost in a manner acceptable to the Board;
8. businesses engaged in the sale or provision of obscene or pornographic materials or entertainment;
9. commercial recycling;
10. restaurant, bar, nightclub or tavern;
11. amusement activities;

12. theaters;
13. schools;
14. tattoo parlor;
15. motor vehicle service or body shop;
16. welding shop;
17. sale or storage of explosives or firearms;
18. bath house;
19. dancehall;
20. mortuaries or crematoriums;
21. sanitariums; and
22. any residential use.

END OF EXHIBIT "C-1"

EXHIBIT "D"

SUMMARY OF SALES AGREEMENT

A specimen Deposit Receipt and Sales Contract (the "Sales Agreement", has been submitted to the Real Estate Commission and is available in the Sales Office of the Developer ("Seller"). ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. Lender Priority. Seller has given to and/or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual units. All of the rights and interests which Seller gives to the lender or lenders will have priority over the Buyers' rights and interests under the Sales Agreements. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The Buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed unit deeds to the Buyers. If Seller's lender or lenders ask the Buyers to do so, the Buyers will sign other documents to confirm the promises and agreements mentioned above.

2. Warranties. The Seller's general contractor will provide its warranty against defects in workmanship and materials for a period of one (1) year from substantial completion of the building.

3. REPRESENTATIONS. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS REPRESENTED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S UNIT. IF BUYER WANTS TO RENT OR SELL THE UNIT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED HEREIN AND IN THE DECLARATION, THE BYLAWS, AND ANY OTHER DOCUMENTS AFFECTING THE PROPERTY. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE UNIT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE UNIT OR ABOUT THE TAX EFFECTS OF BUYING THE UNIT.

4. Closing Costs. Buyer will pay the following closing costs: 100% of the escrow fee, all of Buyer's notary fees, all appraisal fees, all recording costs (except for documents to clear Seller's title), the conveyance tax (35¢ for each \$100.00 of purchase price), all charges for Buyer's credit report, all costs of preparing any mortgages and promissory notes, and Buyer's title insurance premium. Buyer will also pay all mortgage

costs. Buyer will also pay a non-refundable start-up fee which will be held and used by the Seller and the first managing agent of the Association as a working capital fund for the benefit of all the unit owners. Buyer agrees that Seller does not have to pay any start-up fee for any unit in the Project, but Seller will cause all Buyers to pay the start-up fee when units are sold and closed in escrow. Proration of real property taxes will be made as of the scheduled closing date. Proration of maintenance charges will be made as of the scheduled closing date or later at Seller's option.

5. Buyer's Default. If Buyer fails to make any payment when it is due or fails to keep any of Buyer's other promises or agreements contained in the Sales Agreement, then Seller will have the right, at Seller's sole option and in addition to any other rights contained in the Sales Agreement, to do any one or more of the following:

(a) Seller may cancel the Sales Agreement by giving to Buyer written notice of cancellation and Seller may keep all sums paid by Buyer under the Sales Agreement as liquidated damages. If Seller cancels the Sales Agreement, Buyer agrees that it will be difficult and expensive to determine the amount of loss or damage Seller will suffer. This is because of, among other things, Seller's commitments relating to the financing of the Project, the effect of default and cancellation of one sale on other unit sales, and the nature of the real estate market in Hawaii. Buyer agrees that the sums paid by Buyer under the Sales Agreement are a reasonable estimate of a fair payment to Seller for Seller's loss or damage resulting from Buyer's default.

(b) Seller may file a lawsuit for damages.

(c) Seller may file a lawsuit for "specific performance" (in other words, a lawsuit to make Buyer keep all of Buyer's promises and agreements, including, without limitation, closing the purchase of the property).

(d) Seller may take advantage of any other rights which the law allows or which Seller may have under the Sales Agreement.

Buyer also agrees to pay for all costs, including Seller's reasonable lawyers' fees (for both in-house and outside counsel) and the escrow cancellation fee, which are incurred because of Buyer's default.

6. Seller's Default. If Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, Buyer may require Seller to go through with the Sales Agreement, or Buyer may cancel the Sales Agreement. If Buyer cancels the Sales Agreement because of Seller's default, Seller will repay to Buyer all sums paid by Buyer to Seller or escrow under the Sales Agreement, without interest.

BUYER AGREES THAT IF SELLER DEFAULTS UNDER THE SALES AGREEMENT AT ANY TIME, BUYER WILL ONLY HAVE THE RIGHTS MENTIONED IN THIS SECTION. BUYER GIVES UP ANY OTHER RIGHTS BUYER MIGHT OTHERWISE HAVE.

7. Certain Acknowledgments and Waivers by Buyer Concerning "Property Conditions". The Buyer acknowledges and agrees to the following (which are hereafter referred to as the "Property Conditions"):

(a) Construction Deflection, Defects and Changes. During the course of construction of the building, floors may be subject to a small degree of "deflection" from construction and settling. Deflection is a condition whereby a floor is not perfectly flat. Deflection is typical in concrete construction. In this instance, such deflection, if not treated, might be noticeable to some people. Much of the practical effect of deflection can be mitigated through the use of floor coverings. Given the nature of the soil upon which the building is constructed, it is possible some further settling may occur. Deflection (and any anticipated additional settling) typically does not detract from the structural integrity of the building and Seller is not responsible to correct such deficiencies.

Minor cracking, flaking or discoloration of concrete or drywall within the building floors, walls, ceilings and/or soffits, driveways and walkways are not covered by warranty, and Seller is not responsible to correct such deficiencies.

Also, reference is made to Section 3.3 of the purchase contract concerning other possible changes and substitutions in the Project or unit.

(b) Waiver. Buyer represents and warrants to Seller that Buyer, in Buyer's sole discretion, has determined that the benefits of owning and enjoying the unit outweigh the risks of the above-described Property Conditions. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Property Conditions.

(c) Changes. Seller reserves the right in its sole discretion to make non-substantial changes to the area, materials or configuration of each unit including but not limited to adjustments to meet construction tolerances and conditions, substitution of materials, equipment, appliances or details, and variations in color, brand, grade and dimensions. All such non-substantial changes shall be in compliance with applicable building standards and codes and shall be of equal or better quality and value.

Seller shall also have the right to make substantial changes, to the unit in Seller's discretion and if any such change shall have been made without Buyer's consent, and if Buyer shall object to such changes, Buyer's sole remedy shall be to cancel this contract by written notice to Seller in which event all deposits shall be refunded to Buyer and Buyer and Seller shall have no further obligations or liabilities to each other under the sales contract.

(d) Other Rights. Seller has also reserved certain easement rights affecting the Project land and common elements for access and utility services in connection with the future development of lands in the vicinity of the Project.

8. Landscaping. Buyer understands and agrees that (i) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (ii) installation of the plant materials and irrigation system may be completed after the closing date; (iii) full maturity of the plant materials will only be reached over an extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; (iv) the Association of Unit Owners of the Project will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity.

9. Contract Termination and Changes. Developer reserves the right to terminate sales contracts if the Project feasibility or profitability is affected by construction cost increases, governmental delays or other causes beyond Seller's control. Also, Developer reserves the right to terminate the Project and terminate all Sales Agreements prior to the transfer of a unit title to a Buyer. Buyer shall be entitled to a refund of all moneys paid hereunder. The parties shall then be released from all obligations and liabilities hereunder.

Also, Seller reserves the right to make changes to the Project as more particularly described in Section 3.6 of the Public Report.

10. Contract Not Transferable. The Buyer agrees that Buyer may not transfer the Sales Agreement or any of Buyer's rights or interests under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

11. Seller's Right to Cancel. In addition to any other rights of Seller to cancel this Agreement set forth herein, the Seller reserves the right to terminate this Agreement by written notice to Buyer at any time if prior to closing Buyer and Seller shall enter into a bona fide disagreement in which the parties, after negotiation shall be unable to resolve such dispute by mutual agreement. Upon such termination Escrow shall return to Buyer all of Buyer's deposits (and any interest therein pursuant to Section 2.2) and Buyer and Seller shall thereafter have no further obligations or liabilities to each other.

12. Conclusions and Summary. NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF

DESCRIPTION OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

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

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.
- (b) That the buyer acknowledges having received and read a Public Report for the Project prior to signing the Deposit, Receipt and Sales Contract.
- (c) That the buyer's money will be held in escrow, under the terms of the Escrow Agreement.
- (d) Requirements relating to the buyer's financing of the purchase of a unit.
- (e) That the unit and the Project will be subject to various other legal documents which the buyer should examine, and that the Developer may change these documents under certain circumstances.
- (f) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project. Only the Developer's contractor makes construction warranties.
- (g) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the sales price.

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

END OF EXHIBIT "D"

EXHIBIT "E"

SUMMARY OF ESCROW AGREEMENT

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

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Agreement.
- (d) After a Sales Agreement becomes final and binding after the issuance of the Public Report for the Project, Developer may withdraw purchaser's deposits to pay for Project construction costs.

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

END OF EXHIBIT "E"