

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

CONDOMINIUM PROJECT NAME	UPCOUNTRY HEALTH CENTER
Project Address	24 Kiopa`a Street and 28 Kiopa`a Street Pukalani, Maui, Hawaii 96768
Registration Number	6536
Effective Date of Report	September 3, 2008
Developer(s)	Upcountry Health Properties, 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 recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

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

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

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

SPECIAL ATTENTION

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

Construction of the project is expected to be completed in November 2009.

Water for each Unit and limited common element shall be provided. Total water use for the project shall not exceed one hundred forty (140) gallons per day. Actual use by each unit shall be determined by a sub-meter installed and maintained to measure actual use by each Unit, and each Unit shall pay a prorata portion of the charges by the Department of Water Supply based on actual use as directed by the Association as part of the common area expenses for the Project. An initial deposit for such charges, in an amount not to exceed one thousand and no/00 dollars (\$1,000.00) shall be required at closing. Failure to pay for water consumed shall result in a lien being filed against the Unit for non-payment of applicable common area expenses for said Unit.

Water to Kulamalu Town Center is limited and therefore the Upcountry Health Center condominium is similarly limited in the amount of water it can use each day. In the event Unit 101 is used as a medical practice, a restroom with a sink and toilet may be installed in the unit, subject to approval of the Board. If a Unit in the North Building is required by the Department of Health to have a hand-wash sink, one may be installed subject to approval of the Board, but no other units may install a private restroom within the Unit.

Installation of water fixtures will be restricted and require approval by the Board. The Board may grant or withhold approval in its reasonable discretion, taking into account the amount of water that is available to the Project and the anticipated needs for all other Units. Any installed water fixtures in a Unit, shall include a water check meter of a type and in a location as specified by the Board, and such Unit Owner shall be assessed and be responsible for the payment of such water use.

Sewage costs shall be allocated to each Unit in accordance with the water consumption recorded by the water meter serving said Unit. If no meter has been installed for a Unit, the unallocated water use shall be prorated amongst said units in accordance with the size of the unmetered units.

Air conditioning facilities will be an individual split system with the unit installed and wired to each Unit.

Pursuant to that certain License Agreement dated September 3, 2004, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-263613, on December 30, 2004, the Developer of Kulamalu Town Center, Kulamalu, LLC, licensed to the Developer of Upcountry Health Center, the right to use 25 parking stalls in the parking lot constructed adjacent to the Upcountry Health Center, which parking lot is owned by Kulamalu, LLC.

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

SPECIAL ATTENTION (continued)

The Upcountry Health Center is located in Upcountry Maui, within the retail and residential subdivision known as Kulamalu, with water service provided to the Units by the County of Maui Department of Water Supply. The supply of water in the Upcountry area is limited. Due to existing agreements between the developer of Kulamalu and the Department of Water Supply, each parcel in the Kulamalu development is restricted to a specific amount of daily water use. Therefore, each owner in Upcountry Health Center will be granted the right to have only one (1) hand wash sink and one (1) kitchen sink in their unit, and any other appliances or facilities that use water shall require the review and approval of the Upcountry Health Center Association. Installation of showers, dishwashers, washing machines, or other equipment that may result in significant water use shall not be allowed by the Association. Low flow sinks and toilets will be installed in the common area restrooms to reduce water use as well. The Upcountry Health Center has been allocated the amount of two thousand five hundred sixty-three (2563) gallons of water a day. Based upon planned uses and occupancy at the Upcountry Health Center and reasonable engineering standards, this allocation is more than adequate for the project.

The water agreement between the Department of Water Supply and Kulamalu, LLC, which controls the water allocated to the Kulamalu project, does not specifically state what the ramifications are if the amount of water consumed by the project exceeds the water allocated to the project. All owners within Kulamalu are required to comply with the water restrictions, and to release and hold Kulamalu, LLC harmless from any damages which may be incurred by Kulamalu, LLC, if said owner exceeds their allocated daily water consumption. The current president of Kulamalu, LLC, Everett Dowling, has indicated that the developer will work with the County in reviewing any excessive water use which may occur within the Kulamalu project, and will also work with the various owners within Kulamalu to resolve any excess water consumption issues within the project. Upcountry Health Center, LLC, developer of the Upcountry Health Center, hereby advises each of the owners of units in the Upcountry Health Center of such water use restrictions, and that each unit deed will contain an indemnification to hold Kulamalu, LLC harmless from any damages or fines imposed upon Kulamalu, LLC by the County of Maui in the event the allocated water use for Upcountry Health Center is exceeded, to be shared on a pro rata basis with the other owners of Upcountry Health Center.

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General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner		
Address of Project	24 Kiopa`a Street, Pukalani, Maui, Hawaii 96768 28 Kiopa`a Street, Pukalani, Maui, Hawaii 96768	
Address of Project is expected to change because		
Tax Map Key (TMK)	(2) 2-3-066-028	
Tax Map Key is expected to change because		
Land Area	20,190 sq ft	
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	Two
Floors Per Building	Two
Number of New Building(s)	Two
Number of Converted Building(s)	Zero
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, concrete, glass and other building materials

1.3 Unit Types and Sizes of Units

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

8	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:	27
Number of Guest Stalls in the Project:	15
Number of Parking Stalls Assigned to Each Unit:	1 except Unit 104 is 3 and Unit 204 is 3
Attach Exhibit B specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. See Exhibit B	

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit C
--

1.6 Permitted Alterations to the Units

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

1.7 Common Interest

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

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

<input 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 type="checkbox"/>	Other (describe):

1.9 Common Elements

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

Described in Exhibit F _____.

Described as follows:

Common Element	Number
Elevators	1
Stairways	2
Trash Chutes	0

1.10 Limited Common Elements

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

Described in Exhibit G _____.

Described as follows:

1.11 Special Use Restrictions

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

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Exhibit H
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

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

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

Date of the title report: July 14, 2008

Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning							
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning		
<input type="checkbox"/>	Residential		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input checked="" type="checkbox"/>	Commercial	8	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	B-CT
<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 type="checkbox"/>	Industrial		<input 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</p> <p><input checked="" type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p>	
<p>Estimated cost of curing any violations described above:</p>	

<p>Verified Statement from a County Official</p>
<p>Regarding any converted structures in the project, attached as Exhibit ____ 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: Not Applicable. New construction.</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: UpCountry Health Properties, LLC</p> <p>Business Address: 7 Aewa Place, Suite 12, Pukalani, HI 96768</p> <p>Business Phone Number: (808) 572-5599 E-mail Address:</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>Andrew Janssen, Manager</p>
<p>2.2 Real Estate Broker</p>	<p>Name: CardOne Realty Corp. Business Address: P.O. Box 339 Kihei, Maui, Hawaii 96753</p> <p>Business Phone Number: 808-891-8469 E-mail Address: mario@clients1st.biz</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty & Escrow Services Business Address: 80 Puunene Avenue Kahului, Maui, HI 96732</p> <p>Business Phone Number: (808) 871-2200</p>
<p>2.4 General Contractor</p>	<p>Name: K & S Construction, LLC Business Address: P.O. Box 593 Lahaina, Maui, Hawaii 96767</p> <p>Business Phone Number: (808) 283-1982</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: R. Clay Sutherland Business Address: 140 Hoohana Street #320 Kahului, HI 96732</p> <p>Business Phone Number: 808-871-8720</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	November 20, 2007	2007-208618

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	November 20, 2007	2007-208619

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	4548
Dates of Recordation of Amendments to the Condominium Map: First Amendment recorded July 16, 2008 as Document No. 2008-113865	

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	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	December 5, 2007
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

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) Any time prior to the first recording in the Bureau of Conveyances of a conveyance or transfer (other than for security) of a unit and its appurtenances to a party not a signatory to the Declaration, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map in any manner without approval or consent of any unit purchaser.</p> <p>(b) Until all of the units have been sold, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map to make such amendments as may be required by law, by the real Estate Commission, by the title insurance company, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA and/or FHLMC), provided that no such amendments change the common interest appurtenant to a unit or substantially change the design, location or size of a unit. (c) Until all of the units have been sold, the Developer may amend the Declaration and the Condominium Map to (i) reflect alterations in any unit which has not been sold and (ii) reflect minor changes in any unit or in the common elements which do not affect the physical location, design or size of any unit that has not been sold.</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<u>Management of the Common Elements:</u> 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

<u>Estimate of the Initial Maintenance Fees:</u> 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 <u>J</u> contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

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 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 checked="" type="checkbox"/>	Water
<input checked="" 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>K</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>L</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	Shall be released against condo unit upon sale

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: One Year
Appliances: N/A

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

<p>Status of Construction: Construction is expected to commence on October 1, 2008</p>
<p>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.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract: JANUARY 2010</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A</p>

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	<p>The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. 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.</p>
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

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

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

<p>Box A <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:

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

Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office and allowing public access to relevant information regarding sex offenders. A sex offender must provide certain relevant information including the street name and zip code of the sex offender's current and future residence and place of employment. This information is available at the Hawaii Criminal Justice Data Center and at one or more designated police stations in each county. Neither Developer nor any real estate agent is required to obtain information regarding sex offenders.

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.

UPCOUNTRY HEALTH PROPERTIES, LLC

Printed Name of Developer

By: 
Duly Authorized Signatory*

Aug 25, 2008
Date

ANDREW JANSEN, Manager

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

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

EXHIBIT A

UNIT TYPES AND SIZES OF UNITS

UNIT LOCATION	UNIT NUMBER	APPROXIMATE NET FLOOR AREA:
North Building First Floor	No. 101	1,040 square feet
North Building First Floor	No. 102	1,084 square feet
North Building First Floor	No. 103	662 square feet
North Building Second Floor	No. 201	1,540 square feet
North Building Second Floor	No. 202	1,135 square feet
North Building Second Floor	No. 203	1,062 square feet
South Building First Floor	No. 104	3,156 square feet
South Building Second Floor	No. 204	4,241 square feet
TOTAL		13,920 square feet

*The approximate net floor area of each Unit as set forth above is measured from the interior surface of the Unit perimeter walls and includes all of the walls and partitions within its perimeter walls, whether load-bearing or non-load-bearing.

END OF EXHIBIT A

EXHIBIT B

PARKING STALLS

UNIT #	STALL #
North Building Unit 101	No. 27 covered
North Building Unit 102	No. 25 covered
North Building Unit 103	No. 23 covered
North Building Unit 201	No. 26 covered
North Building Unit 202	No. 24 covered
North Building Unit 203	No. 22 covered
South Building Unit 104	Nos. 14 (uncovered), 18 (covered), 19 (covered)
South Building Unit 204	Nos. 15 (not covered) 16 (covered), and 17 (covered)

As long as there is at all times at least one parking stall appurtenant to each Unit, Unit Owners (including Declarant) shall have, in accordance with Section 514B-40 of the Act, the right to change the parking stall(s) appurtenant to their respective Units by a written document expressly providing: (a) that the document is an amendment to the Declaration; and (b) the identification of the parking stall or stalls being transferred or exchanged, the Unit to which each parking stall was appurtenant prior to the transfer and the Unit to which each parking stall is being transferred and to which it will be appurtenant as a limited common element. Any such document must be executed by the Owner or Owners (and their respective mortgagees, if any) of the Units whose stalls are being changed, and shall be effective upon Recording. A copy of such document, bearing Recordation data, shall be provided to the Association within fifteen days of the Recording thereof. Declarant shall have and hereby reserves the right (which right shall continue until twelve months after the closing of the sale of the last unsold Unit in the Project), by way of an amendment to the Declaration executed only by Declarant and duly Recorded, to convey or otherwise designate any parking stall not designated herein as a limited common element to be appurtenant to and/or for the exclusive use of any Unit in the Project, or for use as a guest parking stall for the Project.

The unreserved parking stalls may be used by each unit as needed (but not to exceed 1 parking stall for every 300 sq. ft. in the North Building or 1 parking stall for every 200 sq. ft in the South Building) for the purposes of obtaining a building permit and certificate of occupancy. If there are not enough parking stalls for every unit owner to obtain a building permit or certificate of occupancy, additional parking stalls, up to a maximum of three (3) stalls, if available, may be purchased by the AOA from Kulamalu Town Center on terms and conditions as may be mutually agreed, and each owner will share in the expense in proportion to their percentage share of common elements. Each owner will make reasonable efforts to maximize the business use (1 parking stall for every 500 sq. ft.) within their unit, or area excluded from parking calculations. For example, a private office within a medical space may be considered business use; however, a hallway area may be excluded from the unit size for the purpose of determining the proper allocation for parking requirements under the Maui County Code. Owners shall submit their parking calculations to the Board for review prior to submittal to the County of Maui, and will keep the Board apprised of the parking allocations approved by the County of Maui.

END OF EXHIBIT B

EXHIBIT C

BOUNDARIES

Each Unit includes all walls, columns and partitions which are not load-bearing within the Unit's perimeter walls, the inner decorated or finished surfaces of all walls, floors, ceilings, doors, door frames and window frames along the perimeters, all windows along the perimeters, the air space within the perimeter, the lanais, if any, shown on the Condominium Map to the inner decorated or finished surfaces of the perimeter walls of such lanais and to the interior edge of the exterior railings or other boundaries of such lanais, all fixtures originally installed in the Unit, and all pipes, plumbing (including water heaters), air conditioning units (if any), wires, conduits and other utility or service lines and facilities servicing only the Unit. The Units shall not include the undecorated or unfinished surfaces of the perimeter party or non-party walls, the undecorated or unfinished surfaces of the doors, door frames and window frames along the perimeters, the interior load-bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floors and ceiling surrounding each Unit, the exterior edge of the exterior railings or other exterior boundaries of the lanais, if any, shown on the Condominium Map, the entry area outside the entry door of each Unit, as shown on the Condominium Map, or any pipes, shafts, wires, conduits or other utility or service lines running through a Unit which are utilized for or serve more than one Unit, all of which are deemed common elements as provided in the Declaration.

END OF EXHIBIT C

EXHIBIT D

PERMITTED ALTERATIONS

1. Repair, reconstruction, restoration, replacement of the Project or any building or other structure or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map shall be undertaken by the Association or any Unit Owners only pursuant to an amendment of this Declaration. Except as expressly provided otherwise in this Declaration, any such amendment shall be duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the Unit Owners and accompanied by the written consent of the eligible holders of first mortgages (as defined in Section S.1 below) on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such eligible holders are allocated, and in accordance with complete plans and specifications therefor first approved in writing by the Board. Promptly upon completion of such repair, reconstruction, restoration, replacement, construction, alteration or addition, the Association shall duly Record and file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as-built by a licensed, registered architect or professional engineer.

2. Any alterations or additions solely within a Unit or within a limited common element appurtenant to and for the exclusive use of a Unit or more than one Unit shall require only the written approval thereof, including the plans thereof, by the Owners of such Unit(s), by the holders of first mortgage liens affecting such Unit (if the lienholders require such approval), by the appropriate agencies of the State of Hawaii and the County of Maui if such agencies so require, by the Board, and by all other Owners which share a common wall with said Unit seeking to have said improvement (as determined by the Board). Upon completion of such alterations or additions, the Unit Owner(s) directly affected shall duly Record and file of record an amendment to this Declaration together with the approved plans showing only such alterations or additions within a Unit space or within a limited common element as aforesaid. Such amendment to this Declaration need only be executed by the Unit Owner(s) directly affected and their first mortgagees, as may be required.

a) Any other provision in this Declaration to the contrary notwithstanding and without limiting any other provision in this Declaration, prior to (i) the time that all Units in the Project have been sold and the conveyance thereof Recorded, and (ii) the filing by Declarant of the "as built" verified statement (with plans, if applicable) required by Section 514B-34 of the Act, Declarant shall have the right, without being required to obtain the consent or joinder of any person or group of persons, including the Association, any Unit Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Project, to do the following:

(a) To make alterations in the Project (and, if appropriate, to amend this Declaration and the Condominium Map accordingly) which change the floor plan of, change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Unit and/or the limited common elements appurtenant thereto, in the Project which is not sold and the conveyance thereof Recorded; and

(b) To make other alterations in the Project (and, if appropriate, to amend this Declaration and the Condominium Map accordingly) which make minor changes in any Unit in the Project or in the common elements which do not affect the physical

location, design or size of any Unit which has been sold and the conveyance thereof Recorded.

END OF EXHIBIT D

EXHIBIT E

UPCOUNTRY HEALTH CENTER

COMMON INTEREST

UNIT LOCATION	UNIT NUMBER	APPROXIMATE NET FLOOR AREA:	UNDIVIDED COMMON INTEREST OF EACH UNIT
North Building First Floor	101	1,040 square feet	7.47%
North Building First Floor	102	1,084 square feet	7.79%
North Building First Floor	103	662 square feet	4.76%
North Building Second Floor	201	1,540 square feet	11.06%
North Building Second Floor	202	1,135 square feet	8.15%
North Building Second Floor	203	1,062 square feet	7.63%
South Building First Floor	104	3,156 square feet	22.67
South Building Second Floor	204	4,241 square feet	30.47%
TOTAL		13,920 square feet	100%

END OF EXHIBIT E

EXHIBIT F

COMMON ELEMENTS

The common elements of the Project shall specifically include, but are not limited to, the following:

1. The land described in Exhibit "A" of the Declaration, in fee simple.
2. All structural components, such as foundations, girders, columns, beams, floor slabs, supports, main walls, load-bearing walls, floors, ceilings (except the inner or decorated surfaces of such walls, floors and ceilings), roofs, exterior stairs and stairways, landings, railings, entrances and exits of the buildings and/or Units, and other building appurtenances.
3. All grounds, gardens, planters, plants, landscaping, and refuse facilities.
4. All lanais, sidewalks, pathways, retaining walls, entry monuments, driveways, roads, parking areas, and parking stalls.
5. All exterior stairway and landing areas providing access the second floor.
6. All ducts, electrical equipment, transformers, wiring, pipes and other central and appurtenant transmissions facilities and installations over, under and across the Project which are utilized by or serve more than one Unit for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution, if any.
7. All areas, elevators, rooms, spaces, structures, housings, chutes, shafts or facilities of the Project within or outside of the buildings, which are for common use or which serve more than one Unit, such as electrical, maintenance, service, security, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein.
8. All the benefits, if any, inuring to the land or to the Project from all easements, if any, shown on the Condominium Map or listed in Exhibit "A" of the Declaration.
9. Any and all apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.
10. All other parts of the Project which are not included in the definition of a Unit.

END OF EXHIBIT F

EXHIBIT G

LIMITED COMMON ELEMENTS

Certain Units shall have appurtenant thereto easements for the exclusive use of certain limited common elements as follows:

1. Parking Stalls:

Each Unit shall have appurtenant to it, as a limited common element, the exclusive right to use the parking stall(s) designated below, located as shown on the Condominium Map.

UNIT #	STALL #
North Building Unit 101	No. 27
North Building Unit 102	No. 25
North Building Unit 103	No. 23
North Building Unit 201	No. 26
North Building Unit 202	No. 24
North Building Unit 203	No. 22
South Building Unit 104	Nos. 14, 18, and 19
South Building Unit 204	Nos. 15, 16, and 17

2. Stairways and Landings:

The interior stairway between Unit 104 and Unit 204 is a limited common element exclusive to Unit 104 and Unit 204.

END OF EXHIBIT G

EXHIBIT H

PURPOSES AND RESTRICTIONS AS TO USE

Subject to the rights reserved to Declarant in the Project Documents, the Project and each of the Units are intended for and shall be restricted to the following purposes and uses, which, together with any other restrictions contained in the Project Documents, are intended and shall be deemed to be cumulative.

1. The Units shall at all times be occupied and used only for such commercial and other business purposes as may be permitted by applicable zoning and land use laws, codes and regulations, and also in accordance with the KULAMALU TOWN CENTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS. No other purposes shall be allowed. Specifically prohibited uses include the following:

- (a) restaurant, bar, nightclub or tavern;
- (b) amusement activities;
- (c) theaters;
- (d) hardware, feed, and garden stores;
- (e) laundromats;
- (f) surfboard manufacturing;
- (g) tattoo parlor;
- (h) businesses engaged in the sale or provision of obscene or pornographic materials or entertainment;
- (i) motor vehicle service or accessory installation;
- (j) sale or storage of explosives or firearms;
- (k) pawn shop
- (l) bail bonds
- (m) Bath house
- (n) sale of guns or explosives
- (o) thrift shop
- (p) any use which requires more parking than one parking stall for every 300

square feet of floor area (or equivalent in parking stalls per seats, etc.) in accordance with the off-street parking requirements in County of Maui's ordinances, unless approved by the Board; provided, however, units in the North Building shall be no more than 200 square feet of floor area

2. The Unit Owners shall have the absolute right to sell, lease, rent or otherwise transfer their respective Units, and/or the limited common element parking stall(s), if any, appurtenant thereto, subject to all provisions of the Act and the Project Documents. Any lease or rental agreement of a Unit, and/or the limited common element parking stall(s) and garage area(s), if any, appurtenant thereto, shall provide that it shall be subject in all respects to the provisions of the Project Documents and that the failure of the lessee or tenant to comply with the terms of the Project Documents shall be a default under the lease or rental agreement.

3. A Unit Owner shall not use his or her Unit or any limited common element appurtenant to his or her Unit for any purpose which will injure the reputation of the Project or suffer anything to be done or kept in his or her Unit or any limited common element appurtenant to his or her Unit or elsewhere in the Project which will (a) jeopardize the soundness of any building in the Project, (b) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants, (c) increase the rate of fire insurance on any building or the contents of any building, or (d) reduce the value of the Project or any building in the Project.

4. Use of those parking stalls, if any, which are specifically designated as "guest" stalls and are not otherwise designated as limited common elements appurtenant to any specific Unit, may be governed by rules and regulations adopted in accordance with the Bylaws to assure equitable use of the stalls by all Owners. The Board of Directors may install parking meters, gates, security devices, checkpoints and other equipment appropriate to this end and may issue stickers or adopt an allocation system.

5. Each Unit Owner may use the common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Unit Owners, provided that the Board of Directors shall have the right:

(a) To change the use of the common elements upon approval of seventy-five percent (75%) of the Owners;

(b) On behalf of the Association, to lease or otherwise use for the benefit of the Association those portions of the common elements which are not actually used for an originally intended special purpose, as determined by the Board, provided that, unless the approval of seventy-five percent (75%) of the Owners is obtained, any such lease or use agreement shall not have a term exceeding five (5) years and shall contain a provision that the lease or use agreement may be terminated by any party thereto on not more than sixty days' written notice;

(c) To lease or otherwise use for the benefit of the Association those parts of the common elements not falling within subsection (b) above, upon obtaining the approval of seventy-five percent of the Owners, including all directly affected Owners and in the case of limited common elements, all Owners of Units to which such limited common elements are appurtenant, and the approval of all mortgagees of record on Units

with respect to which Owner approval is required, if such lease or use agreement would be in derogation of the interest of such mortgagees; and

(d) To enact, amend and repeal rules and regulations reasonably restricting and regulating use of the common elements, provided that such rules and regulations shall be enacted, amended or repealed in accordance with and shall be consistent with the terms of the Project Documents, and shall not be in derogation of the rights reserved to Declarant in the Project Documents.

6. The owner(s) of each Unit will use their good faith best efforts to cooperate with all other Unit owners in their use and occupancy of the condominium, their general conduct of business, the use of the common elements, and the continuing appearance and operation of the condominium as a whole with the objective of preserving the orderly operation and functioning of the condominium and its appearance and reputation in the community.

END OF EXHIBIT H

EXHIBIT "I"

ENCUMBRANCES

1. Real Property taxes which may be due and owing. Reference is made to the Real Property Tax Office County of Maui.
2. Reservation in favor of the State of Hawaii of all mineral land metallic mines
3. Setback for building purposes, as shown on survey map prepared by Ronaldo B. Aurelio, Licensed Professional Land Surveyor, with Austin, Tsutsumi & Associates, Inc., dated March 20, 1996, last revised August 28, 1996.

4. The terms and provisions contained in the following:

INSTRUMENT: SUBDIVISION AGREEMENT UNDER MCC SECTION
18.040.030(5)

DATED: August 28, 1996

RECORDED: Document No. 96-125030

PARTIES: COUNTY OF MAUI, DEPARTMENT OF PUBLIC WORKS
AND WASTE MANAGEMENT, AND SPORTS SHINKIO
(PUKALANI) CO., LTD.

5. The terms and provisions contained in the following:

INSTRUMENT: RECIPROCAL LICENSE AGREEMENT

DATED: December 30, 1996

RECORDED: Document No. 96-185564

PARTIES: KULAMALU LIMITED PARTNERSHIP, a Hawaii limited
partnership, and HENRY HAALILIO PETERS, OSWALD
KOFOAD STENDER, RICHARD SUNG HONG WONG,
MARION MAE LOKELANI LINSDEY and GERARD
AULAMA JERVIS, as Trustees of the Estate of Bernice Pauahi
Bishop

Said Reciprocal License Agreement was amended by instrument dated June 30, 2000, recorded as Document No. 2000-091307

6. The terms and provisions contained in the following:

INSTRUMENT: UNILATERAL AGREEMENT AND DECLARATION FOR
CONDITIONAL ZONING

DATED: November 19, 1997

RECORDED: Document No. 97-170961

PARTIES: KULAMALU LIMITED PARTNERSHIP, a Hawaii limited
partnership

7. The terms and provisions contained in the following:

INSTRUMENT: UNILATERAL AGREEMENT AND DECLARATION FOR
CONDITIONAL ZONING

DATED: November 19, 1997

RECORDED: Document No. 97-170962

PARTIES: KULAMALU LIMITED PARTNERSHIP, a Hawaii limited
partnership

8. UTILITY EASEMENT

TO: MAUI ELECTRIC COMPANY, LIMITED AND GTE
HAWAIIAN TELEPHONE COMPANY, INCORPORATED, now
known as HAWAIIAN TELCOM, INC.

DATED: March 2, 2004

RECORDED: Document No. 2004-056124

GRANTING: a perpetual right and easement for utility purposes

9. The terms and provisions contained in the following:

INSTRUMENT: KULAMALU TOWN CENTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTINS DATED AS
OF APRIL 1, 2003 AND RESTATED AS OF JUNE 23, 2004

DATED: April 1, 2003

RECORDED: Document No. 2004-172946

The foregoing includes, but is not limited to, matters relating to building height
limitations.

Said Declaration was amended by instruments dated January 28, 2005, recorded as Document No. 2005-031788, dated July 12, 2007, recorded as Document No. 2007-132609, and dated July 20, 2007, recorded as Document No. 2007-132610.

10. DESIGNATION OF EASEMENT "A-4"

PURPOSE: access
SHOWN: on Subdivision map prepared by Erik S. Kaneshiro, Licensed Professional Land Surveyor with Austin, Tsutsumi & Associates, Inc., dated March 17, 2003, last revised March 30, 2004

11. -AS TO EASEMENT "A-4"- Rights of others who may have an easement or access rights over said easement.

12. DESIGNATION OF EASEMENT "LS-2"

PURPOSE: landscape
SHOWN: on Subdivision map prepared by Erik S. Kaneshiro, Licensed Professional Land Surveyor with Austin, Tsutsumi & Associates, Inc., dated March 17, 2003, last revised March 30, 2004

13. DESIGNATION OF EASEMENT "LS-3"

PURPOSE: landscape
SHOWN: on Subdivision map dated October 12, 2005, revised April 11, 2006 and April 25, 2006

14. The terms and provisions contained in the following:

INSTRUMENT: WARRANTY DEED
DATED: September 2, 2004
RECORDED: Document No. 2004-190798

The foregoing includes, but is not limited to, matters relating to right of first refusal, restriction on sue, etc.

15. The terms and provisions contained in the following:

INSTRUMENT: LICENSE AGREEMENT

DATED: September 3, 2004
RECORDED: Document No. 2004-263613
PARTIES: KULAMALU LLC, a Hawaii limited liability company,
“Licensor”, and UPCOUNTRY HEALTH PROPERTIES, LLC,
“Licensee”
RE: Parking

16 The terms and provisions contained in the following:

INSTRUMENT: LICENSE AGREEMENT

DATED: December 29, 2006
RECORDED: Document No. 2007-021513
PARTIES: KULAMALU LLC, a Hawaii limited liability company,
and UPCOUNTRY HEALTH PROPERTIES, LLC, a Hawaii
limited liability company
RE: Overhang

17. MORTGAGE

MORTGAGOR: UPCOUNTRY HEALTH PROPERTIES, LLC, a Hawaii limited
liability company

MORTGAGEE: PACIFIC RIM BANK, a Hawaii corporation

DATED: April 11, 2007
RECORDED: Document No. 2007-066064
AMOUNT: \$450,000.00

ABOVE MORTGAGE AMENDED BY INSTRUMENT

DATED: August 20, 2007
RECORDED: Document No. 2007-149883
RE: Replaces Exhibit “A” to reflect Lot 9A

18. The terms and provisions contained in the following:

INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME
FOR “UPCOUNTRY HEALTH CENTER” CONDOMINIUM
PROJECT

DATED: November 20, 2007
RECORDED: Document No. 2007-208618

MAP: 4548 and any amendments thereto

19. The terms and provisions contained in the following:

INSTRUMENT: BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS FOR "UPCOUNTRY HEALTH CENTER" CONDOMINIUM PROJECT

DATED: November 20, 2007

RECORDED: Document No. 2007-208619

20. ADDITIONAL CHARGE MORTGAGE

MORTGAGOR: UPCOUNTRY HEALTH PROPERTIES, LLC, a Hawaii limited liability company

MORTGAGEE: PACIFIC RIM BANK, a Hawaii corporation

DATED: February 21, 2008

RECORDED: Document No. 2008-029236

AMOUNT: \$90,000.00

Being an additional charge to that certain Mortgage recorded as Document No. 2007-0666064.

END OF EXHIBIT "I"

EXHIBIT "J"

ESTIMATED INITIAL MAINTENANCE FEES

The regular maintenance and repair of each unit and appurtenant limited common elements shall be the sole responsibility of each respective unit owner. Section 514B-143, Hawaii Revised Statutes, requires that the association purchase fire insurance to cover the improvements portion of the project. The Developer anticipates that the association will elect to require each owner to obtain separate fire insurance and liability policies for the respective unit pursuant to Article 7 of the Bylaws. As such, premiums for such policies will be the individual responsibility of each unit owner.

Pursuant to Chapter 514B of the Hawaii Revised Statutes and Title 16, Chapter 107 of the Hawaii Administrative Rules, for the fiscal year beginning after the Association's first annual meeting and for each fiscal year thereafter, the Association shall, with respect to the common elements of the Project requiring capital expenditure or major maintenance assess the Owners to either fund, for the applicable fiscal year, a minimum of fifty percent or the estimated replacement reserves of fund 100% of the estimated replacement reserves when using the cash flow plan. Estimated replacement reserves shall be computed by a formula based on the estimated life and estimated capital expenditure or major maintenance required for such parts of the Project.

**UPCOUNTRY HEALTH CENTER
EXHIBIT J**

**ESTIMATE OF INITIAL MAINTENANCE FEES
(INCLUDING SHARE OF LIMITED COMMON ELEMENT EXPENSES)
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

Unit #	COMMON INTEREST	% SHARE OF LIMITED COMMON ELEMENT EXPENSES	MONTHLY FEE	FEE X 12 MONTHS = YEARLY TOTAL
101	7.47%	15.94%	\$ 880	\$ 10,560
102	7.79%	16.62%	\$ 918	\$ 11,016
103	4.76%	10.15%	\$ 561	\$ 6,732
201	11.06%	23.61%	\$ 1,303	\$ 15,636
202	8.15%	17.40%	\$ 961	\$ 11,532
203	7.63%	16.28%	\$ 899	\$ 10,788
104	22.67%	N/A	\$ 2,129	\$ 25,548
204	30.47%	N/A	\$ 2,861	\$ 34,332
TOTALS	100.00%	100.00%	\$ 10,512	\$ 126,144

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

**UPCOUNTRY HEALTH CENTER
EXHIBIT J**

REVENUE	Monthly Fee x 12 Months	Yearly Total
Maintenance Fees	\$ 10,512	\$ 126,144
 COMMON EXPENSES		
Utilities		
Electricity	\$ 850	\$ 10,200
Water & Sewer*	\$ 275	\$ 3,300
<i>Subtotal Utilities</i>	\$ 1,125	\$ 13,500
 *for normal use only; extraordinary use, if any, will be charged separately to each Unit per Declaration		
 Repairs & Maintenance		
Elevator	\$ 415	\$ 4,980
Security	\$ 350	\$ 4,200
Fire System	\$ 105	\$ 1,260
Janitorial	\$ 700	\$ 8,400
Repairs & Maintenance	\$ 203	\$ 2,440
Parking Lot Maintenance	\$ 50	\$ 600
Landscaping	\$ 583	\$ 7,000
Refuse	\$ 500	\$ 6,000
<i>Subtotal Repairs & Maintenance</i>	\$ 2,906	\$ 34,880
 Administrative		
Audit & Tax Fees	\$ 200	\$ 2,400
Management & Accounting Fee	\$ 1,563	\$ 18,750
Association Dues	\$ 1,057	\$ 12,684
Legal	\$ 50	\$ 600
Bank Services	\$ 20	\$ 240
Insurance	\$ 1,150	\$ 13,800
<i>Subtotal Administrative</i>	\$ 4,040	\$ 48,480
 LIMITED COMMON ELEMENT EXPENSES		
Janitorial	\$ 925	\$ 11,100
<i>Subtotal Limited Common Expenses</i>	\$ 925	\$ 11,100
 Reserves - Common Elements*	 \$ 1,318	 \$ 15,816
Reserves - Limited Common Elements*	\$ 197	\$ 2,368
 TOTAL EXPENSES	 \$ 10,512	 \$ 126,144

**UPCOUNTRY HEALTH CENTER
EXHIBIT J**

I, ANDREW JANSSEN,
developer for the UPCOUNTRY HEALTH CENTER hereby
certify the above estimates of initial maintenance fee assessments and maintenance
fee disbursements were prepared in accordance with generally accepted accounting
principles.


Signature

Aug 25, 2008
Date

(*)Mandatory reserves assessment and collection in effect beginning 2008 budget
year. The Developer is to attach to this exhibit an explanation whether, in
arriving at the figure for "Reserves", the Developer has conducted a reserve study
in accordance with § 514B-148, HRS, and the replacement reserve rules, Subchapter 6,
Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514B-148, HRS, a new association, need to collect estimated replacement
reserves until the fiscal year which begins after the association's first annual
meeting.

DEVELOPER'S STATEMENT REGARDING RESERVES

All Units in the Condominium are restricted to nonresidential uses, and pursuant to
and as permitted by Section 514-B-101(b)(1), the Condominium is not subject to
Part VI. Management of Condominiums, including without limitation § 514B-148, HRS,
and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii
Administrative Rules, as amended. However, the Condominium Declaration and Bylaws
require Reserves, and in arriving at the figures for "Reserves" stated above, the
Developer has required the condominium managing agent Peake & Levoy to conduct a
reserve study in substantial accordance with §514B-148, HRS, and the replacement
reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules,
as amended.

END OF EXHIBIT J

EXHIBIT K

SUMMARY OF SALES CONTRACT

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

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.
- (b) The purchaser acknowledges having received and read the public report for the Project prior to signing the Sales Contract.
- (c) The Developer makes no representation concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.
- (d) The Sales Contract may be subordinate to the lien of a construction lender.
- (e) The purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
- (f) The requirements relating to the purchaser's financing of the purchase of a unit.
- (g) The unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.
- (h) The Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.
- (i) The purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
- (j) The Developer has reserved the rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.
- (k) The purchaser will not receive interest on deposits made under the Sales Contract.

(l) In the event of a default by the purchase under the Sales Contract, the Developer may, in addition to other remedies, be entitled to all deposits paid by the purchaser as liquidated damages.

(m) If any dispute or claim arises out of this contract and/or the unit or buyer's interest in the common elements prior to or at any time after closing, between buyer and seller and the parties to such dispute or claim are unable to resolve the dispute, buyer and seller agree in good faith to attempt to settle such dispute or claim by non-binding mediation conducted under the commercial mediation rules of the American Arbitration Association.

(n) If the dispute between the parties is not resolved by mediation as provided in Article IV.I.6 (a) of the Sales Contract, the dispute or claim and any and all claims or disputes of any kind arising from or relating to this agreement and/or the Unit or buyer's interest in all of the common elements after the closing shall be submitted to final and binding arbitration pursuant to and in accordance with the guidelines of the commercial rules of the American Arbitration Association, and the ruling of the arbitrator shall be binding on the buyer and its successors and assigns (including successor owners of the Unit).

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

END OF EXHIBIT K

EXHIBIT L

SUMMARY OF PERTINENT PROVISIONS OF ESCROW AGREEMENT

The executed escrow agreement dated September 28, 2007, identifies **Title Guaranty Escrow Services, Inc.**, as the “Escrow” and provides that a purchaser shall be entitled to a return of his funds, if any one of the following has occurred:

- (a) Seller and the purchaser shall have requested Escrow in writing to return to the purchaser the funds of the purchaser held under the Escrow Agreement by Escrow; or
- (b) Seller shall have notified Escrow of Seller’s exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller; or
- (c) With respect to a purchaser whose funds were obtained prior to the issuance of the Public Report, the purchaser has exercised his right to cancel the contract pursuant to §514B-86, Hawaii Revised Statutes, as amended; or
- (d) A purchaser has notified Escrow and exercised purchaser’s right to cancel the contract pursuant to §514B-86, or if applicable §514B-89, Hawaii Revised Statutes, as amended.
- (e) The purchaser shall have notified Escrow of purchaser’s exercise of purchaser’s right to rescind the sales contract pursuant to HRS §514B-87, by a valid rescission signed by all purchasers of the affected unit and postmarked no later than midnight of the thirtieth calendar day after the date that the purchasers shall be entitled to a prompt and full refund of any moneys paid.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from the purchaser upon the occurrence of an event described in (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of commensurate with the work done by Escrow to such cancellation, up to a maximum of \$250.00) provided, however, that no refund shall be made to a purchaser at the purchaser’s request prior to receipt by Developer of written notice from Escrow of Escrow’s intent to make such refund and the purchaser shall not be required to pay a cancellation fee to Escrow for any rescission pursuant to HRS §514B-87..

If a purchaser fails to perform any of its obligations under the sales contract, including but not limited to, payment of monies, Escrow shall notify purchaser of such default and establish a deadline for purchaser to perform its obligations. If purchaser fails to cure its default under the Sales Contract by performing its obligations on or before the deadline specified by

Escrow, Developer may terminate the Sales Contract. Upon notification of such termination by Developer, Escrow shall deliver all monies deposited by purchaser to Developer. Purchaser shall have no further rights to such deposited funds, nor shall purchaser have any right to purchase the unit.

The following conditions must be met prior to disbursement of funds in escrow:

(a) The Real Estate Commission shall have issued an effective date for The Public Report on the Project, and Seller shall have delivered a true copy of the same to Escrow and:

(i) To the extent any sales contract is entered into and a purchaser's funds are obtained prior to the issuance of a Public Report, no disbursements shall be made from such purchaser's funds until (a) Seller has delivered to the purchaser a true copy of the Public Report personally or by registered or certified mail with return receipt requested; (b) the purchaser has executed the form of notice and receipt required by Section 514B-86, HRS; and (c) the purchaser has either waived any right to cancel the sales contract and a copy of the receipt and waiver has been given by Seller to Escrow, or, if the receipt and waiver form is not executed and returned to Seller prior to the expiration of the thirty-day period after delivery of the report to the purchaser, the purchaser shall have been deemed to have received for the report and to have waived the purchaser's right to cancel the sales contract, and proof of the purchaser's receipt of the report has been given by Seller to Escrow; or

(ii) To the extent any sales contract is entered into and a purchaser's funds are obtained prior to the issuance of a Public Report, no disbursements shall be made from such purchaser's funds until (a) such Public Report shall have been issued; (b) Seller has delivered to the purchaser a true copy of the Public Report personally or by registered or certified mail with return receipt requested; (c) the purchaser has executed the form of notice and receipt required by Chapter 514B; (d) the purchaser has either waived any right to cancel the sales contract and a copy of the receipt and waiver has been given by Seller to Escrow, or, if the receipt and waiver form is not executed and returned to Seller prior to the expiration of the thirty-day period after delivery of the report to the purchaser, the purchaser shall have been deemed to have received for the report and to have waived the purchaser's right to cancel the sales contract, and proof of the purchaser's receipt of the report has been given by Seller to Escrow; (e) the purchaser shall have signed a receipt for the disclosure statement or the registered or certified mail receipt which accompanied the mailing of the disclosure statement to the purchaser, and a copy of the appropriate receipt has been given by Seller to Escrow.

(b) Seller or Seller's attorney shall have delivered a written opinion to Escrow stating that the purchaser's sales contract has become effective and that:

- (i) the requirements of Section 514B-86, 514B-87, and 514B-92, HRS, have been met;
- (ii) all sales contracts delivered to Escrow are binding upon the purchasers; and
- (iii) if the project is a conversion project, that requirements of Section 521-38, HRS, have been complied with.

Seller or Seller's attorney agrees to inform Escrow immediately in writing of the development of any event or occurrence which renders the opinion delivered by Seller or Seller's attorney pursuant to the paragraph 3(b) of the Escrow Agreement untrue.

(c) Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

(d) Seller shall have delivered to Escrow (i) a written opinion from Seller's attorney stating that Seller has satisfied all conditions that must be met prior to the disbursement of purchasers' funds pursuant to Paragraph 4 of the Escrow Agreement and (ii) a certificate from Seller's architect stating that the project is in compliance with the Federal Fair Housing Amendments Act of 1988.

END OF EXHIBIT "L"