

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

CONDOMINIUM PROJECT NAME	NU'U AINA
Project Address	Lipoa Parkway, Kihei, Maui, Hawaii 96753
Registration Number	6689
Effective Date of Report	<b>September 22, 2008</b>
Developer(s)	MAUI HIGHLANDS 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.

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

## SPECIAL ATTENTION

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

1. PROJECT PHASING. Nu'u Aina contains twenty-four (24) residential units which include six (6) detached, single-family residences and eighteen (18) town-home units contained in six (6) 3-unit buildings. In addition, there are two (2) "spatial units" consisting of land areas within the Project which are unimproved (except for grading, roads, and utilities) and upon which the Developer intends to develop additional single-family and town-home residential units in accordance with the tentative development layout shown on the Condominium Map, for a total of sixty-eight (68) units in all.

To explain the "spatial units" in more detail, this type of unit is different from a residential unit in that it consists of a defined space, above and below the ground, each in the area defined as "Spatial Unit I" and "Spatial Unit II" on the Condominium Map. A spatial unit is not a structure or building. It merely gives the Developer, who holds both spatial units, the ability to plan, finance, and construct additional residential units within the spatial unit boundaries in the future as separate developments, but within the overall umbrella of Nu'u Aina. Each spatial unit is not permanent but is designed to provide a temporary vehicle of ownership and control to facilitate the Developer's phasing of the Nu'u Aina project. If and when in the future the area within a spatial unit is fully developed, the spatial unit will be terminated, and the area encompassed by the spatial unit will be legally converted to residential units and their common elements, which will be added to Nu'u Aina. If, for some reason, the Developer decides not to convert and develop a spatial unit into individual residential units, the Developer has reserved the right to transfer said spatial unit to the Association of Unit Owners ("Association") as discussed below.

The Developer has reserved the right to leave one (1) or both of the spatial units in an undeveloped state and to transfer one (1) or both to the Association as a common element of the condominium. Alternatively, the Developer may convert one (1) or both of the spatial units into additional residential units which may have a configuration, unit type(s), unit count, and layout which is different from that shown tentatively on the Condominium Map. If either or both of the spatial units shall be converted, the number, layout, unit type, location, size, and numbering system, and their respective common interests shall be determined by the Developer in its sole discretion and set forth in one (1) or more amendments to the Declaration of Condominium Property Regime ("Declaration") and the Condominium Map. Such amendment(s) will be adopted by the Developer unilaterally and without the consent of the Association, the Board of Directors, or any existing unit owner. However, the fully developed project will not contain more than sixty-eight (68) residential units.

2. TIMING OF FUTURE PHASES. There is no time restriction on the Developer's right to convert the spatial units and to develop those areas.

3. **EFFECT OF CONVERSION(S).** If and when each spatial unit is converted to residential units and developed, the Developer will amend the Condominium Map and Declaration to add the new residential units and common elements to the Project. Each such amendment will change the common interest percentage appurtenant to each unit and accordingly will change each unit's voting percentage and its share in common expenses of the Project. The revised common interest percentages will reflect the proportional floor areas of each unit in the expanded Project. Until conversion, each spatial unit will have a one percent (1%) common interest percentage. Exhibit C includes charts showing the Developer's present plans of incremental conversion and the possible effect on each existing unit, including common interest percentage change, increase in common elements cost of maintenance, operations and reserves, and the estimated change in common expense assessments of each unit. **THESE CHARTS ARE ESTIMATES ONLY. THERE IS NO ASSURANCE THAT ANY SPATIAL UNIT WILL BE DEVELOPED, OR THAT IF DEVELOPED, THERE IS NO ASSURANCE THAT THE DEVELOPMENT WILL BE AS PRESENTLY SHOWN ON THE CONDOMINIUM MAP, OR THAT THE EFFECT ON EXISTING UNITS WILL BE AS SHOWN ON EXHIBIT C.**

4. **EFFECTS OF EXTENDED DEVELOPMENT SCHEDULE.** The phased plan for development is not limited as to time. This means that market conditions and other factors may cause development of future phases to be extended over time, causing dust, noise, and other inconveniences and nuisances to existing unit owners. The condominium documents provide that the unit owners who have closed their unit purchase accept these conditions and have no recourse or remedy against the Developer for these effects and no commitment from the Developer as to prompt completion of the Project.

5. **DOMESTIC WATER.** The condominium will be served by the Highlands Water Association, Inc. (the "Water Association"), which will operate and administer the system as a private association to serve this condominium; Hokulani Golf Villas, a 157-unit condominium to be developed north of Lipoa Parkway; Haleakala Ranch Company; and other projects and developments to be established in the vicinity in the future. The Water Association will provide treated water for domestic needs only, and not for irrigation or other non-domestic uses.

Each unit owner served by the Water Association will be a voting member of the Water Association. The Water Association will be managed and the system will be operated by professional management appointed by the Board of Directors, approved by Haleakala Ranch Company, and meeting the requirements of the State of Hawaii Department of Health (the regulatory body having jurisdiction over private systems of this kind). The cost of operating the system and managing the Water Association, including reasonable reserves, shall be assessed to all members as common expenses of the Water Association, which has collection and lien rights similar to the condominium association. Monthly assessments will be based on a straight monthly fee, not based on metered usage (unless the Water Association's board determines otherwise).

Initial monthly fees are estimated at \$110.00 per unit. At closing, each unit purchaser will be required to pay a start-up fee to the Water Association of two (2) months' estimated monthly assessment in advance.

6. **WATER USE LIMIT.** The domestic (potable) water use by each unit shall be four hundred fifty (450) gallons per day, subject to any more restrictive limit which may be imposed by the Board of the Water Association to meet the operating limitations or requirements of the water system from time to time.

7. **NON-DOMESTIC (IRRIGATION) WATER.** Water for non-domestic irrigation uses of the condominium shall be provided by the condominium association as a common expense of the condominium. Water will be "reclaimed", non-potable water, provided by the County of Maui from its Kihei Sewer Treatment Plant nearby.

8. **SEWER.** Sewer service shall be provided by the County of Maui and may be billed to the Association as a common expense.

9. **INSURANCE.** The Association will carry casualty insurance on all units and liability insurance on the common elements. Each unit owner should carry his own liability coverage for his unit and casualty insurance on any customized or added fixtures and finishes within the unit.

10. **MAIL DELIVERY.** Mail delivery will be to the mailbox clusters located in the common elements.

11. **ZONING AND LAND USE.** Zoning is Residential. Configuration of the 3-unit buildings was approved as "clusters" by the County of Maui. The Project is not in a Special Management Area (SMA).

12. **RIGHTS OF NATIVE HAWAIIANS.** The land in this Project may be subject to the rights of native Hawaiians to enter the condominium land for traditional and customary cultural observances and for gathering rights.

13. **FLOOD ZONE.** None of the units are situated in a zone of high flood inundation risk.

14. **ADDITIONAL EASEMENTS.** There are several easements for access, drainage, electricity, telephone, other utilities, setbacks, landscaping, and other physical restrictions which will encumber the condominium land and which are not shown on the Condominium Map. These easements will be established by the Developer from time to time as development progresses and will be located on the ground when granted or later when development is completed. The Developer has reserved the right to designate and grant said easements, without the consent of unit owners, the Board of Directors, or the Association. Said easements will not impact the general use, enjoyment, or value of the units for resort-residential purposes.

15. **GOLF COURSE RISKS.** The Project is adjacent to a golf course. There is a risk of personal injury and property damage from errant golf balls and a risk of noise, dust, and other inconveniences and nuisances which may result from evening or early morning golf course maintenance, repair, alterations, and irrigation over-spray. The condominium documents provide that each unit owner who has closed his or her unit purchase accepts these conditions and has no recourse or remedy against the Developer or against the golf course owners, managers, operators, or their employees or agents.

16. **COMMUNITY RECREATIONAL FACILITIES.** The Condominium Map shows a community recreation facility within the boundaries of Spatial Unit I, including a pool, deck, and cabana (housing an open pavilion, fitness center, and bathrooms). Said facility is proposed only, and its existence will depend on whether or not the Developer elects, at its sole option, to develop said facility at a later date as part of the Developer's conversion of Spatial Unit I. If Developer elects to convert Spatial Unit I, there is no guaranty that the Developer will construct said facility, or that said facility's features will conform as shown on the Condominium Map.

17. **DEVELOPER'S FIRST RIGHT OF REFUSAL.** At closing, Developer shall reserve a first right of refusal to repurchase the unit from purchaser if the purchaser desires to resell the unit within a period of one (1) year after the closing of purchaser's purchase of the unit from Developer. The purchaser may not sell or offer the unit for sale to any third party during said one (1) year period without first offering it to Developer for repurchase for a repurchase price equal to purchaser's original purchase price of the unit, plus the price paid by purchaser at closing under an Options Purchase Contract, if any, for unit upgrades and changes. This first refusal right will limit a purchaser's ability to resell the unit for the one (1) year period after closing in the event purchaser needs or wants to resell it. After the one (1) year period, purchaser shall be free to offer and resell the unit to any third party at any price in purchaser's discretion.

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

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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	Not applicable
Address of Project	Lipoa Parkway, Kihei, Maui, Hawaii 96753
Address of Project is expected to change because	a street number will be issued by the post office
Tax Map Key (TMK)	(2) 2-2-24-33
Tax Map Key is expected to change because	Not applicable
Land Area	17.271 acres
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	12
Floors Per Building	1 (Types A and B); 2 (Types C, D, F and G)
Number of New Building(s)	12
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, hollow tile, steel, glass, and related materials

**1.3 Unit Types and Sizes of Units**

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
A	1	3 / 2 1/2	1,962 sq. ft.		478/423 sq ft	2863 sq ft
B	1	2 / 2 1/2	2,280 sq. ft.		577/420 sq ft	3277 sq ft
C	2	3 / 3	2,265 sq. ft.		693/432 sq ft	3390 sq ft
D	2	3 / 2 1/2	2,202 sq. ft.		939/533 sq ft	3674 sq ft
F	12	2 / 2 1/2	1,860 sq. ft.		408/266 sq ft	2534 sq ft
G	6	3 / 2 1/2	1,954 sq. ft.		404/233 sq ft	2591 sq ft
Spatial	2	---	---		---	11.293 acre
See Exhibit <u>    C    </u> .						

26	<b>Total Number of Units</b>
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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:	56
Number of Guest Stalls in the Project:	8
Number of Parking Stalls Assigned to Each Unit:	2
Attach Exhibit <u>C</u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	
Not applicable	

**1.5 Boundaries of the Units**

Boundaries of the unit:
See Exhibit A attached hereto.

**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 B attached hereto.

**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>C</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): Roadways, grounds, and guest parking areas

**1.9 Common Elements**

<p><b>Common Elements:</b> 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>	
<p>See page 5a attached hereto.</p>	
<b>Common Element</b>	<b>Number</b>
Elevators	
Stairways	
Trash Chutes	

**1.10 Limited Common Elements**

<p><b>Limited Common Elements:</b> 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>
<p>See Page 5a attached hereto.</p>

**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: Animals and pets are restricted. See Section 10.7 of the By-Laws
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Page 5a attached hereto.
<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>D</u> describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: July 14, 2008</p>
<p>Company that issued the title report: Title Guaranty of Hawaii, Inc.</p>

## **1.09 Common Elements**

The common elements include all other elements of the project not included with any unit, including but not limited to: (a) the property in fee simple; (b) the limited common elements described below; (c) mailbox clusters, entry gate, interior roads, and guest parking areas; (d) all foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roof structures (including without limitation, all roof joists, sheathing and roofing materials), and other elements which are located outside the unit, and all pumps, ducts, pipes, wires, conduits or other utility service lines which are utilized for or serve more than one (1) unit, and generally all equipment, apparatus, installations and personal property existing for common use in the buildings or located on the land; (e) all pipes, wires, ducts, conduits or other utility service lines running through any unit which are utilized by or serve more than one (1) unit; (f) trees, grounds, and landscaping; (g) all distribution systems for water, sewer and utility services which serve more than one (1) unit and which are not owned by the County of Maui or any public utility (and including use meters, if any, whether or not located within the unit); (h) all easements over land of others serving or benefiting the condominium land, including, but not limited to, drainage, access and utilities easements over land of Elleair Golf Maui Club LLC, and subject to all terms and conditions in all documents creating said easements and all easements which the Association shall have an obligation to maintain; (i) all finished surfaces which the Association shall have the responsibility to maintain as a common expense; and (j) all or part of any spatial unit which may, in the future at Developer's sole option, convert to common element status by amendment, including any recreational facilities which may be established by the Developer.

## **1.10 Limited Common Elements**

The limited common elements specifically assigned to individual units include: (a) the driveway attached to a unit; (b) attic located above a unit, if accessible and useable for storage; (c) a yard area, if any, allocated to a unit by the Developer by deed or grant; and (d) the surface of the land within a spatial unit unless and until converted to residential units, common elements, or both.

## **1.11 Special Use Restrictions**

Other:

- (1) No time sharing is permitted.
- (2) Any rental must be for at least a 6-month term under the Maui County Code. If the law changes to permit shorter rental terms, the condominium documents require a minimum 30-day term, regardless.
- (3) Domestic water use by each unit is limited to four hundred fifty (450) gallons per day of treated (potable) water.
- (4) See Exhibit B regarding restrictions on alterations to units.

**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 checked="" type="checkbox"/>	Residential	24	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		Residential
<input type="checkbox"/>	Commercial	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Mix Residential/Commercial	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Hotel	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Timeshare	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Ohana	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Industrial	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Agricultural	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Recreational	0	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input checked="" type="checkbox"/>	Other(specify)	2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		Residential
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Variances to zoning code have been granted.			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
Describe any variances that have been granted to zoning code.			Not applicable			

**1.14 Other Zoning Compliance Matters**

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

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

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

**1.15 Conversions**

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

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

**1.16 Project In Agricultural District**

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

**1.17 Project with Assisted Living Facility**

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

## 2. PERSONS CONNECTED WITH THE PROJECT

<b>2.1 Developer(s)</b>	<p>Name: Maui Highlands Properties LLC</p> <p>Business Address: 3220 South Kihei Road, Kihei, Maui, Hawaii 96753</p> <p>Business Phone Number : (808)281-3303</p> <p>E-mail Address: RPhill3636@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>Developer is managed by Hawaii Highlands Estates, Inc. Its officers and directors are:</p> <p>Raymond Phillips - President, Treasurer, and director</p> <p>Enrique Landa - Secretary and director</p>
<b>2.2 Real Estate Broker</b>	<p>Name: The Wailea Group LLC</p> <p>Business Address: 13750 Wailea Alanui, Suite 5EW, Kihei, Maui, Hawaii 96753</p> <p>Business Phone Number: (808)875-6911</p> <p>E-mail Address:</p>
<b>2.3 Escrow Depository</b>	<p>Name: Title Guaranty Escrow Services, Inc.</p> <p>Business Address: 80 Puunene Avenue, Kahului, Maui, HI 96732</p> <p>Business Phone Number: (808)871-2200</p>
<b>2.4 General Contractor</b>	<p>Name: Not yet selected</p> <p>Business Address:</p> <p>Business Phone Number:</p>
<b>2.5 Condominium Managing Agent</b>	<p>Name: Commercial Properties of Maui Management, Inc.</p> <p>Business Address: 1962B Wells Street, Wailuku, Maui, HI 96793</p> <p>Business Phone Number: (808)243-8600</p>
<b>2.6 Attorney for Developer</b>	<p>Name: Thomas D. Welch, Jr.</p> <p>Business Address: Mancini, Welch &amp; Geiger LLP, 33 Lono Ave., Suite 470, Kahului, Maui, HI 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 1, 2008	2008-113688

#### 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 1, 2008	2008-113689

#### 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	4675
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		<input checked="" type="checkbox"/>
Have Been Adopted and Date of Adoption		<input type="checkbox"/>
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>As set forth in Exhibit E attached hereto.</p>

#### 4. CONDOMINIUM MANAGEMENT

##### 4.1 Management of the Common Elements

<p><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.</p>	
<p>The Initial Condominium Managing Agent for this project is (check one):</p>	
<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

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

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

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

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

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water by the Water Association
<input type="checkbox"/>	Sewer
<input 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>G</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: <b>July 2, 2008</b> Name of Escrow Company: <b>Title Guaranty Escrow Services, Inc.</b> Exhibit <u>H</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 checked="" 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 checked="" 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 to Central Pacific Bank dated 10/16/06, Document No. 2006-190533; Amount: \$6,000,000.00	Buyer may lose his or her unit but Buyer's deposit will be refunded less any escrow cancellation fee.

### 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:  
See Exhibit G attached hereto.

Appliances:  
As provided by appliance manufacturers.

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

<p>Status of Construction: Project commencement is estimated to be January, 2009, and completion is estimated to be thirty (30) months from commencement.</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:  For each unit, three (3) years from the effective date of the Sales Contract for said unit.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:  Not applicable</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 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 checked="" 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><b>Box A</b></p> <p><input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><b><u>Important Notice Regarding Your Deposits: Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</u></b></p>
<p><b>Box B</b></p> <p><input checked="" type="checkbox"/></p>	<p>The Developer has <b>not</b> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <b><u>Important Notice Regarding Your Deposits</u></b> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <b><u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u></b> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <b><u>Important Notice Regarding Your Deposits</u></b> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

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

## 5.7 Rights Under the Sales Contract

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

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

The project is subject to many easements, covenants and agreements, listed on Exhibit D attached hereto. Buyers are urged to review these documents and to consult with legal counsel concerning their legal effect.

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](http://www.capitol.hawaii.gov)

Website to access rules: [www.hawaii.gov/dcca/har](http://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 30<sup>th</sup> calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

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

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

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

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.

MAUI HIGHLANDS PROPERTIES LLC



Printed Name of Developer

By:

Duly Authorized Signatory\*

9/16/08

Date

Raymond Phillips, Member

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

### BOUNDARIES OF EACH UNIT

The boundaries of each Residential Unit are the interior, unfinished surface of all perimeter walls, ground floor and ceiling of upper floor (if two (2) stories) and imaginary vertical planes where there is no perimeter wall. Each Residential Unit includes (i) all the walls, partitions and components thereof which are not load-bearing within its perimeter walls; (ii) all non-load bearing, non-structural interior components of the unit's perimeter and party walls; (iii) the interior decorated or finished surfaces and all load bearing walls, floors and ceilings, including all plasterboard components and floor coverings; (iv) all doors and windows with associated frames which are located along the perimeters, and the exterior garage doors together with associated hardware; (v) all fixtures originally installed in the unit; and (vi) all pipes, plumbing, wiring, fixtures, outlets and switches located within or which serve only that unit. Residential Units shall also include each covered or uncovered lanai or entry attached to the unit and each attached garage appurtenant to said unit. The attic above each Residential Unit is not part of the unit but may be used for storage, subject to the limitations and conditions set forth in the Declaration of Condominium Property Regime (the "Declaration").

Concerning measurements and floor area, the net living areas set forth in the Declaration and Exhibit D are based on measurements taken from the interior surface of all perimeter walls, but no reduction is made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls. In two-story units, the area of the stairway is counted as part of the upper floor, and any areas beneath the stairs are excluded from the area of the lower floor. The stated areas of covered and uncovered lanais and entries are based on measurements taken from the exterior surface of each wall which separates the interior living areas of the units from the lanai or entry and the exterior edge of the floor or concrete slab of the lanai or entry and include any other exterior boundaries including steps beyond the floor or slab. The areas of garages are based in measurements taken from the interior surfaces of the perimeter walls and a vertical plane defined by the exterior surface of the exterior garage door.

All stated dimensions and areas are approximate in nature. Actual floor areas and dimensions upon completion of construction may vary as a result of reasonable construction tolerances and changes, which do not materially adversely affect the value of the unit.

Boundaries of the spatial units are described in the Declaration.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF THE MATTERS SET FORTH ABOVE.

PURCHASERS ARE REFERRED TO THE CONDOMINIUM DOCUMENTS FOR A FULL DESCRIPTION OF SAID MATTERS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, THE DECLARATION SHALL CONTROL.

END OF EXHIBIT A

## EXHIBIT B

### PERMITTED ALTERATIONS TO UNITS

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

1. General Provisions. Reference is made to Exhibit "E" for a description of certain rights reserved by the Developer to alter units and the Project. Also, the Declaration provides for the restoration and replacement of the Project or any portion thereof, and the construction of additional improvements in certain cases where the Project has been damaged by fire or other casualty or by eminent domain taking. Refer to Articles 14 and 15 of the Declaration.

2. Additions or Alterations Solely Within a Unit or Limited Common Element. Section 8(g) permits each owner to make certain interior, non-structural changes to the unit provided that such changes do not jeopardize the soundness or safety of any portion of the Project, reduce its value, or adversely affect other units or the use and enjoyment of the common elements by others.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL GUIDE, THE PURCHASER SHOULD REFER TO THE DECLARATION FOR A DETAILED EXPLANATION OF SAID MATTERS. THE PURCHASER SHOULD CONSULT WITH HIS, HER, OR ITS ATTORNEY CONCERNING THESE RIGHTS AND THEIR EXERCISE.

IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, THE DECLARATION SHALL CONTROL.

END OF EXHIBIT B

EXHIBIT C

DESCRIPTION OF UNITS: TYPES, NUMBERS,  
AREAS, COMMON INTERESTS, AND PARKING

<u>Unit No./ Type</u>	<u>Bedroom (Suites)/ Media</u>		<u>Bathroom / Powder Room</u>	<u>Approx. Net Square Footage of Living Area of Units</u>	<u>Approx. Net Square Footage of Lanais/ Entry</u>	<u>Approx. Net Square Footage of Garages</u>	<u>Percentage of Common Interest</u>
	<u>Standard Floor Plan</u>	<u>W/Optional 1st Floor Master</u>					
21DR	3/1	2/1	2/1	2202	939	533	4.56974
22C	3/1	2/1	3/0	2265	693	432	4.70106
23AR	3/0	N/A	2/1	1962	478	423	4.07190
24CR	3/1	2/1	3/0	2265	693	432	4.70106
25D	3/1	2/1	2/1	2202	939	533	4.56974
26BR	2/1	N/A	2/1	2280	577	420	4.73242
27FR	2/0	N/A	2/1	1860	408	266	3.86022
28G	3/0	N/A	2/1	1954	404	233	4.05524
29F	2/0	N/A	2/1	1860	408	266	3.86022
30FR	2/0	N/A	2/1	1860	408	266	3.86022
31GR	3/0	N/A	2/1	1954	404	233	4.05524
32F	2/0	N/A	2/1	1860	408	266	3.86022
57F	2/0	N/A	2/1	1860	408	266	3.86022
58GR	3/0	N/A	2/1	1954	404	233	4.05524
59FR	2/0	N/A	2/1	1860	408	266	3.86022
60F	2/0	N/A	2/1	1860	408	266	3.86022
61G	3/0	N/A	2/1	1954	404	233	4.05524
62FR	2/0	N/A	2/1	1860	408	266	3.86022
63F	2/0	N/A	2/1	1860	408	266	3.86022
64GR	3/0	N/A	2/1	1954	404	233	4.05524
65FR	2/0	N/A	2/1	1860	408	266	3.86022
66F	2/0	N/A	2/1	1860	408	266	3.86022
67G	3/0	N/A	2/1	1954	404	233	4.05524
68FR	2/0	N/A	2/1	1860	408	266	3.86022
Spatial I	N/A	N/A	N/A	N/A	N/A	N/A	1.00000
Spatial II	N/A	N/A	N/A	N/A	N/A	N/A	1.00000

The project consists of twenty-four (24) Residential Units, made up of six (6) different models (Models A, B, C, D, F and G), plus two (2) Spatial Units, for a total of twenty-six (26) units. The units and unit models are further broken down as follows: Six (6) single-family detached units/Models A, B, C, and D, and eighteen (18) multi-family units contained in six (6) three-unit buildings/models F & G. The units are identified by the unit number, then the model number. The units with an "R"

after the model numbers are the reverse or mirror versions of that model. The models are described as follows:

#### MODEL A

The Project includes one (1) Model "AR" unit. Said Model "AR" unit is a single-story unit which includes a master bedroom suite with full bath and a walk-in closet, two (2) additional bedrooms, a guest bathroom and a powder room, a kitchen, a great room, a dining area, a laundry room, and a foyer. The Model "AR" unit also includes a covered lanai, an entry way, and a two-car garage. (Note: The Condominium Map floor plan and elevation describe the "A" unit layout, which is the mirror image of the "AR" unit.)

#### MODEL B

The Project includes one (1) Model "BR" unit. Said Model "BR" unit is a single-story unit which includes a master bedroom suite with full bath and a walk-in closet, one (1) additional bedroom, a guest bathroom and a powder room, a media room/den, a kitchen, a great room, a dining area, a laundry room, and a foyer. The Model "BR" unit also includes a covered lanai, an entry way, and a two-car garage. (Note: The Condominium Map floor plan and elevation describe the "B" unit layout, which is the mirror image of the "BR" unit.)

#### MODEL C

The Project includes one (1) Model "C" unit and one (1) Model "CR" unit. Each Model "C" and "CR" unit is a two-story unit which includes a second-floor master bedroom suite, with full bath and a walk-in closet, two (2) additional bedrooms, two (2) full bathrooms, a media room/den, a kitchen, a great room, a dining area, two (2) walk-in storage closets, a laundry room, and a foyer. The Model "C" and "CR" units also include covered first and second floor lanais, an entry way, and a two-car garage. Model "C" and "CR" units are the same except they are the mirror image of each other.

The Model "C" and "CR" units offer an optional first-floor master bedroom and master bathroom suite in place of the two (2) bedrooms and one (1) full bathroom. An optional elevator is also offered in place of the two (2) walk-in storage closets.

#### MODEL D

The Project includes one (1) Model "D" unit and one (1) Model "DR" unit. Each Model "D" and "DR" unit is a two-story unit which includes a second-floor master bedroom suite, with full bath and a walk-in closet, two (2) additional bedrooms, one (1) guest bathroom and a powder room, a media room/den, a kitchen, a great room, a dining area, a walk-in pantry, a walk-in storage closet, a laundry room, and a foyer. The Model "D" and "DR" units also include covered first and second floor lanais, an entry way, a workshop, and a two-car garage. Model "D" and "DR" units are the same except they are the mirror image of each other.

The Model "D" and "DR" units offer an optional first-floor master bedroom and master bathroom suite in place of the two (2) bedrooms, one (1) full bathroom, and the media/den. An optional elevator is also offered in place of the walk-in pantry and walk-in storage closet.

#### MODEL F

The Project includes six (6) Model "F" units and six (6) Model "FR" units. Each Model "F" and "FR" unit is a two-story unit which includes two (2) master bedrooms and master bathrooms with walk-in closets, a powder room, a great room, a kitchen/dining room, two (2) walk-in closets, a laundry room, and a foyer. The Model "F" and "FR" units also include covered first and second floor lanais, an entry way, and a single-car garage. Model "F" and "FR" units are the same except they are the mirror image of each other.

The Model "F" and "FR" units offer an optional elevator in place of the two (2) walk-in storage closets.

#### MODEL G

The Project includes three (3) Model "G" and three (3) Model "GR" units. Each Model "G" and "GR" unit is a two-story unit which includes a master bedroom and master bathroom with walk-in closets, two (2) guest bedrooms, one (1) full bathroom and a powder room, a great room, a kitchen/dining room, two (2) walk-in storage closets, a laundry room, and a foyer. Model "G" and "GR" units also include covered first and second floor lanais, an entry way, and a single-car garage. Model "G" and "GR" units are the same except they are the mirror image of each other.

The Model "G" and "GR" units offer an optional elevator in place of the two (2) walk-in storage closets.

#### SPATIAL UNITS I AND II

The boundaries of the two (2) Spatial Units are defined as a space, the lower boundary of which is a plane fifty feet (50') below the natural existing grade of the land within its boundaries and the upper boundary of which is a plane one hundred feet (100') above the finished grade of the land within its boundaries. The Land contained within the vertical boundaries is shown on the Condominium Map and contains 4.289 acres, more or less, in Spatial Unit I and 7.004 acres, more or less, in Spatial Unit II. The Land itself within said boundaries and all improvements therein are and shall be limited common elements appurtenant to said Spatial Unit.

#### PARKING

Each Residential Unit shall have two (2) full-sized parking stalls. Each unit designated by the letter "A", "B", "C" or "D" has two (2) enclosed stalls located within the attached garage, which is included within the unit. Each unit designated by the letter "F" or "G" has one (1) enclosed stall located within the attached garage, which is included within the unit, and a second parking space in the driveway area which is designated as a limited common element for said unit's exclusive use and which abuts the door of the garage.

Spatial Units I and II have no assigned parking.

There are eight (8) unassigned, full-sized, guest parking stalls, one (1) of which is a handicap stall.

**END OF EXHIBIT C**

EXHIBIT D

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 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 County of Maui Director of Finance for further information.

Note: The Office of the Tax Assessor has indicated that the Tax Key for the Fiscal Year 2006-2007 will be (2) 2-2-024-033.

2. The terms and provisions contained in that certain unrecorded Effluent Agreement dated March 11, 1986, made by and between Haleakala Greens Corp., a Hawaii corporation, and the County of Maui, a political subdivision of the State of Hawaii, re: sewage effluent for use in the irrigation of a golf course to be developed, a copy said unrecorded Effluent Agreement is attached to instrument recorded in the said Bureau of Conveyances as Document No. 99-099412.

Assignment of Effluent Agreement dated June 18, 1999, but effective June 22, 1999, recorded as Document No. 99-099412, made by and between Silversword Limited Partnership, a Hawaii limited partnership ("Assignor") and Elleair Golf Maui Club LLC, a Hawaii limited liability company ("Assignee").

\*(Note: This agreement requires that the landscape irrigation of the property, including the golf course and the condominium land, use reclaimed water from the Kihei Sewage Treatment Plant. The irrigation system in this condominium complies with the terms of this agreement.)

3. The terms and provisions contained in Section 14.12.080 Agreement for Central Maui Areas dated June 23, 1987, recorded in the said Bureau of Conveyances in Liber 21040 on Page 236, by and between Haleakala Ranch Company, "Owner", The Silversword Limited Partnership, "Developer", and the County of Maui and its Department of Water Supply, "County".

\*(Note: This relates to the future use of County of Maui water by this property. Nu'u Aina will be using a private water system and this agreement will not be applicable.)

4. The terms and provisions contained in Agreement for the Issuance of an Oversized Water Meter dated September 28, 1987, recorded in the said Bureau of Conveyances in Liber 21265 on Page 371, by and between Haleakala Ranch Company, "Owner", The Silversword Limited Partnership, "Developer", and the County of Maui and its Department of Water Supply, "County".

\*(Note: This relates to the future use of County of Maui water by this property. Nu'u Aina will be using a private water system and this agreement will not be applicable.)

5. The terms and provisions contained in Unilateral Agreement and Declaration for Conditional Zoning dated May 10, 1995, recorded in the said Bureau of Conveyances as Document No. 95-069891, by The Silversword Limited Partnership, a Hawaii limited partnership.

(Note: No consent or joinder given by fee owner.)

\*(Note: This agreement relates to the zoning. Nu'u Aina complies with all applicable zoning rules.)

6. The terms and provisions contained in Unilateral Agreement and Declaration for Conditional Zoning dated October 10, 2000, recorded in the said Bureau of Conveyances as Document No. 2000-152258, by Elleair Maui Golf Club, LLC, as "Declarant".

(Note: No consent or joinder given by fee owner.)

\*(Note: This agreement relates to the zoning. Nu'u Aina complies with all applicable zoning rules.)

7. The terms and provisions contained in Declaration of Restrictive Covenants (Private Water System) dated February 25, 2004, recorded in the said Bureau of Conveyances as Document No. 2004-040590.

Acknowledgement and Release dated March 30, 2006, recorded as Document No. 2006-082454.

Amendment to Declaration of Restrictive Covenants (Private Water System) dated March 30, 2006, recorded as Document No. 2006-082455.

\*(Note: This Declaration relates to the private water system which will serve Nu'u Aina. Nu'u Aina complies with the requirements of this Declaration.)

8. The terms and provisions contained in Warranty Deed with Covenants and Reservations dated February 25, 2004, recorded in the said Bureau of Conveyances as Document No. 2004-040591.

\*(Note: The covenants and reservations in this deed regulate the development of the tract as a whole and do not affect the use and enjoyment of the condominium units in Nu'u Aina.)

9. The terms and provisions contained in unrecorded Water Agreement dated February 25, 2004, by and between Haleakala Ranch Company, a Hawaii corporation, "Haleakala", and Maui Highlands Properties LLC, a Hawaii limited liability company, "Maui Highlands".

A Memorandum of Water Agreement is dated as of February 25, 2004, recorded as Document No. 2004-040594.

Acknowledgement and Release dated March 30, 2006, recorded as Document No. 2006-082454.

\*(Note: This relates to the private water system which will serve Nu'u Aina. It contains limitations on water use, allocation requirements and other terms. The Highlands Water Association, which will operate the private water system serving Nu'u Aina, intends to comply with the terms of this agreement.)

10. The terms and provisions contained in Subdivision Agreement (Large Lots) dated August 4, 2004, recorded in the said Bureau of Conveyances as Document No. 2004-179191, by and between Maui Highlands Properties, LLC, a Delaware limited liability company, "Owner", and the County of Maui, through its Department of Public Works and Environmental Management, a body politic and corporate, and a political subdivision of the State of Hawaii.

\*(Note: This agreement relates to the tract of which Nu'u Aina is a part. It does not affect the use or enjoyment of the individual units in Nu'u Aina.)

11. The terms and provisions contained in Elleair South Access Easement Agreement dated March 30, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-082460, by and between Maui Highlands Properties, LLC, "Grantor" and Elleair Maui Golf Club, LLC, "Grantee".

Said Agreement includes the grant of a non-exclusive roadway and utility easement, appurtenant to Lot 2-A, over, under and across Easement "A-3" described therein.

\*(Note: This relates to the entry easement across Elleair Golf Club's land, from Lipoa Parkway. It requires the condominium association to bear costs of maintenance as a common expense.)

12. The terms and provisions contained in Elleair South Encroachment Easement Agreement dated March 30, 2006, recorded in the said Bureau of

Conveyances as Document No. 2006-082461, by and between Maui Highlands Properties, LLC, "Grantor" and Elleair Maui Golf Club, LLC, "Grantee".

Said Agreement includes the grant of an exclusive roadway, utility, reclaimed water, potable water, wastewater, golf course and landscaping easement, appurtenant to Lot 2-A, over, under and across the Easement Area described therein, and shown on map prepared by Bruce R. Lee, Land Surveyor with Newcomer - Lee Land Surveyors, Inc., dated November 15, 2005 as Temporary Access Roadway Easement No. 3.

\*(Note: This relates to the development and relocation of the entry road to the condominium.)

13. The terms and provisions contained in MHP South Post-Closing Construction Agreement dated March 30, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-082477, by and between Maui Highlands Properties, LLC, "MHP" and Elleair Maui Golf Club, LLC, "ELLEAIR", re: sets forth their respective rights and obligations with respect to the construction by MHP of the drainage, landscaping and other improvements on Lot 2-A and Lot 2-B.

\*(Note: This agreement relates to the Developer's obligations during the process of developing the Nu'u Aina condominium project and does not affect the use or enjoyment of individual units in Nu'u Aina.)

14. The terms and provisions contained in South Consolidation/ Resubdivision Agreement dated March 30, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-082485, by and between Maui Highlands Properties, LLC, "MHP" and Elleair Maui Golf Club, LLC, "ELLEAIR", re: sets forth their respective rights and obligations with respect to future consolidation and resubdivision of Lot 2-A and Lot 2-B.

\*(Note: This agreement relates to the Developer's obligations to reconfigure the route of the entry road in the future and does not affect the use or enjoyment of individual units in Nu'u Aina.)

15. The terms and provisions contained in South Drainage Maintenance Access Easement Agreement dated March 30, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-082487, by and between Maui Highlands Properties, LLC, "Grantor" and Elleair Maui Golf Club, LLC, "Grantee".

Said Agreement includes the grant of a non-exclusive roadway and maintenance easement, appurtenant to Lot 2-A, over, under and across the Easement Area described therein.

\*(Note: This agreement relates to the Developer's obligations and the obligations of the Nu'u Aina Association of Unit Owners to maintain drainage facilities and does not affect the use or enjoyment of individual units in Nu'u Aina.)

16. The terms and provisions contained in South Declaration of Covenants, Conditions and Restrictions dated March 30, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-082488.

The foregoing includes, but is not limited to, matters relating to permitted uses and improvements, building height and nearby golf course related activities including errant golf balls, use of herbicides, pesticides and emission of light or noise.

\*(Note: This Declaration requires certain development restrictions with which Nu'u Aina will comply and requires each unit owner to waive claims for nuisances and damage resulting from golf balls, maintenance work, and other activities on the Elleair golf course.)

17. The terms and provisions contained in Waiver of Implied Easement Instrument dated March 30, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-082491, by and between Elleair Maui Golf Club, LLC, "ELLEAIR", and Maui Highlands Properties, LLC, "MHP", re: MHP, for itself and its successors and assigns, hereby declares, represents and warrants to Elleair that notwithstanding the language on the Final Plat and its designation thereon as an "access and utility easement", Easement AU-1 is and shall be used, solely for ingress to, and egress from Lot 2-B, and is not, and shall not be used, for any utility purposes.

\*(Note: This agreement relates to the Developer's obligations and does not affect the use or enjoyment of individual units in Nu'u Aina.)

18. The terms and provisions contained in Agreement to Release dated March 20, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-082495, by and between Bank of Hawaii, "Mortgagee", Maui Highlands Properties, LLC, "Mortgagor", and Elleair Maui Golf Club LLC "Elleair".

\*(Note: This agreement relates to the Developer's obligations and does not affect the use or enjoyment of individual units in Nu'u Aina.)

19. Mortgage, Security Agreement and Fixture Filing made by Maui Highlands Properties LLC, a Delaware limited liability company, as Mortgagor, in favor of Central Pacific Bank, a Hawaii corporation, as Mortgagee, dated October 16, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-190533.

\*(Note: Each unit shall be released from the lien of this encumbrance at the time it shall be conveyed by Developer to the first buyer.)

20. The terms and provisions contained in Assignment of Lessor's Interest in Leases dated October 16, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-190534, by and between Maui Highlands Properties LLC, a Hawaii limited liability company, "Assignor", and Central Pacific Bank, a Hawaii corporation, "Assignee", re: to secure the repayment of a loan in the principal amount of \$6,000,000.00.

\*(Note: Each unit shall be released from the lien of this encumbrance at the time it shall be conveyed by Developer to the first buyer.)

21. Financing Statement made by Maui Highlands Properties LLC, a Hawaii limited liability company, as Debtor, in favor of Central Pacific Bank, as Secured Party, dated October 18, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-190535.

\*(Note: Each unit shall be released from the lien of this encumbrance at the time it shall be conveyed by Developer to the first buyer.)

22. Grant to Signature Development of Hawaii, LLC, a Hawaii limited liability company, dated October 19, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-199950, granting a perpetual, non-exclusive easement for wastewater purposes, in favor of Lot 1-B.

\*(Note: This grant of easement affects the land in Nu'u Aina and does not affect the use or enjoyment of any unit or common element for its intended purposes.)

23. Water rights or claims to water whether or not shown by the public records.

\*(Note: All water rights are reserved by Haleakala Ranch Company; however, the developer has secured sufficient water rights to permit the development and use of the private water system for the condominium.)

24. As to easement as granted in Grant of Reclaimed Waterline Easement dated December 12, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-235038:

Any claim or boundary dispute which may exist or arise by reason of the failure of the Grant, dated December 12, 2006, recorded as Document No. 2006-235038 referred to herein to locate with certainty the boundaries of the waterline easement described in said instrument.

\*(Note: This affects the land in Nu'u Aina and does not affect the use or enjoyment of any unit or common element for its intended purposes.)

25. As to easement as granted in Grant of Reclaimed Waterline Easement dated December 12, 2006, recorded in the said Bureau of Conveyances as Document No. 2006-235041:

Any claim or boundary dispute which may exist or arise by reason of the failure of the Grant, dated December 12, 2006, recorded as Document No. 2006-235041 referred to herein to locate with certainty the boundaries of the waterline easement described in said instrument.

\*(Note: This affects the land in Nu'u Aina and does not affect the use or enjoyment of any unit or common element for its intended purposes.)

26. The terms and provisions contained in Highlands Unilateral Agreement dated October 18, 2007, recorded in the said Bureau of Conveyances as Document No. 2007-202512.

\*(Note: This relates to the Developer's obligations and does not affect the use or enjoyment of individual units in Nu'u Aina.)

27. The effects, if any, of License Agreement dated August 31, 2007, recorded in the said Bureau of Conveyances as Document No. 2007-205869, made by Haleakala Ranch Company, a Hawaii corporation, "Licensor", in favor of Elleair Maui Golf Club, LLC, a Hawaii limited liability company, "Licensee."

\*(Note: This agreement expires on August 31, 2008 and does not affect the use or enjoyment of any unit or common element for its intended purposes.)

28. The terms and provisions contained in Highlands Water Association Declaration of Covenants dated December 12, 2007, recorded in the said Bureau of Conveyances as Document No. 2007-219277.

\*(Note: This establishes the legal structure and operational requirements of the entity, of which all unit owners shall be members, which will hold and operate the private water system serving Nu'u Aina, Hokulani Golf Villas, and future developments on nearby lands now owned by Haleakala Ranch Company.)

29. The effects, if any, of Landscape Easement dated December 19, 2007, recorded in the said Bureau of Conveyances as Document No. 2008-002596, made by Elleair Maui Golf Club, LLC, a Hawaii limited liability company, "Grantor", in favor of Signature Development of Hawaii, LLC, a Hawaii limited liability company, "Grantee".

\*(Note: This does not affect the use or enjoyment of any unit or common element for its intended purposes.)

30. The terms and provisions contained in Declaration of Condominium Property Regime for "Nu'u Aina" condominium project dated July 1, 2008, recorded in the said Bureau of Conveyances as Document No. 2008-113688, covered by Map 4675 and any amendments thereto.

31. The terms and provisions contained in By-Laws of the Association of Unit Owners dated July 1, 2008, and recorded in the said Bureau of Conveyances as Document No. 2008-113689.

32. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

\*(Note: These rights affect most land in Hawaii and generally do not have any material impact on the general use and enjoyment of land which is fully developed.)

33. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey or archaeological study would disclose.

\*(Note: The condominium property has been surveyed and the developer believes that no such discrepancies exist.)

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

\*(Note: Individual units will be conveyed to purchasers at closing, free and clear of any unrecorded leases.)

END OF EXHIBIT D

## EXHIBIT E

### RIGHTS RESERVED BY DEVELOPER

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

1. Reserved Rights of Developer to Use the Common Elements and to Grant Easements. Under Section 6 of the Declaration the Developer has reserved several rights to occupy and use the common elements of the Project for various purposes, including the construction of the Project, conducting sales operations, general ingress and egress and utility services. Also, Section 6 provides that the Developer has reserved the right in the future to designate, grant and relocate easements for access, utility services and drainage over the condominium Land as needed in connection with the development of the Project and also to benefit or assist in the development of adjacent and nearby lands, regardless of whether or not they are owned by Developer. For example, the Developer has certain obligations to the operators of the golf course adjoining the Project for utilities, drainage, irrigation overspray or other purposes, which may be established or modified by the Developer from time to time as development progresses.

2. Reserved Rights of Developer to Designate Yard Areas as Limited Common Elements. Under Sections 5.2(d) and 12 of the Declaration, Developer has reserved the right on a unit-by-unit basis to designate portions of the grounds as limited common elements for exclusive use by the owner of the unit to which it shall be allocated. This use may include private landscaping and gardening or the right to install and use a pool or jacuzzi, in the Developer's sole discretion on a unit-by-unit basis. Some units may be treated differently from others with respect to these rights, and some units may not be granted any rights.

3. Reserved Right to Change Unit Count, Floor Plans, and Areas of Units. Under Section 17.4 of the Declaration, the Developer has reserved the right to amend the condominium documents to change the number of units, unit floor plans and unit types to meet market needs. Also, Section 17.1 allows the Developer to amend the condominium documents to reflect the changes in layout and floor area of any unit or units to reflect "as built" conditions, recognizing that during the course of construction changes and deviations are bound to occur.

Also, the Developer has reserved the right to convert one (1) or both of the spatial units to Residential Units, common elements, or both. See pages 1a and 1b of this Public Report.

Any of these changes may result in a change in the common interest percentage applicable to each unit, based on the formula set forth in Article 7 of the

Declaration under which the common interest appurtenant to each unit is determined by the ratio of that unit's net living floor area to the net living floor areas of all units in the Project, in the aggregate.

4. Right of Control. Section 16A gives the Developer the right to control the affairs and actions of the Association of Unit Owners by appointing and removing its directors and officers. This right of control will continue until sixty (60) days after closings of sales of units holding seventy-five percent (75%) of the common interests, subject to other time limits specified in Article 16A.

5. Consent to Developer's Reserved Rights and Developer's Authority to Act For Owners and Others. Under Section 18 of the Declaration, each and every person acquiring an interest in the Project, by such acquisition, consents to the Developer's exercise of all of its reserved rights and to the execution, delivery and recording of all documents necessary to implement or exercise these rights including all easements affecting the condominium land, all amendments to the Declaration, Bylaws or Condominium Map and other documents. These reserved rights may be exercised without the consent or joinder of any person holding an interest in a unit of the Project. If the joinder or consent of any such person shall be required by law or any other document, each such person appoints the Developer as his, her or their attorney-in-fact to execute any such document on behalf of such owner as attorney-in-fact.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL GUIDE, THE PURCHASER SHOULD REFER TO THE DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. THE PURCHASER SHOULD CONSULT WITH HIS, HER, OR ITS ATTORNEY CONCERNING THESE RIGHTS AND THEIR EXERCISE.

IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, THE DECLARATION SHALL CONTROL.

END OF EXHIBIT E

EXHIBIT F

BREAKDOWN OF ANNUAL MAINTENANCE  
CHARGES AND ESTIMATED COSTS FOR EACH UNIT:

Attached hereto as Schedule 1 is a breakdown of the annual maintenance charges and the monthly estimated cost for the Association. Attached hereto as Schedule 2 is the monthly estimated cost for each unit in the Project, prepared by the Project Manager for the one-year period commencing January 1, 2010 and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each unit is subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Project Manager, unit owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments.

Schedules 3 and 4 provide an estimate of maintenance costs and allocations on a hypothetical basis if Spatial Unit 1 is converted in the future to an additional twenty-four (24) residential units and a community residential facility. Schedules 5 and 6 provide an estimate of maintenance costs and allocations on a hypothetical basis if Spatial Unit 2 is converted in the future to an additional twenty (20) residential units. There is no guaranty that either or both of said conversions will occur or that the unit count, types, and layouts will be as presented in these schedules.

The breakdown of the estimated maintenance cost for each unit contained in the Public Report does not include individual charges for cable TV or any metered utilities or the Purchaser's obligation for real property taxes and does not include or otherwise take into account the one-time "start-up" fees required to be paid to the Association of Unit Owners of Nu'u Aina or the Highlands Water Association, Inc., in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

**NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE VERY DIFFICULT TO ESTIMATE INITIALLY, AND EVEN IF SUCH MAINTENANCE CHARGES HAVE BEEN ACCURATELY ESTIMATED, SUCH CHARGES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY, AND AS THE IMPROVEMENTS AGE, MAINTENANCE CHARGES CAN VARY DEPENDING ON SERVICES DESIRED BY UNIT OWNERS. THE PURCHASER SHOULD EXAMINE THE MAINTENANCE CHARGE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED IN THE SCHEDULE.**

SCHEDULE "1"

OPERATING BUDGET

Phase 1 Only

		<u>MONTHLY</u>	<u>ANNUALLY</u>
<u>RECEIPTS</u>			
3100	Maintenance Fees	\$12830.83	\$153970.00
3400	Interest Income	\$ 5.00	\$ 60.00
	Total Receipts	\$12835.83	\$154030.00
<u>OPERATING EXPENSES</u>			
<u>Utilities</u>			
4100	Electricity	\$ 1050.00	\$12600.00
4200	Irrigation Water (Reclaimed)	\$ 805.00	\$ 9660.00
4210	Water (Recreation center/pool)	\$ 0.00	\$ 0.00
4250	Sewer	\$ 875.00	\$10500.00
4400	Refuse	\$ 700.00	\$ 8400.00
4500	Telephone (entry gate)	\$ 17.50	\$ 210.00
4600	Propane (Recreation area barbeques)	\$ 0.00	\$ 0.00
	Total Utilities	\$3447.50	\$41370.00
<u>Outside Maintenance</u>			
6100	Landscape Contract	\$2205.00	\$26460.00
6150	Entry Gate Contract	\$ 175.00	\$ 2100.00
6250	Pest Control	\$ 466.67	\$ 5600.00
6300	Clubhouse Cleaning	\$ 0.00	\$ 0.00
6400	Building Maintenance /Repair	\$ 385.00	\$ 4620.00
6500	Road Maintenance	\$ 400.00	\$ 4800.00
6600	Equipment Maintenance	\$ 262.50	\$ 3150.00
6700	Grounds Maintenance	\$ 105.00	\$ 1260.00
6800	Pool Maintenance	\$ 0.00	\$ 0.00
6850	Pool Chemicals/Equip. Repair	\$ 0.00	\$ 0.00
	Total Outside Maintenance	\$3999.17	\$47990.00

<u>Administrative</u>			
8000	Management Fee	\$ 476.00	\$ 5712.00
8100	Audit/Tax Preparation	\$ 102.08	\$ 1225.00
8200	Legal Fees	\$ 105.00	\$ 1260.00
8300	Insurance	\$ 3307.09	\$ 39685.00
8500	Homeowners Meetings	\$ 100.00	\$ 1200.00
8600	Miscellaneous	\$ 150.00	\$ 1800.00
8700	General Excise Taxes	\$ 2.00	\$ 24.00
	Total Administrative	\$ 4242.17	\$ 50906.00
	Total Expenses Before Reserve	\$11688.84	\$140266.00
8800	Capital Reserve Contribution (including contingency)	\$ 1142.00	\$ 13704.00
	TOTAL OPERATING EXPENSE	\$12830.83	\$153970.00

I, Mary Jane Kramer, as an officer and employee of Commercial Properties of Maui Management, Inc., the condominium managing agent for Nu'u Aina, hereby certify that the above estimate of assessments and condominium expense disbursements were prepared in accordance with generally accepted accounting principles.

Mary Jane Kramer  
Signature

May 30, 2008  
Date

I, Mary Jane Kramer, as an officer and employee of Commercial Properties of Maui Management, Inc., the condominium managing agent for Nu'u Aina, hereby certify that a reserve study [has] [has not] been conducted to support the Capital Reserve Contribution line item set forth above, as there is insufficient information available to conduct such study at this time. Although under Hawaii law a newly formed Association is not required to collect estimated replacement reserves until the fiscal year which begins after the Association's first annual meeting, the Association for this project will begin to collect reserve amounts upon closing of sales of units in the project based on the estimate set forth above. [Purchasers should be aware that the amount collected for reserves may increase or decrease when the reserve study is conducted].

Mary Jane Kramer  
Signature

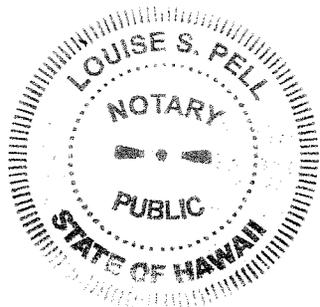
May 30, 2008  
Date

END OF SCHEDULE "1"

STATE OF HAWAII            )  
  ) SS.  
COUNTY OF MAUI            )

On this 2nd day of June, 2008, before me personally appeared Mary Jane Kramer, to me known to be the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

Witness my hand and seal.



*Louise S. Pell*  
\_\_\_\_\_  
(notary's signature)

Louise S. Pell  
\_\_\_\_\_  
(print/type name of notary)  
Notary Public, in and for the said  
County and State.

My commission expires: 7/27/2009

SCHEDULE "2"

Phase 1 Only

ESTIMATED MONTHLY MAINTENCE FEES (1<sup>st</sup> YEAR)

<u>Unit No./ Type</u>	<u>Approx. Net Square Footage of Living Area of Units</u>	<u>Percentage of Common Interest</u>	<u>Total Monthly Assessment</u>
21DR	2202	4.56974	586.34
22C	2265	4.70106	603.19
23AR	1962	4.07190	522.46
24CR	2265	4.70106	603.19
25D	2202	4.56974	586.34
26BR	2280	4.73242	607.21
27FR	1860	3.86022	495.30
28G	1954	4.05524	520.32
29F	1860	3.86022	495.30
30FR	1860	3.86022	495.30
31GR	1954	4.05524	520.32
32F	1860	3.86022	495.30
57F	1860	3.86022	495.30
58GR	1954	4.05524	520.32
59FR	1860	3.86022	495.30
60F	1860	3.86022	495.30
61G	1954	4.05524	520.32
62FR	1860	3.86022	495.30
63F	1860	3.86022	495.30
64GR	1954	4.05524	520.32
65FR	1860	3.86022	495.30
66F	1860	3.86022	495.30
67G	1954	4.05524	520.32
68FR	1860	3.86022	495.30
Spatial I	N/A	1.00000	128.31
Spatial II	N/A	1.00000	128.31

END OF SCHEDULE "2"

SCHEDULE "3"

OPERATING BUDGET  
Phase 1 & 2 Only

<u>RECEIPTS</u>		<u>MONTHLY</u>	<u>ANNUALLY</u>
3100	Maintenance Fees	\$28002.67	\$336032.00
3400	Interest Income	\$ 5.00	\$ 60.00
	Total Receipts	\$28007.67	\$336092.00
<u>OPERATING EXPENSES</u>		<u>MONTHLY</u>	<u>ANNUALLY</u>
<u>Utilities</u>			
4100	Electricity	\$2100.00	\$25200.00
4200	Irrigation Water (Reclaimed)	\$1610.00	\$19320.00
4210	Water (Recreation center/pool)	\$ 250.00	\$ 3000.00
4250	Sewer	\$1750.00	\$21000.00
4400	Refuse	\$1400.00	\$16800.00
4500	Telephone (entry gate)	\$ 50.00	\$ 600.00
4600	Propane (Recreation area barbeques)	\$ 75.00	\$ 900.00
	Total Utilities	\$7235.00	\$86820.00
<u>Outside Maintenance</u>			
6100	Landscape Contract	\$4410.00	\$52920.00
6150	Entry Gate Contract	\$ 175.00	\$ 2100.00
6250	Pest Control	\$ 933.33	\$11200.00
6300	Clubhouse Cleaning	\$ 750.00	\$ 9000.00
6400	Building Maintenance /Repair	\$ 770.00	\$ 9240.00
6500	Road Maintenance	\$ 400.00	\$ 4800.00
6600	Equipment Maintenance	\$ 525.00	\$ 6300.00
6700	Grounds Maintenance	\$ 210.00	\$ 2520.00
6800	Pool Maintenance	\$ 900.00	\$ 10800.00
6850	Pool Chemicals/Equip. Repair	\$ 160.00	\$ 1920.00
	Total Outside Maintenance	\$9233.33	\$110800.00

<u>Administrative</u>			
8000	Management Fee	\$ 952.00	\$ 11424.00
8100	Audit/Tax Preparation	\$ 204.17	\$ 2450.00
8200	Legal Fees	\$ 210.00	\$ 2520.00
8300	Insurance	\$ 6439.17	\$ 77270.00
8500	Homeowners Meetings	\$ 100.00	\$ 1200.00
8600	Miscellaneous	\$ 150.00	\$ 1800.00
8700	General Excise Taxes	\$ 2.00	\$ 24.00
	Total Administrative	\$ 8057.34	\$ 96688.00
	Total Expenses Before Reserve	\$24525.67	\$294308.00
8800	Capital Reserve Contribution (including contingency)	\$ 3477.00	\$ 41724.00
	TOTAL OPERATING EXPENSE	\$28002.67	\$336032.00

END OF SCHEDULE "3"

SCHEDULE "4"

Phases 1 and 2 Only

ESTIMATED MONTHLY MAINTENCE FEES (1<sup>st</sup> YEAR)

<u>Unit No./ Type</u>	<u>Approx. Net Square Footage of Living Area of Units</u>	<u>Percentage of Common Interest</u>	<u>Total Monthly Assessment</u>
21DR	2202	2.35323	\$658.97
22C	2265	2.42055	\$677.82
23AR	1962	2.12355	\$594.65
24CR	2265	2.42055	\$677.82
25D	2202	2.35323	\$658.97
26BR	2280	2.43639	\$682.25
27FR	1860	1.98792	\$556.67
28G	1954	2.08791	\$584.67
29F	1860	1.98792	\$556.67
30FR	1860	1.98792	\$556.67
31GR	1954	2.08791	\$584.67
32F	1860	1.98792	\$556.67
33FR	1860	1.98792	\$556.67
34G	1954	2.08791	\$584.67
35F	1860	1.98792	\$556.67
36FR	1860	1.98792	\$556.67
37GR	1954	2.08791	\$584.67
38F	1860	1.98792	\$556.67
39FR	1860	1.98792	\$556.67
40G	1954	2.08791	\$584.67
41F	1860	1.98792	\$556.67
42FR	1860	1.98792	\$556.67
43GR	1954	2.08791	\$584.67
44F	1860	1.98792	\$556.67
45FR	1860	1.98792	\$556.67
46G	1954	2.08791	\$584.67
47F	1860	1.98792	\$556.67
48F	1860	1.98792	\$556.67
49G	1954	2.08791	\$584.67
50FR	1860	1.98792	\$556.67
51F	1860	1.98792	\$556.67
52GR	1954	2.08791	\$584.67
53FR	1860	1.98792	\$556.67
54F	1860	1.98792	\$556.67
55G	1954	2.08791	\$584.67
56FR	1860	1.98792	\$556.67

<u>Unit No./ Type</u>	<u>Approx. Net Square Footage of Living Area of Units</u>	<u>Percentage of Common Interest</u>	<u>Total Monthly Assessment</u>
57F	1860	1.98792	\$556.67
58GR	1954	2.08791	\$584.67
59FR	1860	1.98792	\$556.67
60F	1860	1.98792	\$556.67
61G	1954	2.08791	\$584.67
62FR	1860	1.98792	\$556.67
63F	1860	1.98792	\$556.67
64GR	1954	2.08791	\$584.67
65FR	1860	1.98792	\$556.67
66F	1860	1.98792	\$556.67
67G	1954	2.08791	\$584.67
68FR	1860	1.98792	\$556.67
Spatial II	N/A	1.00000	\$280.03

END OF SCHEDULE "4"

SCHEDULE "5"

OPERATING BUDGET  
All 3 Phases

<u>RECEIPTS</u>		<u>MONTHLY</u>	<u>ANNUALLY</u>
3100	Maintenance Fees	\$37524.65	\$450296.00
3400	Interest Income	\$ 5.00	\$60.00
	Total Receipts	\$37529.65	\$450356.00
<u>OPERATING EXPENSES</u>		<u>MONTHLY</u>	<u>ANNUALLY</u>
<u>Utilities</u>			
4100	Electricity	\$ 3000.00	\$ 36000.00
4200	Irrigation Water (Reclaimed)	\$ 2300.00	\$ 27600.00
4210	Water (Recreation center/pool)	\$ 250.00	\$ 3000.00
4250	Sewer	\$ 2500.00	\$ 30000.00
4400	Refuse	\$ 2000.00	\$ 24000.00
4500	Telephone (entry gate)	\$ 50.00	\$ 600.00
4600	Propane (Recreation area barbeques)	\$ 75.00	\$ 900.00
	Total Utilities	\$10175.00	\$122100.00
<u>Outside Maintenance</u>			
6100	Landscape Contract	\$ 6300.00	\$ 75600.00
6150	Entry Gate Contract	\$ 175.00	\$ 2100.00
6250	Pest Control	\$ 1333.33	\$ 16000.00
6300	Clubhouse Cleaning	\$ 750.00	\$ 9000.00
6400	Building Maintenance /Repair	\$ 1100.00	\$ 13200.00
6500	Road Maintenance	\$ 400.00	\$ 4800.00
6600	Equipment Maintenance	\$ 750.00	\$ 9000.00
6700	Grounds Maintenance	\$ 300.00	\$ 3600.00
6800	Pool Maintenance	\$ 900.00	\$ 10800.00
6850	Pool Chemicals/Equip. Repair	\$ 160.00	\$ 1920.00

<u>Administrative</u>			
8000	Management Fee	\$ 1360.00	\$ 16320.00
8100	Audit/Tax Preparation	\$ 291.66	\$ 3500.00
8200	Legal Fees	\$ 300.00	\$ 3600.00
8300	Insurance	\$ 9016.66	\$108200.00
8500	Homeowners Meetings	\$ 100.00	\$ 1200.00
8600	Miscellaneous	\$ 150.00	\$ 1800.00
8700	General Excise Taxes	\$ 2.00	\$ 24.00
	Total Administrative	\$11220.32	\$134644.00
	Total Expenses Before Reserve	\$33563.65	\$402764.00
8800	Capital Reserve Contribution (including contingency)	\$ 3961.00	\$ 47532.00
	TOTAL OPERATING EXPENSE	\$37524.65	\$450296.00

END OF SCHEDULE "5"

## SCHEDULE "6"

### All 3 Phases

#### ESTIMATED MONTHLY MAINTENCE FEES (1<sup>st</sup> YEAR)

<u>Unit No./ Type</u>	<u>Approx. Net Square Footage of Living Area of Units</u>	<u>Percentage of Common Interest</u>	<u>Total Monthly Assessment</u>
1DR	2202	1.6115700	\$604.74
2BR	2280	1.6686500	\$626.16
3DR	2202	1.6115700	\$604.74
4DR	2202	1.6115700	\$604.74
5C	2265	1.6576800	\$622.04
6C	2265	1.6576800	\$622.04
7C	2265	1.6576800	\$622.04
8B	2280	1.6686500	\$626.16
9A	1962	1.4359175	\$538.82
10BR	2280	1.6686500	\$626.16
11D	2202	1.6115700	\$604.74
12B	2280	1.6686500	\$626.16
13DR	2202	1.6115700	\$604.74
14AR	1962	1.4359175	\$538.82
15DR	2202	1.6115700	\$604.74
16CR	2265	1.6576800	\$622.04
17D	2202	1.6115700	\$604.74
18BR	2280	1.6686500	\$626.16
19CR	2265	1.6576800	\$622.04
20A	1962	1.4359175	\$538.82
21DR	2202	1.6115700	\$604.74
22C	2265	1.6576800	\$622.04
23AR	1962	1.4359175	\$538.82
24CR	2265	1.6576800	\$622.04
25D	2202	1.6115700	\$604.74
26BR	2280	1.6686500	\$626.16
27FR	1860	1.3612700	\$510.81
28G	1954	1.4300700	\$536.63
29F	1860	1.3612700	\$510.81
30FR	1860	1.3612700	\$510.81
31GR	1954	1.4300700	\$536.63
32F	1860	1.3612700	\$510.81
33FR	1860	1.3612700	\$510.81
34G	1954	1.4300700	\$536.63
35F	1860	1.3612700	\$510.81

<u>Unit No./ Type</u>	<u>Approx. Net Square Footage of Living Area of Units</u>	<u>Percentage of Common Interest</u>	<u>Total Monthly Assessment</u>
36FR	1860	1.3612700	\$510.81
37GR	1954	1.4300700	\$536.63
38F	1860	1.3612700	\$510.81
39FR	1860	1.3612700	\$510.81
40G	1954	1.4300700	\$536.63
41F	1860	1.3612700	\$510.81
42FR	1860	1.3612700	\$510.81
43GR	1954	1.4300700	\$536.63
44F	1860	1.3612700	\$510.81
45FR	1860	1.3612700	\$510.81
46G	1954	1.4300700	\$536.63
47F	1860	1.3612700	\$510.81
48F	1860	1.3612700	\$510.81
49G	1954	1.4300700	\$536.63
50FR	1860	1.3612700	\$510.81
51F	1860	1.3612700	\$510.81
52GR	1954	1.4300700	\$536.63
53FR	1860	1.3612700	\$510.81
54F	1860	1.3612700	\$510.81
55G	1954	1.4300700	\$536.63
56FR	1860	1.3612700	\$510.81
57F	1860	1.3612700	\$510.81
58GR	1954	1.4300700	\$536.63
59FR	1860	1.3612700	\$510.81
60F	1860	1.3612700	\$510.81
61G	1954	1.4300700	\$536.63
62FR	1860	1.3612700	\$510.81
63F	1860	1.3612700	\$510.81
64GR	1954	1.4300700	\$536.63
65FR	1860	1.3612700	\$510.81
66F	1860	1.3612700	\$510.81
67G	1954	1.4300700	\$536.63
68FR	1860	1.3612700	\$510.81

END OF SCHEDULE "6"

## EXHIBIT "G"

### SUMMARY OF PURCHASE 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 PURCHASERS AND PROSPECTIVE PURCHASERS 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 Purchasers' 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 Purchasers 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 Purchasers. If Seller's lender or lenders ask the Purchasers to do so, the Purchasers will sign other documents to confirm the promises and agreements mentioned above.

2. Purchaser's Failure to Obtain Loan Approval. Seller may (but does not have to) cancel the Sales Agreement (a) if the Purchaser's mortgage loan application is rejected or not approved, or if Purchaser's financial circumstances change, or (b) if the Purchaser plans to pay the purchase price in cash but Seller is not satisfied for any reason with the Purchaser's ability to make the cash payments.

3. Inspection and Warranties. Developer is referred to herein as "Seller".

(a) Inspection. Inspection of units for building defects and deficiencies will take place on dates and at times as determined by Seller upon the phased completion of construction. Purchaser will receive written notice of the date and time of the inspection of Purchaser's unit prior to such inspection.

(b) Limited Warranty by Seller and Procedure For Inspection. If Purchaser cooperates in the inspection program to be instituted by Seller and Purchaser's unit is inspected on the date and at the time specified by Seller, Seller warrants to Purchaser that Seller shall exercise its best efforts to have all legitimate defects or damages listed by Purchaser on the inspection sheet furnished by Seller corrected by the Seller's general contractor within a reasonable time thereafter. This warranty (called "Seller's Limited Warranty") shall survive the closing. Seller's Limited

Warranty is conditioned on Purchaser's full cooperation in making the inspection pursuant to Seller's inspection program. See Section 4.2 of Exhibit "A" of the Deposit Receipt and Sales Contract.

(c) Contractor's Limited Warranty. The Seller will enter into an agreement with the general contractor for the Project whereby the general contractor will agree to provide, for the benefit of the Seller, the Purchaser and the Association, a limited warranty to correct certain defects in workmanship or materials of which general contractor or Seller shall have received notice from Purchaser within one (1) year after the date of substantial completion of each unit (as such terms are defined in the construction contract) (called the "Contractor's Limited Warranty"). The Seller does not make this warranty but merely passes on the Contractor's Limited Warranty to the Purchaser and the Association. The Seller's obligations with respect to any defects (other than those listed on the inspection sheet described in Section (b) above) will be limited to assisting the Association or Purchaser in presenting to the general contractor any claims based on such warranty; it being understood that such Contractor's Limited Warranty is limited to defects reported in writing to the Seller or contractor within the warranty period. In the event of the breach of any of the subcontractors', suppliers' or manufacturers' warranties, Purchaser shall have no claim against Seller on account of such breach, but Purchaser's sole remedy shall be against such subcontractors, suppliers and manufacturers.

(d) The Condominium Map is Not a Warranty. The Condominium Map for the Project is intended to show only the layout, location, unit numbers and dimensions of the units in the Project. PURCHASER AGREES THAT THE CONDOMINIUM MAP IS NOT INTENDED TO BE AND IS NOT A WARRANTY OR PROMISE OF ANY KIND BY SELLER.

4. REPRESENTATIONS. PURCHASER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS REPRESENTED TO PURCHASER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR PURCHASER'S UNIT. IF PURCHASER WANTS TO RENT OR SELL THE UNIT, HOW PURCHASER DOES IT WILL BE UP TO PURCHASER SUBJECT TO THE RESTRICTIONS CONTAINED HEREIN AND IN THE DECLARATION, THE BYLAWS, AND ANY OTHER DOCUMENTS AFFECTING THE PROPERTY. PURCHASER ALSO AGREES THAT NO ONE HAS TALKED TO PURCHASER 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.

5. Closing Costs. Purchaser will pay the following closing costs: 50% of the escrow fee and conveyance tax, all of Purchaser's notary fees, all appraisal fees, all recording costs (except for documents to clear Seller's title), all charges for Purchaser's credit report, all costs of preparing any mortgages and promissory notes, and Purchaser's title insurance premium. Purchaser will also pay all mortgage costs. Purchaser will also pay a (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 and (b) a non-refundable \$1,000.00 start-up fee to the Highlands Water Association, Inc. as a working capital fund for the domestic water system. Purchaser agrees that Seller does not have to pay any start-up fee for any unit in the Project, but Seller will cause all Purchasers 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.

6. Purchaser's Default. If Purchaser fails to make any payment when it is due or fails to keep any of Purchaser'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 Purchaser written notice of cancellation and Seller may keep all sums paid by Purchaser under the Sales Agreement as liquidated damages. If Seller cancels the Sales Agreement, Purchaser 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. Purchaser agrees that the sums paid by Purchaser under the Sales Agreement are a reasonable estimate of a fair payment to Seller for Seller's loss or damage resulting from Purchaser'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 Purchaser keep all of Purchaser'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.

Purchaser 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 Purchaser's default.

7. Seller's Default. If Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, Purchaser may require Seller to go through with the Sales Agreement, or Purchaser may cancel the Sales Agreement. If Purchaser cancels the Sales Agreement because of Seller's default, Seller will repay to Purchaser all sums paid by Purchaser to Seller or escrow under the Sales Agreement, without interest (unless Purchaser is entitled to the interest pursuant to Section 2.2 or 8.3 of Exhibit "A" of the Sales Agreement).

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

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

(a) Agricultural, Public and Commercial Operations. All owners and occupants of units are hereby notified that certain lands nearby or abutting the Project are zoned to permit or require agricultural operations and the development and operation of public and commercial uses, including the nearby Kihei Wastewater Treatment Plant and that owners and occupants of the Project may be subject to noise, dust, odors, emissions, traffic and other nuisances in connection with such operations or the development, construction and operation of such facilities. Declarant (and its respective officers, directors, employees and agents of each) shall not have any liability or responsibility for any such noise, dust, odors, emissions and nuisances. Each owner of a unit, by taking title to said unit, thereby waives all such rights and claims against Declarant and others whose activities shall be creating or exacerbating such conditions.

(b) Golf. The Project is adjacent to a golf course. Each owner accepts his or unit and the Property with the understanding that its location may result in nuisances or hazards to persons, including tenants, guests and property as a result of golf course operations, including but not limited to clubhouse activities, social activities, operation of golf maintenance equipment (which may be in early morning, evening, or any other times) relocation and/or reconfiguration of the golf course, irrigation and fertilizing operations (using effluent from the Kihei sewage treatment plant) or other golf and resort-related activities. Each owner of a unit, by taking title to said unit for himself and for each person claiming by or through him, including his lessees, tenants, invitees and others using or present in the unit hereby waives and accepts all claims with respect thereto including but not limited to the risk of property damage or personal injury arising from golf balls, golf carts, maintenance equipment, spraying (including herbicides, insecticides and effluent irrigation), or actions incidental to golf-related activities and releases Declarant and the owners and operators of the golf course from any claims and expenses which may arise out of said risks. Declarant, its subsidiaries, affiliates, designees, successors and assigns shall have the right, in the nature of an easement, to subject the Property to nuisances incidental to the maintenance, operation or use of the golf course. Each owner further agrees to permit and not interfere with the operations and maintenance of the golf course.

The owners, operators and users of the golf course are hereby granted an easement over the Land for the flight, entry and retrieval of errant golf balls. Under no circumstances shall Declarant, the Association or the owner or operator of the golf course or their respective officers, directors, members, managers, employees or

agents by held liable for any damage or injury resulting from errant golf balls or the exercise of this easement by a golfer.

Declarant, the Association or the owner or operator of the golf course or their respective officers, directors, members, managers, employees or agents shall not have any liability or responsibility to any owner or any person claiming by or through him, including his tenants, lessees, invitees or other persons present on the Property, for such nuisances or hazards, including any noise, dust, odors, emissions, traffic or other nuisances arising out of, related to or connected with such golf course operations and activities.

(c) Development Operations. All owners and occupants of the Project are hereby notified that any or all of the units may be subject to noise, dust, emissions, traffic and other nuisances resulting from site grading, road building and construction of the Project, in the roads or common areas or on adjacent or nearby lands. The Declarant and others performing such work shall not have any liability to the owners and occupants of any unit for damages and inconvenience resulting from said operations. Each owner of a unit, by taking title to said unit, thereby waives all such rights and claims.

(d) Use of Reclaimed Wastewater. As required by Ordinance No. 2428, the grounds of the Project will be irrigated with reclaimed and treated wastewater produced by the Kihei sewage treatment plant operated by the County of Maui. Said water shall be received by the Project's irrigation system in a condition which the County of Maui has undertaken to treat and provide in accordance with sound environmental management practices.

(e) Waiver, Release and Indemnity. Purchaser represents and warrants to Seller that Purchaser, in Purchaser's sole discretion, has determined that the benefits of owning and enjoying the unit outweigh the risks of the "Property Conditions". Purchaser hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Property Conditions. Purchaser hereby covenants and agrees to assume all risks of impairment of Purchaser's use and enjoyment of the unit and the Project, loss of market value of the unit, and property damage or personal injury resulting from the Property Conditions, and Purchaser, for the Purchaser and Purchaser's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Project through the Purchaser for any period of time (collectively, the "Occupants"), hereby waives any claims or rights of action or suits against Seller, its successors and assigns, arising from such impairment of the Occupants' use and enjoyment of the unit or the Project, loss of market value of said property, and property damage or personal injury arising from one or more of the Property Conditions. Purchaser further covenants that Purchaser will notify all Occupants and transferees of the unit of the risks of the Property Conditions.

(f) Construction Deflection, Defects and Changes. During the course of construction of each building, certain unit or garage 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 and the garage, driveways and walkways are not covered by warranty, and Seller is not responsible to correct such deficiencies.

Seller reserves the right in its sole discretion to make non-substantial changes to the area, layout, 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 the 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 Purchaser’s consent, and if Purchaser shall object to such changes, Purchaser’s sole remedy shall be to cancel this contract by written notice to Seller in which event all deposits shall be refunded to Purchaser and Purchaser and Seller shall have no further obligations or liabilities to each other under the sales contract.

(g) 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.

9. Landscaping. Purchaser 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.

10. Project Termination and Changes. Developer reserves the right to terminate the Project and terminate all Sales Agreements prior to the transfer of a unit title to a Purchaser. Purchaser 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.

11. Contract Not Transferable. The Purchaser agrees that Purchaser may not transfer the Sales Agreement or any of Purchaser'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).

12. Conclusions and Summary. NOTE: ALL PURCHASERS 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 purchaser will agree to buy a unit in the Project. Among other things, the Deposit Receipt and Sales Contract states:

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

(b) That the purchaser acknowledges having received and read a Public Report for the Project prior to signing the Deposit, Receipt and Sales Contract.

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

(d) Requirements relating to the purchaser'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 purchaser 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 purchaser 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 purchasers and prospective purchasers to read with care the specimen Deposit Receipt and Sales Contract on file with the Real Estate Commission.

END OF EXHIBIT G

## EXHIBIT H

### 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 Developer's 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 H