



*First American Title*

## **First American Title Company, Inc.**

**1177 Kapiolani Boulevard  
Honolulu, HI 96814**

July 02, 2012

Connie Ramirez  
Watanabe Ing LLP  
999 Bishop Street, 23rd Floor  
Honolulu, HI 96813  
Fax: (808)544-8399

Customer Reference:

Title Officer: Corey Sumida  
Phone: (808)457-3781

Order Number: 4081560 (ces)

Owner: Kapalua Bay, LLC, a Delaware limited liability company  
Property: 1 Bay Drive (Item One)  
129 Bay Drive (Item Two)  
Lahaina, HI 96761

Attached please find the following item(s):

Guarantee

Thank You for your confidence and support. We at First American Title Company, Inc. maintain the fundamental principle:

***Customer First!***

## LITIGATION GUARANTEE

SUBJECT TO THE LIMITATIONS CONTAINED HEREIN, THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND OTHER PROVISIONS OF THE CONDITIONS AND STIPULATIONS HERETO ANNEXED AND MADE A PART OF THIS GUARANTEE.

**First American Title Insurance Company**  
a California corporation, herein called the Company

### GUARANTEES

The Assured named in Schedule A against loss not exceeding the liability amount stated in Schedule A which the Assured shall sustain by reason of any incorrectness in the assurance which the Company hereby gives that, according to the public records, as of Date of Guarantee shown in Schedule A:

1. The title to the herein described estate or interest is vested in the vestee named in Schedule A.
2. Except for the matters shown in Schedule B, there are no defects, liens, encumbrances or other matters affecting title to the estate or interest in the land shown in Schedule A, which matters are not necessarily shown in the order of their priority.
3.
  - a) The current interest holders claiming some right, title or interest by reason of the matters shown in Part Two of Schedule B are as shown therein. The vestee named in Schedule A and parties claiming to have some right, title or interest by reason of the matters shown in Part Two of Schedule B may be necessary parties defendant in an action, the nature of which is referred to in Schedule A.
  - b) The current interest holders claiming some right, title or interest by reason of the matters shown in Part One of Schedule B may also be necessary parties defendant in an action, the nature of which is referred to in Schedule A. However, no assurance is given hereby as to those current interest holders.
4. The return addresses for mailing after recording, if any, as shown on each and every document referred to in Part Two of Schedule B by specific recording information, and as shown on the document(s) vesting title as shown in Schedule A are as shown in Schedule C.

THIS LITIGATION GUARANTEE IS FURNISHED SOLELY FOR THE PURPOSE OF FACILITATING THE FILING OF THE ACTION REFERRED TO IN SCHEDULE A. IT SHALL NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE.

First American Title Insurance Company



Dennis J. Gilmore  
President



Timothy Kemp  
Secretary



### SCHEDULE A

Liability: \$3,500.00

Fee: \$750.00

1. Name of Assured:

Landesbank Baden-Wurttemberg

2. Date of Guarantee:

June 08, 2012 at 8:00 A.M.

3. This Litigation Guarantee is furnished solely for the purpose of facilitating the filing of an action to:

Foreclose the Mortgage shown as Item 42 of Schedule B, Part Two

4. The estate or interest in the Land which is covered by this Guarantee is:

AS TO ITEM ONE:

A Fee

AS TO ITEM TWO:

A Leasehold.

5. Title to the estate or interest in the Land is vested in:

Kapalua Bay, LLC, a Delaware limited liability company

6. The Land referred to in this Guarantee is described as follows:

Real property in the County of Maui, State of Hawaii, described as follows:

ITEM ONE:

FIRST:

THE APARTMENT NO(S). "SEE ATTACHED EXHIBIT 1", LOCATED IN THAT CERTAIN CONDOMINIUM PROJECT KNOWN AS THE "KAPALUA BAY CONDOMINIUM" ("PROJECT"), AS DESCRIBED IN THAT CERTAIN DECLARATION OF CONDOMINIUM PROPERTY REGIME DATED APRIL 18, 2006 RECORDED AT THE BUREAU OF CONVEYANCES OF THE STATE OF HAWAII AS DOCUMENT NO. 2006-083256, AS AMENDED ("DECLARATION"), AND SHOWN ON THE PLANS THEREOF FILED AS AFORESAID AS CONDOMINIUM MAP NO. 4222, AS MAY BE AMENDED FROM TIME TO TIME ("CONDOMINIUM MAP").

TOGETHER WITH APPURTENANT EASEMENTS AS FOLLOWS:

(A) THE EXCLUSIVE EASEMENT TO USE THE PARKING STALL(S), IF ANY, APPURTENANT TO THE APARTMENT AS SET FORTH IN SAID DECLARATION, ON SAID CONDOMINIUM MAP, AND ANY OTHER LIMITED COMMON ELEMENTS APPURTENANT TO SAID APARTMENT, AS PROVIDED IN SAID DECLARATION.

(B) NON-EXCLUSIVE EASEMENTS IN THE COMMON ELEMENTS AND THE LIMITED COMMON ELEMENTS DESIGNED FOR SUCH PURPOSES FOR INGRESS TO, EGRESS FROM, UTILITY SERVICES FOR AND SUPPORT, MAINTENANCE AND REPAIR OF SUCH APARTMENT; IN THE OTHER COMMON ELEMENTS FOR USE ACCORDING TO THEIR RESPECTIVE PURPOSES, SUBJECT ALWAYS TO THE EXCLUSIVE OR LIMITED USE OF THE LIMITED COMMON ELEMENTS AS PROVIDED IN SAID DECLARATION; AND IN ALL OTHER APARTMENTS AND LIMITED COMMON ELEMENTS OF THE PROJECT FOR SUPPORT.

EXCEPTING AND RESERVING AND SUBJECT TO EASEMENTS FOR ENCROACHMENT BY ANY PART OF THE COMMON ELEMENTS OF THE PROJECT NOW OR HEREAFTER EXISTING UPON ANY APARTMENT OR LIMITED COMMON ELEMENT OR BY ANY APARTMENT OR LIMITED COMMON ELEMENT OF THE PROJECT NOW OR HEREAFTER EXISTING UPON THE COMMON ELEMENTS, AN EASEMENT IN COMMON WITH THE OWNERS OF ALL OTHER APARTMENTS TO USE ALL PIPES, WIRES, DUCTS, CABLES, CONDUITS, PUBLIC UTILITY LINES AND OTHER COMMON ELEMENTS LOCATED IN ANY OF THE OTHER APARTMENTS FOR ACCESS TO ANY COMMON ELEMENTS LOCATED IN SUCH APARTMENT, AND AN EASEMENT FOR ENTRY DURING REASONABLE HOURS AS MAY BE NECESSARY FOR THE OPERATION OF THE PROJECT OR FOR MAKING EMERGENCY REPAIRS OR FOR THE INSTALLATION, REPAIR OR REPLACEMENT OF ANY COMMON ELEMENTS, AS SUCH EASEMENTS ARE ESTABLISHED BY AND DESCRIBED IN SAID DECLARATION.

SECOND:

AN UNDIVIDED "SEE ATTACHED EXHIBIT 1" INTEREST IN ALL COMMON ELEMENTS OF THE PROJECT AS ESTABLISHED BY THE DECLARATION, INCLUDING THE LAND DESCRIBED IN SAID DECLARATION, OR SUCH OTHER INTEREST AS HEREAFTER ESTABLISHED FOR SAID APARTMENT BY ANY AMENDMENT OF THE DECLARATION, AS TENANT IN COMMON WITH THE HOLDERS OF OTHER UNDIVIDED INTERESTS IN AND TO SAID COMMON ELEMENTS, SUBJECT TO ALL EASEMENTS APPURTENANT TO ANY APARTMENT OF THE PROJECT

ALL TOGETHER WITH AND SUBJECT TO AS TO FIRST AND SECOND THE COVENANTS, AGREEMENTS, EASEMENTS, OBLIGATIONS, CONDITIONS, EXCEPTIONS, RESERVATIONS AND OTHER MATTERS AND PROVISIONS OF THE DECLARATION, THAT CERTAIN BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF THE KAPALUA BAY CONDOMINIUM DATED APRIL 18, 2006, RECORDED AT SAID BUREAU AS DOCUMENT NO. 2006-083257 ("BY-LAWS") AND ALL FURTHER AMENDMENTS THERETO, AND THE KAPALUA BAY CONDOMINIUM RULES AND REGULATIONS, ALL OF WHICH ARE INCORPORATED HEREIN BY THIS REFERENCE AND WHICH CONSTITUTE AND SHALL CONSTITUTE COVENANTS RUNNING WITH THE LAND, EQUITABLE SERVITUDES AND LIENS TO THE EXTENT SET FORTH THEREIN AND PROVIDED BY LAW, AND WHICH ARE HEREBY ACCEPTED BY THE GRANTEE AS BINDING AND TO BE BINDING ON THE GRANTEE, AND GRANTEE'S SUCCESSORS AND ASSIGNS.

BEING THE LAND CONVEYED BY:

1) WARRANTY DEED WITH RESERVATIONS AND COVENANTS RECORDED AUGUST 31, 2004 AS REGULAR SYSTEM DOCUMENT NO. 2004-178884 OF OFFICIAL RECORDS.  
GRANTOR: MAUI LAND & PINEAPPLE COMPANY, INC., A HAWAII CORPORATION  
GRANTEE: KAPALUA BAY, LLC, A DELAWARE LIMITED LIABILITY COMPANY

2) WARRANTY DEED WITH RESERVATIONS AND COVENANTS RECORDED AUGUST 31, 2004 AS REGULAR SYSTEM DOCUMENT NO. 2004-178885 OF OFFICIAL RECORDS.  
GRANTOR: MAUI LAND & PINEAPPLE COMPANY, INC., A HAWAII CORPORATION  
GRANTEE: KAPALUA BAY, LLC, A DELAWARE LIMITED LIABILITY COMPANY

EXCEPTING AND RESERVING THOSE APARTMENT UNITS WHICH HAVE BEEN CONVEYED:

1103; 1205; 1302; 1303; 1305; 1502; 1503; 2103; 2202; 2203; 2204; 2206; 2208; 2302; 2304; 2306; 2308; 2403; 2406; 2408; 2506; 2508; 2602; 2606; 2608; 2706; 5103; and 5202

EXCEPTING AND RESERVING THOSE CERTAIN FRACTIONAL INTERESTS WHICH HAVE BEEN CONVEYED SHOWN ON EXHIBIT 2 ATTACHED HERETO.

THE LAND ON WHICH SAID CONDOMINIUM IS SITUATED ON IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL FIRST (HOTEL PARCEL):

KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION  
LOT A-4-A-1

ALL OF THAT CERTAIN PARCEL OF LAND SITUATED ON THE NORTHWESTERLY SIDE OF LOWER HONOAPIILANI ROAD AT HONOKAHUA, NAPILI 2 & 3, LAHAINA, ISLAND AND COUNTY OF MAUI, STATE OF HAWAII, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOT A-4-A-1 OF KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION, BEING PORTIONS OF THE LAND DESCRIBED IN AND COVERED BY R.P. 1663, L.C. AW. 5524, APANA 1 TO L. KONIA AND R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, AND THUS BOUNDED AND DESCRIBED:

BEGINNING AT A POINT ON THE MOST EASTERLY CORNER OF THIS LOT, THE COORDINATES OF SAID POINT BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "HAWEA" BEING 814.48 FEET SOUTH AND 989.83 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 20° 46' 26.73 FEET ALONG THE NORTHWESTERLY SIDE OF LOWER HONOAPIILANI ROAD TO A POINT;

2. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 846.51 FEET, THE CHORD AZIMUTH AND DISTANCE BEING;

18° 02' 80.74 FEET;

3. 15° 18' 22.45 FEET ALONG SAME TO A POINT;

4. 120° 37' 204.91 FEET ALONG THE REMAINDER OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-3-A-1 OF KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION TO A POINT;

5. 101° 19' 107.00 FEET ALONG SAME TO A POINT;

6. 156° 12' 86.44 FEET ALONG SAME TO A POINT;

7. 66° 12' 137.72 FEET ALONG SAME TO A POINT;
  8. 336° 12' 19.94 FEET ALONG SAME TO A POINT;
  9. 66° 12' 39.00 FEET ALONG SAME TO A POINT;
  10. 336° 12' 15.92 FEET ALONG SAME TO A POINT;
  11. 66° 12' 6.81 FEET ALONG SAME TO A POINT;
  12. 336° 12' 247.75 FEET ALONG SAME TO A POINT;
  13. 63° 07' 70.85 FEET ALONG SAME TO A POINT;
  14. 94° 50' 104.90 FEET ALONG THE REMAINDER OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-2-A OF KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION TO A POINT;
  15. 130° 00' 90.86 FEET ALONG SAME TO A POINT;
  16. 110° 00' 34.70 FEET ALONG SAME TO A POINT;
  17. 87° 00' 40.63 FEET ALONG SAME TO A POINT;
  18. 70° 01' 50" 44.48 FEET ALONG SAME TO A POINT;
  19. 64° 30' 155.64 FEET ALONG THE REMAINDERS OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS AND R.P. 1663, L.C. AW. 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG LOT A-2-A OF KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION TO A POINT;
  20. 70° 01' 50" 138.97 FEET ALONG THE REMAINDER OF R.P. 1663, L.C. AW. 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG LOT A-2-A OF KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION TO A POINT;
- THENCE ALONG THE SHORELINE AS CONFIRMED BY THE STATE OF HAWAII ON JANUARY 12, 1977 FOR THE NEXT SEVEN (7) COURSES, THE DIRECT AZIMUTHS AND DISTANCE BEING;
21. 155° 03' 231.15 FEET;
  22. 101° 49' 237.81 FEET;
  23. 131° 47' 270.90 FEET;
  24. 154° 35' 30" 198.62 FEET;
  25. 300° 22' 370.37 FEET;
  26. 208° 16' 30" 392.73 FEET;
  27. 235° 40' 139.44 FEET;
  28. 251° 38' 20" 212.47 FEET ALONG REMAINDER OF R. P. 2236, L.C. AW. 8522-B, APANA I TO KALE DAVIS TO A POINT;

29. 240° 10' 20" 253.00 FEET ALONG SAME TO A POINT;
30. 332° 46' 45" 275.14 FEET ALONG THE REMAINDER OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-6 OF KAPALUA DEVELOPMENT SUBDIVISION TO A POINT;
31. 242° 46' 45" 214.25 FEET ALONG SAME TO A POINT;
32. 332° 46' 45" 99.00 FEET ALONG SAME TO A POINT;
33. 350° 51' 10" 259.58 FEET ALONG THE REMAINDER OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-5-A-1 OF KAPALUA DEVELOPMENT SUBDIVISION (BAY VILLAS RECEPTION CENTER) TO A POINT;
34. 2° 53' 99.01 FEET ALONG SAME TO A POINT;
35. 303° 58' 170.00 FEET ALONG SAME TO A POINT;
36. 290° 28' 74.82 FEET ALONG SAME TO A POINT OF BEGINNING AND CONTAINING AN AREA OF 18.494 ACRES, MORE OR LESS

PARCEL SECOND (PARKING LOT PARCEL):

ALL OF THAT CERTAIN PARCEL OF LAND (BEING PORTION(S) OF THE LAND(S) DESCRIBED IN AND COVERED BY ROYAL PATENT GRANT NUMBER 2236, LAND COMMISSION AWARD NUMBER 8522-B, APANA 1 TO KALE DAVIS), SITUATE, LYING AND BEING ON THE NORTHWESTERLY SIDE OF LOWER HONOAPIILANI ROAD AT HONOKAHUA, NAPILI 2 AND 3, LAHAINA (KAPALUA), ISLAND AND COUNTY OF MAUI, STATE OF HAWAII, BEING LOT A-5-A-1, OF THE "KAPALUA DEVELOPMENT SUBDIVISION, (BAY VILLAS RECEPTION CENTER)", A PORTION OF LOT A-5-A AND THUS BOUNDED AND DESCRIBED AS PER SURVEY MAP DATED DECEMBER 14, 1989, TO-WIT:

BEGINNING AT A POINT AT THE SOUTH CORNER OF THIS LOT, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "HAWEA" BEING 814.48 FEET SOUTH AND 989.83 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 110° 28' 74.82 FEET ALONG THE REMAINDER OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, SAME BEING ALONG THE NORTHEAST SIDE OF LOT A-4-A OF THE KAPALUA DEVELOPMENT SUBDIVISION;
2. 123° 58' 170.00 FEET ALONG SAME;
3. 182° 53' 99.01 FEET ALONG SAME;
4. 170° 51' 10" 259.58 FEET ALONG SAME;
5. 243° 30' 59.50 FEET ALONG THE REMAINDER OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, SAME BEING ALONG THE SOUTH SIDE OF LOT A-6 OF THE KAPALUA DEVELOPMENT SUBDIVISION;
6. 192° 25' 65.00 FEET ALONG SAME;

7. 273° 05' 75.41 FEET ALONG SAME;
8. 359° 48' 45" 70.53 FEET ALONG THE REMAINDER OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, SAME BEING ALONG THE SOUTHWEST SIDE OF LOT A-5-A-2 OF THE KAPALUA DEVELOPMENT SUBDIVISION;
9. 87° 57' 20" 14.98 FEET ALONG SAME;
10. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 4.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:  
357° 57' 20" 8.00 FEET;
11. 267° 57' 20" 14.75 FEET ALONG SAME;
12. 359° 48' 45" 60.18 FEET ALONG SAME;
13. 90° 21' 14.03 FEET ALONG SAME;
14. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 5.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:  
47° 30' 25" 6.97 FEET;
15. 352° 57' 35" 5.38 FEET ALONG SAME;
16. THENCE ON A CURVE TO THE LEFT HAVING A RADIUS OF 18.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:  
331° 33' 40" 14.23 FEET;
17. 310° 30' 43.83 FEET ALONG SAME;
18. 324° 10' 278.77 FEET ALONG SAME;
19. THENCE ALONG THE NORTHWEST SIDE OF LOWER HONOAPIILANI ROAD ON A CURVE TO THE LEFT HAVING A RADIUS OF 355.40 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:  
31° 10' 40" 128.45 FEET;
20. 20° 46' 39.28 FEET ALONG SAME TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 94,623 SQUARE FEET, MORE OR LESS.

ITEM THREE (THE SHOPS AT KAPALUA PARCEL)

A LEASEHOLD ESTATE CREATED BY THAT CERTAIN UNRECORDED GROUND LEASE (THE SHOPS AT KAPALUA) DATED AUGUST 31, 2004 MADE BY AND BETWEEN MAUI LAND & PINEAPPLE COMPANY, INC., A HAWAII CORPORATION, LESSOR, AND KAPALUA BAY, LLC, A DELAWARE LIMITED LIABILITY COMPANY, LESSEE, FOR A TERM DESCRIBED THEREIN.

THE FOREGOING UNRECORDED GROUND LEASE (THE SHOPS AT KAPALUA) WAS CONFIRMED BY THAT CERTAIN SHORT FORM OF GROUND LEASE (THE SHOPS AT KAPALUA) MADE ON AUGUST 31, 2004, BY AND BETWEEN THE FOREGOING PARTIES, RECORDED IN THE BUREAU OF CONVEYANCES OF THE STATE OF HAWAII AS DOCUMENT NO. 2004-178886.



LEASING AND DEMISING THE FOLLOWING DESCRIBED PROPERTY:

ALL OF THAT CERTAIN PARCEL OF LAND SITUATED ON THE NORTHWESTERLY SIDE OF LOWER HONOAPIILANI ROAD AT HONOKAHUA, NAPILI 2 & 3, LAHAINA, ISLAND AND COUNTY OF MAUI, STATE OF HAWAII, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOT A-3-A-1 OF THE KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION, BEING PORTIONS OF THE LAND DESCRIBED IN AND COVERED BY R.P. 1663, L.C. AW. 5524, APANA 1 TO L. KONIA AND R.P. 2236, L.C. A.W. 8522-B, APANA 1 TO KALE DAVIS, AND THUS BOUNDED AND DESCRIBED:

BEGINNING AT A POINT ON THE SOUTHEASTERLY CORNER OF THIS LOT, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "HAWEA" BEING 1,368.84 FEET SOUTH AND 694.80 FEET EAST, AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 168° 40' 81.34 FEET ALONG THE REMAINDERS OF R.P. 1163, L.C. AW. 5524, APANA 1 TO L. KONIA, AND R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-2-A OF KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION TO A POINT;
2. 151° 20' 209.49 FEET ALONG THE REMAINDER OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-2-A OF KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION TO A POINT;
3. 94° 50' 62.64 FEET ALONG SAME TO A POINT;
4. 243° 07' 70.85 FEET ALONG THE REMAINDER OF R.P. 2236, L.C. AW. 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-4-A-1 OF KAPALUA DEVELOPMENT (LARGE-LOT) SUBDIVISION TO A POINT;
5. 156° 12' 247.75 FEET ALONG SAME TO A POINT;
6. 246° 12' 6.81 FEET ALONG SAME TO A POINT;
7. 156° 12' 15.92 FEET ALONG SAME TO A POINT;
8. 246° 12' 39.00 FEET ALONG SAME TO A POINT;
9. 156° 12' 19.94 FEET ALONG SAME TO A POINT;
10. 246° 12' 137.72 FEET ALONG SAME TO A POINT;
11. 336° 12' 86.44 FEET ALONG SAME TO A POINT;
12. 281° 19' 107.00 FEET ALONG SAME TO A POINT;
13. 300° 37' 204.91 FEET ALONG SAME TO A POINT;
14. 15° 18' 83.21 FEET ALONG THE NORTHWESTERLY SIDE OF LOWER HONOAPIILANI ROAD TO A POINT;
15. THENCE ALONG SAME ON A CURVE TO THE RIGHT HAVING A RADIUS OF 408.54 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

26° 57' 15" 165.05 FEET TO A POINT;

16. 38° 36' 30" 219.92 FEET ALONG SAME TO A POINT;

17. 32° 55' 24" 36.64 FEET ALONG SAME TO A POINT OF BEGINNING AND CONTAINING AN AREA OF 3.486 ACRES, MORE OR LESS.

TOGETHER WITH A PERPETUAL NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR ACCESS TO AND FROM LOWER HONOAPIILANI ROAD TO LOT A-3-A-1 OVER EASEMENT A-4 (BEING A PORTION OF LOT A-4-A-1), AS GRANTED BY GRANT OF EASEMENT FOR ACCESS PURPOSES RECORDED MAY 2, 2006 AS REGULAR SYSTEM DOCUMENT NO. 2006-082345 OF OFFICIAL RECORDS, SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN.

TOGETHER, ALSO, WITH A PERPETUAL NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN ACCESS TO AND FROM LOT A-3-A-1 AND THE SHORELINE OVER EASEMENT A-5 (BEING A PORTION OF LOT A-4-A-1), AS GRANTED BY GRANT OF EASEMENT FOR PEDESTRIAN ACCESS PURPOSES RECORDED MAY 2, 2006 AS REGULAR SYSTEM DOCUMENT NO. 2006-082346 OF OFFICIAL RECORDS, SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN.

AS TO ITEM ONE, PARCELS FIRST AND SECOND AND ITEM TWO:

TOGETHER WITH A NONEXCLUSIVE EASEMENT FOR ACCESS OVER AND ACROSS ALL OF THAT CERTAIN PARCEL KNOWN AS LOT 2-A-1-B-4 OF THE KAPALUA DEVELOPMENT SUBDIVISION, PROVIDED THAT SAID EASEMENT SHALL AUTOMATICALLY TERMINATE UPON THE DEDICATION OF SAID PARCEL TO THE COUNTY OF MAUI OR ANY OTHER GOVERNMENTAL ENTITY FOR USE AS A PUBLIC ROADWAY, AS PROVIDED FURTHER THAT MAUI LAND & PINEAPPLE COMPANY, INC., SHALL HAVE THE RIGHT TO RELOCATE SUCH EASEMENT FROM TIME TO TIME SO LONG AS ACCESS FROM A PUBLIC ROADWAY TO THE HOTEL IS NOT THEREBY UNREASONABLY DISTURBED, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

KAPALUA DEVELOPMENT SUBDIVISION  
DESCRIPTION OF LOT 2-A-1-B-4

THAT CERTAIN PARCEL OF LAND SITUATED WESTERLY OF HONOAPIILANI HIGHWAY (F.A.P. NO. RF-030-1(3)) AND AT THE NORTH END OF LOWER HONOAPIILANI ROAD AT NAPILI 2 & 3 AND HONOKAHUA, LAHAINA, ISLAND AND COUNTY OF MAUI, STATE OF HAWAII, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOT 2-A-1-B-4 OF THE KAPALUA DEVELOPMENT SUBDIVISION, BEING PORTIONS OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA AND ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, AND THUS BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE SOUTHEAST CORNER OF THIS LOT, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "HAWEA" BEING 2,200.09 FEET SOUTH AND 363.67 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 117° 35' 24" 80.90 FEET ALONG THE REMAINDER OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG THE EAST SIDE OF LOWER HONOAPIILANI ROAD;

2. THENCE ALONG SAME ON A CURVE TO THE RIGHT HAVING A RADIUS OF 146.19 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

150° 53' 38.50" 160.54 FEET;

3. 94° 11' 53" 40.00 FEET ALONG THE REMAINDER OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG THE NORTH SIDE OF LOWER HONOAPIILANI ROAD;

4. THENCE ALONG THE REMAINDER OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG THE WEST SIDE OF LOWER HONOAPIILANI ROAD ON A CURVE TO THE LEFT HAVING A RADIUS OF 186.19 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

358° 13' 8.50" 38.79 FEET;

5. 101° 26' 54" 8.45 FEET ALONG THE REMAINDER OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG TMK: 4-2-02:04;

6. THENCE ALONG THE REMAINDER OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG LOTS A-1 AND A-2 OF THE KAPALUA DEVELOPMENT SUBDIVISION ON A CURVE TO THE RIGHT HAVING A RADIUS OF 194.19 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

190° 17' 30.50" 115.05 FEET;

7. 207° 31' 24" 125.19 FEET ALONG THE REMAINDER OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG LOT A-2 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

8. THENCE ALONG SAME ON A CURVE TO THE RIGHT HAVING A RADIUS OF 236.44 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

223° 34' 54" 130.81 FEET;

9. 239° 38' 24" 173.40 FEET ALONG SAME;

10. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 294.16 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

224° 01' 54" 158.29 FEET;

11. 208° 25' 24" 91.40 FEET ALONG SAME;

12. 212° 55' 24" 141.26 FEET ALONG THE REMAINDERS OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA AND ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-2 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

13. 218° 36' 30" 219.92 FEET ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-2 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

14. THENCE ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD

8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS A-2 AND A-3-A OF THE KAPALUA DEVELOPMENT SUBDIVISION ON A CURVE TO THE LEFT HAVING A RADIUS OF 408.54 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

206° 57' 15" 165.05 FEET;

15. 195° 18' 105.66 FEET ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS A-3-A AND A-4-A OF THE KAPALUA DEVELOPMENT SUBDIVISION;

16. THENCE ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-4-A OF THE KAPALUA DEVELOPMENT SUBDIVISION ON A CURVE TO THE RIGHT HAVING A RADIUS OF 846.51 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

198° 02' 80.74 FEET;

17. 200° 46' 66.02 FEET ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS A-4-A AND A-5-A-1 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

18. THENCE ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS A-5-A-1 AND A-5-A-2 OF THE KAPALUA DEVELOPMENT SUBDIVISION ON A CURVE TO THE RIGHT HAVING A RADIUS OF 355.40 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

217° 05' 30" 199.80 FEET;

19. 233° 25' 337.70 FEET ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS A-5-A-2 AND A-6 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

20. THENCE ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-6 OF THE KAPALUA DEVELOPMENT SUBDIVISION ON A CURVE TO THE RIGHT HAVING A RADIUS OF 282.65 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

262° 28' 30" 274.57 FEET;

21. 291° 32' 163.23 FEET ALONG SAME;

22. THENCE ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT A-6 OF THE KAPALUA DEVELOPMENT SUBDIVISION, AND THE KAPALUA PLACE SUBDIVISION FILE PLAN 1956 ON A CURVE TO THE LEFT HAVING A RADIUS OF 735.94 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

286° 47' 30" 121.67 FEET;

23. 282° 03' 83.16 FEET ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG THE KAPALUA PLACE SUBDIVISION, FILE PLAN 1956;

24. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 148.29 FEET, THE

CHORD AZIMUTH AND DISTANCE BEING:

264° 03' 91.65 FEET;

25. 246° 03' 77.75 FEET ALONG SAME;

26. THENCE ALONG SAME ON A CURVE TO THE RIGHT HAVING A RADIUS OF 1,861.47 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

248° 11' 138.59 FEET;

27. 250° 19' 155.12 FEET ALONG SAME;

28. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 544.96 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

242° 12' 30" 153.73 FEET;

29. 234° 06' 54.39 FEET ALONG SAME;

30. THENCE ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO THE KAPALUA PLACE SUBDIVISION, FILE PLAN 1956 AND LOT A-7-A OF THE KAPALUA DEVELOPMENT SUBDIVISION ON A CURVE TO THE RIGHT HAVING A RADIUS OF 391.78 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

245° 02' 45" 148.78 FEET;

31. 255° 59' 30" 576.56 FEET ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS A-7-A AND A-7-C-5 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

32. 22° 00' 69.23 FEET ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS 2-A-1-B-1 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

33. 75° 59' 30" 535.86 FEET ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS 2-A-1-B-1 AND 2-A-2 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

34. THENCE ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS 2-A-2 AND 2-A-4 OF THE KAPALUA DEVELOPMENT SUBDIVISION ON A CURVE TO THE LEFT HAVING A RADIUS OF 335.78 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

65° 02' 45" 127.52 FEET;

35. 54° 06' 54.39 FEET ALONG SAME;

36. THENCE ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT 2-A-2 OF THE KAPALUA DEVELOPMENT SUBDIVISION ON A CURVE TO THE RIGHT HAVING A RADIUS OF 600.96 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

62° 12' 30" 169.52 FEET;

37. 70° 19' 155.12 FEET ALONG SAME;

38. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 1,805.47 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

68° 11' 134.42 FEET;

39. 66° 03' 77.75 FEET ALONG SAME;

40. THENCE ALONG SAME ON A CURVE TO THE RIGHT HAVING A RADIUS OF 204.29 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

84° 03' 126.26 FEET;

41. 102° 03' 83.16 FEET ALONG THE REMAINDER OF ROYAL PATENT NUMBER 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS 2-A-3 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

42. THENCE ALONG SAME ON A CURVE TO THE RIGHT HAVING A RADIUS OF 791.94 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

106° 47' 30" 130.93 FEET;

43. 111° 32' 163.23 FEET ALONG SAME;

44. THENCE ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOTS 2-A-3 AND 2-A-1-B-1 OF THE KAPALUA DEVELOPMENT SUBDIVISION ON A CURVE TO THE LEFT HAVING A RADIUS OF 226.65 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

82° 28' 30" 220.17 FEET;

45. 53° 25' 337.70 FEET ALONG THE REMAINDER OF ROYAL PATENT 2236, LAND COMMISSION AWARD 8522-B, APANA 1 TO KALE DAVIS, BEING ALSO ALONG LOT 2-A-1-B-1 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

46. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 299.40 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

37° 05' 30" 168.31 FEET;

47. 20° 46' 66.02 FEET ALONG SAME;

48. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 790.51 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

18° 02' 75.40 FEET;

49. 15° 18' 105.66 FEET ALONG SAME;

50. THENCE ALONG SAME ON A CURVE TO THE RIGHT HAVING A RADIUS OF 464.54 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

26° 57' 15" 187.68 FEET;

51. 38° 36' 30" 217.14 FEET ALONG SAME;

52. 32° 55' 24" 136.27 FEET ALONG THE REMAINDER OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG LOT 2-A-1-B-1 OF THE KAPALUA DEVELOPMENT SUBDIVISION;

53. 28° 25' 24" 89.21 FEET ALONG SAME;

54. THENCE ALONG SAME ON A CURVE TO THE RIGHT HAVING A RADIUS OF 350.16 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

44° 01' 54" 188.43 FEET;

55. 59° 38' 24" 173.40 FEET ALONG SAME;

56. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 180.44 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

43° 34' 54" 99.82 FEET;

57. 27° 31' 24" 125.19 FEET ALONG SAME;

58. THENCE ALONG SAME ON A CURVE TO THE LEFT HAVING A RADIUS OF 138.19 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

342° 33' 24" 195.32 FEET;

59. 297° 35' 24" 56.15 FEET ALONG SAME;

60. THENCE ALONG THE REMAINDER OF ROYAL PATENT 1663, APANA 1, LAND COMMISSION AWARD 5524, APANA 1 TO L. KONIA, BEING ALSO ALONG LOWER HONOAPIILANI ROAD ON A CURVE TO THE LEFT HAVING A RADIUS OF 198.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

315° 30' 52" 26.02 FEET TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 5.296 ACRES, MORE OR LESS.

TMK(S): (2) 4-2-004-028 CPR Nos. 0001 thru 0151 (Item One)  
4-2-004-027-0000 (Item Two)

### Exhibit 1

Apartment No.	Undivided Interest
1101	1.038436%
1102	0.743679%
1201	1.038436%
1202	0.743679%
1203	0.743679%
1204	0.714229%
1301	1.038436%
1304	0.714229%
1401	1.038436%
1402	0.743679%
1403	0.743679%
1404	0.714229%
1405	0.714229%
1504	0.714229%
1505	0.714229%
1604	0.714229%
1605	0.714229%
2101	1.038436%
2201	1.038436%
2301	1.038436%
2303	0.743679%
2401	1.038436%
2402	0.743679%
2404	0.714229%
2502	0.743679%
2503	0.743679%
2504	0.714229%
2604	0.714229%
2704	0.714229%
3101	0.528821%
3102	0.517041%
3201	0.528821%
3202	0.517041%
3203	0.528821%
3204	0.454300%
3205	53.445500%
3301	0.528821%
3302	0.517041%



3303	0.528821%
3304	0.454300%
3305	0.534455%
3401	0.528821%
3402	0.517041%
3403	0.528821%
3404	0.454300%
3405	0.534455%
3406	0.528821%
3501	0.528821%
3502	0.517041%
3503	0.528821%
3504	0.454300%
3505	0.534455%
3506	0.528821%
3602	0.517041%
3603	0.528821%
3604	0.454300%
3605	0.534455%
3606	0.528821%
3704	0.454300%
3705	0.534455%
4101	0.528821%
4102	0.454300%
4201	0.528821%
4202	0.454300%
4203	0.528821%
4204	0.454300%
4205	0.534455%
4301	0.528821%
4302	0.454300%
4303	0.528821%
4304	0.454300%
4305	0.534455%
4401	0.528821%
4402	0.454300%
4403	0.528821%
4404	0.454300%
4405	0.534455%
4406	0.528821%
4501	0.528821%
4502	0.454300%
4503	0.528821%
4504	0.454300%
4505	0.534455%

4506	0.528821%
4602	0.454300%
4603	0.528821%
4604	0.454300%
4605	0.534455%
4606	0.528821%
4704	0.454300%
4705	0.534455%
5101	0.743679%
5102	0.714229%
5104	0.714229%
5201	0.743679%
5203	0.743679%
5204	0.714229%
5301	0.743679%
5302	0.714229%
5303	0.743679%
5304	0.714229%
5401	0.743679%
5402	0.714229%
5403	0.743679%
5404	0.714229%
5501	0.743679%
5502	0.714229%
5503	0.743679%
5504	0.714229%
5602	0.714229%
5603	0.743679%
6101	0.743679%
6102	0.714229%
6201	0.743679%
6202	0.714229%
6301	0.743679%
6302	0.714229%
6401	0.743679%
Beach Club CA	1.564205%
General Store CA	0.236369%
Model Unit CA	0.646878%
Resale Space CA	0.022792%
Sales Gallery CA	2.290962%

## Exhibit 2

Apartment No.	Club Interest No.
3101	27
3101	37
3102	2
3102	3
3102	5
3102	9
3102	10
3102	11
3202	2
3202	6
3204	18
3302	25
3302	26
3302	29
3302	33
3302	34
3302	35
3303	5
3303	7
3304	6
3304	7
3401	5
3401	9
3401	12
3402	1
3402	2
3402	6
3402	7
3402	8
3402	9
3402	11
3404	14
3406	16
3504	1
3504	2
3504	3
3504	5
3504	8

3505	6
3506	25
3506	26
3506	27
3506	28
3506	29
3506	32
3506	33
3506	34
3506	35
3602	25
3602	26
3602	27
3602	29
3602	32
3602	33
3602	34
3602	35
3602	36
3602	37
3603	14
3603	18
3603	21
3604	1
3604	2
3604	4
3604	5
3604	6
3604	7
3604	10
3604	11
3604	12
3605	3
3605	8
3605	10
3606	25
3606	26
3606	27
3606	28
3606	29
3606	30
3606	31
3606	32
3606	33
3606	34

3606	35
3705	25
3705	26
3705	27
3705	28
3705	29
3705	33
3705	35
4101	25
4101	26
4102	6
4201	8
4202	3
4202	4
4203	14
4203	17
4203	18
4302	15
4302	17
4302	23
4304	18
4401	1
4401	2
4401	3
4401	4
4401	5
4401	7
4402	1
4402	2
4402	4
4402	6
4402	10
4402	11
4402	12
4404	2
4404	4
4404	5
4404	12
4502	1
4502	2
4502	3
4502	4
4502	5
4502	7
4502	9

4502	10
4502	12
4504	2
4504	3
4504	4
4504	5
4504	6
4504	8
4504	12
4506	13
4506	14
4506	15
4506	17
4602	3
4602	4
4602	5
4602	6
4602	8
4602	10
4602	11
4602	12
4603	1
4603	2
4603	3
4603	5
4603	7
4604	25
4604	26
4604	27
4604	28
4604	29
4604	30
4604	33
4604	34
4604	35
4604	38
4605	1
4605	6
4605	7
4704	1
4704	4
4704	5
4704	6
4704	7
4704	9

4704	11
4705	2
4705	4
4705	6

## SCHEDULE B

Defects, liens, encumbrances or other matters affecting title:

### PART ONE

AS TO ITEM ONE:

1. Real property tax assessments for the fiscal year 2011-2012:

Tax Map Key No.: (2) 4-2-004-028-0001 (AS TO UNIT 1101)  
Class No.: 2

First Installment: \$11,578.33, PAID, (8/20)  
Second Installment: \$11,578.32, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0002 (AS TO UNIT 1102)  
Class No.: 2

First Installment: \$8,934.48, PAID, (8/20)  
Second Installment: \$8,934.47, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0004 (AS TO UNIT 1201)  
Class No.: 2

First Installment: \$11,636.08, PAID, (8/20)  
Second Installment: \$11,636.07, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0005 (AS TO UNIT 1202)  
Class No.: 2

First Installment: \$8,974.08, PAID, (8/20)  
Second Installment: \$8,974.07, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0006 (AS TO UNIT 1203)  
Class No.: 2

First Installment: \$8,974.08, PAID, (8/20)  
Second Installment: \$8,974.07, PAID, (2/20)



Tax Map Key No.: (2) 4-2-004-028-0007 (AS TO UNIT 1204)  
Class No.: 2

First Installment: \$8,745.83, PAID, (8/20)  
Second Installment: \$8,745.82, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0009 (AS TO UNIT 1301)  
Class No.: 2

First Installment: \$11,693.55, PAID, (8/20)  
Second Installment: \$11,693.55, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0012 (AS TO UNIT 1304)  
Class No.: 2

First Installment: \$8,783.78, PAID, (8/20)  
Second Installment: \$8,783.78, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0014 (AS TO UNIT 1401)  
Class No.:

First Installment: \$11,751.30, PAID, (8/20)  
Second Installment: \$11,751.30, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0015 (AS TO UNIT 1402)  
Class No.: 2

First Installment: \$9,053.00, PAID, (8/20)  
Second Installment: \$9,053.00, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0016 (AS TO UNIT 1403)  
Class No.: 2

First Installment: \$9,053.00, PAID, (8/20)  
Second Installment: \$9,053.00, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0017 (AS TO UNIT 1404)  
Class No.: 2

First Installment: \$8,821.45, PAID, (8/20)  
Second Installment: \$8,821.45, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0018 (AS TO UNIT 1405)  
Class No.: 2

First Installment: \$8,821.45, PAID, (8/20)  
Second Installment: \$8,821.45, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0021 (AS TO UNIT 1504)  
Class No.: 2

First Installment: \$8,859.40, PAID, (8/20)  
Second Installment: \$8,859.40, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0022 (AS TO UNIT 1505)  
Class No.: 2

First Installment: \$8,859.40, PAID, (8/20)  
Second Installment: \$8,859.40, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0023 (AS TO UNIT 1604)  
Class No.: 2

First Installment: \$8,897.35, PAID, (8/20)  
Second Installment: \$8,897.35, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-24 (AS TO UNIT 1605)  
Class No.: 2

First Installment: \$8,897.35, PAID, (8/20)  
Second Installment: \$8,897.35, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0025 (AS TO UNIT 2101)  
Class No.: 2

First Installment: \$11,578.33, PAID, (8/20)  
Second Installment: \$11,578.32, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0027 (AS TO UNIT 2201)  
Class No.: 2

First Installment: \$11,578.33, PAID, (8/20)  
Second Installment: \$11,578.32, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0033 (AS TO UNIT 2301)  
Class No.: 2

First Installment: \$11,636.08, PAID, (8/20)  
Second Installment: \$11,636.07, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0035 (AS TO UNIT 2303)  
Class No.: 2

First Installment: \$8,974.08, PAID, (8/20)  
Second Installment: \$8,974.07, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0039 (AS TO UNIT 2401)  
Class No.: 2

First Installment: \$11,693.55, PAID, (8/20)  
Second Installment: \$11,693.55, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0040 (AS TO UNIT 2402)  
Class No.: 2

First Installment: \$9,013.40, PAID, (8/20)  
Second Installment: \$9,013.40, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0042 (AS TO UNIT 2404)  
Class No.: 2

First Installment: \$12,383.10, PAID, (8/20)  
Second Installment: \$12,383.10, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0045 (AS TO UNIT 2502)  
Class No.: 2

First Installment: \$9,053.00, PAID, (8/20)  
Second Installment: \$9,053.00, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0046 (AS TO UNIT 2503)  
Class No.: 7

First Installment: \$14,814.00, PAID, (8/20)  
Second Installment: \$14,814.00, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0047 (AS TO UNIT 2504)  
Class No.: 2

First Installment: \$7,605.40, PAID, (8/20)  
Second Installment: \$7,605.40, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0051 (AS TO UNIT 2604)  
Class No.: 2

First Installment: \$7,643.35, PAID, (8/20)  
Second Installment: \$7,643.35, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0054 (AS TO UNIT 2704)  
Class No.: 2

First Installment: \$7,681.58, PAID, (8/20)  
Second Installment: \$7,681.58, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0056 (AS TO UNIT 3101)  
Class No.: ---

First Installment: \$14,962.50, PAID, (8/20)  
Second Installment: \$14,962.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0057 (AS TO UNIT 3102)  
Class No.: ---

First Installment: \$14,820.00, PAID, (8/20)  
Second Installment: \$14,820.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0058 (AS TO UNIT 3201)  
Class No.: ---

First Installment: \$14,962.50, PAID, (8/20)  
Second Installment: \$14,962.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0059 (AS TO ITEM 3202)  
Class No.: ---

First Installment: \$14,820.00, PAID, (8/20)  
Second Installment: \$14,820.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0060 (AS TO UNIT 3203)  
Class No.: ---

First Installment: \$14,962.50, PAID, (8/20)  
Second Installment: \$14,962.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0061 (AS TO UNIT 3204)  
Class No.: ---

First Installment: \$13,125.00, PAID, (8/20)  
Second Installment: \$13,125.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0062 (AS TO UNIT 3205)  
Class No.: ---

First Installment: \$15,030.75, PAID, (8/20)  
Second Installment: \$15,030.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0063 (AS TO UNIT 3301)  
Class No.: ---

First Installment: \$17,430.75, PAID, (8/20)  
Second Installment: \$17,430.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0064 (AS TO UNIT 3302)  
Class No.: ---

First Installment: \$17,233.50, PAID, (8/20)  
Second Installment: \$17,233.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0065 (AS TO UNIT 3303)  
Class No.: ---

First Installment: \$17,430.75, PAID, (8/20)  
Second Installment: \$17,430.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0066 (AS TO UNIT 3304)  
Class No.: ---

First Installment: \$15,247.50, PAID, (8/20)  
Second Installment: \$15,247.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0067 (AS TO UNIT 3305)  
Class No.: ---

First Installment: \$17,525.25, PAID, (8/20)  
Second Installment: \$17,525.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0068 (AS TO UNIT 3401)  
Class No.: ---

First Installment: \$17,508.00, PAID, (8/20)  
Second Installment: \$17,508.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0069 (AS TO UNIT 3402)  
Class No.: ---

First Installment: \$17,308.50, PAID, (8/20)  
Second Installment: \$17,308.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0070 (AS TO UNIT 3403)  
Class No.: ---

First Installment: \$17,508.00, PAID, (8/20)  
Second Installment: \$17,508.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0071 (AS TO UNIT 3404)  
Class No.: ---

First Installment: \$15,313.50, PAID, (8/20)  
Second Installment: \$15,313.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0072 (AS TO UNIT 3405)  
Class No.: ---

First Installment: \$17,603.25, PAID, (8/20)  
Second Installment: \$17,603.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0073 (AS TO UNIT 3406)  
Class No.: ---

First Installment: \$17,508.00, PAID, (8/20)  
Second Installment: \$17,508.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0074 (AS TO UNIT 3501)  
Class No.: ---

First Installment: \$17,585.25, PAID, (8/20)  
Second Installment: \$17,585.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0075 (AS TO UNIT 3502)  
Class No.: ---

First Installment: \$17,384.25, PAID, (8/20)  
Second Installment: \$17,384.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0076 (AS TO UNIT 3503)  
Class No.: ---

First Installment: \$17,585.25, PAID, (8/20)  
Second Installment: \$17,585.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0077 (AS TO UNIT 3504)  
Class No.: --

First Installment: \$15,379.50, PAID, (8/20)  
Second Installment: \$15,379.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0078 (AS TO UNIT 3505)  
Class No.: ---

First Installment: \$17,681.25, PAID, (8/20)  
Second Installment: \$17,681.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0079 (AS TO UNIT 3506)  
Class No.: ---

First Installment: \$17,585.25, PAID, (8/20)  
Second Installment: \$17,585.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0080 (AS TO UNIT 3602)  
Class No.: ---



First Installment: \$17,459.25, PAID, (8/20)  
Second Installment: \$17,459.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0081 (AS TO UNIT 3603)  
Class No.: ---

First Installment: \$17,661.75, PAID, (8/20)  
Second Installment: \$17,661.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0082 (AS TO UNIT 3604)  
Class No.: ---

First Installment: \$15,446.25, PAID, (8/20)  
Second Installment: \$15,446.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0083 (AS TO UNIT 3605)  
Class No.: ---

First Installment: \$17,758.50, PAID, (8/20)  
Second Installment: \$17,758.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0084 (AS TO UNIT 3606)  
Class No.: ---

First Installment: \$17,661.75, PAID, (8/20)  
Second Installment: \$17,661.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0085 (AS TO UNIT 3704)  
Class No.: ---

First Installment: \$15,512.25, PAID, (8/20)  
Second Installment: \$15,512.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0086 (AS TO UNIT 3705)  
Class No.: ---

First Installment: \$17,836.50, PAID, (8/20)  
Second Installment: \$17,836.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0087 (AS TO UNIT 4101)  
Class No.: ---

First Installment: \$14,962.50, PAID, (8/20)  
Second Installment: \$14,962.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0088 (AS TO UNIT 4102)  
Class No.: ---

First Installment: \$13,125.00, PAID, (8/20)  
Second Installment: \$13,125.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0089 (AS TO UNIT 4201)  
Class No.: ---

First Installment: \$14,962.50, PAID, (8/20)  
Second Installment: \$14,962.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0090 (AS TO UNIT 4202)  
Class No.: ---

First Installment: \$13,125.00, PAID, (8/20)  
Second Installment: \$13,125.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0091 (AS TO UNIT 4203)  
Class No.: ---

First Installment: \$14,962.50, PAID, (8/20)  
Second Installment: \$14,962.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0092 (AS TO UNIT 4204)  
Class No.: ---

First Installment: \$13,125.00, PAID, (8/20)  
Second Installment: \$13,125.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0093 (AS TO UNIT 4205)  
Class No.: ---

First Installment: \$15,030.75, PAID, (8/20)  
Second Installment: \$15,030.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0094 (AS TO UNIT 4301)  
Class No.: ---

First Installment: \$17,430.75, PAID, (8/20)  
Second Installment: \$17,430.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0095 (AS TO UNIT 4302)  
Class No.: ---

First Installment: \$15,247.50, PAID, (8/20)  
Second Installment: \$15,247.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0096 (AS TO UNIT 4303)  
Class No.: ---

First Installment: \$17,430.75, PAID, (8/20)  
Second Installment: \$17,430.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0097 (AS TO UNIT 4304)  
Class No.: ---

First Installment: \$15,247.50, PAID, (8/20)  
Second Installment: \$15,247.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0098 (AS TO UNIT 4305)  
Class No.: ---

First Installment: \$17,525.25, PAID, (8/20)  
Second Installment: \$17,525.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0099 (AS TO UNIT 4401)  
Class No.: ---

First Installment: \$17,508.00, PAID, (8/20)  
Second Installment: \$17,508.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0100 (AS TO UNIT 4402)  
Class No.: ---

First Installment: \$15,313.50, PAID, (8/20)  
Second Installment: \$15,313.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0101 (AS TO UNIT 4403)  
Class No.: ---

First Installment: \$17,508.000, PAID, (8/20)  
Second Installment: \$17,508.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0102 (AS TO UNIT 4404)  
Class No.: ---

First Installment: \$15,313.50, PAID, (8/20)  
Second Installment: \$15,313.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0103 (AS TO UNIT 4405)  
Class No.: ---

First Installment: \$17,603.25, PAID, (8/20)  
Second Installment: \$17,603.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0104 (AS TO UNIT 4406)  
Class No.: ---

First Installment: \$17,508.00, PAID, (8/20)  
Second Installment: \$17,508.00, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0105 (AS TO UNIT 4501)  
Class No.: ---

First Installment: \$17,585.25, PAID, (8/20)  
Second Installment: \$17,585.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0106 (AS TO UNIT 4502)  
Class No.: ---

First Installment: \$15,379.50, PAID, (8/20)  
Second Installment: \$15,379.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0107 (AS TO UNIT 4503)  
Class No.: ---

First Installment: \$17,585.25, PAID, (8/20)  
Second Installment: \$17,585.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0108 (AS TO UNIT 4504)  
Class No.: ---

First Installment: \$15,379.50, PAID, (8/20)  
Second Installment: \$15,379.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0109 (AS TO UNIT 4505)  
Class No.: ---

First Installment: \$17,681.25, PAID, (8/20)  
Second Installment: \$17,681.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0110 (AS TO UNIT 4506)  
Class No.: ---

First Installment: \$17,585.25, PAID, (8/20)  
Second Installment: \$17,585.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0111 (AS TO UNIT 4602)  
Class No.: ---

First Installment: \$15,446.25, PAID, (8/20)  
Second Installment: \$15,446.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0112 (AS TO UNIT 4603)  
Class No.: ---

First Installment: \$17,661.75, PAID, (8/20)  
Second Installment: \$17,661.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0113 (AS TO UNIT 4604)  
Class No.: ---

First Installment: \$15,446.25, PAID, (8/20)  
Second Installment: \$15,446.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0114 (AS TO UNIT 4605)  
Class No.: ---

First Installment: \$17,758.50, PAID, (8/20)  
Second Installment: \$17,758.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0115 (AS TO UNIT 4606)  
Class No.: ---

First Installment: \$17,661.75, PAID, (8/20)  
Second Installment: \$17,661.75, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0116 (AS TO UNIT 4704)  
Class No.: ---

First Installment: \$15,512.25, PAID, (8/20)  
Second Installment: \$15,512.25, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0117 (AS TO UNIT 4705)  
Class No.: ---

First Installment: \$17,836.50, PAID, (8/20)  
Second Installment: \$17,836.50, PAID, (2/20)

Note: Possible roll back taxes for real property classified as Class 5 or 6.

Tax Map Key No.: (2) 4-2-004-028-0118 (AS TO UNIT 5101)  
Class No.: 2

First Installment: \$6,439.95, PAID, (8/20)  
Second Installment: \$6,439.95, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0119 (AS TO UNIT 5102)  
Class No.: 2

First Installment: \$6,309.33, PAID, (8/20)  
Second Installment: \$6,309.32, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0121 (AS TO UNIT 5104)  
Class No.: 2

First Installment: \$6,309.33, PAID, (8/20)  
Second Installment: \$6,309.32, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0122 (AS TO UNIT 5201)  
Class No.: 7

First Installment: \$12,615.75, PAID, (8/20)  
Second Installment: \$12,615.75, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0124 (AS TO UNIT 5203)  
Class No.: 2

First Installment: \$7,709.63, PAID, (8/20)  
Second Installment: \$7,709.62, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0125 (AS TO UNIT 5204)  
Class No.: 2

First Installment: \$7,529.23, PAID, (8/20)  
Second Installment: \$7,529.22, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0126 (AS TO UNIT 5301)  
Class No.: 2



First Installment: \$7,749.23, PAID, (8/20)  
Second Installment: \$7,749.22, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0127 (AS TO UNIT 5302)  
Class No.: 2

First Installment: \$7,567.45, PAID, (8/20)  
Second Installment: \$7,567.45, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0128 (AS TO UNIT 5303)  
Class No.: 2

First Installment: \$7,749.23, PAID, (8/20)  
Second Installment: \$7,749.22, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0129 (AS TO UNIT 5304)  
Class No.: 2

First Installment: \$7,567.45, PAID, (8/20)  
Second Installment: \$7,567.45, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0130 (AS TO UNIT 5401)  
Class No.: 2

First Installment: \$7,788.83, PAID, (8/20)  
Second Installment: \$7,788.82, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0131 (AS TO UNIT 5402)  
Class No.: 2

First Installment: \$7,605.40, PAID, (8/20)  
Second Installment: \$7,605.40, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0132 (AS TO UNIT 5403)  
Class No.: 2

First Installment: \$7,788.83, PAID, (8/20)  
Second Installment: \$7,788.82, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0133 (AS TO UNIT 5404)  
Class No.: 2

First Installment: \$7,605.40, PAID, (8/20)  
Second Installment: \$7,605.40, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0134 (AS TO UNIT 5501)  
Class No.: 2

First Installment: \$7,828.43, PAID, (8/20)  
Second Installment: \$7,828.42, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0135 (AS TO UNIT 5502)  
Class No.: 2

First Installment: \$7,643.35, PAID, (8/20)  
Second Installment: \$7,643.35, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0136 (AS TO UNIT 5503)  
Class No.: 2

First Installment: \$7,828.43, PAID, (8/20)  
Second Installment: \$7,828.42, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0137 (AS TO UNIT 5504)  
Class No.: 2

First Installment: \$7,643.35, PAID, (8/20)  
Second Installment: \$7,643.35, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0138 (AS TO UNIT 5602)  
Class No.: 2

First Installment: \$7,681.58, PAID, (8/20)  
Second Installment: \$7,681.57, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0139 (AS TO UNIT 5603)  
Class No.: 2

First Installment: \$7,868.03, PAID, (8/20)  
Second Installment: \$7,868.02, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0140 (AS TO UNIT 6101)  
Class No.: 2

First Installment: \$6,439.95, PAID, (8/20)  
Second Installment: \$6,439.95, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0141 (AS TO UNIT 6102)  
Class No.: 2

First Installment: \$6,309.33, PAID, (8/20)  
Second Installment: \$6,309.32, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0142 (AS TO UNIT 6201)  
Class No.: 2

First Installment: \$7,709.63, PAID, (8/20)  
Second Installment: \$7,709.62, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0143 (AS TO UNIT 6202)  
Class No.: 2

First Installment: \$7,529.23, PAID, (8/20)  
Second Installment: \$7,529.22, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0144 (AS TO UNIT 6301)  
Class No.: 2

First Installment: \$7,749.23, PAID, (8/20)  
Second Installment: \$7,749.22, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0145 (AS TO UNIT 6302)  
Class No.: 2

First Installment: \$7,567.45, PAID, (8/20)  
Second Installment: \$7,567.45, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0146 (AS TO UNIT 6401)  
Class No.: 2

First Installment: \$7,788.83, PAID, (8/20)  
Second Installment: \$7,788.82, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0147 (AS TO BEACH CLUB CA)  
Class No.: 3

First Installment: \$7,601.88, PAID, (8/20)  
Second Installment: \$7,601.88, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0148 (AS TO GENERAL STORE CA)  
Class No.: 3

First Installment: \$1,149.07, PAID, (8/20)  
Second Installment: \$1,149.06, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0149 (AS TO MODEL UNIT CA)  
Class No.: 3

First Installment: \$3,143.76, PAID, (8/20)  
Second Installment: \$3,143.75, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0150 (AS TO RESALE SPACE CA)  
Class No.: 3

First Installment: \$110.63, PAID, (8/20)  
Second Installment: \$110.63, PAID, (2/20)

Tax Map Key No.: (2) 4-2-004-028-0151 (AS TO SALES GALLERY CA)  
Class No.: 3

First Installment: \$11,134.07, PAID, (8/20)  
Second Installment: \$11,134.06, PAID, (2/20)

AS TO ITEM TWO:

Tax Map Key No.: (2) 4-2-004-027-0000  
Class No.: 3

First Installment: \$28,147.50, PAID, (8/20)  
Second Installment: \$28,147.50, PAID, (2/20)

AS TO ITEM ONE, PARCEL FIRST (HOTEL PARCEL) ONLY:

2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. Shoreline setback lines as they may be established by the State Land Use Commission or by the various Counties pursuant to the Hawaii Revised Statutes.

4. Designation of Easements "E-4" (20 feet wide) and "E-3-B" for roadway purposes, shown on the survey plan (Certificate Map for "Kapalua Bay Hotel") prepared by George F. Newcomber, Registered Professional Land Surveyor, dated June 6, 1990.

(The portions of the foregoing easements that affect the land herein described are designated as Easements E-4-A, E-3-B-3 and E-3-B-4, as shown on the Kapalua Development (Large-Lot) Subdivision Map, dated September 2, 1999, and as shown on the ALTA/ACSM Land Title Survey dated April 10, 11, 13, 14 and May 12 and 15, 2006, last revised July 13, 2006, both maps prepared by Reed M. Ariyoshi, Licensed Professional Land Surveyor, Certificate No. 6597.)

The foregoing easements are in favor of Lot A-6 (Bay Villas Condominium Project), as disclosed by Declaration of Horizontal Property Regime Bay Villas dated January 14, 1977 recorded in Book 11975 Page 242 of Official Records.

5. A Grant of Easement dated May 7, 1976 for electrical and utility purposes, in favor of Maui Electric Company, Limited, and Hawaiian Telephone Company, now Hawaiian Telcom, Inc., recorded as Book 11443 Page 479 of Official Records.

The foregoing was amended by instruments dated August 5, 1981, recorded in Book 16030 Page 319 and dated August 21, 1985 in Book 18998 Page 100 of Official Records.

(By instrument dated August 21, 1985, recorded in Book 18998 Page 100 of Official Records, the easements affecting a portion of the land herein described have been designated as Easements "U-3" and "U-5")

6. Easement Grant and Cancellation dated July 20, 1978 for perpetual nonexclusive easements for road access purposes over portions of the land described herein, said easements being designated as Easements "E-3-B", containing an area of 23,927 square feet, more or less, and easement "E-3-D", containing an area of 396 square feet, more or less, in favor of United States of America, recorded as Book 13033 Page 766 of Official Records.

Subordination Agreement and Consent dated May 3, 1978, recorded in Book 13034 Page 1 of Official Records, that certain easement granted by instrument recorded in Book 11443 Page 479, was subordinated to said above easements "E-3-B" and "E-3-D".

(The portions of the foregoing easements that affect the land herein described are designated as Easements E-3-B-3, E-3-B-4 and Easement E-3-D, as shown on the Kapalua Development (Large-Lot) Subdivision Map, dated September 2, 1999, and as shown on the ALTA/ACSM Land Title Survey dated April 10, 11, 13, 14 and May 12 and 15, 2006, last revised July 13, 2006, both maps prepared by Reed M. Ariyoshi, Licensed Professional Land Surveyor, Certificate No. 6597.)

7. The terms and provisions contained in the Private Water System Agreement dated November 20, 1987 made by and between Maui Land & Pineapple Company, Inc., a Hawaii corporation ("Owner"), The KBH Company, a California limited partnership, "Developer", and the County of Maui and its Department of Water Supply, "County" recorded as Book 21596 Page 691 of Official Records.
8. Footpath over the northeasterly corner of the subject parcel which is used by the general public to get to and from the public beach, as noted on the survey map prepared by Bruce R. Lee, Registered Professional Land Surveyor, with Newcomber - Lee Land Surveyors, Inc., dated May 6, 2004, revised June 22, 2004.

9. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515-6 of the Hawaii Revised Statutes, as contained in the Warranty Deed with Reservations and Covenants recorded August 31, 2004 as Regular System Document No. 2004-178884 of Official Records (excluding the reservation of an "exclusive easement in gross to use, maintain, repair, renovate and replace the existing structures within the shoreline setback on the Property commonly referred to as the "Cliff House", together with a right of vehicular and pedestrian access to and from the "Cliff House" in locations acceptable to Grantee, terminated by that certain Termination of Warranty Deed Reservations recorded May 2, 2006 as Regular System Document No. 2006-082347 of Official Records).
10. A Grant of Easement for Access Purposes for a perpetual non-exclusive easement for pedestrian and vehicular access to and from Honoapiilani Highway to the "Spa Parcel" (TMK (2) 4-2-004-027) over Easement A-4, in favor of Maui Land & Pineapple Company, Inc., a Hawaii corporation, recorded May 2, 2006 as Regular System Document No. 2006-082345 of Official Records.
11. A Grant of Easement for Pedestrian Access Purposes for a perpetual non-exclusive easement for pedestrian access to and from the "Spa Parcel" (TMK (2) 4-2-004-027) and the shoreline over Easement A-5, in favor of Maui Land & Pineapple Company, Inc., a Hawaii corporation, recorded May 2, 2006 as Regular System Document No. 2006-082346 of Official Records.

AS TO ITEM ONE, PARCEL SECOND (PARKING PARCEL) ONLY:

12. Title to all mineral and metallic mines reserved to the State of Hawaii.
13. Easements as disclosed by Declaration of Horizontal Property Regime Bay Villas dated January 14, 1977 for ingress and egress purposes over and across Easement "E-4", containing an area of 9,951 square feet, more or less, and Easement "E-5", containing an area of 8 square feet, more or less, in favor of Lot A-6 (Bay Villas Condominium Project), recorded as Book 11975 Page 242 of Official Records.

(The portion of the foregoing easements that affect the land herein described are designated as Easements E-4-B, as shown on the Kapalua Development (Large-Lot) Subdivision Map, and as shown on the ALTA/ACSM Land Title Survey dated April 10, 11, 13, 14 and May 12 and 15, 2006, last revised July 13, 2006, both maps prepared by Reed M. Ariyoshi, Licensed Professional Land Surveyor, Certificate No. 6597.)

14. Restriction of vehicular access into and from Lower Honoapiilani Road, as shown on the Kapalua Development (Large-Lot) Subdivision Map, dated September 2, 1999, prepared by Reed M. Ariyoshi, Licensed Professional Land Surveyor, Certificate No. 6597.
15. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515-6 of the Hawaii Revised Statutes, as contained in the Warranty Deed with Reservations and Covenants recorded August 31, 2004 as Regular System Document No. 2004-178885 of Official Records.

AS TO ITEM ONE, PARCELS FIRST (HOTEL PARCEL) AND SECOND (PARKING PARCEL):

16. A Grant of Easements for Shoreline Access and Recreational Use for a perpetual non-exclusive easement for pedestrian access over Easement A-1 and Easement A-2, in favor of Kapalua Resort Association, a Hawaii nonprofit corporation, recorded May 2, 2006 as Regular System Document No. 2006-082343 of Official Records.
17. A Grant of Easements for Cliff House Access and Recreational Use for perpetual easements to use the Cliff House for Permitted Cliff House Uses, in favor of Maui Land & Pineapple Company, Inc., a Hawaii corporation, recorded May 2, 2006 as Regular System Document No. 2006-082344 of Official Records.
18. A Grant of Easements for Waste Treatment Purposes for a sewage disposal system over Easement S-1 and Easement S-2, in favor of Kapalua Waste Treatment Company, Ltd., a Hawaii corporation, recorded May 2, 2006 as Regular System Document No. 2006-082389 of Official Records.
19. A Grant of Easements for Water Utility Purposes for waterline system purposes over Easement W-1 and Easement W-2, in favor of Kapalua Water Company, Ltd., a Hawaii corporation, recorded May 2, 2006 as Regular System Document No. 2006-082390 of Official Records.
20. Kapalua Bay Condominium Map No. 4222.
21. The terms and provisions contained in or incorporated by reference in the Declaration of Condominium Property Regime of Kapalua Bay Condominium. Said Declaration was recorded May 3, 2006 as Regular System Document No. 2006-083256 of Official Records.

The foregoing Declaration was amended by instruments recorded November 15, 2006 as Regular System Document No. 2006-208339, recorded December 10, 2007 as Regular System Document No. 2007-212730, recorded May 6, 2009 as Regular System Document No. 2009-068617, recorded July 14, 2009 as Regular System Document No. 2009-107544, recorded February 19, 2010 as Regular System Document No. 2010-022936, recorded November 18, 2010 as Regular System Document No. 2010-178152 and recorded June 30, 2011 as Regular System Document No. 2011-102350 of Official Records.

22. The terms and provisions contained in or incorporated by reference in the By-Laws of Association of Apartment Owners of Kapalua Bay Condominium. Said By-Laws were recorded May 3, 2006 as Regular System Document No. 2006-083257 of Official Records.

The foregoing By Laws was amended by instrument recorded October 18, 2010 as Regular System Document No. 2010-157550 of Official Records.

23. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the The Kapalua Bay Vacation Ownership Project Declaration of Covenants, Conditions and Restrictions recorded June 19, 2006 as Regular System Document No. 2006-112198 of Official Records.

The foregoing Declaration was amended by instrument recorded December 17, 2007 as Regular System Document No. 2007-216496 of Official Records, by instrument recorded July 1, 2008 as Regular System Document No. 2008-106853 and by instrument recorded May 6, 2009 as Regular System Document No. 2009-068618 of Official Records.

24. The terms and provisions contained in the Notice of Initiation Fee recorded July 18, 2006 as Regular System Document No. 2006-131432 of Official Records.
25. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Declaration of Covenants, Conditions and Restrictions With Limitations on Use (Kapalua Bay Condominium) recorded November 15, 2006 as Regular System Document No. 2006-208340 of Official Records.
26. A Grant of Easement for utility purposes, in favor of Maui Electric Company, Limited, a Hawaii corporation, and Hawaiian Telcom, Inc., a Hawaii corporation, recorded January 24, 2008 as Regular System Document No. 2008-010937 of Official Records.

AS TO ITEM TWO (THE SHOPS AT KAPALUA PARCEL):

27. Title to all mineral and metallic mines reserved to the State of Hawaii.
28. A Grant of Easement dated May 7, 1976 for utility and incidental purposes, in favor of Maui Electric Company, Limited, and Hawaiian Telephone Company, now known as Hawaiian Telcom, Inc., recorded as Book 11443 Page 479 of Official Records.

The foregoing was amended by instruments dated August 5, 1981, recorded in Book 16030 Page 319 and dated August 21, 1985 in Book 18998 Page 100 of Official Records.

(By instrument dated August 21, 1985, recorded in Book 18998 Page 100 of Official Records, the easements affecting a portion of the land herein described have been designated as Easements "U-1", "U-2" and "U-4")

29. The terms and provisions contained in the Agreement dated January 3, 1980, made by and between the County of Maui, Department of Water Supply and Kapalua Land Company, Ltd. recorded as Book 14491 Page 112 of Official Records.
30. The following easements, as shown on the survey map prepared by Reed M. Ariyoshi, dated January 14, 1999, revised on December 14, 1999, and as shown on the ALTA/ACSM Land Title Survey dated April 10, 11, 13, 14 and May 12 and 15, 2006, last revised July 13, 2006, both maps prepared by Reed M. Ariyoshi, Licensed Professional Land Surveyor, Certificate No. 6597:
  - a. Easement "E-3-B-1"
  - b. Easement "E-3-B-2"

The foregoing easements are in favor of Lot A-6 (Bay Villas Condominium Project), as disclosed by Declaration of Horizontal Property Regime Bay Villas dated January 14, 1977 recorded in Book 11975 Page 242 of Official Records.



31. Limited restriction of vehicular access into and from Lower Honoapiilani Road, as shown on the Kapalua Development (Large-Lot) Subdivision Map, dated September 2, 1999, prepared by Reed M. Ariyoshi, Licensed Professional Land Surveyor, Certificate No. 6597.
32. An unrecorded lease dated August 31, 2004, executed by Maui Land & Pineapple Company, Inc., a Hawaii corporation, as Lessor, and Kapalua Bay, LLC, a Delaware limited liability company, as Lessee, for a term set forth therein, as disclosed by a Short Form of Ground Lease (The Shops at Kapalua), recorded August 31, 2004 as Regular System Document No. 2004-178886 of Official Records, as amended by that certain Ground Lessor Consent, Estoppel Certificate and Amendment dated July 14, 2006, recorded July 14, 2006, as Regular System Document No. 2006-129744 of Official Records.

The interest of Lehman Brother's Holdings Inc., a Delaware corporation, individually and in its capacity as the Agent for itself and & the other Current Co-Lenders, in and to the foregoing Ground Lessor Consent, Estoppel Certificate and Amendment, has been assigned to Central Pacific Bank, a Hawaii corporation, in its capacity as the successor Agent for itself and the other Current Co-Lenders, by Notice of Change of Agent and Assignment of Ground Lessor Consent, Estoppel Certificate and Amendment recorded February 11, 2009 as Regular System Document No. 2009-019984 of Official Records.

The interest of Central Pacific Bank, a Hawaii bank, individually and in its capacity as the Agent for itself and the other Current Co-Lenders, in and to the foregoing Ground Lessor Consent, Estoppel Certificate and Amendment, has been assigned to Lehman Brothers Holdings Inc., a Delaware corporation, as debtor and debtor in possession in its capacity as the successor Agent for itself and the other Current Co-Lenders, by Notice of Change of Agent and Assignment of Assignment of Leases and Rents recorded March 29, 2010 as Regular System Document No. 2010-040793 of Official Records.

The interest of Lehman Brothers Holdings Inc., a Delaware corporation, individually and in its capacity as the Agent for itself and the other Current Co-Lenders, in and to the foregoing Ground Lessor Consent, Estoppel Certificate and Amendment, has been assigned to Landesbank Baden-Wuerttemberg, New York Branch, as debtor and debtor in possession in its capacity as the successor Agent for itself and the other Current Co-Lenders, by Notice of Change of Agent and Assignment Ground Lessor Consent, Estoppel Certificate and Amendment recorded June 12, 2012 as Regular System Document No. A-45460704A thru A-45460704B of Official Records.

AS TO ITEM ONE, PARCEL FIRST AND SECOND AND ITEM TWO:

33. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515-6 of the Hawaii Revised Statutes, as contained in the Declaration of Covenants and Restrictions dated December 29, 1976, recorded as Book 11922 Page 26 of Official Records.

The foregoing was amended and/or supplemented by instruments recorded in Book 19005 Page 629, Book 12291 Page 406, Book 13502 Page 442 and Book 13796 Page 741.

Said Declaration was amended and restated by instrument recorded in Book 21185 Page

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The foregoing amended and restated Declaration was amended and or supplemented by instruments recorded in Book 24012 Page 17, Regular System Document No. 90-049427, Regular System Document No. 90-164621, Regular System Document No. 91-067724, Regular System Document No. 99-160407 and Regular System Document No. 2007-109432 of Official Records.

34. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515-6 of the Hawaii Revised Statutes, as contained in the Declaration of Covenants, Conditions and Restrictions with Authorization of Time Share and Transient Vacation Rentals recorded August 31, 2004 as Regular System Document No. 2004-178883 of Official Records.
35. The matters shown on the ALTA/ACSM Land Title Survey dated April 10, 11, 13, 14 and May 12 and 15, 2006, last revised July 13, 2006, prepared by Reed M. Ariyoshi, Licensed Professional Land Surveyor, Certificate No. 6597, to wit:
  - a. Restriction of vehicular access, except where permitted, along Lower Honoapiilani Road.
  - b. Existing chainlink fence (ownership unknown) encroaches into TMK (2) 4-2-004-028 along the northerly boundary.
  - c. Existing CRM wall encroaches into TMK (2) 4-2-004-028 along the easterly boundary.
  - d. Existing guardrail and a concrete sidewalk that encroaches into TMK (4) 4-2-004-027 along the easterly boundary and a CRM wall that encroaches into the adjoining roadway.
36. A Grant of Easements for Water Utility Purposes, in favor of Kapalua Water Company, Ltd., a Hawaii corporation, recorded October 7, 2009 as Regular System Document No. 2009-154008 of Official Records.
37. The terms and provisions contained in the Grant of Easements for Access Purposes made by and between Maui Land & Pineapple Company, Inc., a Hawaii corporation, "Grantor" and Association of Apartment Owners of Kapalua Bay Condominium, a Hawaii nonprofit corporation, and Kapalua Bay Vacation Owners Association, a Hawaii nonprofit corporation, "Grantee" recorded October 7, 2009 as Regular System Document No. 2009-154009 of Official Records.
38. The terms and provisions contained in the Grant of Easements for Utility Purposes made by and between Maui Land & Pineapple Company, Inc., a Hawaii corporation, "Grantor" and Association of Apartment Owners of Kapalua Bay Condominium, a Hawaii nonprofit corporation, and Kapalua Bay Vacation Owners Association, a Hawaii nonprofit corporation, "Grantee" recorded October 7, 2009 as Regular System Document No. 2009-154010 of Official Records.
39. A Grant of Easement for Drainage Purposes, in favor of Kapalua Waste Treatment Company. Ltd., a Hawaii corporation, recorded October 7, 2009 as Regular System Document No. 2009-154011 of Official Records.

40. Rights of tenants, as tenants only, under unrecorded leases and/or rental agreements.
41. AS TO BEACH CLUB CA, GENERAL STORE CA, MODEL UNIT CA, RESALE SPACE CA, SALES GALLERY CA AND ITEM THREE ONLY:

Any and all leases, subleases and/or tenancy agreements, the rights thereunder and encumbrances thereto.

Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.

## PART TWO

42. A mortgage to secure an original principal indebtedness of \$370,000,000.00, and any other amounts or obligations secured thereby.  
Dated: July 14, 2006  
Mortgagor: Kapalua Bay, LLC, a Delaware limited liability company  
Mortgagee: Lehman Brothers Holdings Inc., a Delaware corporation  
Recorded July 14, 2006 as Regular System Document No. 2006-129745 of Official Records.

The foregoing Mortgage was amended by First Omnibus Amendment To Recorded Construction Loan Documents recorded February 7, 2007 as Regular System Document No. 2007-023743 of Official Records.

The interest of Lehman Brother's Holdings Inc., a Delaware corporation, individually and in its capacity as the Agent for itself and the other Current Co-Lenders, in and to the foregoing Mortgage, has been assigned to Central Pacific Bank, a Hawaii corporation, in its capacity as the successor Agent for itself and the other Current Co-Lenders, by Notice of Change of Agent and Assignment of Fee and Leasehold Mortgage, Security Agreement and Fixture Filing recorded February 11, 2009 as Regular System Document No. 2009-019982 of Official Records.

The foregoing Mortgage was further amended by Second Omnibus Amendment To Recorded Construction Loan Documents recorded February 11, 2009 as Regular System Document No. 2009-019987 of Official Records.

The foregoing Mortgage was further amended by Third Omnibus Amendment To Recorded Construction Loan Documents recorded February 19, 2010 as Regular System Document No. 2010-022937 of Official Records.

The interest of Central Pacific Bank, a Hawaii corporation, individually and in its capacity as the Agent for itself and the other Current Co-Lenders, in and to the foregoing Mortgage, has been assigned to Lehman Brother's Holdings Inc., a Delaware corporation, in its capacity as the successor Agent for itself and the other Current Co-Lenders, by Notice of Change of Agent and Assignment of Fee and Leasehold Mortgage, Security Agreement and Fixture Filing recorded March 29, 2010 as Regular System Document No. 2010-040791 of Official Records.

The interest of Lehman Brothers Holdings Inc., a Delaware corporation, individually and in its capacity as the Agent for itself and the other Current Co-Lenders, in and to the foregoing Mortgage, has been assigned to Landesbank Baden-Wurtemberg, New York Branch, as debtor and debtor in possession in its capacity as the successor Agent for itself and the other Current Co-Lenders, by Notice of Change of Agent and Assignment of Fee and Leasehold Mortgage, Security Agreement and Fixture Filing recorded June 12, 2012 as Regular System Document No. A-45460706A thru A-45460706B of Official Records.

43. The Assignment of Leases and Rents in favor of Lehman Brothers Holdings Inc., a Delaware corporation, as additional security for the payment of the indebtedness in the amount of

\$370,000,000.00, which was recorded July 14, 2006 as Regular System Document No. 2006-129746 of Official Records.

The foregoing Assignment of Leases and Rents was amended by First Omnibus Amendment To Recorded Construction Loan Documents recorded February 7, 2007 as Regular System Document No. 2007-023743 of Official Records.

The interest of Lehman Brother's Holdings Inc., a Delaware corporation, individually and in its capacity as the Agent for itself and the other Current Co-Lenders, in and to the foregoing Assignment of Leases and Rents, has been assigned to Central Pacific Bank, a Hawaii corporation, in its capacity as the successor Agent for itself and the other Current Co-Lenders, by Notice of Change of Agent and Assignment of Assignment of Leases and Rents recorded February 11, 2009 as Regular System Document No. 2009-019983 of Official Records.

The foregoing Assignment of Leases and Rents was further amended by Second Omnibus Amendment To Recorded Construction Loan Documents recorded February 11, 2009 as Regular System Document No. 2009-019987 of Official Records.

The foregoing Assignment of Leases and Rents was further amended by Third Omnibus Amendment To Recorded Construction Loan Documents recorded February 19, 2010 as Regular System Document No. 2010-022937 of Official Records.

The interest of Central Pacific Bank, a Hawaii corporation, individually and in its capacity as the Agent for itself and the other Current Co-Lenders, in and to the foregoing Assignment of Leases and Rents, has been assigned to Lehman Brother's Holdings Inc., a Delaware corporation, in its capacity as the successor Agent for itself and the other Current Co-Lenders, by Notice of Change of Agent and Assignment of Assignment of Leases and Rents recorded March 29, 2010 as Regular System Document No. 2010-040792 of Official Records.

The interest of Lehman Brothers Holdings Inc., a Delaware corporation, individually and in its capacity as the Agent for itself and the other Current Co-Lenders, in and to the foregoing Assignment of Leases and Rents, has been assigned to Landesbank Baden-Wurttemberg, New York Branch, as debtor and debtor in possession in its capacity as the successor Agent for itself and the other Current Co-Lenders, by Notice of Change of Agent and Assignment of Assignment of Leases and Rents recorded June 12, 2012 as Regular System Document No. A-45460705A thru A-45460705B of Official Records.

44. A financing statement

Debtor: Kapalua Bay, LLC

Secured Party: Lehman Brothers Holdings Inc.

Recorded July 14, 2006 as Regular System Document No. 2006-129747 of Official Records.

According to the public records, the security interest of the secured party was assigned to Central Pacific Bank, as Agent by document recorded February 11, 2009 as Regular System Document No. 2009-019985 of Official Records.

According to the public records, the security interest of the secured party was assigned to Lehman Brothers Holdings Inc., as Agent by document recorded March 16, 2010 as Regular System Document No. 2010-035471 of Official Records.

A continuation statement was recorded January 26, 2011 as Regular System Document No. 2011-015925 of Official Records.

According to the public records, the security interest of the secured party was assigned to Landesbank Baden-Wurttemberg, New York Branch, as Agent by document recorded June 5, 2012 as Regular System Document No. A-45390842 of Official Records.

45. A financing statement  
Debtor: Kapalua Bay, LLC  
Secured Party: Lehman Brothers Holdings Inc.  
Recorded July 14, 2006 as Regular System Document No. 2006-129748 of Official Records.

According to the public records, the security interest of the secured party was assigned to Central Pacific Bank, as Agent by document recorded February 11, 2009 as Regular System Document No. 2009-019986 of Official Records.

According to the public records, the security interest of the secured party was assigned to Lehman Brothers Holdings Inc., as Agent by document recorded March 16, 2010 as Regular System Document No. 2010-035472 of Official Records.

A continuation statement was recorded January 26, 2011 as Regular System Document No. 2011-015926 of Official Records.

According to the public records, the security interest of the secured party was assigned to Landesbank Baden-Wurttemberg, New York Branch, as Agent by document recorded June 5, 2012 as Regular System Document No. A-45390843 of Official Records.

46. Notice of Pendency of Action filed in the First Circuit Court, State of Hawaii, with Civil No. 12-1-1649-06, on a suit to foreclose that certain Mortgage recorded July 14, 2006 as Regular System Document No. 2006-129745 of Official Records. A certified copy of said Notice was recorded June 13, 2012 as Regular System Document No. A-45470860 of Official Records.
47. Any lien or claim of lien for unpaid assessments in favor of the Association of Apartment Owners of Kapalua Bay Condominium.

Note: Attention is called to the provisions and requirements of Act 48 of the 2011 Hawaii legislative session signed May 5, 2011, including but not limited to the moratorium on all new non-judicial foreclosures under Part I of HRS 667 beginning on the effective date of said Act and ending on July 1, 2012. A careful review of the provisions of said Act 48 is strongly recommended, as this Guarantee does not provide any assurances related to compliance with said Act.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

### SCHEDULE C

#### ADDRESSES

Paragraph Number:	Recording Information:	Mailing Address:
42	Regular System Document No. 2006-129745	Lehman Brothers Holdings Inc., a Delaware corporation 399 Park Avenue, New York, NY 10022
Assignment of Mortgage	Regular System Document No. 2009-019982	Central Pacific Bank 220 South King Street, Suite 2000 Honolulu, HI 96813  Central Pacific Bank P.O. Box 3590 Honolulu, HI 96811-3590
	Regular System Document No. 2009-019987	TriMont Real Estate Advisors, Inc. Attn: Nancy A. Wilson Monarch Tower 3424 Peachtree Road NE, Suite 2200 Atlanta, GA 30326
Assignment of Mortgage	Regular System Document No. 2010-040791	Lehman Brothers Holdings Inc. 1271 Avenue of the Americas, 46th Floor New York, NY 10020
Assignment of Mortgage	Regular System Document No. A-45460706	Landesbank Baden-Wurttemberg 280 Park Avenue, 31st Floor West New York, NY 10017
43	Regular System Document No. 2006-129746	Lehman Brothers Holdings Inc. 399 Park Avenue New York, NY 10022
Assignment of Assignment of Leases and Rents	Regular System Document No. 2009-019983	Central Pacific Bank 220 South King Street, Suite 2000 Honolulu, HI 96813  Central Pacific Bank P.O. Box 3590 Honolulu, HI 96811-3590

	Regular System Document No. 2009-019987	TriMont Real Estate Advisors, Inc. Attn: Nancy A. Wilson Monarch Tower 3424 Peachtree Road NE, Suite 2200 Atlanta, GA 30326
Assignment of Assignment of Leases and Rents	Regular System Document No. 2010-040792	Lehman Brothers Holdings Inc. 1271 Avenue of the Americas, 46th Floor New York, NY 10020
Assignment of Assignment of Leases and Rents	Regular System Document No. A-45460705	Landesbank Baden-Wurttemberg 280 Park Avenue, 31st Floor West New York, NY 10017
44	Regular System Document No. 2006-129747	Lehman Brothers Holdings Inc. 399 Park Avenue New York, NY 10022
Assignment of Financing Statement	Regular System Document No. 2009-019985	Central Pacific Bank 220 South King Street, Suite 2000 Honolulu, HI 96813
Assignment of Financing Statement	Regular System Document No. 2010-035471	Lehman Brother's Holdings Inc. 1271 Avenue of the Americas, 46th Floor New York, NY 10020
Assignment of Financing Statement	Regular System Document No. A-45390842	Landesbank Baden-Wurttemberg 280 Park Avenue, 31st Floor West New York, NY 10017
45	Regular System Document No. 2006-129748	Lehman Brothers Holdings Inc. 399 Park Avenue New York, NY 10022
Assignment of Financing Statement	Regular System Document No. 2009-019986	Central Pacific Bank 220 South King Street, Suite 2000 Honolulu, HI 96813
Assignment of Financing Statement	Regular System Document No. 2010-035472	Lehman Brother's Holdings Inc. 1271 Avenue of the Americas, 46th Floor New York, NY 10020



Assignment of Financing  
Statement

Regular System Document No.  
A-45390843

Landesbank Baden-Wurttemberg  
280 Park Avenue, 31st Floor West  
New York, NY 10017

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Regular System Document No.  
A-45470860

Landesbank Baden-Wurttemberg  
c/o Watanabe Ing LLP  
c/o Jonathan W.Y. Lai  
Michael C. Bird  
Ashley R. Masuoka  
First Hawaiian Center  
999 Bishop Street, 23rd Floor  
Honolulu, HI 96813

Director of Taxation  
Department of Taxation, State of  
Hawaii  
830 Punchbowl Street  
Honolulu, HI 96813

Director of Finance  
County of Maui  
Real Property Tax Division  
70 E. Kaahumanu Avenue, Suite  
A16  
Kahului, HI 96732

Association of Apartment Owners  
of Kapalua Bay Condominium  
c/o Ritz-Carlton Development  
Company, Inc.  
Caroline Belsom  
1 Bay Drive  
Lahaina, HI 96761

Kapalua Bay Vacation Owners  
Association  
c/o Ritz-Carlton Development  
Company, Inc.  
Caroline Belsom  
1 Bay Drive  
Lahaina, HI 96761

Kapalua Resort Association  
900 Kapalua Drive  
Lahaina, HI 96761

Kapalua Bay, LLC  
1 Bay Drive  
Lahaina, HI 96761

Kapalua Bay, LLC  
129 Bay Drive  
Lahaina, HI 96761

Kapalua Bay, LLC  
1001 Kamokila Boulevard, Suite  
202  
Kapolei, HI 96707

Kapalua Bay, LLC  
P.O. Box 187  
Kahului, HI 96733

Kapalua Bay, LLC  
120 Kane Street  
Kahului, HI 96732

Kapalua Bay, LLC  
161 S. Wakea Avenue  
Kahului, HI 96732

Mortgage Foreclosure Dispute  
Resolution Program  
Address: Unknown at the time of  
this report  
Affects non-judicial foreclosures of  
owner occupied properties as  
defined in Act 48 of the 2011  
Hawaii legislative session

### SCHEDULE OF EXCLUSIONS FROM COVERAGE OF THIS GUARANTEE

1. Except to the extent that specific assurance are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
  - (a) Defects, liens, encumbrances, adverse claims or other matters against the title, whether or not shown by the public records.
  - (b) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the public records.
  - (c) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the public records.
2. Notwithstanding any specific assurances which are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
  - (a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the land expressly described in the description set forth in Schedule (A), (C) or in Part 2 of this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways to which such land abuts, or the right to maintain therein vaults, tunnels, ramps, or any structure or improvements; or any rights or easements therein, unless such property, rights or easements are expressly and specifically set forth in said description.
  - (b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the public records; (1) which are created, suffered, assumed or agreed to by one or more of the Assureds; (2) which result in no loss to the Assured; or (3) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of the assurances provided.
  - (c) The identity of any party shown or referred to in Schedule A.
  - (d) The validity, legal effect or priority of any matter shown or referred to in this Guarantee.

### GUARANTEE CONDITIONS AND STIPULATIONS

#### 1. Definition of Terms.

The following terms when used in the Guarantee mean:

- (a) the "Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.
- (b) "land": the land described or referred to in Schedule (A) (C) or in Part 2, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A) (C) or in Part 2, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "public records" : records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "date": the effective date.

#### 2. Notice of Claim to be Given by Assured Claimant.

An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the manner or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

#### 3. No Duty to Defend or Prosecute.

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

#### 4. Company's Option to Defend or Prosecute Actions; Duty of Assured Claimant to Cooperate.

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (b) If the Company elects to exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.
- (d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, an Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, an Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

#### 5. Proof of Loss Damage.

In addition to and after the notices required under Section 2 of these Conditions and Stipulations have been provided to the Company, a proof of loss or damage signed and sworn to by the Assured shall be furnished to the Company within ninety (90) days after the Assured shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matters covered by this Guarantee which constitute the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Assured to provide the required proof of loss or damage, the Company's obligation to such Assured under the Guarantee shall terminate. In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss damage. All information designated as confidential by the Assured provided to the Company, pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

**6. Options to Pay or Otherwise Settle Claims: Termination of Liability.**

In case of a claim under this Guarantee, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Liability or to Purchase the Indebtedness.

The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage or a lienholder, the Company shall have the option to purchase the indebtedness secured by said mortgage or said lien for the amount owing thereon, together with any costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

Such purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness, together with any collateral security, to the Company upon payment of the purchase price. Upon the exercise by the Company of the option provided for in Paragraph (a) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4, and the Guarantee shall be surrendered to the Company for cancellation.

(b) To Pay Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant.

To pay or otherwise settle with other parties for or in the name of an Assured claimant any claim Assured against under this Guarantee, together with any costs, attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of the option provided for in Paragraph (b) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4.

**7. Determination and Extent of Liability.**

This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to the Exclusions From Coverage of This Guarantee.

The Liability of the Company under this Guarantee to the Assured shall not exceed the least of:

(a) the amount of liability stated in Schedule A or in Part 2;

(b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 6 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage Assured against by this Guarantee occurs, together with interest thereon; or

(c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to any defect, lien or encumbrance Assured against by this Guarantee.

**8. Limitation of Liability.**

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter Assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.

(c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

**9. Reduction of Liability or Termination of Liability.**

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 4 shall reduce the amount of liability pro tanto.

**10. Payment of Loss.**

(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

**11. Subrogation Upon Payment or Settlement.**

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

**12. Arbitration.**

Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the Amount of Liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

**13. Liability Limited to This Guarantee; Guarantee Entire Contract.**

(a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.

(c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, and Assistant Secretary, or validating officer or authorized signatory of the Company.

**14. Notices, Where Sent.**

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at 2 First American Way, Bldg 2, Santa Ana, California, 92707.