CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: Makena Properties, LLC
Address: P.O. Box 1449, Kihei, Hawaii 96753

Project Name(*): Polo Beachfront Condominium
Address: 4406 Makena Road, Makena, Kihei, Hawaii 96753

Registration No. 4300

Effective date: April 17, 2000
Expiration date: May 17, 2001

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

____ PRELIMINARY: (yellow) — The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

_X_ FINAL: (white) — The developer has legally created a condominium and has filed complete information with the Commission.
[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

____ SUPPLEMENTARY: (pink) — This report updates information contained in the:
[ ] Preliminary Pubic Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197/1098

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request

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Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] Not Required-Disclosures covered in this report.

Summary of Changes from Earlier Pubic Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

This Public Report does not constitute an approval of the Project by the Real Estate Commission or any other government agency, nor does it ensure that all County codes, ordinances and subdivision have necessarily been complied with.

1. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.

2. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

3. The land may be subject to rollback real property taxes. The failure of an owner to observe restrictions on the use of the land may cancel the County dedication and special real property tax assessment. Please refer to the Director of Finance, County of Maui, for further information.

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

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EXHIBIT A: Description of Apartments, Common Elements & Limited Common Elements
EXHIBIT B: Encumbrances Against Title
EXHIBIT C: Estimate of Initial Maintenance Fees
EXHIBIT D: Summary of Sales Contract
EXHIBIT E: Summary of Escrow Agreement

General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Makena Properties, LLC
Name*
P.O. Box 1449
Business Address
Kihei, Hawaii 96753

Phone: (808) 879-2907
(Business)

Name of officers or general partners of developers who are corporations or partnerships:
John M. Kean, Manager/Member

Real Estate Broker*: John M. Kean dba Kean Realty
Name
P.O. Box 1449
Business Address
Kihei, Hawaii 96753

Phone: (808) 879-2907
(Business)

Escrow: Old Republic Title & Escrow of Hawaii
Name
1325 S. Kihei Road
Business Address
Kihei, Hawaii 96753

Phone: (808) 875-6950
(Business)

General Contractor*: Mark D. Harvey
Name
P.O. Box 1595
Business Address
Kihei, Hawaii 96753

Phone: (808) 276-5558
(Business)

Condominium Managing Agent*: Self-managed by Association of Apartment Owners
Name

Business Address

Phone:
(Business)

Attorney for Developer: Thomas D. Welch, Jr.
Mancini, Rowland & Welch
Name
33 Lono Avenue, Suite 470
Business Address
Kahului, Hawaii 96732

Phone: (808) 871-8351
(Business)

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

10/98

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interest, and other information relating to the condominium project.

The Declaration for this condominium is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 99-127776
Book _____ Page _____
[ ] Filed - Land Court Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances Condo Map No. 2934
[ ] Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

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

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 99-127777
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [X] Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	75%
House Rules	___	n/a

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

[ ] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House rules.

[X] Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved, and has delegated to each apartment owner, the right to amend the Declaration and Condominium Map to alter, expand and relocate the boundaries of each apartment.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

For Sub-leaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the buildings(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month
[ ] Year

[X] Other: Note: The County has not approved the subdivision of the units and their limited common elements into individual subdivided lots. They are being sold as condominiums only.

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are the subject to renegotiation. Renegotiation may be based on a formula by arbitration set in the lease agreement by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 4406 Makena Road Tax Map Key (TMK): (2) 2-1-11:3
Makena, Kihei, Hawaii 96753
[ ] Address [ ] TMK is expected to change because N/A

Land Area: 23,578** [X] square feet [ ] acre(s) Zoning: H-M (Hotel)

* Under Hotel (H-M) zoning, residential use is permitted and single-family homes are permitted on this property.

** Lot area has been reduced to less than this stated area due to shoreline erosion.

Fee Owner: Makena Properties, LLC
Name
P.O. Box 1449
Address
Kihei, Hawaii 96753

Lessor: N/A
Name

Address

C. Buildings and Other Improvements:

1. [X] New Building(s) [ ] Conversion of Existing Building(s)
[ ] Both New Building(s) and Conversion

2. Number of Buildings: 2 Floors Per Building 1

[X] Exhibit A contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [X] Wood
[ ] Other

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
[X] Residential	0	[X] Yes [ ] No	[ ] Ohana	0	[ ] Yes [X] No
[ ] Commercial	0	[ ] Yes [X] No	[ ] Industrial	0	[ ] Yes [X] No
[ ] Mix Res/Comm	0	[ ] Yes [X] No	[ ] Agricultural	0	[ ] Yes [X] No
[X] Hotel	0	[X] Yes [ ] No	[ ] Recreational	0	[ ] Yes [X] No
[ ] Timeshare	0	[ ] Yes [X] No	[X] Other: Storage Shed	2	[X] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[ ] Yes [X] No Residential and storage uses are permitted, but hotel use is not permitted

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[ ] Pets: _____

[ ] Number of Occupants: _____

[X] Other: No commercial uses (except residential rentals)

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Apartment A and B	2	0	0	80	storage shed

Total Number of Apartments: 2

*Net Living Area is the floor area at the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment: Exterior surfaces of walls and roof.

Permitted Alterations to Apartments:

Each apartment may be expanded, relocated and altered in owner's discretion. The owner may unilaterally amend the Declaration to redefine the apartment to conform the apartment boundaries as altered, expanded or relocated.

7. Parking Stalls:

Total Parking Stalls: 2*

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each unit)							
Guest							
Unassigned		2*					2
Extra for Purchase							
Other:							
Total Covered & Open:	2*		0		0		2

Each apartment will have the exclusive use of at least 1* parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

* Each apartment will have the right to park in the limited common element appurtenant to said apartment.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosure(s)

[X] Other: Common element driveway

9. Compliance With Building Code and Municipal Regulations: Cost to Cure Violations

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below: [ ] Violations will be cured by _____.
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations.
(For conversions of residential apartments in existence for at least five years):

Not applicable.

11. Conformance to Present Zoning Code.

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	all		
Structures	all		
Lot	all		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[X] described in Exhibit A.

[ ] as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[ ] There are no limited common elements in this project.

[X] The limited common elements and the apartments which use them, as described in the Declaration, are:

[X] described in Exhibit A*.

[ ] as follows:

*Land areas referenced herein are not legally subdivided lots.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

[ ] described in Exhibit _____.

[X] as follows: Each apartment will have a 1/2 common interest.
Each apartment will pay 1/2 of all common expenses.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit B describes the encumbrances against the title contained in the title report dated

October 15, 1999 and issued by Old Republic Title and Escrow of Hawaii

Blanket Liens:

A blanket lien is an encumbrance (such as mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Existing First Mortgage to GE Capital Hawaii, Inc. dated September 27, 1999, recorded as Document No. 99-157300 in the face amount of $850,000.00.	Buyer may lose his or her apartment but Buyer will be entitled to a refund of Buyer's deposit as required by the sales contract, less any escrow cancellation fees.

F. Construction Warranties:

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

1. Building and Other Improvements:

   There are no warranties.

2. Appliances:

   There are no warranties.

G. Status of Construction and Date of Completion or Estimated Date of Completion:

Building permits issued. Completion of each storage shed apartment A and B estimated to be December 31, 1999.

H. Project Phases:

The developer [ ] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

(But see item C.6 above concerning each apartment owner's right to alter, expand or relocate each apartment.)

IV. CONDOMINIUM MANAGEMENT

A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

[ ] not affiliated with the Developer [ ] the Developer or the Developer's affiliate.
[X] self-managed by the Association of Apartment Owners [ ] Other: _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit __C__ contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[X] None [ ] Electricity (___Common Elements only _____ Common Elements and Apartments)
[ ] Gas (____Common Elements only _____ Common Elements & Apartments)
[ ] Water [ ] Sewer [ ] Television Cable
[ ] Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit D contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated June 21, 1999
Exhibit E contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:
   1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; AND
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
B) The buyer is given an opportunity to read the report(s): AND
C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel ; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

   A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
   B) Declaration of Condominium Property Regime, as amended.
   C) Bylaws of the Association of Apartment Owners, as amended.
   D) House Rules, if any.
   E) Condominium Map, as amended.
   F) Escrow Agreement.
   G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
   H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu, Hawaii 96809, at a nominal cost.

This Public Report is a part of Registration No. 4300____ filed with the Real Estate Commission on November 15, 1999.

Reproduction of Report. When reproduced, this report must be on:

[ ] YELLOW paper stock [X] WHITE paper stock [ ] PINK paper stock

C. Additional Information Not Covered Above

1. SMA Approval Requirements. The entire condominium land is located within the Special Management Area (SMA). Under State and County law, any improvements to the property other than the construction of the two storage sheds and single-family residences (and improvements appurtenant to a single-family residence) will require review and approval by governmental agencies, including the County of Maui Planning Commission, under applicable rules and regulations.

2. Setbacks. The property is subject to shoreline setback requirements under the Maui County Code. As of the date of this report, certain changes are being considered by the County. As they presently exist, the rules require all structures of every kind to be set back at least 25% of the average lot depth from the shoreline as certified by the State Department of Land and Natural Resources.

3. Other Oceanfront Matters. The location of the shoreline boundary as shown on the condominium map may not reflect the current shoreline. The location of the shoreline boundary of the property may be subject to change because of the action of the waves and erosion in taking away land along the shoreline, and the shoreline boundary is subject to redetermination according to laws of the State of Hawaii. The square footage of the condominium land may decrease accordingly.

   Also, the property is subject to the flood control requirements of the provisions of the Flood Zone ordinance and Shoreline Management Act. Each Buyer is advised to contact the appropriate government agencies to determine specific requirements for this property. Flood insurance may be required as a condition of any mortgage or sale of an Apartment.

4. Bunker. No determination has been made regarding the encroachment or encumbrance identified as the "bunker" on the condominium map. Each prospective Buyer is responsible for investigating this issue.

5. Broker Disclosure. Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/manager, John M. Kean, RB 10482, is a current and active Hawaii-licensed real estate broker. Further that John M. Kean is the sole proprietor for John M. Kean dba Kean Realty, the project broker. Pursuant to Section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Makena Properties, LLC
Printed Name of Developer

By: _____ 6-21-99
John M. Kean, Its Member — Date

John M. Kean, Its Member
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui
Planning Department, County of Maui

* *Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.*

EXHIBIT "A"

POLO BEACHFRONT CONDOMINIUM

DESCRIPTION OF BUILDINGS:

The condominium initially consists of two storage shed units. Each unit constitutes an apartment, and is located on that portion of the land defined on the Condominium File Plan as a limited common element appurtenant to and for the exclusive use of said apartment. Each building is constructed primarily of wood, glass and related materials. Upon expansion, relocation, construction or reconstruction of any apartment by any owner(s) thereof as provided in the Declaration, the modified or new building containing any apartment may be constructed of any other building material meeting applicable building codes, including but not limited to concrete, masonry, plaster, wood, glass or related materials.

DESCRIPTION OF APARTMENTS:

The condominium shall consist of two (2) apartments designated Apartment "A" and Apartment "B", with Apartment "A" the northwestern and Apartment "B" the southeastern. Each apartment is shown on the Condominium File Plan and consists of a one story storage shed with a total floor area of 80 square feet.

Each apartment is unfurnished and has direct access to the limited common element on which the apartment is located, which in turn provides access to the common element driveway which in turn provides access to a public highway.

The boundaries of each apartment shall consist of the exterior finished surface of all exterior walls, roofs, doors, windows, foundations, and appurtenant structures. The responsibility for maintenance, repair, replacement and reconstruction and insurance of each apartment is delegated to the owner(s) of said apartment, and all of the cost thereof shall be borne by the owner(s) of said apartment, at no cost to the owner(s) of any other apartment or the Association.

LOCATION, RELOCATION, AND NUMBERING OF APARTMENTS:

Each apartment is located as shown on the condominium file plan. As provided in the Declaration, at the option of the owner(s) of each apartment, said apartment may be relocated to any other location within the limited common element appurtenant to said

apartment, and the boundaries of said apartment may be changed by amendment to the Declaration; provided however, that all construction in connection therewith shall comply with all applicable zoning and building codes.

APPROXIMATE FLOOR AREA OF APARTMENTS:

Apartment	Gross Floor Area Measured from the Exterior Surface of Boundary Walls
A	80 square feet
B	80 square feet

COMMON ELEMENTS:

The common elements of the condominium consist of the land described in Exhibit "A", the common element driveway area shown on the Condominium Map as "Common Element, 5754 sq. ft.", and any common utilities serving both Apartments.

LIMITED COMMON ELEMENTS:

Each apartment has appurtenant to it and for its exclusive use the land described in the condominium file plan as appurtenant thereto, subject to certain easements for utilities and access described in the Declaration. The file plan describes these areas as "Limited Common Element A" and "Limited Common Element B", respectively. Each area is appurtenant to and for the exclusive use of the apartment which bears the same letter designation and which is physically located on said limited common element as shown on the condominium file plan. The boundaries of each limited common element are specifically shown on the condominium file plan and also include the land located underneath the apartment located thereon.

EXHIBIT "B"

Encumbrances Against Title

1. Real property taxes that may be due and owing. Reference is made to the County of Maui, Department of Finance, Real Property Tax Division.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. As to the portion of the land herein described bordering on the ocean:

The effect of Chapter 205A, Hawaii Revised Statutes, as now or hereafter amended, pertaining to shoreline setbacks.

Any adverse claim of the State of Hawaii based upon the contention that some portion of the land hereinafter described lies seaward of the line of vegetation, pursuant to the ruling of County vs. Sotomura (1973) 55 H. 176, 517 P. 2d 57.

4. AGREEMENT

Dated	:	May 22nd, 1979
Recorded	:	May 22nd, 1979 in the Bureau of Conveyances, State of Hawaii, in Book 13775, Page 524
Re	:	building permit

5. SUBDIVISION AGREEMENT

Dated	:	October 14th, 1997
Recorded	:	December 4th, 1997 in the Bureau of Conveyances, State of Hawaii, as Document NO. 97-168830

6. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons

Dated	:	March 6th, 1998
Recorded	:	March 13th, 1998 in the Bureau of Conveyances, State of Hawaii, as Document No. 98-033520

999\3\43936.1\TDW

7. MODIFICATION OF SUBDIVISION REQUIREMENTS AGREEMENT

Dated	:	March 12th, 1998
Recorded	:	July 13th, 1998 in the Bureau of Conveyances, State of Hawaii, as Document No. 98-101027
By and Between	:	KEAN-BELLO PARTNERSHIP, a Hawaii partnership, and BOARD OF WATER SUPPLY of the County of Maui
Re	:	water system which is not capable of providing adequate fire protection or water service to the property

8. Condominium Map No. 2934, filed in the Bureau of Conveyances, State of Hawaii.

9. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by laws set forth in the Declaration of Condominium Property Regime, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons dated June 21st, 1999, recorded August 9th, 1999 in the Bureau of Conveyances, State of Hawaii, as Document No. 99-127776.

10. BYLAWS OF THE POLO BEACHFRONT CONDOMINIUM ASSOCIATION OF APARTMENT OWNERS, dated June 21st, 1999, recorded August 9th, 1999 in the Bureau of Conveyances, State of Hawaii, as Document No. 99-127777.

11. Old Concrete bunker as shown on condominium map.

12. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof

Amount	:	$850,000.00
Mortgagor	:	MAKENA PROPERTIES, LLC, a Hawaii limited liability company
Mortgagee	:	GE CAPITAL HAWAII, INC., a Hawaii corporation
Dated	:	September 27th, 1999
Recorded	:	September 30, 1999 in the Bureau of Conveyances, State of Hawaii, as Document No. 99-157300
Loan No	:	24492

Returned to Address: 745 Fort Street, Honolulu, Hawaii 96813

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EXHIBIT C

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months = Yearly Total
A	$132.50 per month x 12 = $1,590.00 per year
B	$132.50 per month x 12 = $1,590.00 per year

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

Estimate of Maintenance Fee Disbursements:

	Monthly x 12 months = Yearly Total
Utilities and Services	
Air Conditioning	
Electricity	
[ ] common elements only	
[ ] common elements and apartments	
Elevator	
Gas	
[ ] common elements only	
[ ] common elements and apartments	
Refuse Collection	
Telephone	
Water and Sewer	
Maintenance, Repairs and Supplies	
Building	
Grounds	
Common element driveway	$160.00/month x 12 months = $1,920.00
Management	NONE
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	
Reserves(*)	$100.00/month x 12 months = $1,200.00
Taxes and Government Assessments	
Audit Fees	$5.00/month x 12 months = $ 60.00
Other	
TOTAL	$3,180.00

I, John M. Kean, as Member of Makena Properties, LLC, the developer for the Polo Beachfront Condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

John M. Kean

6-21-99
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

ATTACHMENT 1 TO ESTIMATE OF
MAINTENANCE FEE DISBURSEMENTS

The Developer, in arriving at the figure for "Reserves" in the attached estimate, has not conducted a reserve study in accordance with HRS §514A-83.6 and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

EXHIBIT D

SUMMARY OF SALES CONTRACT

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

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

(b) That the purchaser acknowledges having received and read a public report (either preliminary of final) for the Project prior to signing the Deposit Receipt and Sales Contract.

(c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

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

(e) Requirements relating to the purchaser's financing of the purchase of an apartment.

(f) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(g) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

(h) That the Project will be subject to ongoing sales activities which may result in certain annoyances to the purchaser.

(i) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

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

EXHIBIT E

SUMMARY OF ESCROW AGREEMENT

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

(a) Escrow will let the purchaser know when payments are due.

(b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

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

RECEIPT FOR PUBLIC REPORT(S) AND NOTICE OF RIGHT TO CANCEL

I acknowledge receipt of the Developer's _____Final_____ Public Report(s) and Disclosure
(Preliminary, Final &/or Supplementary)
Abstract, contained in the public report, in connection with my purchase of apartment(s) _____
(Apt. No.)

in the Polo Beachfront Condominium_____
(Name of Condominium Project)

I understand that I have a legal right under Hawaii law to cancel my purchase, if I desire to do so, without any penalty or obligation within thirty (30) days from the date the above Public Report(s) was delivered to me. If I cancel, I understand that I will be entitled to receive the refund of any down payment or deposit, less any escrow cancellation fees and other costs, up to $250.

If I decide to cancel, I understand that I can do so by notifying Makena Properties, LLC at P.O. Box 1449, Kihei, Hawaii 96753 by mail or telegram sent before: (1) the conveyance of my apartment(s) to me; or (2) midnight of the thirtieth day after delivery of the Public Report(s) to me, whichever is earlier. If I send or deliver my written notice some other way, it must be delivered to the above address no later than that time. I understand that I can use any written statement that is signed and dated by me and states my intention to cancel, or I may use this notice by checking the appropriate box and by signing and dating below.

I understand that if I do not act within the above thirty-day period or if the apartment is conveyed tome within the above thirty-day period, I will be considered to have executed this receipt and to have waived my right to cancel my purchase. I also understand that I can waive my right to cancel by checking the appropriate box, by signing and dating below, and by returning this notice to Makena Properties, LLC.

I HAVE RECEIVED A COPY OF:

(1) THE DEVELOPER'S _____ PUBLIC REPORT(S) ON _____; AND
(2) THE DISCLOSURE ABSTRACT CONTAINED IN THE PUBLIC REPORT.

_____ _____
Purchaser's Signature *Date*

_____ _____
Purchaser's Signature *Date*

==========

I HAVE HAD AN OPPORTUNITY TO READ THE PUBLIC REPORT(S) AND

[ ] I WAIVE MY RIGHT TO CANCEL. [ ] I HEREBY EXERCISE MY RIGHT TO CANCEL.

_____ _____
Purchaser's Signature *Date*

_____ _____
Purchaser's Signature *Date*