

CONDOMINIUM PUBLIC REPORT

Prepared & Issued By:

Developer Piece of Cake, Inc., a Hawaii corporation
Address 505 Front Street, Lahaina, Hawaii 96761

Project Name (*): Lot 15 Condominium
Address: Punakea Loop, Lahaina, Hawaii 96761

Registration No. 5626

Effective Date: April 11, 2005
Expiration Date: May 11, 2006

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required – disclosures covered in this report.

Summary of Changes from Earlier Public Report:

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.

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 lines on the Condominium Map dividing the land into limited common element land areas 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. Apartment A is an existing agricultural storage shed, and Apartment B is an existing agricultural storage shed.
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. In a condominium, all of the land included in the condominium remains a single, unsubdivided parcel of land for purposes of zoning and land use regulation. If one unit owner violates a regulation, the violation is attributable to both that owner and the innocent owner of each other unit. For example, if one owner builds or adds to a structure in a manner which violates height limits, size limit, setbacks, building permit requirements, or flood zone rules, or uses the unit for an unauthorized additional dwelling or short term rental, the violation applies to the entire condominium and the innocent unit owner may be subject to fines or may be denied a building permit as long as the violation remains uncured. BUYER SHOULD CONSULT WITH AN ATTORNEY CONCERNING THESE IMPORTANT RISKS.

4. County sewer service is not available. Also, some areas of the condominium are within one thousand feet of a well, therefore an aerobic system may be required. Buyer should consult with a septic system contractor or supplier to determine the design, feasibility and price of an aerobic or other septic system. The owner of each apartment shall be responsible for the cost of installing, maintaining, operating or replacing said apartment's system. No representations or warranties are made as to the quality, useful life, replacement cost, operating cost, or maintenance cost of any system.
5. The County of Maui Planning Department has recently adopted a strict enforcement policy requiring agriculture-zoned land to be used for only those agricultural uses permitted by HRS Section 205-4.5 and Maui County Code, Chapter 19.30A. Also, farm plans may be required. Dwellings may only be constructed and used as "farm dwellings". BUYER SHOULD CONSULT WITH AN ATTORNEY OR THE MAUI COUNTY PLANNING DEPARTMENT FOR ADDITIONAL INFORMATION.
6. Recently enacted State law prohibits all restrictions on agricultural uses and activities on agricultural zoned land. Any such restrictions are invalid if created after July, 2003. BUYER UNDERSTANDS THAT ACTIVITIES SUCH AS RAISING ANIMALS OR IRRIGATION AND FERTILIZATION OVERSPRAY ON NEARBY PROPERTIES MAY CAUSE NUISANCES AND INCONVENIENCES TO BUYER.
7. Under the current zoning ordinance, only one full size farm dwelling (which may be limited in size by the rules of the County of Maui) and one farm dwelling with a living area of 1000 square feet or less are permitted. Apartment A was designated as the apartment which is subject to the 1000 square feet limitation, and Apartment B was designated as the apartment which may be constructed as the full size farm dwelling. THE PROSPECTIVE PURCHASER IS CAUTIONED TO CONSULT WITH HIS OR HER LEGAL COUNSEL CONCERNING THE REQUIREMENTS OF A FARM DWELLING AND THE PERMITTED USES OF THE LAND AND DWELLING IN THE AGRICULTURAL ZONE.

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

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General Information On Condominiums

A condominium is a special form of 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: Piece of Cake, Inc., a Hawaii corporation Phone: (808) 667-4341
Name* (Business)
505 Front Street
Business Address
Lahaina, Hawaii 96761

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a limited liability Partnership (LLP); or a manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

Louis Coulombe, President/Treasurer/Director
Stephane Bel-Robert, Secretary/Director

Real Estate Broker*: West Maui Land Company, Inc. Phone: (808) 877-4202
Name (Business)
33 Lono Avenue, Suite #450
Business Address
Kahului, Hawaii 96732

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 871-2200
Name (Business)
80 Puunene Avenue
Business Address
Kahului, Hawaii 96732

General Contractor*: 3-D Builders and Design, Inc. Phone: (808) 871-5575
Name (Business)
353 Hanamau Street, Suite #1
Business Address
Kahului, Hawaii 96732

Condominium Managing Agent*: Self-Managed by the Association of Apartment Owners Phone: _____
Name (Business)

Business Address

Attorney for Developer: Thomas D. Welch Jr. Mancini, Welch & Geiger LLP Phone: (808) 871-8351
Name (Business)
33 Lono Avenue, # 470
Business Address
Kahului, Hawaii, 96732-1681

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

**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 interests and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2005-013265
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instrument [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 numbers, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 3923
 Filed - Land Court: Condo Map No. _____

The Condominium Map has been amended by the following instrument [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
 Recorded - Bureau of Conveyances: Document No. 2005-013266
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 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:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>N/A</u>

* 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.
- 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:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: 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 by 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 to 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 owner/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(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

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 then 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: Punakea Loop Tax Map Key (TMK): (2) 4-7-001-002 (portion)
Lahaina, Hawaii 96761

Address TMK is expected to change because The Department of Finance will assign a new parcel number to this lot as a recently subdivided lot. Also, a street number will be assigned when the first dwelling is constructed on the property.

Land Area: 15.324 [] square feet acres(s) Zoning: Agricultural*

Under the current zoning, Farm Dwelling use is permitted on this property, however, only one full size farm dwelling (which may be limited in size by the rules of the County of Maui) and one farm dwelling with a living area of 1,000 square feet or less are permitted. Apartment A was designated as the apartment which is subject to the 1000 square feet limitation, and Apartment B was designated as the apartment which may be constructed as the full size farm dwelling.

Under HRS Section 205-4.5, each dwelling must be used as accessory to agricultural activities conducted on the land.

Fee Owner: Piece of Cake, Inc., a Hawaii corporation
 Name
505 Front Street
 Address
Lahaina, Hawaii 96761

Lessor: N/A
 Name
 Address

C. Buildings and Other Improvements:

1. New Buildings
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Number of Buildings: 2 Floors Per Building: Apt. A: 1
Apt. B: 1
 Exhibit A contains further explanations.

3. Principal Construction Materials:

Concrete Hollow Tile Wood
 Other _____

4. Uses Permitted Use by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Agricultural	_____	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other:Storage Sheds	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

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: _____

Other: No commercial uses (except agricultural uses); Only one farm dwelling (which may be limited in size by the rules of the County of Maui) is permitted within Limited Common Element B and one farm dwelling of no larger than 1000 square feet of net living area is permitted within Limited Common Element A.

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)
Apt. A	<u>1</u>	<u>0</u>	<u>0</u>	<u>80</u>	<u>Ag. Storage Shed</u>
Apt. B	<u>1</u>	<u>0</u>	<u>0</u>	<u>80</u>	<u>Ag. Storage Shed</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 2

***Net Living Area is the floor area of 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 roofs

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.

Apartments Designated for Owner-Occupants Only: N/A

Fifty Percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has N/A elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 4*

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		TOTAL
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	_____	<u>2*</u>	_____	_____	_____	_____	<u>4</u>
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>4*</u>		<u>0</u>		<u>0</u>		<u>4</u>

Each apartment will have the exclusive use of at least 4* 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)

Other: (a) Non-exclusive, perpetual easements for roadway and utility purposes over Makila Plantation Roadway Lots 20, 21 and 22; (b) non-exclusive, perpetual easements for roadway and utility purposes over Kai Hele Ku Street of the Mahanaiua Nui subdivision; (c) any other easements and rights appurtenant to the Property

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

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. 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.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>All</u>	_____	_____
Structures	<u>All</u>	_____	_____
Lot	<u>Yes</u>	_____	_____

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:

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.

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

described in Exhibit A*.

as follows:

*Note: 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 _____.

as follows: Apartment A shall have a 50% undivided interest and Apartment B shall have a 50% undivided interest (referred to as the "common interests") in all common elements of the Project and a said same respective share in all common profits and common expenses of the Project and for all other purposes, including voting.

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 February 25, 2005 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage to FEDERAL LAND BANK ASSOCIATION OF HAWAII, FLCA, a federal corporation, dated May 6, 2004 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-102510	Buyer may lose his or her unit but buyer's deposit to be refunded, less any escrow cancellation fee. All mortgage liens will be paid in full out of the proceeds of the sale of the first apartment and the apartments will be released from the liens at that time.

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

The general contractor will provide a warranty, for both Apartments A and B, against structural defects for one year from October 17, 2004.

2. Appliances:

There are no warranties.

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

Notice of Completion for Apartment A was published on October 17, 2004 and again on October 24, 2004.
Notice of Completion for Apartment B was published on October 17, 2004 and again on October 24, 2004.

H. Project Phases:

The developer has 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
 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:

None Electricity (Common Elements Only Common Elements & 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
- Specimen Sales Contract
Exhibit D contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement Date December 3, 2004
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 value of the buyer's apartment or its limited common elements: or (2) the amenities available for the 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 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 (i) Lease in favor of Maui Electric Company, Limited, and Hawaiian Telephone Company, now known as Verizon Hawaii, Inc., for electrical purposes, dated October 13, 1967, recorded in the State of Hawaii, Bureau of Conveyances in Liber 5893 at Page 226; (ii) Subdivision Agreement regarding Agricultural use, dated June 18, 1992, recorded in said Bureau as Document No. 92-103494; (iii) Private Water System Agreement, dated September 29, 1992, recorded in said Bureau as Document No. 92-164418; (iv) Declaration of Covenants, Conditions, Easements, Reservations and Restrictions, dated May 28, 1999, recorded in said Bureau as Document No. 99-087373; (v) Notice of Change of Agricultural Use to Dedication dated April 3, 2000, recorded in said Bureau as Document No. 2000-046048; (vi) Limited Warranty Deed and Reservation of Rights, dated January 16, 2001, recorded in said Bureau as Document No. 2001-006058; (vii) Kauaula Water System Agreement, effective as of January 16, 2001, recorded in said Bureau as Document No. 2001-006060; (viii) Grant of a non-exclusive perpetual easement for vehicular and pedestrian access and utility services, dated May 10, 2002, recorded in said Bureau as Document No. 2002-088747; (ix) Declaration of Non-Exclusive Perpetual Easements for roadway purposes within Makila Plantation Subdivision, dated May --, 2002, recorded in said Bureau as Document No. 2002-088748; (x) Makila Plantation Declaration of Covenants, Conditions and Restrictions, dated May 10, 2002, recorded in said Bureau as Document No. 2002-088749, as amended by instrument dated September 16, 2003, recorded in said Bureau as Document No. 2003-227086, as further amended by instruments dated (acknowledged November 6, 2003), recorded in said Bureau as Document No. 2003-246052 and dated November 18, 2003, recorded in said Bureau as Document No. 2003-272575; (xi) Ditches, reservoirs and flumes, as shown on the Tax Map; (xii) Grant of easements for drainage and waterline purposes, being shown on map prepared by Reed M. Ariyoshi, Licensed Professional Land Surveyor with Warren S. Unemori – Engineering, Inc., dated February 14, 2002, revised March 15, 2002 and May 2, 2002. Above Grant was amended by instrument dated January 20, 2004, recorded as Document No. 2004-015491; (xiii) Warranty Deed dated June 10, 2002, recorded as Document No. 2002-122703; (xiv) Encroachments, if any, which would be shown on a correct survey.

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

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5626 filed with the Real Estate Commission on March 17, 2005.

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

YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above

1. Water and Fire Protection. The apartments are served by a private water company, operating under permits issued by the State of Hawaii, Public Utilities Commission. Declarant makes no warranties or representations as to the quality or quantity of water service or as to the adequacy of fire protection. Also, irrigation water is available from a separate private water company.

Currently there are two water meters serving the Property, one of which is for potable water use, and one that is for irrigation purposes. Both water meters are located on a portion of Limited Common Element B, and both water meters are for the benefit of Apartment B. Apartment A will have the temporary right to use water from either/both meter(s). If a second potable water meter and irrigation meter shall be available, the owner of Apartment B shall have the option to terminate Apartment A's right to the use of either/both water meter(s), through a written notice, giving the owner of Apartment A at least 60 days until termination of water use; in order that the owner of Apartment A will have adequate time to apply for and obtain separate potable and irrigation water meters for his exclusive use.

2. Sewer. County sewer service is not available. Also, some areas of the condominium are within one thousand feet of a well, therefore an aerobic system may be required. Buyer should consult with a septic system contractor or supplier to determine the design, feasibility and price of an aerobic or other septic system. The owner of each apartment shall be responsible for the cost of installing, maintaining, operating or replacing said apartment's system. No representations or warranties are made as to the quality, useful life, replacement cost, operating cost, or maintenance cost of any system.

3. Makila Plantation Subdivision. Lot 15, of Makila Plantation Subdivision, Phase I, is a member of Makila Plantation Homeowners' Association, Inc., which is the association formed for the Makila Plantation Subdivision as a whole for the purpose of holding, maintaining, operating and managing all of the common areas and facilities of the subdivision. These consist of paved roadways (including Punakea Loop, Haniu Street and Kai Hele Ku Street), a drainage system, and archaeological recreational sites and trails as easements, and public and private parks. The subdivision has been registered with the State of Hawaii Department of Commerce and Consumer Affairs under Hawaii Revised Statutes Chapter 484, and a Public Offering Statement for the subdivision has been issued. **IT IS RECOMMENDED THAT THE BUYER OF EACH CONDOMINIUM UNIT OBTAIN A COPY OF THE MOST RECENT PUBLIC OFFERING STATEMENT FOR THE SUBDIVISION. THE STATEMENT CONTAINS MANY IMPORTANT DESCRIPTIONS ABOUT THE SUBDIVISION AS A WHOLE, AS WELL AS THE OPERATIONS AND MANAGEMENT OF THE HOMEOWNERS ASSOCIATION, ITS BUDGETS AND RESERVES.**

Each condominium owner will be a separate member of said Association and will pay its share of Association assessments as provided in the Makila Plantation Declaration of Covenants, Conditions and Restrictions, as amended.

4. Limitations. Under the current zoning ordinance, only one full size farm dwelling (which may be limited in size by the rules of the County of Maui) and one farm dwelling with a living area of 1000 square feet or less are permitted. Apartment A was designated as the apartment which is subject to the 1000 square feet limitation, and Apartment B was designated as the apartment which may be constructed as the full size farm dwelling. **THE PROSPECTIVE PURCHASER IS CAUTIONED TO CONSULT WITH HIS OR HER LEGAL COUNSEL CONCERNING THE REQUIREMENTS OF A FARM DWELLING AND THE PERMITTED USES OF THE LAND AND DWELLING IN THE AGRICULTURAL ZONE.**

5. Agreements/Easements on Record. The title is encumbered by several agreements and easements described as items 3-16 on Exhibit B. **BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL FOR ADDITIONAL INFORMATION.**

6. Fire Protection. The property is subject to agreements with the County of Maui acknowledging that the County has no water system servicing the property and further that the County is not responsible for providing water service or fire protection. BUYER SHOULD CONSULT AN ENGINEER AND BUYER'S INSURANCE CARRIER IN ORDER TO EVALUATE THE RISKS AFFECTING THIS PROPERTY.

7. Rollback Taxes. 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.

8. Agricultural Uses. The County of Maui Planning Department has recently adopted a strict enforcement policy requiring agriculture-zoned land to be used for only those agricultural uses permitted by HRS Section 205-4.5 and Maui County Code, Chapter 19.30A. Also, farm plans may be required. Dwellings may only be constructed and used as "farm dwellings". BUYER SHOULD CONSULT WITH AN ATTORNEY OR THE MAUI COUNTY PLANNING DEPARTMENT FOR ADDITIONAL INFORMATION.

9. Insurance. Hawaii Law requires that the Association of Apartment Owners carry liability insurance on the entire condominium as a common expense. Buyers are urged to review this requirement with their insurance advisors.

10. Agricultural Restrictions. Recently enacted State law prohibits all restrictions on agricultural uses and activities on agricultural zoned land. Any such restrictions are invalid if created after July, 2003. BUYER UNDERSTANDS THAT ACTIVITIES SUCH AS RAISING ANIMALS OR IRRIGATION AND FERTILIZATION OVERSPRAY ON NEARBY PROPERTIES MAY CAUSE NUISANCES AND INCONVENIENCES TO BUYER.

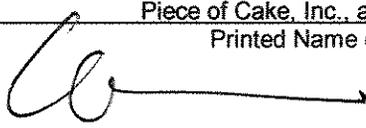
11. Utility Easements. The Land as a whole is encumbered by a blanket easement in favor of Maui Electric Co., Ltd. and Verizon Hawaii Inc. Buyers are informed that they may in the future request to the utility companies that the blanket easement be amended to pertain only to specifically defined easement areas, and not to the remainder of the Property.

12. Zoning and Land Use Violations. In a condominium, all of the land included in the condominium remains a single, unsubdivided parcel of land for purposes of zoning and land use regulation. If one unit owner violates a regulation, the violation is attributable to both that owner and the innocent owner of each other unit. For example, if one owner builds or adds to a structure in a manner which violates height limits, size limit, setbacks, building permit requirements, or flood zone rules, or uses the unit for an unauthorized additional dwelling or short term rental, the violation applies to the entire condominium and the innocent unit owner may be subject to fines or may be denied a building permit as long as the violation remains uncured. BUYER SHOULD CONSULT WITH AN ATTORNEY CONCERNING THESE IMPORTANT RISKS.

EACH BUYER IS ADVISED TO CONTACT THE APPROPRIATE GOVERNMENT AGENCIES TO DETERMINE SPECIFIC REQUIREMENTS FOR THIS PROPERTY, AND TO CONSULT WITH AN ATTORNEY AND OTHER APPROPRIATE PROFESSIONALS.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report)
- E. 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.

Piece of Cake, Inc., a Hawaii corporation
 Printed Name of Developer

By:  3/13/2005
 Duly Authorized Signatory* Date

LOUIS COULOMBE; President, Piece of Cake Inc., a Hawaii corporation
 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

LOT 15 CONDOMINIUM

DESCRIPTION OF BUILDINGS:

The condominium consists of two separate apartments, each of which is an agricultural storage shed. Each apartment 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 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 northern most and Apartment "B" the southern most. Each apartment is shown on the Condominium File Plan.

Apartment "A" is a one-story agricultural storage building containing a total floor area of 80 square feet.

Apartment "B" is a one-story agricultural storage building containing a total floor area of 80 square feet.

Apartment A has direct access to its appurtenant limited common element on which the apartment is located, which in turn provides access to a private roadway (Punakea Loop), which provides access to a private roadway (Haniu Street), which provides access to a private roadway (Kai Hele Ku Street), which provides access to a public road (Honoapiilani Highway).

Apartment B has direct access to its appurtenant limited common element on which the apartment is located, which in turn provides access to a private roadway (Punakea Loop), which provides access to a private roadway (Haniu Street), which provides access to a private roadway (Kai Hele Ku Street), which provides access to a public road (Honoapiilani Highway).

The boundaries of each apartment shall consist of the exterior finished surface of all exterior walls, roofs, doors, windows, and also include all foundations and underpinnings, and other appurtenant structures and facilities within said boundaries. 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. The apartments are lettered "A" and "B" consecutively from north to south. As provided in Section K.2. of 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 as provided in Section K.2. of the Declaration; provided however, that (a) all construction in connection therewith shall comply with all applicable zoning and building codes; and (b) no portion of the structure comprising an apartment or other structure shall be constructed outside of the boundaries of the area designated for said unit as its limited common element as shown on the Condominium File Plan, or within any required setbacks.

APPROXIMATE FLOOR AREA OF APARTMENTS:

<u>Apartment</u>	<u>Floor Area</u>
A	80 total square feet
B	80 total square feet

NOTE: THE FLOOR AREAS ARE APPROXIMATE ONLY. THE DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR APARTMENT.

COMMON ELEMENTS:

The common elements include (i) the land in fee simple; (ii) Non-exclusive, perpetual easements over Makila Plantation Roadway Lots 20 (Punakea Loop), 21 (Haniu Street), and 22 (Haniu Place), being more particularly described in Declaration of Non-Exclusive Perpetual Easements for Roadway Purposes (Roads within Makila Plantation Subdivision), dated May --, 2002 (acknowledged May 12, 2002) recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-088748, and Exhibit "A" attached thereto; (iii) Non-exclusive, perpetual easements over Mahanalua Nui Subdivision Roadway Lot "B-2" (Kai Hele Ku Street), being more particularly described in Non-Exclusive Perpetual Easement for Roadway Purposes for Makila Plantation, dated May 10, 2002, recorded in said Bureau as Document No. 2002-088747, and Exhibit "A" attached thereto; (iv) any other easements and rights appurtenant to the Property; (v) and the limited common elements described below. The common elements shall also include any other utility installations serving more than one apartment.

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. The file plan describes these areas as "Limited Common Element A" appurtenant to Apartment A and "Limited Common Element B" appurtenant to Apartment B. Each area is appurtenant to and for the exclusive use of its apartment and which is physically located on said limited common element as shown on the condominium file plan. Each limited common element includes the land located underneath the apartment located thereon.

EXHIBIT B
Encumbrances against Title

1. Real Property Taxes which may be due and owing. Reference is made to the Tax Assessor's Office, County of Maui.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. Lease in favor of Maui Electric Company, Limited and Hawaiian Telephone Company, dated October 13, 1967, recorded in Liber 5893 on Page 226; leasing and demising rights-of-way, each twenty-five (25) feet in width, over, across and under all lands owned and held by Pioneer Mill Company, Limited, situate in the District of Lahaina on the Island of Maui in the State of Hawaii, for a term of 35 years from the date thereof, and thereafter from year to year until terminated.
4. Ditches, reservoirs and flumes, as shown on Tax Map.
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Subdivision Agreement (Agricultural Use), dated June 18, 1992, recorded as Document No. 92-103494, by and between Pioneer Mill Company, Limited and the County of Maui.

This requires all uses of the property to comply with state and county land use laws limiting the use of the property to specified agricultural uses.

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Private Water System Agreement, dated September 29, 1992, recorded as Document No. 92-164418, by and between Pioneer Mill Company, Limited and the Department Of Water Supply of the County of Maui.

This releases the County of Maui from any obligation to provide water services or fire protection.

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Covenants, Conditions, Easements, Reservations and Restrictions, dated May 28, 1999, recorded as Document No. 99-087373, by and between Pioneer Mill Company, Limited, a Hawaii corporation, and Kauaula Land Company, LLC, a Hawaii limited liability company.

8. NOTICE OF CHANGE OF AGRICULTURAL USE TO DEDICATION dated April 3, 2000 (effective July 1, 2000), recorded as Document No. 2000-046048, by PIONEER MILL COMPANY, LIMITED; re: dedication of land for ranching purposes.

This is a notice of change of agricultural use to dedicate approximately 623 acres of TMK (2) 4-7-001-002 into ranching. This includes the condominium land. If any portion of the condominium land is taken out of ranching (including construction of a farm dwelling) roll back taxes may be assessed on one or both apartments. Also, there may be requirements for filing with the County Real Property Tax Division if use is changed from ranching to a different agricultural use.

9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Limited Warranty Deed and Reservation of Rights, dated January 16, 2001, recorded as Document No. 2001-006058, by an between Pioneer Mill Company, Limited, a Hawaii corporation, and Makila Land Co., LLC, a Hawaii limited liability company.

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

- (a) Reservation of right to any and all compensation relating to condemnation or other conveyances of power transmission lines, poles and related facilities.
- (b) Reservation of drainage easement located within the property.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Kaulua Water System Agreement, effective as of January 16, 2001, recorded as Document No. 2001-006060, by an between Pioneer Mill Company, Limited, a Hawaii corporation, and Makila Land Co., LLC, a Hawaii limited liability company.

This agreement relates to the use, operation and maintenance of the Kauaula water system, which provides potable and non-potable water to various properties owned by both parties in the agreement.

11. Grant, to Makila Land Co., a Hawaii limited liability company, and Makila Plantation Homeowners' Association, Inc., a Hawaii non-profit corporation, of a non-exclusive perpetual easement over Kai Hele Ku (Lot B-2), for vehicular and pedestrian access together with the right to construct, operate, maintain, repair and replace wires, lines, pipes and other appurtenances for utility services to the subdivision, dated May 10, 2002, recorded as Document No. 2002-088747.

The purpose of this easement is to establish and confirm the rights and obligations of, among others, the owners of all lots in the Makila Plantation subdivision in and to the easement area described in the document.

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Non-Exclusive Perpetual Easements for Roadway Purposes (Roads within Makila Plantation Subdivision), dated May --, 2002, recorded as Document No. 2002-088748

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Makila Plantation Declaration of Covenants, Conditions and Restrictions, dated May 10, 2002, recorded as Document No. 2002-088749.

Said Declaration was amended and restated by instrument dated September 16, 2003, recorded as Document No. 2003-227086.

Said above amended and restated Declaration was amended by instruments dated --- (acknowledged November 6, 2003), recorded as Document No. 2003-246052 and dated November 18, 2003, recorded as Document No. 2003-272575.

14. Grant to Makila Plantation Homeowners' Association, Inc., a Hawaii non-profit corporation, of non-exclusive perpetual easements over Easement "A" for drainage and Easement "B" for waterline purposes, said easements being shown on map prepared by Reed M. Ariyoshi, Licensed Professional Land Surveyor with Warren S. Unemori – Engineering, Inc., dated February 14, 2002, revised March 15, 2002 and May 2, 2002.

Above Grant amended by instrument dated January 20, 2004, recorded as Document No. 2004-015491.

The purpose of these easements is to establish and confirm the rights and obligations of, among others, the owners of all lots in the Makila Plantation subdivision in and to the easement area described in the document.

15. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Warranty Deed dated June 10, 2002, recorded as Document No. 2002-122703

16. Encroachments, if any, which would be shown on a correct survey.

17. Mortgage to Federal Land Bank Association of Hawaii, FLCA, a federal corporation, dated May 6, 2004, recorded as Document No. 2004-102510.

18. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Cross-Collateral And Cross-Default Agreement, dated May 6, 2004, recorded as Document No. 2004-118869.

17. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Condominium Property Regime for "Lot 15 Condominium" Condominium Project, dated January 18, 2005, recorded as Document No. 2005-013265, covered by Map 3923 and any amendments thereto.

18. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in By-Laws of the Association of Apartment Owners, dated January 18, 2005, recorded as Document No. 2005-013266.

EXHIBIT C

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
A	\$85.00 per month x 12 = \$1020.00 per year
B	\$85.00 per month x 12 = \$1020.00 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 Fee 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

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Liability Insurance premiums \$160.00/month x 12 months = \$1920.00

Reserves(*)

Taxes and Government Assessments

Audit Fees \$10.00/month x 12 months = \$120.00

Other

TOTAL \$170.00/month x 12 months = \$2040.00

I, the undersigned condominium developer for the Lot 15 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.



LOUIS COULOMBE, President of Piece of Cake, Inc., a Hawaii corporation (Signature)

3/13/2005

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.

This reserve amount is not based on a reserve study required by Hawaii law. The reserve study will be performed by the Association of Apartment Owners.

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 DEPOSIT RECEIPT AND 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 connections with the purchase of an apartment.
- b. That the purchaser acknowledges having received and read a public report (either preliminary or 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 may 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 Abstract
(Preliminary, Final &/or Supplementary)
contained in the public report, in connection with my purchase of apartment(s) _____
(Apt. No.)

in the _____ Lot 15 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 Reports(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 Piece of Cake, Inc., a Hawaii corporation, whose mailing address is c/o Pacifico, 505 Front Street, Lahaina, Hawaii 96761, 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 Reports(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 to me 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 Piece of Cake, Inc., a Hawaii corporation, whose mailing address is c/o Pacifico, 505 Front Street, Lahaina, Hawaii 96761.

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

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