

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Damon Gill, Margo Gill and Donna Kroetsch
Address 60 E. Huapala Place, Lahaina HI 96761

Project Name (*): 35 Mahanalua Nui Condominium
Address: 60 E. Huapala Place, Lahaina HI 96761

Registration No. 5696 Effective date: August 11, 2005
Expiration date: September 11, 2006

Preparation of this Report: (conversion)

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 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.

No prior reports have been issued by the developer.

Changes made are as follows:

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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: Damon Gill, Margo Gill and Phone: (808) 661-3914
Donna Kroetsch
Name* (Business)
60 E. Huapala Place, Lahaina, HI 96761
Business Address

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

N/A

Real Estate Broker*: Landmark Maui Properties, Inc. Phone: (808) 572-6460
Name (Business)
35 Baldwin Avenue, Paia, HI 96779
Business Address

Escrow First American Title Company, Inc. Phone: (808) 545-6155
Name (Business)
333 Queen St., St. 700, Honolulu, HI 96813
Business Address

General Contractor*: N/A Phone: _____
Name (Business)
Business Address

Condominium Managing Agent*: Self-managed Phone: _____
Name (Business)
Business Address

Attorney for Developer: Jack R. Naiditch Phone: (808) 579-8396
Name (Business)
15 Hoku Street, Paia, HI 96779
Business Address

* 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. 2004-216567
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
 Recorded - Bureau of Conveyances Condo Map No. 3869
 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
 Recorded - Bureau of Conveyances: Document No. 2004-216568
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>75%</u>
House Rules	---	<u>NA</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:

Other:

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: 60 E. Huapala Place Tax Map Key (TMK): (2) 4-6-010:003, 004, 005
Lahaina, HI 96761 007 and 011 (portions)

Address TMK is expected to change because County of Maui Tax Assessment office is expected to issue individual TMKs to various lots in Mahanalua Nui Subdivision.

Land Area: 2.907 square feet acre(s) Zoning: agricultural

Fee Owner: Damon Gill, Margo Gill and Donna Kroetsch
 Name
60 E. Huapala Place, Lahaina, HI 96761
 Address

Lessor: N/A
 Name
 Address

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 2 Floors Per Building: 1
 Exhibit "A" contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other _____

4. Uses Permitted 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	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input 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: As permitted by applicable zoning

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: N/A Stairways: N/A Trash Chutes: N/A

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>A</u>	<u>1</u>	<u>2/2</u>	<u>996</u>	<u>250</u>	<u>covered deck</u>
<u>B</u>	<u>1</u>	<u>2/2</u>	<u>1,024</u>	<u>912</u>	<u>lanai</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:

See condominium map filed and recorded with the Bureau of Conveyances.

Permitted Alterations to Apartments:

Owners may make any interior alterations to buildings, and any exterior alterations or improvements to apartments, as permitted by Declaration.

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 NOT 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>4</u>

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- 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: _____

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):

N/A

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	_____	_____	_____
Structures	_____	_____	_____
Lot	_____	_____	_____

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:

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" will have a ½ common interest and Apartment "B" will have a ½ common interest and each will pay its pro-rata share of all common expenses (and will have an equal vote on all condominium matters).

- 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 March 22, 2005 and issued by First American Title Company, 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.

[] 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>
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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:

NA

2. Appliances:

NA

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

Apartment "A" and Apartment "B" were both completed in March 2004.

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):

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 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 "D" 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 "E" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated 10/29/04
Exhibit "F" 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 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, as adopted by the Real Estate Commission as amended).
- H) Other: Subdivision Agreement (Agricultural Use) recorded June 29, 1992 as Document No. 92-103494; Private Water System Agreement recorded October 9, 1992 as Document No. 92-164418; Declaration of Covenants, Reservations and Restrictions recorded November 28, 1997 as Document No. 97-166433; Deed and Reservation of Rights recorded November 28, 1997 as Document No. 97-166434; Declaration of Restrictive Covenants recorded December 14, 1998 as Document No. 98-186637; Subdivision Agreement (Agricultural Use) recorded May 7, 1999 as Document No. 99-071687; Declaration of Covenants, Conditions and Restrictions recorded June 25, 1999 as Document No. 99-102455; Deed recorded August 22, 2003 as Document No. 2003-176044; Easement for park and trail way purposes as set forth in Deed recorded August 22, 2003 as Document No. 2003-170644; Agreement for Allocation of Future Subdivision Potential recorded November 12, 2002 as Document No. 2002-200711; Unilateral Agreement and Declaration for Construction of a Farm Dwelling on Lands Zoned County Agricultural District or Designated State Agricultural District recorded November 3, 2003 as Document No. 2003-241300.

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. 5696 filed with the Real Estate Commission on May 6, 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. The condominium is served by one (1) water meter, which in turn is served by the Launiupoko Water Company, a public water company regulated by the Public Utilities Commission, State of Hawaii. County of Maui Department of Water Supply regulations require separate water meters for each apartment. In the event that the Launiupoko Water Company is conveyed to the County of Maui, the owners of each apartment in the condominium may be required to comply with the separate meter regulation. The cost of water service to each apartment shall be assessed based upon the actual use of such water as measured by sub-meters, or upon some other allocation method that shall be reasonably determined by the Board of Directors of the 35 Mahanalua Nui Homeowner's Association to be fair and equitable.
2. Each condominium apartment owner shall be a member of the 35 Mahanalua Nui Homeowner's Association. Each owner shall pay his share of such association's assessments as administered by the association acting on behalf of all apartment owners, all as provided for in the Declaration.
3. All water meters have backflow devices installed in accordance with County of Maui subdivision and water board requirements.
4. Applicable County of Maui zoning law (Maui County Code, Title 19, Chapter 19.30A) allows for only two farm dwellings on the condominium, one of which shall not exceed one thousand square feet of developable area. Apartment A will be subject to said one thousand square foot restriction.
5. Pursuant to the Declaration, the owners of the apartments shall be responsible for maintenance of the private roadway. The estimated annual maintenance roadway fee for each apartment owner is \$240.
6. Each apartment is served by a separate septic system. The septic system for Apartment A is located fifteen feet from the southwest corner of the dwelling on Apartment A and consists of a leach field measuring 20 feet by 40 feet. The septic system for Apartment B is located twenty feet midway between the southeast and northeast corners of the dwelling on Apartment B and consists of a leach field measuring 20 feet by 40 feet. Each owner is responsible for the maintenance and operation of his septic system.

- 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.

DAMON GILL, MARGO GILL, and DONNA KROETSCH

Printed Name of Developer

Damon Gill Donna Kroetsch

By: *Margo Gill*
Duly Authorized Signatory*

July 27, 2005

Date

DAMON GILL, MARGO GILL, and DONNA KROETSCH

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"

35 MAHANALUA NUI CONDOMINIUM

DESCRIPTION OF THE BUILDINGS, APARTMENTS,
COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OF

DESCRIPTION OF BUILDINGS:

The condominium initially consists of two house 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 of wood, glass and related materials.

DESCRIPTION OF APARTMENTS:

The two apartments are designated as Apartment "A" and Apartment "B" and are shown as such on the Condominium File Plan. Each apartment is a single story, single family home. Apartment A consists of approximately 996 square feet of living area and approximately 250 square feet of covered deck. Apartment B consists of approximately 1,024 square feet of living area and approximately 912 square feet of covered deck.

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

The boundaries of each apartment shall consist of the exterior finished surface of all exterior walls, roofs, doors, windows, foundation, 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 born 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 shall 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:

Gross Floor Area Measured from:

<u>Apartment</u>	<u>Exterior Surface of Boundary Walls</u>
A	996 square feet of living area plus 250 square feet of decks

B

1,240 square feet of living area plus 912 square feet of decks

COMMON ELEMENTS :

The common elements of the condominium consist of the land described in Exhibit "A" and a water meter serving both Apartments.

LIMITED COMMON ELEMENTS:

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 bearing the same letter designation and which is physically located on said limited common elements 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. Each apartment has appurtenant to it and for its exclusive use the land described in the condominium file plan as appurtenant thereto, subject to an easement for a water line through the land described as Limited Common Element A for the benefit of the land described as Limited Common Element B.

END OF EXHIBIT "A"
(Page 2 of 2)

EXHIBIT B

DESCRIPTION OF THE PROPERTY

All of that certain parcel of land [being portion(s) of the land(s) described in and covered by Royal Patent 1358, Land Commission Award 82 to Thomas Phillips] situate at Launiupoko, Lahaina, Island and County of Maui, State of Hawaii, being LOT 35 of the "MAHANALUA NUI SUBDIVISION, PHASE III", being also a portion of Lot 41-F and Lot 41-G of the Mahanalua Nui Subdivision, Phase II, and more particularly described as follows:

Beginning at the Southwest corner of this parcel of land, being also the Northeast corner of Lot 36 and on the Southerly side of Roadway Lot 43 (East Huapala Road) of the Mahanalua Nui Subdivision, Phase III, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LAUNIUPOKO" being 3,649.12 feet North and 64.94 feet West, thence running by azimuths measured clockwise from true South

Along the Southerly side of Roadway Lot 43 (East Huapala Road) of the Mahanalua Nui Subdivision, Phase III, along the remainder of Royal Patent 1358, Land Commission Award 82 to Thomas Phillips, on a curve to the left with a radius of 520.00 feet, the chord azimuth and distance being:

- | | | | |
|----|--------------|--------|--|
| 1. | 228° 26' 24" | 136.93 | feet; |
| 2. | 312° 00' 00" | 623.62 | feet along Lot 34 of the Mahanalua Nui Subdivision, Phase III, along the remainder of Royal Patent 1358, Land Commission Award 82 to Thomas Phillips; |
| 3. | 14° 46' 30" | 99.50 | feet along Lot B-1 of the Mahanalua Nui Subdivision, Phase I, along the remainder of Royal Patent 1358, Land Commission Award 82 to Thomas Phillips; |
| 4. | 133° 00' 00" | 119.57 | feet along Lot 41-H of the Mahanalua Nui Subdivision Phase III, along the remainder of Royal Patent 1358, Land Commission Award 82 to Thomas Phillips; |
| 5. | 32° 55' 59' | 200.93 | feet; |
| 6. | 146° 00' 00" | 614.86 | feet along Lot 36 of the Mahanalua Nui Subdivision, Phase III, along the remainder of Royal Patent 1358, Land Commission Award 82 to Thomas Phillips, to the point of beginning and containing an area of 2.907 acres, more or less. |

TOGETHER WITH non-exclusive, perpetual easements for vehicular and pedestrian access and for the maintenance, operation, repair and replacement of an access roadway, wires and lines for electricity, telephone, cable TV and other utilities, and landscaping purposes over (a) Kai Hele Ku Street (Lot B-2), more particularly

described by Non-Exclusive, Perpetual Easement for Roadway Purposes Kai Hele Ku, made by Launiupoko Associates, LLC, a Hawaii limited liability company, as Grantor, to Mahanalua Nui Homeowners' Association, Inc., a Hawaii non-profit corporation, as Grantee, dated June 14, 1999, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 99-102456, and (b) all other roads in Mahanalua Nui Subdivision Phases I, II and III, as more particularly described in the Declaration of Non-Exclusive Perpetual Easements for Roadway Purposes (Roads Within Mahanalua Nui Subdivision, Phases I and II), dated July 1, 1999, and Perpetual Easements for Roadway Purposes (Roads Within Mahanalua Nui Subdivision (Phase III) dated February 25, 2003, recorded as Document No. 2003-038051; provided, however, that if and when any such road shall be conveyed to or acquired by any governmental authority as a public highway, then all private easement rights granted hereby in said road lots shall automatically terminate.

TOGETHER ALSO WITH the membership in the Mahanalua Nui Homeowners' Association, Inc., and all rights, easements and use of common areas appurtenant to the property conveyed herein, as set forth in the Amended and Restated Declaration of Covenants and Restrictions for the Mahanalua Nui Subdivision at Launiupoko dated July 13, 1999, recorded as Document No. 99-114891, as amended by First Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Mahanalua Nui Subdivision at Launiupoko dated February 25, 2003, recorded as Document No. 2003-038050, and as the same may be further amended from time to time.

END OF EXHIBIT "B"
Page 2 of 2

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

1. Real property taxes that may be due and owing. Reference is made to the Real Property Tax Assessment Office, County of Maui.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Lease in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company now known as Verizon Hawaii, Inc., dated October 13, 1967, recorded in said Bureau of Conveyances in Liber 5893 on Page 226; granting rights-of-way, each twenty-five (25) feet in width, to build, construct, rebuild, repair, maintain and operate pole and wire lines, etc., as may be necessary for the transmission of electricity.
4. 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 in said Bureau of Conveyances, State of Hawaii as Document No. 92-103494, by and between Pioneer Mill Company, Limited, and the County of Maui, through its Department of Public Works, a body politic and corporate, and a political subdivision of the State of Hawaii.
5. 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 in said Bureau of Conveyances, State of Hawaii as Document No. 92-164418, by and between Pioneer Mill Company, Limited, a Hawaii corporation, and the Department of Water Supply of the County of Maui.
6. Grant in favor Maui Electric Company, Limited, a Hawaii corporation, dated November 22, 1995, recorded in said Bureau of Conveyances as Document No. 95-168464, granting an easement for utility and incidental purposes over, under, across and through Easement "P".
7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Covenants, Reservations, and Restrictions dated November 28, 1997, recorded in said Bureau of Conveyances as Document No. 97-166433.
8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Deed and Reservation of Rights dated November 28, 1997, recorded in said Bureau of Conveyances as Document No. 97-166434.
9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Restrictive Covenants dated November 25, 1998, recorded in said Bureau of Conveyances as Document No. 98-186637.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Subdivision Agreement (Agricultural Use) dated April 8, 1999, recorded in said Bureau of Conveyances, State of Hawaii as Document No. 99-071687, by and between Launiupoko Associates, LLC, a Hawaii limited liability company, and the County of Maui, through its Department of Public Works and Waste Management, a body politic and corporate, and a political subdivision of the State of Hawaii.

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Covenants, Reservations, and Restrictions for the Mahanalua Nui Subdivision at Launiupoko dated June 1, 1999, recorded in said Bureau of Conveyances as Document No. 99-102455. The foregoing Declaration was amended by instrument dated July 13, 1999, recorded in said Bureau of Conveyances as Document No. 99-114891.

12. The following items and/or easement(s), as shown on survey map prepared by Erik B. Kaneshiro, Licensed Professional Land Surveyor, Certificate No. 9826, dated December 27, 2002:

(a) 100 year flood inundation limits.

(b) Portion of Easement "P-21" (10 fee wide), area 0.248 acre, more or less, for park and trailway purposes, in favor of mahanalua Nui Homeowners' Association.

(c) Portion of Easement "R-2" (30 feet wide), area 1.165 acres, more or less, for access purposes, in favor of Pioneer Mill Company, Limited (LUCA File No. 4.730).

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Agreement for Allocation of Future Subdivision Potential dated October 23, 2002, recorded in said Bureau of Conveyances as Document No. 2002-200711, by and between Launiupoko Associates, LLC, a Hawaii limited liability company, "Subdivider", and the Director of Public Works and Waste Management, County of Maui.

END OF EXHIBIT "C"

Page 2 of 2

EXHIBIT "D"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fee:

	<u>Monthly Fee</u>	x	12 months =	<u>Yearly Total</u>
<u>Apartment</u>				
"A"	\$50	x	12 =	\$ 600
"B"	\$50	x	12 =	\$ 600

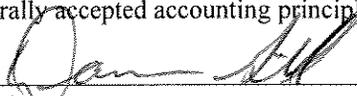
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and Disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly Fee x 12 months = Yearly Total

Utilities and Services	N/A					
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	N/A					
Grounds		\$40	x	12	=	\$480
35 Mahanalua Nui Condominium Homeowners' Association Dues		\$10	x	12	=	\$120
Management	NA					
Management Fee						
Payroll and Payroll Taxes						
Office Expenses						
Insurance – Each apartment owner shall be responsible for applicable Insurance coverage pursuant to HRS § 514A-86						
Reserves (*)		\$10	x	12	=	\$120
Taxes and Government Assessments	NA					
Audit Fees	NA					
Other		\$40	x	12	=	\$480
TOTAL		\$100				\$1,200

I, Damon Gill, as the developer of 35 Mahanalua Nui 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.


Signature

7/27/05
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.

EXHIBIT "E"
SUMMARY OF SALES CONTRACT

The Deposit Receipt and Sales Contract contains the price and other terms and conditions under which 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 that 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 or final) for the Project prior to signing the Deposit Receipt and Sales Contract.

(c) That the Developer makes no representation 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 with 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 "F"
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 also provides that if escrow is cancelled, Escrow will charge a cancellation fee of at least \$25.00 or a fee suitable to the amount of work Escrow has at that time performed, including costs incurred by Escrow for such items as credit report fees, document preparation, long distance phone charges, and similar items. 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.

EXHIBIT "F"

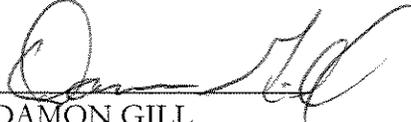
Page 1 of 1

**DEVELOPER'S STATEMENT
REGARING RESERVE STUDY**

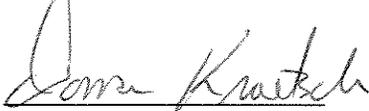
35 MAHANALUA NUI CONDOMINIUM

The estimated replacement reserves were computed on the basis of replacing/repairing the water meter over its expected useful life, and the estimated cost of replacing/repairing roadway apron fronting Huapala Street.

DATED: July 27, 2005


DAMON GILL


MARGO GILL


DONNA KROETSCH