

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 farm dwelling, and Apartment B is an existing farm dwelling.
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. The condominium is served by a single water meter and water use for both apartments will be billed to the Association of Apartment Owners by the County of Maui Department of Water Supply in a single bill. The Association is responsible for paying said charges and will allocate them among the apartment owners as common expense assessments. The method of allocation shall be by individual use meters ("submeters") apportioning the County's billings between both apartments by proportionate metered water usage.

The County of Maui Department of Water Supply has adopted a policy to require that each apartment in a condominium have its separate water meter. This condominium has only one meter, which is shared. This sharing may be in violation of these rules. Due to the current shortage of water in the Department's upcountry water system, it may not be possible to obtain a second meter for this property. WATER SERVICE IS NOW BEING PROVIDED TO BOTH APARTMENTS AND DEVELOPER KNOWS OF NO INSTANCE WHERE THE WATER DEPARTMENT HAS TERMINATED WATER SERVICE TO A CONDOMINIUM UPON CONVERSION. HOWEVER BUYER IS CAUTIONED THAT BUYER MAY BE REQUIRED TO OBTAIN A METER AS A CONDITION TO THE BUYER'S USE, EXPANSION OR CONSTRUCTION OF BUYER'S APARTMENT, OR THE ISSUANCE OF A BUILDING PERMIT FOR ANY PURPOSE. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL OR CONTACT THE DEPARTMENT OF WATER SUPPLY FOR ADDITIONAL INFORMATION.

The capacity of the single 5/8" water meter is limited. If an apartment owner desires to expand an apartment or build a new structure, the size of the meter may be insufficient and the County of Maui may deny the requested building permit. A larger water meter or an additional meter may not be available. BUYERS ARE URGED TO CONSULT WITH THEIR LEGAL COUNSEL OR WITH APPROPRIATE COUNTY OF MAUI AGENCIES.

5. Each apartment has its own septic system within its appurtenant limited common element. Apartment A has a cesspool, and Apartment B has a septic tank with a leach field. The location of each separate septic system is shown on the Condominium Map. County sewer service is not available. The owner of each apartment shall be responsible for the cost of maintaining, operating and/or replacing said apartment's system. This may include upgrading a system as required by the proper governmental agency. No representations or warranties are made as to the quality, useful life, replacement cost, operating cost, or maintenance cost of either system.
6. 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, County approval of farm plans shall be required as well as actual ongoing implementation. 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.
7. 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.
8. 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, and no other dwellings. Apartment B was designated as the apartment which is subject to the 1000 square feet limitation, and may not be expanded beyond this limitation, and Apartment A was designated 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 projects 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: Anne Barnett, a married woman Phone: (808) 575-5494
Name* (Business)
3175 Ua Noe Place
Business Address
Haiku, Hawaii 96708

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):

N/A

Real Estate Broker*: Jim Sanders Realty, Inc. Phone: (808) 579-8255
Name (Business)
P.O. Box 792050
Business Address
Paia, Hawaii 96779

Escrow: Fidelity National Title & Escrow of Hawaii, Inc. Phone: (808) 573-0110
Name (Business)
1043 Makawao Avenue, Suite 110
Business Address
Makawao, Hawaii 96768

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

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. 2006-008460
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. 4147
 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. 2006-008461
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: 3175 and 3181 Ua Noe Place Tax Map Key (TMK): (2) 2-7-008-157
Haiku, Hawaii 96708

Address TMK is expected to change because N/A

Land Area: 2.001 square feet acres(s) Zoning: Agriculture*

*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, and no other dwellings. Apartment B was designated as the apartment which is subject to the 1000 square feet limitation, and may not be expanded beyond this limitation, and Apartment A was designated 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: Anne Barnett, a married woman
 Name
3175 Ua Noe Place
 Address
Haiku, Hawaii 96708

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: 3
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 checked="" type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input checked="" 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 checked="" type="checkbox"/> No
<input type="checkbox"/> Other:	_____	<input type="checkbox"/> Yes	<input checked="" 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 A and one farm dwelling of no larger than 1000 square feet of net living area is permitted within Limited Common Element B.

There are no special use restrictions.

6. Interior (fill in appropriate numbers)

Elevators: _____ Stairways: _____ Trash Chutes: _____

<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>
				1183	Crawl space & storage
<u>Apt. A</u>	<u>1</u>	<u>3/3</u>	<u>2,211</u>	<u>540/ 545/ 403</u>	<u>Garage/Patio/Lanai</u>
<u>Apt. B</u>	<u>1</u>	<u>2/1</u>	<u>977</u>	<u>312</u>	<u>Patio</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 (except as limited by law), and subject to the size limit on Apartment B, stated above. 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>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.

* Each apartment has a two car garage, and 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) The shared water meter and any shared waterlines and appurtenances; and (b) the shared utility vaults for electricity, phone and cable television, and any shared electrical, phone and cable television lines, conduit and appurtenances.

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):

For Apartment A, all structural components and mechanical and electrical installations are in good condition and in good working order.

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>	<u> </u>	<u> </u>
Structures	<u>All</u>	<u> </u>	<u> </u>
Lot	<u>Yes</u>	<u> </u>	<u> </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 January 13, 2006 and issued by Fidelity National Title Insurance Company

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, in favor of Wells Fargo Home Mortgage of Hawaii, LLC, a limited liability company organized and existing under the laws of the State of Delaware, in the amount of \$330,000.00, dated December 2, 2003, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2003-270726. Said Mortgage was assigned to Mortgage Electronic Registration Systems, Inc., its successors and/or assigns, and recorded in said Bureau as Document No. 2005-037575 on February 24, 2005.	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

There are no warranties.

2. Appliances:

There are no warranties.

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

Apartment A was completed in 1992; Apartment B was completed in 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 _____

*The charges shall be divided between the apartment owners based on actual use measured by a sub-meter.

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 January 9, 2006
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) Subdivision Agreement ((Large Lots), dated July 2, 1987, recorded in the Bureau of Conveyances of the State of Hawaii in Book 20893 at Page 459, (ii) Subdivision Agreement (Three Lots or Less), dated July 2, 1987, recorded in said Bureau in Book 20893 at Page 468, (iii) Declaration of Affirmative Covenants, Amendment of Grant of Easement, dated September 16, 1987, recorded in said Bureau in Book 21320 at Page 492, (iv) Agreement, dated June 8, 1988, recorded in said Bureau in Book 22017 at Page 70, (v) Easement(s) as described in document recorded in said Bureau as Document No. 91-024535, (vi) Unrecorded Agreement for Subdivision Approval, as shown in Deed dated February 22, 2000, recorded in said Bureau as Document No. 2000-025955, (vii) Subdivision Agreement (Agricultural Use), dated February 8, 1991, recorded in said Bureau as Document No. 91-019515, (viii) Declaration of Protective Covenants, dated March 13, 1991, recorded in said Bureau as Document No. 91-035500, (ix) Unilateral Agreement and Declaration for Construction of a Farm Dwelling on Lands Zoned County Agricultural District or designated State Agricultural District, dated November 14, 2003, recorded in said Bureau as Document No. 2003-263992, and (x) Inspection notes from David Neto, dated December 2, 2005, attached hereto as Exhibit "F", which includes a brief description of the condition of the buildings (including electrical and plumbing).

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. 5903 filed with the Real Estate Commission on February 3, 2006.

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. The condominium is served by a single water meter and water use for both apartments will be billed to the Association of Apartment Owners by the County of Maui Department of Water Supply in a single bill. The Association is responsible for paying said charges and will allocate them among the apartment owners as common expense assessments. The method of allocation shall be by individual use meters ("submeters") apportioning the County's billings between both apartments by proportionate metered water usage.

The County of Maui Department of Water Supply has adopted a policy to require that each apartment in a condominium have its separate water meter. This condominium has only one meter, which is shared. This sharing may be in violation of these rules. Due to the current shortage of water in the Department's upcountry water system, it may not be possible to obtain a second meter for this property. WATER SERVICE IS NOW BEING PROVIDED TO BOTH APARTMENTS AND DEVELOPER KNOWS OF NO INSTANCE WHERE THE WATER DEPARTMENT HAS TERMINATED WATER SERVICE TO A CONDOMINIUM UPON CONVERSION. HOWEVER BUYER IS CAUTIONED THAT BUYER MAY BE REQUIRED TO OBTAIN A METER AS A CONDITION TO THE BUYER'S USE, EXPANSION OR CONSTRUCTION OF BUYER'S APARTMENT, OR THE ISSUANCE OF A BUILDING PERMIT FOR ANY PURPOSE. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL OR CONTACT THE DEPARTMENT OF WATER SUPPLY FOR ADDITIONAL INFORMATION.

The capacity of the single 5/8" water meter is limited. If an apartment owner desires to expand an apartment or build a new structure, the size of the meter may be insufficient and the County of Maui may deny the requested building permit. A larger water meter or an additional meter may not be available. BUYERS ARE URGED TO CONSULT WITH THEIR LEGAL COUNSEL OR WITH APPROPRIATE COUNTY OF MAUI AGENCIES.

2. Mailboxes. Each apartment has its own separate mailbox.

3. Sewer. Each apartment has its own septic system within its appurtenant limited common element. Apartment A has a cesspool, and Apartment B has a septic tank with a leach field. The location of each separate septic system is shown on the Condominium Map. County sewer service is not available. The owner of each apartment shall be responsible for the cost of maintaining, operating and/or replacing said apartment's system. This may include upgrading a system as required by the proper governmental agency. No representations or warranties are made as to the quality, useful life, replacement cost, operating cost, or maintenance cost of either system.

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, and no other dwellings. Apartment B was designated as the apartment which is subject to the 1000 square feet limitation, and may not be expanded beyond this limitation, and Apartment A was designated 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. 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, County approval of farm plans shall be required as well as actual ongoing implementation. 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. 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.

7. Agricultural Restrictions. The condominium land is subject to a Declaration of Protective Covenants, dated March 13, 1991, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-03550, which Declaration restricts (among other things) pigs or chickens on the condominium land. 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.

8. 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.

EXHIBIT A

UA NOE PLACE CONDOMINIUM

DESCRIPTION OF BUILDINGS:

The condominium consists of two separate apartments, each of which is a farm dwelling, and also a freestanding garage appurtenant to Apartment "B", which is a limited common element. 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, glass and related materials. Upon expansion, relocation, construction or reconstruction of any apartment by any owner(s) thereof as provided in the Declaration, the modified or new building containing any apartment may be constructed of any other building material meeting applicable building codes, including but not limited to concrete, masonry, plaster, wood, glass or related materials.

DESCRIPTION OF APARTMENTS:

The condominium shall consist of two (2) apartments designated Apartment "A" and Apartment "B", with Apartment "A" the western most and Apartment "B" the eastern most. Each apartment is shown on the Condominium File Plan.

Apartment "A" is a three-story farm dwelling containing 2,211 square feet of net living area, and includes three bedrooms, three bathrooms, a kitchen, living room, dining room, entertainment room, laundry room, closet spaces, patio (545 square feet), lanai (403 square feet), attached crawl space/storage (1183 square feet), and attached garage (540 square feet).

Apartment "B" is a one-story farm dwelling containing 977 square feet of net living area, and includes two bedrooms, one bathroom, a kitchen, living room, dining room, closet spaces and patio (312 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 (Ua noe Place), which provides access to a public road (West Kuiaha Road).

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 (Ua noe Place), which provides access to a public road (West Kuiaha Road).

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 west to east. 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	2211 square feet of living area 1183 square feet of crawl space/storage 540 square feet of garage 545 square feet of patio 403 square feet of lanai
B	977 square feet of enclosed floor area 312 square feet of patio

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 (a) the land in fee simple; (b) the shared water meter and any shared waterlines and appurtenances; (c) the shared utility vaults for electricity, phone and cable television, and any shared electrical, phone and cable television lines, conduit and appurtenances; and (d) 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. Also appurtenant to Apartment "B" is a freestanding garage including 537 square feet of area, as a limited common element.

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. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Subdivision Agreement (Large Lots), dated July 2, 1987, recorded in the Bureau of Conveyances of the State of Hawaii, Book 20893, Page 459.

This document, among other things, defers certain subdivision improvements having to do with a large-lot subdivision (as defined in Section 18.16.270 of the Maui County Code), and may require that the newly created large lots be of such size and shape and have building site restrictions, as will provide for extension and opening of streets at intervals which will permit a subsequent subdivision of any large lot.

4. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Subdivision Agreement (Three Lots or Less), dated July 2, 1987, recorded in the Bureau of Conveyances of the State of Hawaii, Book 20893, Page 468.

This document states that no improvements shall be required upon existing streets for a subdivision containing three lots or less, provided the subdivider or owner, their heirs, executors or assigns agree to participate in an improvement district when and if such improvement district is proposed.

5. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation of discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Declaration of Affirmative Covenants, Amendment of Grant of Easement, dated September 16, 1987, recorded in the Bureau of Conveyances of the State of Hawaii, Book 21320, Page 492.

This document concerns the possible relocation of an electrical easement that does not affect the subject property.

6. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation of discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Agreement dated June 8, 1988, recorded in the Bureau of Conveyances of the State of Hawaii, Book 22017, Page 70.

The purpose of this instrument was to set forth additional terms for the purchase agreement between parties with respect to the conveyance, consolidation and resubdivision of the subject property. To the best knowledge of Developer all terms of said agreement have been met.

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, a Hawaii corporation, now known as Verizon Hawaii Inc., for utility purposes over Easement B, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-024535.

This document grants easements to Maui Electric Company and Verizon Hawaii, Inc. for electrical purposes, and has certain restrictions as to uses within said easement areas for both the Grantor and Grantee.

8. Easement(s) "B", for electrical purposes, as shown on the map prepared by Norman K. Murakami, Registered Professional Land Surveyor, Certificate No. LS-5824 dated December 11, 1990, revised January 22, 1991.

9. An Unrecorded Agreement for Subdivision Approval, upon and subject to all of the provisions contained therein. (As shown in Deed dated February 22, 2000, as Document No. 2000-025955), by and between Peter Klint Martin and Deborah Lee Martin, husband and wife, and Robert Leialoha Horcajo and Tamara Loy Horcajo, husband and wife, "subdivider", through its Department of Public Works, and/or its Department of Water Supply, "County".

This Agreement relates to an earlier subdivision and Developer believes that all requirements have been satisfied.

10. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation of discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Subdivision Agreement (Agricultural Use), dated February 8, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-019515.

This document 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.

11. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation of discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Declaration of Protective Covenants, dated March 13, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-035500.

This document imposes certain restrictions and uses upon the subject property, including but not limited to land use, design review, maintenance of lot, animals and lot construction.

12. The following qualifying language applies to any and all covenants, conditions and restrictions (CC&R's) set forth in the numbered items above:

But omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

13. Unilateral Agreement and Declaration for Construction of a Farm Dwelling on Lands Zoned County Agricultural District or designated State Agricultural District dated November 14, 2003, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2003-263992.

This agreement creates a conditional approval of a building permit for a farm dwelling on agricultural land, emphasizing the fact that a farm dwelling is accessory to agricultural use of the property, and that the farm plan as designated in the application for building permit will be monitored by the County of Maui through its Department of Planning.

14. A mortgage to secure an indebtedness as shown below, and any other obligations secured thereby:

Amount:	\$330,000.00
Dated:	December 2, 2003
Loan No.:	None shown
Mortgagor:	Anne Christine Barnett, wife of Howard Michael Barnett (who acquired title as Anne Christine Hammerslag)
Mortgagee:	Wells Fargo Home Mortgage of Hawaii, LLC, a Limited Liability Company organized and existing under the laws of the State of Delaware
Recorded:	December 9, 2003, in the Bureau of Conveyances of the State of Hawaii as Document No. 2003-270726.

An assignment of the mortgagee's interest under said mortgage which names:

Assignee:	Mortgage Electronic Registration Systems, Inc., its successors and/or assigns
Loan No.:	7810371162
Recorded:	February 24, 2005, in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-037575.

15. Condominium Map No. 4147, recorded in the Bureau of Conveyances of the State of Hawaii.

16. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation of discrimination based on race, color, religion, sex, handicap, familial status or national origin) as contained in Declaration of Condominium Property Regime of Ua Noe Place, dated January 3, 2006, recorded January 13, 2006, in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-008460.

17. By-Laws of the Association of Apartment Owners of Ua Noe Place, dated January 3, 2006, recorded January 13, 2006, in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-008461.

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	\$107.50 per month x 12 = \$1290.00 per year
B	\$107.50 per month x 12 = \$1290.00 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
- Telephone
- Water (†)

\$40.00/month x 12 months = \$480.00

Maintenance, Repairs and Supplies

- Building
- Grounds
- Shared Water lines and appurtenances
- Shared electrical vaults and appurtenances

\$5.00/month x 12 months = \$60.00
 \$5.00/month x 12 months = \$60.00

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

- Liability Insurance premiums

\$150.00/month x 12 months = \$1800.00

Reserves(*)

- Replacement of Shared Water lines and appurtenances
- Replacement of Shared electrical vaults and appurtenances

\$5.00/month x 12 months = \$60.00
 \$5.00/month x 12 months = \$60.00

Taxes and Government Assessments

Audit Fees

\$5.00/month x 12 months = \$60.00

Other

TOTAL

\$215.00/month x 12 months = \$2580.00

I, the undersigned condominium developer for the Ua Noe Place 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.

 Anne Barnett

(Signature)

 1/25/2006
 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.

(†) Water use will be metered and billed based on actual amounts used by each apartment.

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.

Upon its formation, the Association should conduct a replacement reserve study for the shared utility installations, including but not limited to the shared water meter and appurtenances and the shared electrical vaults and appurtenances.

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.

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December 2, 2005

Architect's Report
Ua Noe Place Condominium- Apartment "A"
3175 Ua Noe Place
Haiku, HI 96708

This residence was physically inspected on December 2, 2005. The structure conforms to applicable building codes of Maui County.

General exterior, Foundation & Frame:

All directions in this report are looking at the house from the street side. The concreted footed foundation and concrete slab looks good. Posted foundation areas also look good. Wooden exterior base wall frame, interior wooden wall frame and roof frame well done. There are no signs of adverse structural movement such as opening wall cracks. Steel anchors and hurricane ties in use where visible.

Unimproved driveway and concrete street apron. Garage floor pitched for run off. Fire-rated door installed between the garage and the living room. Garage slab is in good condition with some minor cracking. Garage door opener with safety retreat working properly. Concrete walkways and lanais in good condition with minor cracking. Stairs, steps, decking and handrails sturdy.

Conventional pressure treated lumber (green tinted Osmose or Wolmanized) was used in the general frame of the house (visible).

The decking is in brand new condition and is constructed with conventional treated lumber. It should have a life expectancy of 15- 20 years.

Freshly painted exterior surfaces are in excellent condition and should not need to be repainted for 7-8 years.

Drainage looks okay with no erosion or ponding observed at the time of the inspection. The mostly hog wire fencing in good condition.

Roof:

The "Architect 80" type of roofing material should last twenty-five to thirty years from the time of installation. All shingled in place as observed by walking the roof.

Screened attic (eave blocking) vents are in good condition. Vent pipe flashings in good condition. Rain gutters are provided.

Plumbing:

House water feeds are copper (where visible) with a good flow-rate. Piping from the water meter is buried, so the type of pipe is unknown. The main water shut-off is near the water heater below the house. Mostly plastic ABS with some steel pipe for waste (where visible). Counter top-to-sink seals are good.

Plumbing fixtures are working well.

Hot water delivery good from an eighty gallon electric water heater. Manufacturers date: September 2005. Rough-in plumbing for future solar water heating is stubbed in.

Condition of cesspool, septic system or sewer hook-up unknown, but wastewater is evacuating well from plumbing devices.

Electrical:

Two one hundred Amp Main service disconnects (circuit breakers) located at the left side of house. Underground service. 124 volts actual. Conventional circuit breaker system. The distribution panels (circuit breaker boxes) are located in the garage and in the laundry. Both are served from the main circuit breaker by AWG 1/0 aluminum conductor. Sheathed (Romex type) cable used throughout (where visible). Ground-fault-interrupt circuits or receptacles provided where needed. Receptacles check out for proper polarity and grounding. Switches work well. Smoke detectors provided and working properly.

General interior:

Sliding glass doors and sliding screen doors in good condition and working properly. Interior doors are working properly. Fixed glass is in good condition. Sliding glass windows work well and lock. Mirrors are in good condition.

All floor coverings of tile in good condition. Bamboo wood floors are in very good condition. Finished concrete floors are in very good condition.

Kitchen cabinets are in very good condition. Bathroom cabinets are in good condition. Granite counters in kitchen are in excellent condition. Tile counters in 2 bathrooms in good condition. Solid surface counter in downstairs bathroom is in good condition.

Walls and ceilings are in very good condition.

Appliances:

Refrigerator (kitchen): Manufacturers date of March, 2001.

Washer: Manufacturers date of April, 2001.

Dryer: Manufacturers date of January, 2001.

Disposal: Manufacturers date of July, 2005.

Stove/oven: Manufacturers date of October, 2002.

Dishwasher: Manufacturers date of July, 2002.

Ceiling fans: Very good condition.

Bathroom exhaust fan: in good working condition

12/02/05

