

CONDOMINIUM PUBLIC REPORT

Prepared & Issued By:

Developer JD2 LLC
Address P.O. Box 598, Wenatchee, Washington 98807
Project Name (*): HALE NANI
Address: 1683 Nana Street, Wailuku, Hawaii 96793

Registration No. 5943 (Conversion)

Effective Date: December 18, 2006
Expiration Date: May 18, 2007

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[X] SUPPLEMENTARY: (pink) This report updates information contained in the:
[X] Final Public Report dated: April 18, 2006

(*) 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.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

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:

1. Change of developer
2. Changes in Encumbrances Against Title, Exhibit F
3. Changes in Specimen Sales Contract and Summary of Sales Contract, Exhibit H
4. Change in Escrow Agreement and Summary of Escrow Agreement, Exhibit I
5. Change in Developer's Attorney
6. Exhibit G signed by new Developer
7. Change in Real Estate Broker

SPECIAL ATTENTION

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.

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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I. PERSONS CONNECTED WITH THE PROJECT

Developer: JD2 LLC Phone: (808) 879-5205
 Name* (Business)
P.O. Box 598
 Business Address
Wenatchee, Washington 98807

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):

Dan Goodfellow
Dan McEvoy

Real Estate Broker*: East Oahu Realty, Inc. Phone: (808) 396-2000
 Name (Business)
Hawaii Kai Corporate Plaza
6600 Kalaniana'ole Highway
 Business Address
Honolulu, Hawaii 96825

Escrow: OLD REPUBLIC TITLE & ESCROW OF HAWAII, LTD. Phone: (808) 875-6950
 Name (Business)
380 Huku Li'i Place, Suite 206
 Business Address
Kihei, Hawaii, 96753

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

 Business Address

Condominium Managing Agent*: COMMERCIAL PROPERTIES OF MAUI, INC. Phone: (808) 243-8600
 Name (Business)
1962 B Wells Street
 Business Address
Wailuku, Hawaii 96793

Attorney for Developer: Peter A. Horovitz 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)

1. 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 D .

as follows:

2. 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 "E" .

as follows:

- A. 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 F describes the encumbrances against the title contained in the title report dated November 14, 2006 and issued by Old Republic Title & Escrow of Hawaii.

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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B. 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

DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT OR CONSUMER PRODUCTS OR OTHER THINGS WHICH MAY BE INSTALLED OR WHICH ARE CONTAINED IN THE APARTMENT OR THE PROJECT, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMAN LIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

2. Appliances:

WITH RESPECT TO APPLIANCES OR OTHER CONSUMER PRODUCTS INCLUDED IN BUYER'S PURCHASE OF THE APARTMENT, THE APARTMENT DEED WILL OPERATE AS AN ASSIGNMENT FROM THE DEVELOPER TO THE BUYER OF ALL MANUFACTURERS' OR DEALERS' WARRANTIES, IF ANY, COVERING ANY SUCH APPLIANCE OR CONSUMER PRODUCTS FOR THE UNEXPIRED TERM THEREOF, TO THE EXTENT THAT THE DEVELOPER HAS THE RIGHT AND POWER TO MAKE SUCH AN ASSIGNMENT.

II. 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 "H" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement Date September 5, 2006
Exhibit "I" 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 _____

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. 5943 filed with the Real Estate Commission on March 9, 2006.

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

YELLOW paper stock WHITE paper stock PINK paper stock

- 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.

JD2 LLC

Printed Name of Developer

By:  12/12/06
Duly Authorized Signatory* Date

Dan McEvoy, Member

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

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

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Any and all Real Property Taxes that may be due and owing. Reference is made to the Director of Finance, County of Maui.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. A 15-foot building set back line as shown on File Plan No. 709.
4. Grant of Easement dated December 4, 1961, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 4181, page 276, in favor of Maui Electric Company, Limited, and GTE Hawaiian Telephone Company Incorporated, granting an easement for utility purposes.
5. Various easements shown on said File Plan for Sanitary Sewer purposes, the same being reserved in Deed dated March 27, 1963, recorded in said Bureau in Liber 4489, page 413.
6. Covenants, conditions and restrictions contained in that certain Deed dated March 27, 1963, recorded in said Bureau in Liber 4489, page 413.
7. Condominium Map No. 4131.
8. Declaration of Condominium Property Regime of Hale Nani dated November 15, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-259130.
9. Bylaws of the Association of Property Owners of Hale Nani dated November 15, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-259131.

EXHIBIT G

ESTIMATE OF INITIAL MAINTENANCE FEES

HALE NANI

Apartment Number	Monthly Fee (per apartment)	Yearly Total (per apartment)
1	\$281.93	\$3,383.16
2	281.93	3,383.16
3	340.00	4,080.00
4	238.58	2,862.96
5	147.93	1,775.16
6	289.81	3,477.72
7	289.55	3,474.60
8	354.98	4,259.76
9	249.61	2,995.32
10	153.18	1,838.16

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

**HALE NANI CONDOMINIUM
PROPOSED 12 MONTH BUDGET**

Receipts:	Description	Monthly Budget	Annual Budget
110	Maintenance Fees	\$2,152.50	\$25,830.00
Total Revenues		\$2,152.50	\$25,830.00

Operating Disbursements:

Administration			
310	Management Fees	\$450.00	\$5,400.00
311	Meetings	\$25.00	\$300.00
322	Postage	\$25.00	\$300.00
325	Office Expenses	\$39.00	\$468.00
335	Bank Charges	\$6.00	\$72.00
Professional Services			
341	Accounting Services	\$42.00	\$504.00
Insurance			
360	Multi peril insurance	\$400.00	\$4,800.00
364	Fidelity Bond	\$25.00	\$300.00
Income Taxes			
510	HI General Excise Tax	\$2.00	\$24.00
520	HI Income Tax	\$2.00	\$24.00
530	Fed. Income Tax	\$4.00	\$48.00
Utilities			
610	Electricity	\$150.00	\$1,800.00
640	Telephone	\$4.00	\$48.00
660	Water	\$250.00	\$3,000.00
General Maintenance/ Repairs			
722	Lighting	\$10.00	\$120.00
730	Carpentry	\$50.00	\$600.00
735	Painting	\$50.00	\$600.00
740	Plumbing	\$50.00	\$600.00
744	Irrigation	\$6.00	\$72.00
780			
Contract Services			
810	Janitorial	\$150.00	\$1,800.00
815	Refuse Disposal Contract		

I, the undersigned condominium developer for the Hale Nani 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.

JD2 LLC


By: DAN MCEVOY
Its: MEMBER

Date: 12/12, 2006

(*) 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 common element driveway.

EXHIBIT H

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 I

SUMMARY OF ESCROW AGREEMENT

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

- a. Escrow will let the purchaser know when payments are due.
- b. Escrow will arrange for the purchaser to sign all necessary documents.
- c. The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

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

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

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

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

If I decide to cancel, I understand that I can do so by notifying JD2 LLC, P.O. Box 598, Wenatchee, Washington 98807 by mail or telegram sent before: (1) the conveyance of my apartment(s) to me; or (2) midnight of the thirtieth day after delivery of the Public Reports(s) to me, whichever is earlier. If I send or deliver my written notice some other way, it must be delivered to the above address no later than that time. I understand that I can use any written statement that is signed and dated by me and states my intention to cancel, or I may use this notice by checking the appropriate box and by signing and dating below.

I understand that if I do not act within the above thirty-day period or if the apartment is conveyed to me within the above thirty-day period, I will be considered to have executed this receipt and to have waived my right to cancel my purchase. I also understand that I can waive my right to cancel by checking the appropriate box, by signing and dating below, and by returning this notice to JD2 LLC.

I HAVE RECEIVED A COPY OF:

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

Purchaser's Signature

Date

Purchaser's Signature

Date

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

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

Purchaser's Signature

Date

Purchaser's Signature

Date

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