

CONDOMINIUM PUBLIC REPORT

Prepared & issued by: Developer: 155 Auhana LLC
Address: 3525 Lanihou Place, Kihei, Maui, Hawaii 96753

Project Name(*): 155 Auhana Street Condominium
Address: 155 Auhana Street, Kihei, Maui, Hawaii 96753

Registration No. 6079
(Conversion)

Effective date: September 14, 2006
Expiration date: October 14, 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 governmental agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

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

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

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

Type of Report:

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

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

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

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

(*) Exactly as named in the Declaration

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-30 286/986/189/1190/892/0197/0800/0203/0104

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 Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

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. 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.
2. 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.
3. The developer neither prepared nor commissioned a Phase I Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer if any hazardous materials are discovered.
4. Pursuant to federal law, 42, U.S.C 4852(d), the Residential lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

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

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: 155 Auhana LLC Phone: (808)891-1379
Name* (Business)
3525 Lanihou Place
Kihei, Maui, Hawaii 96753
Business Address

Name of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):
Gene Young is the sole member and manager of Developer.

Real Estate Broker*: Prudential Locations LLC Phone: (808)357-5118
Name (Business)
1215 S. Kihei Road, Suite N
Kihei, Maui, Hawaii 96753
Business Address

Escrow: First Hawaii Title Corporation Phone: (808) 871-7124
Name (Business)
33 Lono Avenue, Suite 240
Kahului, Maui, Hawaii 96732
Business Address

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

Business Address

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

Business Address

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

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

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 2006-116854
Book _____ Page _____
 Filed - Land Court Document No. _____

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

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

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. 4265
 Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 2006-116855
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>Majority of Board of Directors</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 the right to amend the Declaration, By-Laws and House Rules to designate additional easements, adopt or change use restrictions and limitations as deemed desirable to accommodate needs of apartment purchasers, enhance sales, correct errors, and to clarify uncertainties or ambiguities in the documents. See Exhibit A attached hereto.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

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

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

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

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

For Sub-leaseholds:

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

[] Canceled [] Foreclosed

[] As long as the buyer is not in default, the buyer may continue 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 owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the buildings(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

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

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

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

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

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

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are the subject to renegotiation. Renegotiation may be based on a formula by arbitration set in the lease agreement by law or by agreement between the lessor and lessee. The renegotiated lease rents may

increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

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

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

B. Underlying Land:

Address: 155 Auhana Street Tax Map Key (TMK): (2) 3-9-17:30
Kihei, Maui, Hawaii 96753

[] Address [] TMK is expected to change because N/A

Land Area: 1.57 [] square feet [X] acre(s) Zoning: R-2 Residential*

*Under R-2 zoning, nine (9) single family residences are permitted, plus one (1) accessory dwelling with a covered floor area (including storage and covered lanai) of not more than 800 square feet. Apartment A is the apartment designated as the accessory dwelling. All buildings in this condominium are permitted structures under applicable zoning rules.

Fee Owner: 155 Auhana LLC
 Name
3525 Lanihou Place
Kihei, Maui, Hawaii 96753
 Address

Lessor: N/A
 Name

 Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 10 Floors Per Building 1

Exhibit D contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other _____

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>10</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other:	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

5. Special Use Restrictions:

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

Pets: Section 10.6 of the By-Laws restricts household pets to two (2), except aquarium animals and non-poultry type indoor birds and service animals.

Number of Occupants: _____

Other: Residential uses only. No transient rentals, time shares or vacation club uses.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<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>
(See Exhibit D attached hereto)					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 10

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

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

Boundaries of Each Apartment:

See Exhibit B attached hereto.

Permitted Alterations to Apartments:

See Exhibit C attached hereto.

Apartments Designated for Owner-Occupants Only:

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 _____ elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 10

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	<u>5*</u>	<u>5*</u>	_____	_____	_____	_____	<u>10</u>
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>10</u>	_____	_____	_____	_____	_____	<u>10</u>

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

*Apartments D, E, F, G and I have covered parking included within the apartment boundaries. All other apartments have on-site, open parking.

- 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: Common Driveway

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):

As set forth in the Inspection Reports of Stodder Construction and Nick Wagner Architect Inc. for each unit, the condition of each apartment is sound and good. Appliances are new, and utility systems have been upgraded.

11. Conformance to Present Zoning Code.

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>all</u>	_____	_____
Structures	<u>all</u>	_____	_____
Lot	<u>yes</u>	_____	_____

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

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

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

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

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

described in Exhibit _____.

as follows: The Common Elements include (a) the land in fee simple, (b) the Common Element Driveway, (c) any and all utility lines serving more than one (1) apartment, and (d) all limited common elements described below.

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 _____.

as follows: 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", each with a letter designation corresponding to that of the apartment to which it is appurtenant. 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.

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: Each apartment will have a 1/10 common interest and will pay 1/10 of all common expenses, and shall have an equal 1/10 vote on all condominium matters as a member of the 155 Auhana Street Condominium Association of Apartment Owners.

- 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 E describes the encumbrances against the title contained in the title report dated June 26, 2006 and issued by Commonwealth Land Title Insurance Company.

Blanket Liens:

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

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

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

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

<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 Finance Factors, Limited dated March 2, 2004, recorded as Document No. 2004-046891 in the principal amount of \$1,250,000.00	Buyer may lose his or her unit but buyer's deposit to be refunded less any escrow cancellation fees. All mortgage liens will be paid out of the proceeds of the sale of each apartment and each apartment will be released from the mortgage at that time.
Assignment of Rents and Other Income in favor of Finance Factors, Limited dated March 2, 2004, recorded as Document No. 2004-046892	
Financing Statement in favor of Finance Factors, Limited dated March 5, 2004, recorded as Document No. 2004-046893	

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. All apartments are being sold "as is".

2. Appliances:

There are no warranties. All apartments are being sold "as is".

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

Apartment A was built in the 1940s and moved to the subject property in 1975. All other apartments were completed as follows:

<u>Apartment</u>	<u>Year of Construction</u>
B	1987
C	1987
D	1988
E	1988
F	1989
G	1988
H	1990
I	1991
J	1976

H. **Project Phases:**

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

not affiliated with the Developer the Developer or 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 H 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 and Apartments)
 Gas (____ Common Elements only _____ Common Elements & Apartments)
 Water Sewer Television Cable
 Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract
Exhibit G contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated June 15, 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 or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other: Buyers are directed to review the items and documents disclosed in Exhibit E attached hereto, and to consult with their legal counsel concerning their impact.

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. 6079 filed with the Real Estate Commission on July 5, 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. **Special Management Area.** The entire condominium land is located within the Special Management Area (SMA). Under State and County law, any improvements to the property will require review and approval by governmental agencies, including the County of Maui Planning Commission, under applicable rules and regulations.

2. **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 determined by the Board of Directors of the Association and may be (a) an equal assessment to all apartments, (b) by individual use meters ("submeters") apportioning the County's billings between both apartments by proportionate metered water usage, or (c) other methods determined by the Board of Directors to be fair and reasonable.

3. **Mailboxes.** Each apartment has its own mailbox, located in the central mailbox facility at Auhana Road.

4. **Setbacks.** No structures will be placed in any Limited Common Element from within a setback area of five (5) feet from the boundary dividing that Limited Common Element from any other Limited Common Element, unless agreed to by the owners of both apartments. Existing structures within the said setback area may remain, and be repaired and replaced as needed.

5. **Sewer.** Each apartment is served by the County of Maui wastewater removal system and will be billed for sewer in the same manner as water. Portions of the sewer line may be shared in common by both apartment owners; any expenses associated with installing, removing, maintaining and/or repairing said common line(s) will be handled according to the Declaration of Condominium Property Regime.

6. **Pre-Existing Buildings.** Since the buildings are all pre-existing there may be lead paint, asbestos and other environmentally harmful materials contained in the buildings which may be hazardous and which would not be permitted for a new building today.

7. **Hazardous materials.** The developer neither prepared nor commissioned a Phase I Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the project. Because of the possible presence of such substances, buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the project or anything installed or contained therein and buyer expressly releases the developer from any liability to buyer if any hazardous materials are discovered.

8. **Mold.** The buildings are pre-existing and may contain mold or mildew. Also, buildings in Hawaii's humid climate are generally susceptible to mold and mildew. Mold and mildew may be hazardous to a person's health, particularly people with asthma or respiratory problems. Developer provides NO warranties and has NO responsibility for mold or mildew.

9. **Lead Warning Statement.** Pursuant to federal law, 42, U.S.C 4852(d), the Residential lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

10. **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.

11. **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.

12. **Reciprocal Easements with Neighbors.** The common driveway area is subject to a non-exclusive easement in favor of the owners and occupants of the land abutting the condominium on the north for pedestrian and vehicular access to their land. Similarly, the condominium has a reciprocal non-exclusive easement to use the adjoining land for access to the condominium. Each easement is twenty-two (22) feet wide, which may in the future result in a common driveway and cul de sac turnaround of 44 feet wide. Each property has the right, but not the obligation, to pave, improve and landscape the easement area for their common use. The developer makes no representations or warranties as to the future use or development of the common driveway by the neighbor to the north.

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

- D. The developer declares subject to the penalties set forth in Section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

155 Auhana LLC
Printed Name of Developer

155 AUHANA LLC

By: Gene Young
Gene Young
Its Member and Manager

Date: June 15, 2006

Distribution:

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

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

EXHIBIT "A"

RIGHTS RESERVED BY DEVELOPER

Among other rights, the Developer will have the following reserved rights with respect to the Project which are more particularly set forth in the Declaration. Capitalized terms have the same meaning described as such terms in the Declaration.

1. Reserved Rights of Developer to Use the Common Elements and to Grant Easements. Under Section 6 of the Declaration the Developer has reserved several rights to occupy and use the common elements of the Project for various purposes, including conducting sales operations. Also, Section 6 provides that the Developer has reserved the right in the future to designate, grant and relocate easements for access, utility services and drainage over the condominium Land as needed in connection with the development and sale of the Project.

2. Reserved Right to Amend Condominium Documents. In Section 15.2 of the Declaration, the Developer has reserved the unilateral right to amend the condominium documents to satisfy insurers and lenders, correct errors, clarify uncertainties and ambiguities, comply with the law, and to adopt changes for the betterment of the condominium as a whole, or deemed desirable to accommodate the unanticipated needs of apartment purchasers.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL GUIDE, THE PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. THE PURCHASER SHOULD CONSULT WITH HIS, HER OR ITS ATTORNEY CONCERNING THESE RIGHTS AND THEIR EXERCISE.

IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION SHALL CONTROL.

END OF EXHIBIT "A"

EXHIBIT "B"

BOUNDARIES OF EACH APARTMENT

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

The boundaries of each apartment consist of the exterior finished surfaces of the exterior walls, roof, doors, windows and appurtenant structures and includes all foundations, underpinnings, decks and carport or garage. Each apartment includes all space and structure within its boundaries.

Concerning measurements and floor area, the net living areas set forth in the Declaration and Exhibit "D" are based on measurements taken from the interior surface of all perimeter walls, but no reduction is made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls. The stated areas of covered and uncovered lanais or decks are based on measurements taken from the exterior surface of each wall which separates the interior living areas of the apartments from the lanai or deck and the exterior edge of the floor or concrete slab of the lanai or deck and include any other exterior boundaries including steps beyond the floor or slab. The areas of garages and carports are based in measurements taken from the interior surfaces of the perimeter walls on an open side and a vertical plane defined by the limit of the enclosing wall.

All stated dimensions and areas are approximate in nature. Actual floor areas and dimensions upon completion of construction may vary as a result of reasonable tolerances and changes, which do not materially adversely affect the value of the apartment.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL GUIDE, THE PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. THE PURCHASER SHOULD CONSULT WITH HIS, HER OR ITS ATTORNEY CONCERNING THESE RIGHTS AND THEIR EXERCISE.

IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION SHALL CONTROL.

END OF EXHIBIT "B"

EXHIBIT "C"

PERMITTED ALTERATIONS TO APARTMENTS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

1. General Provisions. The Declaration provides for the restoration and replacement of the Project or any portion thereof, and the construction of additional improvements in certain cases where the Project has been damaged by fire or other casualty or by eminent domain taking. Refer to Articles 12 and 13.

2. Additions or Alterations Solely Within an Apartment or Limited Common Element. Section 8(f) permits each owner to make certain interior, non-structural changes to the apartment provided that such changes do not jeopardize the soundness or safety of any portion of the Project, reduce its value, or adversely affect other apartments or the use and enjoyment of the common elements by others.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL GUIDE, THE PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. THE PURCHASER SHOULD CONSULT WITH HIS, HER OR ITS ATTORNEY CONCERNING THESE RIGHTS AND THEIR EXERCISE.

IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION SHALL CONTROL.

END OF EXHIBIT "C"

EXHIBIT "D"

APARTMENT NUMBERS; NUMBERS OF BEDROOMS AND BATHROOMS;
APPROXIMATE NET LIVING AREA OF APARTMENTS; APPROXIMATE NET
SQUARE FOOTAGE OF LANAIS, GARAGES AND OTHER AREAS; AND
PERCENTAGE OF COMMON INTEREST, LOCATION, LAYOUT AND OTHER
APARTMENT INFORMATION

<u>Apt. No.</u>	<u>Bed/Bath</u>	<u>Approx. Net Living Area of Apartment (sq.ft.)</u>	<u>Approx. Area of Garage or Carport (sq.ft.)</u>	<u>Approx. Area of Lanai(s) (sq.ft.)</u>	<u>Approx. Area of Other Areas (sq.ft.)</u>	<u>Percentage of Common Interest</u>
A	1/1	475	n/a	195	44 (laundry)	10%
B	3/1	950	n/a	214	39 (storage)	10%
C	2/1	688	n/a	199	64 (storage)	10%
D	2/2	1024	291	461	38 (storage)	10%
E	2/2	1024	290	465	38 (storage)	10%
F	2/3	1100	724 (carports with storage)	461	n/a	10%
G	3/2	1236	291	359	38 (storage)	10%
H	3/2	940	397	289	31 (storage)	10%
I	2/1	690	n/a	179	31 (storage)	10%
J	1/1	475	n/a	195	44 (laundry)	10%

Locations of Apartments: Apartments A through H are located from south to north with Apartment A in the southwest corner of the property and Apartment H in the northwest corner. Apartment I is in the northeast corner abutting Apartment H on the east and Apartment J is in the southeast corner abutting Apartment A on Auhana Road.

Layouts of Apartments: The apartment layouts are as follows:

- (a) Apartment A contains one bedroom, a kitchen/living area, bath and laundry, and an uncovered lanai.

(b) Apartment B contains three bedrooms, one bath, a kitchen/living area, two uncovered lanais, and an outside storage area.

(c) Apartment C contains two bedrooms, one bath, a kitchen/living area, a covered lanai and two storage areas.

(d) Apartment D contains two bedrooms, two baths, a kitchen, a living area, carport with storage and an uncovered lanai.

(e) Apartment E contains two bedrooms, two baths, a kitchen, a living area, carport with storage and an uncovered lanai.

(f) Apartment F contains two bedrooms, three baths, a kitchen, a living area, detached storage area, two carports and a trellised lanai and uncovered lanai.

(g) Apartment G contains three bedrooms, two baths, a kitchen, a living area, carport with storage and uncovered lanai.

(h) Apartment H contains three bedrooms, two baths, a kitchen/living area, carport, covered lanai and uncovered lanai.

(i) Apartment I contains two bedrooms, one bath, a kitchen/living area, outside storage area and uncovered lanai.

(j) Apartment J contains one bedroom, one bath, a kitchen/living area, laundry and uncovered lanai.

END OF EXHIBIT "D"

EXHIBIT "E"

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. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Easement "2", area 60 square feet, more or less, as shown on Tax Map.
4. Roadway easement (22 feet wide) over and across a portion of Lot 1 and in favor of Lot 2, as described in Exchange of Easements dated December 4, 1975, recorded in the said Bureau of Conveyances in Liber 11154 on Page 75.
5. "That Letter Agreement by and between the Grantor and the County of Maui, for participation in future roadway improvement districts along Auhana Road extending to the Grantor's heirs, executors or assigns," as set forth in Deed dated December 3, 1975, recorded in the said Bureau of Conveyances in Liber 11154 on Page 86.
6. Certificate of Long-Term Residential Use dated ---, recorded in the said Bureau of Conveyances in Liber 22824 on Page 270.
7. Certificate of Long-Term Residential Use dated ---, recorded in the said Bureau of Conveyances in Liber 22824 on Page 271.
8. Certificate of Long-Term Residential Use dated ---, recorded in the said Bureau of Conveyances in Liber 22824 on Page 272.
9. Certificate of Long-Term Residential Use dated ---, recorded in the said Bureau of Conveyances in Liber 22824 on Page 273.
10. Certificate of Long-Term Residential Use dated July 19, 1989, recorded in the said Bureau of Conveyances in Liber 23661 on Page 782.
11. Grant in favor of Board of Water Supply of the County of Maui dated October 18, 1989, recorded in the said Bureau of Conveyances in Liber 23819 on Page 464, granting an easement for water system improvements for fire hydrant and incidental purposes over Easement 2 (10 feet wide).

12. Certificate of Long-Term Residential Use dated August 4, 1990, recorded in the said Bureau of Conveyances as Document No. 90-126286.

13. Certificate of Long-Term Residential Use dated May 4, 1991, recorded in the said Bureau of Conveyances as Document No. 91-075017.

14. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Condominium Property Regime for "155 Auhana Street Condominium" Condominium Project dated June 15, 2006, and recorded in the said Bureau of Conveyances as Document No. 2006-116854, covered by Map 4265 and any amendments thereto.

15. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in By-Laws of the Association of Apartment Owners dated June 15, 2006, and recorded in the said Bureau of Conveyances as Document No. 2006-116855.

16. The existence of any and all encroachments of any type or any other facts which a survey of the land herein described would disclose, and which are not shown by the public records.

Note: Specific encroachments are listed in item 18 below.

17. Any unrecorded leases, subleases and/or tenancy agreements demising a portion of the land herein described, and any encumbrances affecting the same. (Buyers will receive title and possession of their apartments free and clear of any leases.)

18. The following "de minimus structure position discrepancy" (as said term is defined in Chapter 669, Hawaii Revised Statutes, as amended), as shown on the survey map prepared by Sherman Dudley DePonte, Licensed Professional Land Surveyor, No. 8960, dated March 1, 2004:

(a) A questionable (as to ownership) wood fence along the Westerly property boundary line of subject parcel crosses onto Lot 2 of this subdivision TMK: (2) 3-9-17-29 by as much as 0.5 of a foot.

(b) A questionable (as to ownership) wood fence along the Northerly (rear) property boundary line of subject parcel crosses onto TMK: (2) 3-9-17-34 by as much as 0.1 of a foot.

These encumbrances are minor and will not impact the use, enjoyment or value of the apartments in this condominium project.

19. The following encroachment(s), as shown on the survey map prepared by Sherman Dudley DePonte, Licensed Professional Land Surveyor, No. 8960, dated March 1, 2004:

(a) A questionable (as to ownership) water vault is onto the subject parcel by as much as 5.6 by 3.4 feet.

This encumbrance is minor and will not impact the use, enjoyment or value of the apartments in this condominium project.

END OF EXHIBIT "E"

Tax Key: (2) 3-9-017-030

EXHIBIT "F"

ESTIMATED MONTHLY MAINTENANCE FEES

Estimated monthly maintenance fees shall be \$267.00 per apartment.

EXHIBIT "G"

SUMMARY OF SALE CONTRACT AGREEMENT

A specimen Deposit Receipt and Sales Contract (the "Sales Agreement", has been submitted to the Real Estate Commission and is available in the Sales Office of the Developer ("Seller"). ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. Lender Priority. Seller has given to and/or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual apartments. All of the rights and interests which Seller gives to the lender or lenders will have priority over the Buyers' rights and interests under the Sales Agreements. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The Buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed apartment deeds to the Buyers. If Seller's lender or lenders ask the Buyers to do so, the Buyers will sign other documents to confirm the promises and agreements mentioned above.

2. Buyer's Failure to Obtain Loan Approval. Seller may (but does not have to) cancel the Sales Agreement (a) if the Buyer's mortgage loan application is rejected or not approved within thirty (30) days after application, or (b) if the Buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the Buyer's ability to make the cash payments.

3. No Warranties. Apartments are being sold "as is".

4. REPRESENTATIONS. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS REPRESENTED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED HEREIN AND IN THE DECLARATION, THE BYLAWS, AND ANY OTHER DOCUMENTS AFFECTING THE PROPERTY. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE

APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

5. Closing Costs. Buyer will pay the following closing costs: 50% of the escrow fee, all of Buyer's notary fees, all appraisal fees, all recording costs (except for documents to clear Seller's title), all charges for Buyer's credit report, all costs of preparing any mortgages and promissory notes, and Buyer's title insurance premium. Buyer will also pay all mortgage costs. Buyer will also pay a non-refundable start-up fee which will be held and used by the Seller and the first managing agent of the Association as a working capital fund for the benefit of all the apartment owners. Buyer agrees that Seller does not have to pay any start-up fee for any apartment in the Project, but Seller will cause all Buyers to pay the start-up fee when apartments are sold and closed in escrow. Proration of real property taxes will be made as of the scheduled closing date. Proration of maintenance charges will be made as of the scheduled closing date or later at Seller's option.

6. Buyer's Default. If Buyer fails to make any payment when it is due or fails to keep any of Buyer's other promises or agreements contained in the Sales Agreement, then Seller will have the right, at Seller's sole option and in addition to any other rights contained in the Sales Agreement, to do any one or more of the following:

(a) Seller may cancel the Sales Agreement by giving to Buyer written notice of cancellation and Seller may keep all sums paid by Buyer under the Sales Agreement as liquidated damages. If Seller cancels the Sales Agreement, Buyer agrees that it will be difficult and expensive to determine the amount of loss or damage Seller will suffer. This is because of, among other things, Seller's commitments relating to the financing of the Project, the effect of default and cancellation of one sale on other apartment sales, and the nature of the real estate market in Hawaii. Buyer agrees that the sums paid by Buyer under the Sales Agreement are a reasonable estimate of a fair payment to Seller for Seller's loss or damage resulting from Buyer's default.

(b) Seller may file a lawsuit for damages.

(c) Seller may file a lawsuit for "specific performance" (in other words, a lawsuit to make Buyer keep all of Buyer's promises and agreements, including, without limitation, closing the purchase of the property).

(d) Seller may take advantage of any other rights which the law

allows or which Seller may have under the Sales Agreement.

Buyer also agrees to pay for all costs, including Seller's reasonable lawyers' fees and the escrow cancellation fee, which are incurred because of Buyer's default.

7. Seller's Default. If Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, Buyer may require Seller to go through with the Sales Agreement, or Buyer may cancel the Sales Agreement. If Buyer cancels the Sales Agreement because of Seller's default, Seller will repay to Buyer all sums paid by Buyer to Seller or escrow under the Sales Agreement, without interest.

BUYER AGREES THAT IF SELLER DEFAULTS UNDER THE SALES AGREEMENT AT ANY TIME, BUYER WILL ONLY HAVE THE RIGHTS MENTIONED IN THIS SECTION. BUYER GIVES UP ANY OTHER RIGHTS BUYER MIGHT OTHERWISE HAVE.

8. Contract Not Transferable. The Buyer agrees that Buyer may not transfer the Sales Agreement or any of Buyer's rights or interests under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

9. Conclusions and Summary. NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

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

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.
- (b) That the purchaser acknowledges having received and read a Public Report (either Preliminary or Final) for the Project prior to signing the Deposit, Receipt and Sales Contract.
- (c) That the purchaser's money will be held in escrow, under the

terms of the Escrow Agreement.

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

(e) 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.

(f) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project. Apartments are being sold "as is".

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

END OF EXHIBIT "G"

EXHIBIT "H"

CONDOMINIUM PUBLIC REPORT ON
155 AUHANA STREET CONDOMINIUM

DISCLOSURE ABSTRACT

1. (a) PROJECT: 155 Auhana Street
Kihei, Hawaii 96753
 - (b) DEVELOPER: 155 Auhana LLC
3525 Lanihou Place
Kihei, Hawaii 96753
 - (c) REAL ESTATE BROKER: Prudential Locations LLC
1215 South Kihei Road, Suite N
Kihei, Hawaii 96753
(Andrea Riecke: 808-357-5118)
 - (d) PROJECT MANAGER: Not applicable. Project will be self-managed.
-
2. USE OF APARTMENTS:
 - (a) Number of apartments in Project for residential use: ten (10)
 - (b) Proposed number of apartments in Project for hotel use: -0-
 - (c) Extent of commercial or other non-residential development in Project:
None
-
3. WARRANTIES:

Each apartment is being sold "as is". Developer makes no warranties or representations as to the physical condition of the apartments and any appliances located in the apartments, the structural components of the apartments or their remaining useful lives.

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Public Report as Exhibit "1" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by Gene Young for the one-year period commencing January 1, 2007 and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment is subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Project Manager, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments.

The breakdown of the estimated maintenance cost for each apartment contained in the Public Report does not include individual charges for sewer fees, weekly trash removal, cable TV or any metered utilities or the Buyer's obligation for real property taxes and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

* NOTE: THE DEVELOPER ADVISES THAT COSTS AND *
* EXPENSES OF MAINTENANCE AND OPERATION OF A *
* CONDOMINIUM PROJECT ARE VERY DIFFICULT TO *
* ESTIMATE INITIALLY AND EVEN IF SUCH *
* MAINTENANCE CHARGES HAVE BEEN ACCURATELY *
* ESTIMATED, SUCH CHARGES WILL TEND TO *
* INCREASE IN AN INFLATIONARY ECONOMY AND AS *
* THE IMPROVEMENTS AGE, MAINTENANCE CHARGES *
* CAN VARY DEPENDING ON SERVICES DESIRED BY *
* APARTMENT OWNERS. THE BUYER SHOULD *
* EXAMINE THE MAINTENANCE CHARGE SCHEDULE *
* TO SEE WHAT SERVICES ARE INCLUDED IN THE *
* SCHEDULE. *

5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer may assume all the actual common expenses of the Project (and therefore an apartment owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states that after a date certain, the respective apartment owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his apartment; provided, however, that such amended Disclosure Abstract shall be filed at least thirty (30) days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the apartment owners whose maintenance expenses were assumed by the Developer. The Developer shall have no obligation to pay any start-up fees or to pay for any cash reserves or other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

END OF EXHIBIT "H"

EXHIBIT "1"

OPERATING BUDGET

<u>Expenses</u>	<u>Monthly</u>	<u>Annually</u>
Utilities		
Water	900.00	10,800.00
Electricity		
Trash Removal	132.00	1,584.00
Maintenance		
Grounds and Driveway	700.00	8,400.00
Common Water and Sewer Lines	50.00	600.00
Administrative		
Management and Accounting	200.00	2,400.00
Audit	20.00	240.00
Insurance	400.00	4,800.00
Miscellaneous	100.00	1,200.00
Reserves	167.00	2,004.00
TOTAL:	2,669.00	32,028.00

I, GENE YOUNG, as the Member and Manager of 155 Auhana LLC, the Developer, hereby certify that the above estimate of assessments and condominium expense disbursements were prepared in accordance with generally accepted accounting principles.



Signature

June 15, 2006

Date

I, GENE YOUNG, as the Member and Manager of 155 Auhana LLC, the Developer for 155 Auhana Street Condominium hereby certify that a reserve study [has] [has not] been conducted to support the Capital Reserve Contribution line item set forth above, as there is insufficient information available to conduct such study at this time. Although under Hawaii law a newly formed Association is not required to collect estimated replacement reserves until the fiscal year which begins after the Association's first annual meeting, the Association for this project will begin to collect reserve amounts upon closing of sales of apartments in the project based on the estimate set forth above. [Purchasers should be aware that the amount collected for reserves may increase or decrease when the reserve study is conducted.]



Signature

June 15, 2006

Date

END OF EXHIBIT "1"

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Agreement will be held up 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 Agreement.
- (d) After a Sales Agreement becomes final and binding after the issuance of the Final Public Report for the Project, Developer may withdraw Buyer's deposits to pay for Project construction costs.

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 Agreement. 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.

END OF EXHIBIT "I"

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

I acknowledge receipt of the Developer's Final Public Report(s) and Disclosure Abstract, contained in the public report, in connection with my purchase of apartment(s) _____ (Apt. No.) in the 155 Auhana Street Condominium (Name of Condominium Project)

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

If I decide to cancel, I understand that I can do so by notifying 155 Auhana LLC, 155 Auhana Street, Kihei, Maui, Hawaii 96753 by mail or telegram sent before: (1) the conveyance of my apartment(s) to me; or (2) midnight of the thirtieth day after delivery of the Public Report(s) to me, whichever is earlier. If I send or deliver my written notice some other way, it must be delivered to the above address no later than that time. I understand that I can use any written statement that is signed and dated by me and states my intention to cancel, or I may use this notice by checking the appropriate box and by signing and dating below.

I understand that if I do not act within the above thirty-day period or if the apartment is conveyed 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 155 Auhana LLC.

I HAVE RECEIVED A COPY OF:

- (1) THE DEVELOPER'S FINAL 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