AMENDMENT 1 TO
AMENDED DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME:	Honua Kai Condominium, Building NE-C, Konea Enclave
PROJECT ADDRESS:	130 Kai Malina Parkway, Lahaina, Hawaii 96761
REGISTRATION NUMBER:	6165
EFFECTIVE DATE OF REPORT:	July 11, 2008
MUST BE READ TOGETHER WITH DEVELOPER'S PUBLIC REPORT DATED:	May 11, 2007
DEVELOPER(S):	Maui Beach Resort Limited Partnership

Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means any change that directly, substantially, and adversely affects the use or value of (1) A purchaser's unit or appurtenant limited common elements; or (2) Those amenities of the project available for the purchaser's use.

The law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developers Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchasers contract for sale, and applicable common law.

This Amendment has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this amendment to the Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts, material changes, or pertinent changes about the project have been fully or adequately disclosed; and (3) is not the

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Commission's judgment of the value or merits of the project.

The law defines "material facts" to mean any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

1. Page 13, Section 5.3 (Blanket Liens). This section was revised to disclose the planned recordation of the Additional Charge Real Property Mortgage, Security Agreement and Financing Statement ("Additional Charge Mortgage") to secure a construction loan in the amount of $305,000,000 for the construction of Buildings NE-A, NE-B and NE-C of the Konea Enclave and the Restaurant Condominium Unit. The Additional Charge Mortgage encumbers the entire Honua Kai Condominium (i.e., Hokulani Enclave, Konea Enclave and Luana Enclave).

2. Page 14, Section 5.5 (Status of Construction). This section was revised to update the information regarding the status of construction. The project is now currently expected to be completed in August 30, 2010. See the attached revised Page 14.

3. Page 15, Section 5.6.2 (Purchaser Deposits Will Be Disbursed Before Closing). This section was revised to disclose the Developer's intention to use purchaser's deposits to pay a portion of the construction costs and other project costs as disclosed in Section 5.6.2.

4. Page 18a, Section 6 (Miscellaneous Information Not Covered Elsewhere in This Report). This section was revised to disclose the planned recordation of the Additional Charge Mortgage. See the fourth and fifth paragraphs on the attached revised page. See also #2 above for more information on the Additional Charge Mortgage.

5. Exhibit G (List of Encumbrances), Page G-5. This exhibit was revised to disclose the planned recordation of the Additional Charge Mortgage noted above. See Item 34 on the attached revised page. See also #2 above for more information on the Additional Charge Mortgage.

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Changes continued:

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The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a) (13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers 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. The Developer hereby agrees promptly to amend this report as amended to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

Maui Beach Resort Limited Partnership
Printed Name of Developer

By: Northwest Maui Corporation,
its General Partner

By: _____ June 25, 2008
Duly Authorized Signatory* Date

Eric Gerlach, Vice President
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; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

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5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to the following:	
☒	Specimen Sales Contract **Exhibit L** contains a summary of the pertinent provisions of the sales contract, including but not limited to any rights reserved by the Developer.
☒	Escrow Agreement dated: August 21, 2006 Name of Escrow Company: Fidelity National Title & Escrow of Hawaii, Inc. **Exhibit M** contains a summary of the pertinent provisions of the escrow agreement.
☒	Other: Reservation Agreement. **Exhibit N** contains a summary of the pertinent provisions of the Reservation Agreement

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants. N/A

☐	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
☐	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
☐	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the Developer conveys the unit to a purchaser. The purchaser's interest will be affected if the Developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

☐	There are no blanket liens affecting title to the individual units.
☒	There are blanket liens that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
The Project is subject to a first mortgage to secure the construction of the Hokulani Enclave, and will be further subject to an additional charge mortgage to finance construction and other costs for the Konea Enclave and the Restaurant Unit. The Project is currently subject to two additional mortgages made by Developer in connection with two mezzanine loans, which will be subordinated to the additional charge mortgage when it is recorded. All four of these mortgages are described in Exhibit G (items 23, 26, 29 and 34) attached to this report. All mortgages will be released entirely as to a unit before that unit is conveyed to a purchaser.	If Developer defaults, the purchaser may exercise the purchaser's rights under the sales contracts against Developer (see **Exhibit L** and the sales contract). If Developer defaults under the construction loan, the construction lender will have the option of completing the Project, but is not required to do so. If the construction lender elects not to complete the Project, a purchaser's sales contract may be terminated at the construction lender's option and the purchaser will be entitled to a refund of deposits held in escrow, if any, and to exercise the purchaser's rights under the sales contracts against Developer.

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: Construction of the Project is expected to commence April of 2008 and the Project is currently expected to be completed in August 31, 2010. Please note that these dates are estimates and are subject to change.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: December 31, 2011.
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

☐	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked. Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
☒	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person or
☐	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

Box A ☒	The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report. If Box A is checked, you should read and carefully consider the following notice, which is required by law: **Important Notice Regarding Your Deposits: Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.**

Box B ☐	The Developer has **not** submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits. If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract, At such time, the **Important Notice Regarding Your Deposits** set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, **you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.** (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report. You should understand that, although the **Important Notice Regarding Your Deposits** set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

References in the Condominium Map to "LCE" mean Limited Common Element.

Developer obtained financing in the form of mezzanine debt. The mezzanine loans will be subordinate to the construction loan (see Section 5.3 of this Report). Developer used the proceeds of the mezzanine loans to pay off the loan used to acquire the land for the Honua Kai Condominium.

Developer recorded on October 25, 2005 a mortgage (see **Exhibit G** item 29) securing a construction loan in the amount of approximately $338,000,000 in conjunction with the construction of Buildings SE-A, SE-B and SE-C in the Hokulani Enclave. This mortgage encumbers the entire Honua Kai Condominium (i.e., Hokulani Enclave, Konea Enclave and Luana Enclave). Developer intends to record a new mortgage in an amount not to exceed $242,000,000 to finance the construction of the Konea Enclave which will act as a second mortgage on the Honua Kai Condominium until the release of the $338,000,000 construction loan is recorded as to the Konea Enclave and the Luana Enclave. See Section 5.3 of this Report for information concerning mortgage releases.

Developer intends to record an additional charge mortgage in the amount of approximately $305,000,000 to finance the construction of the Konea Enclave and the Restaurant Condominium Unit which will act as an additional mortgage lien on the Honua Kai Condominium. See Section 5.3 of this Report for information concerning mortgage releases.

After the issuance of the effective date of Amendment 1 to the Amended Developer's Public Report, the Developer intends on using purchaser deposits pursuant to the terms and conditions set forth herein. Thereafter, the additional charge mortgage described above will be recorded. After the recordation of the additional charge mortgage, the Developer will apply for and file Amendment 2 to the Amended Developer's Public Report with the Real Estate Commission for issuance. Amendment 2 shall disclose any applicable additional encumbrances.

Developer intends to record a Second Amendment to the Amended and Restated Bylaws, among other things, to correct a typographical error in Section 5.05(a) of the Amended and Restated Bylaws. The last sentence in the second paragraph in Section 5.05(a) of the Amended and Restated Bylaws will be corrected to read (the underlined words are the added text): "The following Konea Enclave Gas Condominium Units in Buildings NE-B and NE-C receive gas service on the lanai and in the kitchen. . ."

31. Assignment of Lessor's Interest in Leases and Rents recorded in said Bureau on October 25, 2006 as Document No. 2006-195130, executed by Maui Beach Resort Limited Partnership, a Delaware limited partnership, to CDPQ Mortgage Corporation, a corporation incorporated under the Canada Business Corporations Act.

32. Grant of Easement and Agreement Regarding Expansion of Retention Basins and Allocation of Retention Capacity dated November 30, 2006, recorded in said Bureau as Document No. 2006-222394, and filed in said Office as Document No. 3522688.

33. Memorandum of Lot 4 Amenities Agreement dated November 30, 2006, recorded in said Bureau as Document No. 2006-222395, and filed in said Office as Document No. 3522689.

34. Developer intends to record an additional charge mortgage securing a construction loan in the amount of approximately $305,000,000 in conjunction with the construction of Buildings NE-A, NE-B and NE-C and the Restaurant Unit.