

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	BOOTE FARM CONDOMINIUM
Project Address	22 & 26 West Huapala Place Lahaina, Maui, Hawaii 96761
Registration Number	6374 (Partial Conversion)
Effective Date of Report	August 13, 2007
Developer(s)	DAVID L. BOOTE and LINDA L. BOOTE

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. 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 report 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 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 or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

This is a CONDOMINIUM PROJECT, not a subdivision. It does not involve the sale of individual subdivided lots. Where land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT it is not a legally subdivided lot. Dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have been complied with.

1. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property which is zoned Agricultural. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property. Unit A main dwelling contains approximately 3,460 square feet of enclosed net living area. Unit B contains approximately 933.5 square feet of enclosed net living area.

2. Facilities and improvements normally associated with county approved subdivisions, such as fire protection services, County street lighting, electricity, ungraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

3. This condominium project is part of the Mahanalua Nui Subdivision, Phase II. Purchaser should carefully review the Amended and Restated Declaration of Covenants, Conditions and Restrictions dated July 13, 1999, and recorded as Document No. 99-114891, as further amended by instruments dated February 25, 2003, recorded as Document No. 2003-038050, dated November 9, 2004, recorded as Document No. 2004-231124, and dated March 16, 2005, recorded as Document No. 2005-060479, and other documents related to said subdivision.

4. Under the current zoning ordinance only one full size farm dwelling and one farm dwelling with a living area of 1,000 square feet or less are permitted. Unit B is designated as the dwelling which is subject to the 1,000 square feet limitation. THE PROSPECTIVE PURCHASER IS CAUTIONED TO CONSULT WITH HIS OR HER LEGAL COUNSEL CONCERNING THE REQUIREMENTS OF A FARM DWELLING AND THE PERMITTED USES OF THE LAND AND DWELLING IN THE AGRICULTURAL ZONE.

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

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner		
Address of Project	22 & 26 West Huapala Place, Lahaina, Maui, Hawaii 96761	
Address of Project is expected to change because		
Tax Map Key (TMK)	(2) 4-7-10-001	
Tax Map Key is expected to change because	Not expected to change.	
Land Area	2.187 acres	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)		

1.2 Buildings and Other Improvements

Number of Buildings	3
Floors Per Building	1
Number of New Building(s)	1
Number of Converted Building(s)	2
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, Composite Shingles, Concrete

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
A	1	4/3.5	3,460 sq. ft.	1,596 sq. ft.	lanai, garage	5,056 sq. ft.
				3,142 sq. ft.	barn, lanai	3,142 sq. ft.
B	1	1/1	933.5 sq. ft.	1,150 sq. ft.	lanai, garage	2083.5 sq ft
See Exhibit _____.						

2	Total Number of Units
---	------------------------------

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stalls in the Project:	4 (2 Unit A Garage, 2 Unit B Garage)
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	0
Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit:
 Finished exterior surface of perimeter walls, windows and doors, and vertically by the distances between the finished exterior surface (bottom) of its foundation and floor supports and the finished exterior surface of its roof.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
 Unit A - One full size farm dwelling and barn, subject to applicable building codes.
 Unit B - Any alteration of Unit B may not increase the net living area in excess of 1,000 sq. ft.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is:
 Described in Exhibit _____.
 As follows:
 Each unit shall have an undivided 50% common interest. See Section 5 of the Declaration.

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Other (describe):

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit A .

Described as follows:

Common Element	Number
Elevators	
Stairways	
Trash Chutes	

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit B .

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: As permitted by Agricultural Zoning and Mahanlua Nui Subdivision Phase II documents.
<input type="checkbox"/>	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit C describes the encumbrances against title contained in the title report described below.

Date of the title report: June 15, 2007

Company that issued the title report: Fidelity National Title Insurance Company, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning					
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning
<input type="checkbox"/>	Residential		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Agricultural	2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Agricultural
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Other(specify)		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Describe any variances that have been granted to zoning code.			Not Applicable		

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots	
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>	

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> <p>Not Applicable</p>
--

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input type="checkbox"/> Applicable</p> <p><input checked="" type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p>	
<p>Estimated cost of curing any violations described above:</p>	

<p>Verified Statement from a County Official</p>
<p>Regarding any converted structures in the project, attached as Exhibit <u> D </u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information:</p>

1.16 Project In Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p>	

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p>	
<p>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: DAVID L. BOOTE and LINDA L. BOOTE</p> <p>Business Address: 26 West Huapala Place, Lahaina, HI 96761</p> <p>Business Phone Number: (808) 661-6747 E-mail Address: wmcycles@hawaii.rr.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	
<p>2.2 Real Estate Broker</p>	<p>Name: Brown Development Properties Hawaii, LLC Business Address: 505 Front Street, Suite 213, Lahaina, Hawaii 96761</p> <p>Business Phone Number: (808) 662-8588 E-mail Address:</p>
<p>2.3 Escrow Depository</p>	<p>Name: FIDELITY NATIONAL TITLE INSURANCE CO., INC Business Address: 181 Lahainaluna Road, Suite E, Lahaina, Hawaii 96761</p> <p>Business Phone Number: (808) 661-4960</p>
<p>2.4 General Contractor</p>	<p>Name: Cherokee Construction, James G. Whitehead Business Address: 701 Kai Hele Ku Street, Lahaina, Hawaii 96761</p> <p>Business Phone Number: (808) 661-0779</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Self Managed By The Association Business Address:</p> <p>Business Phone Number:</p>
<p>2.6 Attorney for Developer</p>	<p>Name: KAREN TEMPLE, Attorney at Law, LLLC Business Address: 24 N. Church Street, Suite 200 Wailuku, Hawaii 96793</p> <p>Business Phone Number: (808) 244-8222</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	May 7, 2007	2007-090689

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	May 7, 2007	2007-090690

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4450
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>
Have Been Adopted and Date of Adoption	<input type="checkbox"/>
Developer does not plan to adopt House Rules	<input checked="" type="checkbox"/>

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	100%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input checked="" type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit 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.

The Initial Condominium Managing Agent for this project is (check one):

<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit 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 unit and the unit 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 E contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:

<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:

<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

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:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u> F </u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: Name of Escrow Company: Exhibit <u> G </u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

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.

<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____.
<input type="checkbox"/>	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.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> 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
Mortgage - Mortgage Electronic Registration Systems, Inc.	Mortgage will be released prior to conveyance of any unit.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements: Warranties offered by the contractor and/or builder of each unit, if any. No other warranties are offered.
Appliances: None

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

<p>Status of Construction: Unit A was completed and passed final inspection on October 13, 2006. Unit B was completed and passed final inspection on July 3, 2003. Unit A Barn was completed and passed final inspection on Feb., 27, 2004.</p>
<p>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.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

<input checked="" type="checkbox"/>	<p>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.</p> <p>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.</p>
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

<p>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):</p>	
<input type="checkbox"/>	<p>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</p>
<input type="checkbox"/>	<p>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.</p>

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

<p>Box A <input type="checkbox"/></p>	<p>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.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> 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.</p>
<p>Box B <input type="checkbox"/></p>	<p>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.</p> <p>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 <u>Important Notice Regarding Your Deposits</u> 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, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (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.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> 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.</p>

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.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other:

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be 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 purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

- 6.1 Limitations. Under Maui County zoning and building codes, only one full size farm dwelling and one farm dwelling with a living area of 1,000 square feet or less are permitted. Unit B is designated as the unit which is subject to the 1,000 square feet limitation, and may not be expanded unless (i) the owner(s) of Unit A gives his or her or their prior written consent; or (ii) a dwelling with a larger area may be constructed under applicable zoning and building codes and laws without adversely affecting the ability of Unit A to build or remodel; or (iii) Unit B exceeding 1,000 square feet of living area is maintained, repaired or replaced as a permitted “non-conforming” use or structure under the applicable zoning and building codes and laws. **THE PROSPECTIVE PURCHASER IS CAUTIONED TO CONSULT WITH HIS OR HER LEGAL COUNSEL CONCERNING THE REQUIREMENTS OF A FARM DWELLING AND THE PERMITTED USES OF THE LAND AND DWELLING IN THE AGRICULTURAL ZONE.**
- 6.2 Water Meters. The water for the condominium is provided by a private water system owned by the Mahanalua Nui Homeowners Association, Inc., a Hawaii nonprofit corporation. Currently there is one water meter for potable water and one for non-potable water shared by both Units. The owner of Unit B will be responsible for obtaining and installing separate water meters and maintaining any water service to Unit B. In the event Unit B is unable to obtain a separate water meter, each unit and limited common element shall be entitled to an equitable and proportionate share of the water provided by the single water meter, equal to that unit’s usage units in relation to the number of usage units of both Units A and B in the aggregate. Actual use by each unit shall be determined by a sub-meter installed and maintained by the Association of Unit Owners to measure actual use by each unit, and each unit shall pay a portion of the charges based on actual use. No unit or water use shall be expanded or increased by an owner to exceed the available water capacity without that owner obtaining an additional meter as said owner’s expense. At such time each unit has a separate water meter, each unit owner shall pay for water separately as determined and billed by the Mahanalua Nui Homeowners Association.
- 6.3 Water System. The potable and non-potable water systems serving Mahanalua Nui may be subject to interruptions and cessations in service, changes in water quality or water quantity, and other problems which may occur in the operation of private water systems. The non-potable water provided by Launiupoko Irrigation Co., LLC is for irrigation purposes and is not suitable for drinking or domestic use. Such water is provided from surface water sources and may contain bacteria which is extremely hazardous to health. The unit owner accepting non-potable water service is instructed to warn family, guests, tenants, visitors and successors in title of these risks and the unsuitability of the water for human consumption or domestic use. The developer, Launiupoko Associates, LLC, and the provider of non-potable water service shall not be responsible if for any reason the source of non-potable water is withdrawn from use. The control of surface waters in the State of Hawaii is vested in the State of Hawaii Water Resources Commission. The right of the use of said sources for irrigating Mahanalua Nui (and other developed areas served by it) has been challenged by certain parties.
- 6.4 Water Limits and Fire Protection. The condominium is served by a dual water system owned by the Mahanalua Nui Homeowners Association, Inc., a Hawaii nonprofit corporation. Said system will provide potable (drinking) and non-potable (irrigation) water. By legal contract with Pioneer Mill Company,

Limited, a Hawaii corporation, the maximum allowable consumption of water will not be less than 2,500 gallons per day or 75,000 gallons per month. While Declarant believes that such capacity is sufficient for normal and reasonable use by each unit, there are no guarantees. Because the condominium is not served by County of Maui water, there is no assurance that the water supply will be sufficient for fire protection.

- 6.5 Sewer. Each unit shall have its own on-site private septic system and leach field within its limited common element. The main house for Unit A has a separate septic system and leach field and the owner of Unit A shall be solely responsible for the cost, maintenance and expense of said septic system. The septic system and leach field located within Yard Area B serves Unit B and the barn located on Unit A. All expenses for the maintenance and repair of the septic system and leach field located in Yard Area B will be shared equally by Unit A and Unit B as a common area. Each on-site septic system shall comply with all applicable laws, rules and regulations, and must also comply with design standards and approval requirements of the State of Hawaii Department of Health. The location of the septic system appurtenant to Unit A and Unit B are shown on the site plan of the Condominium Map. No representations or warranties are made as to the quality, useful life, replacement cost, operating cost, or maintenance cost of the septic system and appurtenances. County sewer service is not available.
- 6.6 Nuisances. Most land near the Project is zoned Agricultural, which may increase the risk of noise, dust, emission and other nuisances. Because said Project is part of the Mahanalua Nui Subdivision, the owners of the Project are deemed to have waived claims with respect to said nuisances by neighboring land owners. High voltage power lines exist throughout portions of the area in which the Project exists and may pose a hazard due to strong winds.
- 6.7 Flood Zone. The property is located within the 100-year flood inundation limitation and currently not insured against flood. Purchasers should consult with the County of Maui regarding any building and use restrictions which may be affected by this limitation.
- 6.8 Insurance. Each unit owner is responsible for insuring the unit and its contents. The Association may be required to provide additional insurance on the common elements. The cost and ability to obtain appropriate insurance to cover all structures and property from fire, wind, flood, liability and other hazards should be researched by a prospective purchaser.
- 6.9 Mahanalua Nui Subdivision Homeowners Association. The land upon which the condominium project is located (Lot 41-A-11) is part of The Mahanalua Nui Subdivision, Phase II. The Mahanalua Nui Subdivision has been registered with the State of Hawaii Department of Commerce and Consumer Affairs under Hawaii Revised Statutes Chapter 484, and a Public Offering Statement for the subdivision has been issued. IT IS RECOMMENDED THAT THE BUYER OF EACH CONDOMINIUM UNIT OBTAIN A COPY OF THE MOST RECENT PUBLIC OFFERING STATEMENT AND THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE SUBDIVISION. THE STATEMENT AND DECLARATION CONTAIN MANY IMPORTANT DESCRIPTIONS ABOUT THE SUBDIVISION AS A WHOLE, AS WELL AS THE OPERATIONS AND MANAGEMENT OF THE HOMEOWNERS ASSOCIATION, ITS BUDGETS AND RESERVES.

The owner of Lot 41-A-11 is a member of the Mahanalua Nui Homeowners Association, Inc., a Hawaii nonprofit corporation, which is the association formed for the Mahanalua Nui Subdivision as a whole for the purpose of holding, maintaining, operating and managing, as a common expense, all of the common areas and facilities of the subdivision. These consist of paved roadways, a drainage system, and archeological recreational sites and trails as easements, and public and private parks.

Roadway Lot B-2 (Kai Hele Ku Street) is a privately owned lot and is not part of the Mahanalua Nui Subdivision which provides access from the Mahanalua Nui Subdivision to the state highway, Honoapiilani Highway. Launiupoko Associates, LLC, the owner of Roadway Lot B-2 has granted the Mahanalua Nui Homeowners Association a non-exclusive easement over the access right of way. The Mahanalua Nui Homeowners Association is responsible for the maintenance of this right of way subject to possible costs sharing with other lots served by this access right of way.

Each unit owner will be a separate member of said Mahanalua Nui Homeowners Association and will be responsible to pay a share of common expenses assessed to each Lot of the subdivision equal to the share assessed against each other Lot (except for water use charges, which, if managed by the Association, will be assessed on an equitable basis by the Association, in addition to any basic system operating charge equally assessed against all Lots), as provided in said Mahanalua Nui Subdivision Declaration of Covenants, Conditions, and Restrictions, as amended.

The Amended and Restated Mahanalua Nui Subdivision Declaration of Covenants, Conditions and Restrictions permits any Lot to be divided into two or more separate parcels, condominium units or other divisions each of which shall be capable of being owned and conveyed in fee simple as a separate and discreet unit of ownership.

- 6.10 Agricultural Uses. The County of Maui Planning Department has recently adopted a strict enforcement policy requiring agricultural-zoned land to be used for only those agricultural uses permitted by HRS Section 205-4.5 and Maui County Code, Chapter 19.30A. Also, farm plans may be required. Dwellings may only be constructed and used as “farm dwellings.” THE PROSPECTIVE PURCHASER IS CAUTIONED TO CONSULT WITH HIS OR HER LEGAL COUNSEL OR THE MAUI COUNTY PLANNING DEPARTMENT CONCERNING THE REQUIREMENTS OF A FARM DWELLING AND THE PERMITTED USES OF THE LAND AND DWELLING IN THE AGRICULTURAL ZONE.
- 6.11 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 violate height limits, size limits, setback, 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. THE PROSPECTIVE PURCHASER IS CAUTIONED TO CONSULT WITH HIS OR HER LEGAL COUNSEL CONCERNING THESE IMPORTANT RISKS.

- 6.12 Rollback Taxes. The land may be subject to rollback real property taxes. The failure of an owner to observe restrictions on the use of the land may cancel the County dedication and special real property tax assessment. Please refer to the Director of Finance, County of Maui, for further information.
- 6.13 Agreements/Easements on Record. The title is encumbered by several agreements and easements described in Exhibit C. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL FOR ADDITIONAL INFORMATION.
- 6.14 Construction of Barn. The right to construct a third building (barn) is reserved to the owner of Unit A. No additional structures may be constructed unless the owners of Unit A and Unit B consent or the additional structure may be constructed by a Unit owner under applicable zoning and building codes and laws without affecting the other unit.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms 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, 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, 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 and the exhibits attached to this report 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 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 at least 30 days prior to the anniversary date of the effective date of this report.

DAVID L. BOOTE and LINDA L. BOOTE

Printed Name of Developer

By: David L. Boote
Duly Authorized Signatory*

AUG 01 2007

Date

Linda L. Boote

DAVID L. BOOTE and LINDA L. BOOTE, Developers

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.**

EXHIBIT A

COMMON ELEMENTS

The common elements of the Project will include the following:

- (a) The Land in fee simple;
- (b) A driveway containing approximately .088 acres;
- (c) A waterline containing approximately .054 acres;
- (d) Any pipes, cables, apparatus and other central and appurtenant transmission facilities and installations over, under and across the Project not owned by the service provider, which serve more than one unit for services such as electricity, light, water, sewer, telephone and television or other signal distribution, if any;
- (e) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use; and
- (f) Any and all tangible personal property, accounts, general intangibles, instruments and money, and any unit held by or belonging to the Association of Unit Owners, or its agents, for the administration, maintenance, safety and operation of the common elements of the Condominium Property Regime, or for the common use and benefit of the unit owners.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof or the units except as may be provided in the Declaration of Condominium Property Regime and By-Laws and then only to the extent permitted by the Condominium Property Act, HRS Chapter 514B.

EXHIBIT B

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein called the "limited common elements," or "exclusive limited common elements" are hereby designated and set aside for the exclusive use of the certain unit or units specified, and such unit or units shall have appurtenant thereto easements for the exclusive use of such limited common elements as follows:

Yard Areas. Each unit shall have appurtenant to it one or more land areas, described and depicted as a Limited Common Element or "Yard Area," as depicted on the Condominium Map and described as follows:

Yard Area A appurtenant to Unit A contains 1.410 acres.

Yard Area B appurtenant to Unit B contains 0.635 acres.

The Unit Owners shall have the right to reallocate and reconfigure the location of the Yard Area appurtenant to their respective units upon prior notice to the Board of Directors and appropriate amendment to this Declaration and the Condominium Map. The amendment shall be signed and approved by the owners (and their respective mortgagees if any) delivered to the Board of Directors prior to recordation. The amendment shall be effective only upon the recording of the same in the Bureau of Conveyances. All costs and expenses associated with such amendment, including, but not limited to, attorneys fees, architect/engineering fees and recording costs shall be borne by the owner(s) requesting such amendment.

EXHIBIT C

ENCUMBRANCES AGAINST TITLE

A title report, prepared by Fidelity National Title Insurance Company, as of June 15, 2007, indicates that the following encumbrances presently exist against the title of the land which constitutes the Boote Farm Condominium.

1. Any and all real property taxes that may be due and owing.
2. Lease of Right-of-Way dated October 13, 1967, in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company, a Hawaii corporation (nka Verizon Hawaii Inc.), granting rights-of-way, each twenty-five (25) feet in width, to build, construct, rebuild, repair, maintain and operate pole and wire lines, etc. as may be necessary for the transmission of electricity, recorded in the Bureau of Conveyances of the State of Hawaii in Book 5893, Page 226.
3. Subdivision Agreement (Agricultural Use) dated June 18, 1992, made by and between Pioneer Mill Company, Limited, a Hawaii corporation, and the County of Maui, a body politic and corporate, and a political subdivision of the State of Hawaii, through its Department of Public Works, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-103434.
4. Private Water System Agreement dated December 28, 1992, made by and between Pioneer Mill Company, Limited, a Hawaii corporation, and the County of Maui, a body politic and corporate, and a political subdivision of the State of Hawaii, through its Department of Water Supply, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-184418.
5. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

Declaration of Covenants, Conditions and Restrictions

Dated: November 28, 1997
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 97-166433.

6. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any reference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin: as set forth in the following:

Deed

Dated: November 28, 1997
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 97-166434.

7. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

Declaration of Restrictive Covenants

Dated: November 25, 1998
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 98-186637.

8. Subdivision Agreement (Agricultural Use) dated April 8, 1999, made by and between Launiupoko Associates, LLC, a Hawaii limited liability company, and the County of Maui, through its Department of Public Works and Waste Management, a body politic and corporate, and a political subdivision of the State of Hawaii, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 99-071686.
9. Subdivision Agreement (Agricultural Use) dated April 8, 1999, made by and between Launiupoko Associates, LLC, a Hawaii limited liability company, and the County of Maui, through its Department of Public Works and Waste Management, a body politic and corporate, and a political subdivision of the State of Hawaii, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 99-071687.
10. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

Declaration of Covenants, Conditions and Restrictions for the Mahanalua Nui Subdivision at Launiupoko

Dated: June 1, 1999
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 99-103455.

The foregoing Declaration was amended by the following:

Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 99-114891.

Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 2003-038050.

Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 2004-231124.

Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 2005-060479.

11. The following items and/or easement(s), as shown on survey map prepared by Martina W. Jale, Licensed Professional Land Surveyor, Certificate No. 9911, dated December 2, 1998, revised April 19, 1999, May 10, 1999 and May 26, 1999, as disclosed by Deed dated September 10, 1999, recorded September 16, 1999 in the Bureau of Conveyances of the State of Hawaii as Document No. 99-149501:

- a) Easement E-5 (area 0.009 acre, more or less), for electrical and telephone purposes, in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company, a Hawaii corporation (nka Verizon Hawaii Inc.)
 - b) Easement B (area 0.063 acre, more or less), for waterline purposes, in favor of Launiupoko Associates, LLC.
 - c) 100 year flood inundation limits.
12. Subdivision Agreement (Agricultural Use) dated February 15, 2000, made by and between Launiupoko Associates, LLC, a Hawaii limited liability company, and the County of Maui, through it Department of Public Works and Waste Management, a body politic and corporate, and a political subdivision of the State of Hawaii, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2000-027536.
13. Agreement for Allocation of Future Subdivision Potential made by and between Launiupoko Associates, LLC, a Hawaii limited liability company, and the Director of Public Works and Waste Management, County of Maui corporate, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2000-027437.
14. Unilateral Agreement
- Dated: July 28, 2003
Recorded: December 8, 2003, in the Bureau of Conveyances of the State of Hawaii, Document No. 2003-269732.
15. Condominium Map No. 4450, recorded in the Bureau of Conveyances of the State of Hawaii.
16. Covenants, conditions, and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as contained in the following:
- Declaration of Condominium Property Regime of BOOTE FARM CONDOMINIUM
- Dated: May 7, 2007
Recorded: May 21, 2007, in the Bureau of Conveyances of the State of Hawaii, Document No. 2007-090689.
17. By-Laws of the Association of Apartment Owners of BOOTE FARM CONDOMINIUM, dated May 7, 2007, recorded May 21, 2007, in the Bureau of Conveyances of the State of Hawaii, Document No. 2007-090690.
18. Upon conveyance of any Apartment Unit(s), said Apartment shall become subject to the following:
- a) Terms, provisions and conditions as contained in the Original Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.
 - b) Any and all easements encumbering the apartment herein mentioned, and /or the common interest apartment thereto, as created by or mentioned in said Declaration, as said

Declaration may be amended from time to time in accordance with the law and/or in the Original Apartment Deed, and/or as delineated on said Condominium Map.

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

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

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

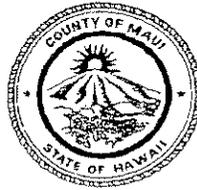
Amount:	\$200,000.00
Dated:	September 6, 2005
Loan No.:	1000157-0005649944-1
Mortgager:	David L. Boote and Linda L. Boote, husband and wife
Mortgagee:	Mortgage Electronic Registration Systems, Inc., a separate corporation acting solely as nominee for Countrywide Mortgage Ventures, LLC dba Inter Island Home Loans
Recorded:	September 13, 2005, in the Bureau of Conveyances of the State of Hawaii, Document No. 2005-182665.

EXHIBIT D

ALAN M. ARAKAWA
Mayor

MILTON M. ARAKAWA, A.I.C.P.
Director

MICHAEL M. MIYAMOTO
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
AND ENVIRONMENTAL MANAGEMENT
DEVELOPMENT SERVICES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

RALPH M. NAGAMINE, L.S., P.E.
Development Services Administration

DAVID TAYLOR, P.E.
Wastewater Reclamation Division

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

TRACY TAKAMINE, P.E.
Solid Waste Division

November 6, 2006

David L. Boote
Linda L. Boote
26 Huapala Place
Lahaina, Hawaii 96761

SUBJECT: MISCELLANEOUS INSPECTIONS #2006/0199,
#2006/0200 AND #2006/0201
FOR TWO FARM DWELLINGS AND BARN/GARAGE
LOCATED AT 22 AND 26 WEST HUAPALA PLACE, LAHAINA, MAUI
TMK: (2) 4-7-010:001

Dear Mr. and Mrs. Boote:

This is regarding your October 10, 2006, requests for miscellaneous inspections on two farm dwellings and a barn/garage for a preliminary condominium public report on the subject property.

#MISC 2006/0199 - MAIN FARM DWELLING:

- We made a final building re-inspection on October 16, 2006; an electrical inspection on October 17, 2006, and a plumbing inspection on October 20, 2006, and found the premises to be in general compliance with applicable codes.

Please note that we were unable to inspect any of the concealed building, electrical, or plumbing work.

- Building Permit #B2004-3378 was issued on December 9, 2004, for construction of the designated main farm dwelling exceeding 1,000 square feet in habitable floor area.
- The county-assigned address for the main farm dwelling is 26 West Huapala Place.

EXHIBIT D

November 6, 2006

Mr. and Mrs. David L. Boote

SUBJECT: MISCELLANEOUS INSPECTIONS #2006/0199,
#2006/0200 AND #2006/201

FOR TWO FARM DWELLINGS AND BARN/GARAGE
LOCATED AT 22 AND 26 WEST HUAPALA PLACE, LAHAINA, MAUI
TMK: (2) 4-7-010:001

Page 2 of 3

#MISC 2006/0200 - 2ND FARM DWELLING:

- We made a final building re-inspection on October 16, 2006; an electrical inspection on October 17, 2006, and a plumbing inspection on October 20, 2006, and found the premises to be in general compliance with applicable codes.

Please note that we were unable to inspect any of the concealed building, electrical, or plumbing work.

- Building Permit #B2002-2353 was issued on December 18, 2002, for construction of the farm dwelling reviewed under Maui County Code 19.30A.050(b)(1) for 1,000 square feet or less of developable area.
- The county-assigned address for the second farm dwelling is 22 West Huapala Place.

#MISC 2006/0201 - BARN/GARAGE:

- We made a final building re-inspection on October 16, 2006; an electrical inspection on October 17, 2006, and a plumbing inspection on October 20, 2006, and found the premises to be in general compliance with applicable codes.

Please note that we were unable to inspect any of the concealed building, electrical, or plumbing work.

- Building permit #B2002/2354 was issued on December 18, 2002, for construction of a non-habitable barn which included: Two (2) half-baths, Trailer Storage Room, Van Parking Room, Potting Room, Weaving Room with covered lanai, Two Half-Baths, Laundry Room, Equipment Storage, and Covered Entry.

The plans were not approved for two (2) full bathrooms and one half-bath as indicated on the plans you submitted. Please provide documentation that the revisions were approved.

EXHIBIT D

November 6, 2006

Mr. and Mrs. David L. Boote

SUBJECT: MISCELLANEOUS INSPECTIONS #2006/0199,
#2006/0200 AND #2006/201

FOR TWO FARM DWELLINGS AND BARN/GARAGE
LOCATED AT 22 AND 26 WEST HUAPALA PLACE, LAHAINA, MAUI
TMK: (2) 4-7-010:001

Page 3 of 3

OTHER COMMENTS:

- There are no pending subdivisions, building and code appeals, or administrative waivers currently in process for the premises.
- We inspected the driveway on October 12, 2006, and found it to be satisfactory with no drainage problems at this time.
- We also recommend that you call the Planning Department at 270-7735 to verify if there are any variances, or if the existing or proposed uses, if any, are legally permitted

If you have any questions regarding this letter, please call Lei Smith at 270-7250.

Sincerely,



RALPH M. NAGAMINE
Development Services Administrator

sn:ls

S:\DSA\Permits\SCNMISC-INS\2006-0199-0201_boote_hrs_ls.wpd

c: Hawaii Real Estate Commission
Planning Department
Real Property Tax Office

EXHIBIT D

February 6, 2007

Ralph M Nagamine
Development Services Administrator
250 South High Street
Wailuku, Maui, Hi 96793

Dear Mr. Nagamine,

This is regarding your letter of November 6, 2006 regarding the Miscellaneous Inspections of two farm dwellings and a barn/garage located at 22 and 26 West Huapala Pl, Lahaina, HI 96761.

A request was made to provide documentation that revisions to the Barn/Garage were approved. Before construction, we decided that the use of the entry room would be modified to become a home office requiring a bathroom. As the structural integrity of the building would not allow another passageway to the designed bathroom, we verbally requested a change with the building department. It was explained that minor changes to the interior are allowed as long as the size, design and approved use don't change. We included the additional bathroom in the plumbing permit; it was approved and inspected during initial construction. Final plumbing inspection (P20032026) was passed on February 18, 2004. We also received final inspection approval (B20022354) for the barn/garage on February 27, 2004. This building is served by an Individual Wastewater System and was approved on IWS File No.: 4732-ABK.

I have included a copy of the plumbing inspection and the final inspection. If you any questions regarding this letter, please contact Dave Boote at 808-661-6747.

Sincerely,



David Boote
Homeowner, 22/26 Huapala Pl.

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Unit</u>	<u>Monthly Fee x 12 months = Yearly Total</u>	
A	\$ 106	\$ 1,272
B	\$ 106	\$ 1,272
	<hr/>	<hr/>
TOTAL:	\$ 212	\$2,544

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

Estimate of Maintenance Fee Disbursements:

Monthly Fee x 12 months = Yearly Total

Utilities and Services(*)			
Air Conditioning			
Electricity			
<input type="checkbox"/> common elements only			
<input type="checkbox"/> common elements and apartments			
Elevator			
Gas			
<input type="checkbox"/> common elements only			
<input type="checkbox"/> common elements and apartments			
Refuse Collection			
Telephone			
Water			
Maintenance, Repairs and Supplies(*)			
Building			
Grounds			
Mahanalua Nui Homeowners Association Dues Management (self-managed by Association)	\$125 X 12 months =		\$1,500
Management Fee			
Payroll and Payroll Taxes			
Office Expenses	\$ 10	x 12 months =	\$ 120
Insurance (*)			
General liability	\$ 55	x 12 months =	\$ 660
Reserves			
Driveway	\$ 10	x 12 months =	\$ 120
Waterline	\$ 2	x 12 months =	\$ 24
Taxes and Government Assessments			
Annual Audit Fee	\$ 10	x 12 months =	\$ 120
Other:			
TOTAL	\$212 X 12 months =		\$2,544

I, **DAVID L. BOOTE**, and **LINDAL. BOOTE**, as Developers for BOOTE FARM CONDOMINIUM Project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles. A unit owner shall become obligated to start paying the unit owner's share of the common expenses at such time the unit is transferred to the unit owner and thereafter monthly.

David L. Boote
Signature

AUG 01 2007
Date

Linda L. Boote
Signature

AUG 01 2007
Date

(*) This Project consists of 2 units. Each owner is responsible for payment of all utilities and services, maintenance, repairs and supplies for owner's unit and limited common area. Pursuant to 514B-143(c), HRS, the insurance to be maintained under 514B-143(a)(1) shall be maintained separately for each unit by the unit's owner, provided evidence of such insurance coverage shall be delivered annually to the Association.

The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514B-148, HRS, and the replacement reserve rules, Sub-chapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. Pursuant to §514B-148(b), HRS, a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

ATTACHMENT TO EXHIBIT E
MAINTENANCE FEE DISBURSEMENTS

EXPLANATION OF RESERVE ESTIMATE

The Developer has not conducted a reserve study in accordance with HRS Section 514B-148 and Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Common element item, estimated useful life, replacement cost and reserve amount per year.

1.	<u>Item</u>	<u>Useful Life</u>	<u>Replacement Cost</u>	<u>Per Year</u>
	Driveway	5 years	\$ 600	\$ 120

<u>Reserve Amount:</u>	<u>Per Year</u>	<u>Per month</u>	<u>Per Unit</u>
\$600	\$ 120	\$ 10	\$ 5

2.	<u>Item</u>	<u>Useful Life</u>	<u>Replacement Cost</u>	<u>Per Year</u>
	Waterline	20 years	\$ 480	\$ 24

<u>Reserve Amount:</u>	<u>Per Year</u>	<u>Per month</u>	<u>Per Unit</u>
\$ 480	\$ 24	\$ 2	\$ 1

EXHIBIT F

SUMMARY OF SALES CONTRACT

The Standard Form Deposit Receipt Offer and Acceptance (DROA) of the Hawaii Association of Realtors and Addendum attached thereto provides for the sale of an individual unit, in fee simple, together with an appurtenant percentage of the common elements of the project, including the land, as more specifically described in the Condominium Declaration.

Some of the terms and conditions set forth in the DROA include:

1. The total purchase price, including an initial deposit to be paid at the time of signing, any additional deposits to be paid and other financing information.
2. The closing date, closing costs, other closing matters, closing and pre-closing procedures and termination provisions, contingency for cash funds, and other financing contingencies.
3. Buyer's funds shall be held in escrow pending closing of the transaction pursuant to an Escrow Agreement, a summary of which is attached to this Public Report.
4. Remedies in the event of default by either party.
5. Seller's disclosures concerning asbestos, hazardous waste and "Megan's Law," and other inspections, maintenance, warranties, termite, rental matters, and brokers services and disclaimers.
6. Buyer's acknowledgment of receiving and reading the final public report for the Project prior to signing the DROA.
7. Buyer's acknowledgment of receiving and reviewing other documents that the Project is subject to, including but not limited to the Declaration, Bylaws, Escrow Agreement, and Condominium Unit Deed.
8. Seller makes no representation or warranty as to the floor plans and elevations of the units contained in the Condominium Map.

An addendum is attached to the DROA which specifically refers to the Condominium Project.

NOTE: THIS IS INTENDED ONLY AS A BRIEF SUMMARY OF THE DROA AND ADDENDUM. COMPLETE TERMS AND PROVISIONS ARE CONTAINED IN THE DROA ITSELF, AND IN THE EVENT OF ANY QUESTION OF INTERPRETATION, OR CONFLICT BETWEEN THE TERMS OF THE DROA AND OF THIS SUMMARY, THE TERMS OF THE DROA SHALL APPLY.

NO PORTION OF THIS SUMMARY IS INTENDED TO MODIFY, WAIVE OR CHANGE ANY PROVISION OF THE CONTRACT ITSELF, AND THIS SUMMARY SHALL NOT CONSTITUTE A PORTION OF, OR AN AMENDMENT OR MODIFICATION OF, THE SUBJECT CONTRACT. THE TERMS OF THE ACTUAL CONTRACT BETWEEN SELLER AND BUYER (AND ONLY THOSE TERMS) SHALL APPLY. THEREFORE, A PROSPECTIVE PURCHASER IS URGED TO READ THE ENTIRE DROA, CAREFULLY AND IN DETAIL, AND TO CONSULT WITH HIS OR HER OWN ADVISORS IF ANY QUESTIONS EXIST, BEFORE SIGNING THE DROA.

EXHIBIT G

SUMMARY OF ESCROW AGREEMENT

An escrow agreement provides the terms under which the deposits by a buyer pursuant to a sales contract between the Developer as seller and any prospective buyer will be held and disbursed by a neutral party ("Escrow").

Some of the standard terms and conditions of the Escrow Agreement are summarized briefly below. Complete terms and provisions are contained in the Escrow Agreement itself, and in the event of any question of interpretation, or conflict between the terms of the Agreement and of this summary, the terms of the Agreement shall apply.

1. SALES CONTRACTS AND PAYMENTS. Seller/Developer will have each Buyer sign a sales contract and deliver it to Escrow together with Buyer's first deposit against the purchase price. Buyer will make all other payments of the purchase price required in the sales contract to Escrow.

2. COLLECTION NOTICES. Escrow will inform Buyer of any further payments and when they are due under the sales contract.

3. REFUNDS. Escrow will make any refunds as directed by Seller and Buyer in writing as determined by the sales contract, subject to any deduction by Escrow of "cancellation fees" as permitted by the sales contract and the Condominium Law, unless the terms of the Escrow Agreement or Seller instructed otherwise.

4. DEFAULT. The Escrow Agreement also establishes procedures for the retention and disbursement of the Buyer's funds when a default occurs under the sales contract.

5. CLOSING. Escrow will arrange for the Buyer to sign all necessary documents, and recordation of documents in the appropriate registration system. Escrow will disburse all money that Escrow has received as required by the sales contract.

6. STATUTORY PROVISIONS CONTROL. Anything in the Contract notwithstanding, the provisions of Chapter 514B of the Hawaii Revised Statutes (Condominium Property Act), if in conflict with the Escrow Agreement, shall control.

NOTE: THIS IS INTENDED ONLY AS A BRIEF SUMMARY OF THE ESCROW AGREEMENT. NO PORTION OF THIS SUMMARY IS INTENDED TO MODIFY, WAIVE OR CHANGE ANY PROVISION OF THE ESCROW AGREEMENT ITSELF, AND THIS SUMMARY SHALL NOT CONSTITUTE A PORTION OF OR AN AMENDMENT OR MODIFICATION OF THE AGREEMENT. THE ESCROW AGREEMENT CONTAINS VARIOUS OTHER IMPORTANT PROVISIONS AND ESTABLISHES CERTAIN CHARGES WHICH THE BUYER SHOULD KNOW. THE TERMS OF THE ACTUAL AGREEMENT BETWEEN ESCROW AND THE SELLER/DEVELOPER (AND ONLY THOSE TERMS) SHALL APPLY.

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R-86

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

JUL 19, 1999 08:01 AM

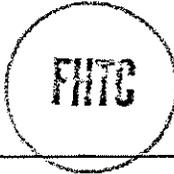
Doc No(s) 99-114891

/s/ CARL T. WATANABE
ACTING
REGISTRAR OF CONVEYANCES

LAND COURT SYSTEM

Return by Mail () Pickup () To:

LAUNIUPOKO ASSOCIATES, LLC
173 Ho'ohana St., Ste. 201
Kahului, HI 96732



99030350-BW
100728

Tax Key: (2) 4-7-001-021

Total No. of Pages: 27

R

**Amended and Restated
Declaration of Covenants, Conditions
and Restrictions**

**For The Mahanalua Nui Subdivision
At Launiupoko**

Amended and Restated
Declaration of Covenants, Conditions and Restrictions
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EXHIBIT "A" – DESCRIPTION OF LAND

EXHIBIT "B" – ARCHITECTURAL CONTROLS

**Amended and Restated
Declaration of Covenants, Conditions and Restrictions**

This Amended & Restated Declaration of Covenants, Conditions and Restrictions is dated as of this 13th day of July, 1999, and is executed by Launiupoko Associates, LLC, a Hawaii limited liability company, the principal place of business is 173 Ho Ohana Street, Kahului, Hawaii, 96732, ("Declarant")

Declarant executed a Declaration of Covenants, Conditions and Restrictions for Mahanalua Nui Subdivision dated June 1, 1999, recorded in the State of Hawaii, Bureau of Conveyances as Document No. 99-102455. Declarant hereby restates said Declaration in its entirety and Amends it through execution of this Amended and Restated Declaration of Covenants, Conditions and Restrictions.

1. RECITALS

1.01. The land to which this Declaration applies is the land described in Exhibit A attached hereto and made a part hereof. This Declaration and each covenant will run with the land and will be binding upon and inure to the benefit of each subdivided lot within said land and all of its successive owners and occupants.

It is Declarant's intention to create a common development plan, enforceable by Declarant or any property owner within the said land, in accordance with this Declaration. The acceptance of a deed, agreement of sale, lease, or other conveyance by any person of any property or any interest in any property within the subdivision shall constitute acceptance of these covenants, regardless of whether or not said instrument is expressly made subject hereto. This Declaration shall be binding upon and enforceable against each owner, purchaser, tenant and occupant of all or any part of said land, including each Property (defined in Section 2.06 below) and against each person using any Common Area (defined in Section 2.04 below), and their respective successors in interest; and shall be deemed incorporated in each deed, lease or other instrument by which any right, title or interest in Mahanalua Nui or any Property is granted, devised or conveyed, whether or not expressly referred to therein.

2. DEFINITIONS

The following terms shall have the following meanings:

2.01. "Bureau" means the State of Hawaii Bureau of Conveyances, which is the appropriate forum for recording title or conveyance documents affecting the land.

2.02. "Declarant" means Launiupoko Associates, LLC, a Hawaii limited liability company, and its successors and assigns who shall be identified as such in an instrument executed by Declarant (or a successor or assignee of Declarant), to be recorded in the Bureau.

2.03. "Declaration" means this Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Mahanalua Nui Subdivision at Launiupoko.

2.04. "Common Areas" means (i) all roadways within Mahanalua Nui which provide access between any Property and the public highway (and which are not included within the area of any Property), if and so long as such roads shall not have been dedicated to and accepted by the County of Maui; (ii) the perpetual nonexclusive easement to be held by the Association over Lot B-2 (Kai Hele Ku); (iii) the central water system (including a well, pumps, generators and other appurtenances) and all water lines and facilities which serve more than one Property and which are located within Mahanalua Nui and which are not owned by an independent public utility or other

separate entity formed for the purpose of cooperatively owning and operating such facilities; (iv) drainage control areas which the Association is required to maintain; (v) the public and private parks and the trail system; and (vi) such other assets, properties, facilities, and property rights, if any, which may in the future be designated as Common Area by Declarant or transferred to or acquired by the Association (defined below).

2.05. "Association" shall mean the Mahanalua Nui Homeowners Association, Inc., a Hawaii nonprofit corporation, as more particularly described in Article 4 below.

2.06. A "Property" means each of Lots numbered 1 through 50, inclusive, as described on the Plan (defined below), and any other lots added to this Declaration by Declarant pursuant to Section 7 below.

If any Property in the future shall be divided into two or more separate parcels, condominium units or other divisions each of which shall be capable of being owned and conveyed in fee simple as a separate and discreet unit of ownership, each such parcel, unit or division shall be deemed to be a separate "Property" for all purposes under this Declaration, from and after the effective date of such division.

2.07. The terms "Neighborhood" and " Mahanalua Nui" mean the Mahanalua Nui subdivision as described on the Plan (and any other land added by Declarant as provided herein), including but not limited to all Properties and all roads and other Common Areas (whether now or in the future designated as such) shown on the Plan.

2.08. The "Owner" of a Property means any person (including Declarant) who owns a fee simple interest in said Property, and any person to whom all rights as Owner (including voting) shall have been transferred by means of (a) a deed, (b) a lease of said Property for a period in excess of 10 years, or (c) an agreement of sale which transfers all rights of possession and occupancy; provided, however, that in each such case the transferee of said rights will not be recognized as an "Owner" by the Association (at the option of the Board of Directors of the Association) unless a written notice of transfer is filed by the transferor in the official ownership records of the Association maintained by the Board of Directors (see Section 10.08 below).

2.09. The "Plan" means collectively the subdivision plats entitled "Mahanalua Nui Subdivision Phase I" and "Mahanalua Nui Subdivision Phase II" dated December 2, 1998 and November 12, 1998 (LUCA Nos. 4.730 and 4.731), respectively (including any amendments), by Austin Tsutsumi & Associates, Inc., to which final subdivision approval was granted by the Department of Public Works and Waste Management of the County of Maui on May 27, 1999, as said plans shall be amended from time to time.

2.10. "Utility" includes electricity, telephone, cable television, and any other existing or future use normally considered a utility.

3. COVENANTS

3.01. Permitted Uses. Each Property may be used for any purposes which may be permitted by all applicable laws, rules and regulations; except that the following activities shall be prohibited:

- a. the raising or storage of pigs or roosters for any purpose, commercial or personal (unless this restriction is contrary to any prohibition on such restriction which may be enacted in the Maui County ordinances);

- b. the slaughtering, smoking or curing of animals; or
- c. any use prohibited by any other section of this Article 3.

All buildings and structures will comply with all applicable County of Maui codes and Regulations.

3.02. Vehicles. Vehicles that become inoperable while on a Property and outside of an enclosed garage must be removed from the property or placed within an enclosed garage within two weeks of becoming inoperable.

3.03. Nuisances. No noxious or offensive activity shall be carried on which may be or may become an annoyance or nuisance to any occupants of any other portion of the land encumbered by this Declaration, including but not limited to activities which cause unreasonable dust, noise or odors, or which unreasonably violate privacy or violate applicable laws. It is understood that this restriction shall not, however, apply to Declarant or its successor as developer of said land with respect to noise, dust or inconvenience caused by the construction of roads, utilities or other improvements or to the grading of, or construction of buildings on, any lot, provided that such activities are carried on with reasonable safeguards consistent with normal industry practices and standards.

3.04. Drainage. Where any drainage easement or swale traverses a Property, the Owner of said Property will refrain from dumping grass clippings or debris therein and shall keep said easement or swale free of obstructions which would reduce or interfere with its operation as a drainage facility.

3.05. Hazardous Materials. No Owner shall use, generate, store or dump any hazardous materials on any Property or in any other portion of the Neighborhood. "Hazardous materials" means those materials and substances which are identified as hazardous, toxic or otherwise regulated under applicable federal, state or local environmental laws, rules or regulations.

3.06. Refuse and Building Materials. Trash, garbage and other waste shall not be kept on any Property except in sanitary containers, stored inside the dwelling or a garage or shed and not visible from any street or other Property. No Property shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste.

All garbage and refuse shall be regularly transported by each resident to Maui County collection centers, all in accordance with such rules and regulations as the Board of Directors of the Association may adopt from time to time.

3.07. Grading. No Owner of any Property will alter the grade or topography of any Property in a manner that would materially increase or change the location or direction of the flow of drainage from the Property to any adjoining Property or to any road.

3.08. Utilities. The utility transmission lines within the subdivision constructed by Declarant will be both above ground and underground. However, each service line serving each Property will be constructed underground at the expense of the Owner of said Property.

3.09. Septic. The Association will recommend the use of "Perc Rite" pressurized drip irrigation septic system or comparable system. The Owner of each Property shall be

responsible for installing, operating, maintaining, repairing and replacing the septic system on his or her lot, which shall comply with all applicable laws, rules and regulations. Aerobic systems shall be required for all systems located within one thousand feet (1000') of a well.

3.10. Subdivision. No future subdivision of any parcel shall result in the creation of lots that average less than a total of two (2) acres in size each.

3.11. Lighting. Lighting for parcels shall not encroach upon surrounding properties and roadways. Deflectors shall be used on lights that would otherwise intrude upon surrounding areas or illuminate the night sky in a fashion that would deter from surrounding neighbors' enjoyment of the night sky. Additionally, lighting shall be subject to all applicable codes currently in existence or established in the future by the County of Maui.

3.12. Architectural Controls. The architectural controls and procedures set forth in Exhibit "B," attached hereto and made a part hereof, shall apply to all Properties.

4. MAHANALUA NUI HOMEOWNERS ASSOCIATION, INC.

4.01. Membership. The Owner(s) of each Property shall automatically be members of the Mahanalua Nui Homeowners Association, Inc., a Hawaii nonprofit corporation and said membership will be mandatory. Said membership may be transferred or encumbered only with and to the same extent as the Property to which it is appurtenant is transferred or encumbered. In the event fee title to a Property is transferred without mention of said membership, said membership shall be deemed to be automatically transferred with said Property. Also, see Section 2.08 concerning the recognition of certain other persons as "Owners."

4.02. Government and Control of Common Areas. The Association shall hold, control, manage and operate, as a common expense, all Common Areas and facilities from and after the time when ownership or use thereof shall have been transferred to the Association (or the Association acquires rights or obligations with respect thereto). The Association is authorized to exercise all reasonable management rights, powers and authority with respect thereto including, but not limited to, (a) the power to enter into contracts for, or otherwise to implement the maintenance, operation, repair, improvement, replacement and sale of such assets and facilities; (b) the power to maintain appropriate casualty and liability insurance; and (c) the power to adopt, implement and enforce reasonable rules and regulations to govern the orderly use and operation thereof. All such dominion, control and authority shall cease with respect to any road or water line or other facility, the responsibility of which shall be accepted by the County of Maui or other governmental authority or regulated public utility. NOTE: THE COUNTY OF MAUI HAS NOT AGREED TO ACCEPT ANY SUCH ROADS, LINES OR FACILITY, AND DECLARANT DOES NOT WARRANT OR REPRESENT THAT ANY SUCH ACCEPTANCE WILL OCCUR IN THE FUTURE.

4.03. Common Expenses. Each Property shall be responsible to pay a share of common expenses equal to the share assessed against each other Property (except for water use charges, which, if managed by the Association, will be assessed on an equitable basis by the Association, in addition to any basic system operating charge equally assessed against all lots). Each Property shall be subject to the obligation to pay all assessments for common expenses assessed to said Property by the Association in accordance with the Articles of Incorporation and Bylaws thereof. The Association, by its

Board of Directors, may enforce and collect each such assessment (together with all legal fees and expenses of enforcement) by legal proceedings to enforce such obligation, and may obtain against a delinquent Property an ex parte attachment or other lien which shall become effective against subsequent purchasers, mortgagees and lienholders as of the date said attachment or lien is recorded in the Bureau. Said attachment or lien, however, shall be junior and subordinate in lien priority to the lien of any mortgage or other encumbrance which shall have been in existence and duly recorded in the Bureau prior to the date the Association's notice of lien, attachment or pending litigation is recorded.

Said lien may be enforced by judicial foreclosure or power of sale in the same manner as a mortgage is enforced under Hawaii law, as amended from time to time.

4.04. Rules and Regulations. The Association acting through its Board of Directors (and in the Board of Directors' discretion) shall have the power to adopt, amend and enforce reasonable rules and regulations for (a) the reasonable and orderly use of roads and other common areas and facilities, if any. (b) the clarification, implementation and enforcement of the covenants and restrictions contained in Sections 3.01 through 3.09, including (by way of example) the establishment and collection of fines for violations) and (c) the clarification, implementation and enforcement of any other provisions of this Declaration.

4.05. Declarant's Control. Notwithstanding anything herein to the contrary, Declarant and its appointees shall act in all respects as and on behalf of the Association and its Board of Directors in all matters until the first to occur of the following: (a) the expiration of five (5) years from the date of recording of this Declaration in the Bureau; or (b) the date on which Declarant notifies the Owners of the Properties of its relinquishment of said authority. Declarant may in its discretion relinquish said authority either in full at one time or in portions or stages over time during the 5-year period. Upon the expiration or relinquishment of Declarant's control, the Association shall promptly elect a Board of Directors so as to minimize any disruption in the Association's affairs caused by the transition.

5. ROADS

5.01. Use. A nonexclusive, perpetual easement is hereby granted to the Owners and occupants of all Properties and their tenants, licensees and visitors for pedestrian and vehicular passage over the roadway lots described on the Plan and any associated easements, together with the nonexclusive right to construct, maintain, improve, operate, repair and replace lines for utility services in or over such roads, all subject to such reasonable rules and regulations as Declarant or the Association (through its Board of Directors) may establish from time to time. Note that the public may have rights of access over some or all of the roads in the neighborhood as may be required by law or the County of Maui.

5.02. Responsibility. From and after the date on which Declarant conveys each road, facility or other Common Area to the Association (or such later date as Declarant may determine in its discretion), the Association will assume all responsibilities and liabilities with respect to its use, operation, maintenance and improvement. All costs and expenses will be assessed to and paid by all Properties as common expenses as provided in Section 4.02 above and in the Bylaws of the Association.

5.03. Conveyance to the County. Declarant shall have the authority, without the consent of the Association, to convey to the County of Maui an easement to use, or legal

title to, all or any part of any road. If, after Declarant's control shall have ceased as provided in Section 4.05 and title to any road shall have been conveyed to the Association, the Association through its Board of Directors shall decide to convey to the County of Maui the title to all or any part of any road and related facilities or any other common areas and facilities, and the County agrees to accept them, Declarant (or the Association as the case may be) shall execute and deliver such deeds and other documents as shall be necessary or appropriate for the purpose of implementing said conveyance and the transfer of all responsibilities to the County. Upon said transfer becoming effective, all rights and easements established under Section 5.01 shall automatically terminate if and to the extent that the rights granted by Section 5.01 may be enjoyed after said transfer by agreement with the County or by ordinance or other grant of rights.

5.04. Roadway Lot B-2. Named Kai Hele Ku Street. The access right of way from the Mahanalua Nui Subdivision to the state Highway (Honoapiilani Highway) is a separate lot and is not part of the Mahanalua Nui Subdivision. The developer shall complete all improvements in the access right of way. The Association shall be granted a non exclusive easement over the access right of way. The Homeowners Association shall be responsible for the maintenance of this right of way subject to possible cost sharing in the future if any other lands served by the road shall be developed.

6. MAHANALUA NUI WATER SYSTEM

6.01. The Water for the Mahanalua Nui Subdivision will be provided by a private water system to be owned by the Association. Declarant shall construct all of the components of the private water system and, upon the completion of the subdivision improvements, or at such later time (within the period of Declarant's control under Section 4.05 above) as Declarant may determine in Declarant's sole discretion, turn the completed system over to (a) the Association, or (b) to a public utility formed for the purpose of providing water service on a commercial basis, or (c) to another cooperative entity which may be formed in Declarant's discretion for the purpose of owning and operating all or any part of the water system and in which the Owner will be a member.

At Declarant's option, the water system may be connected to one or more additional wells and systems to be developed at or near the subdivision for the purpose of providing water service to other lands in the vicinity of the subdivision, and may be operated as part of a unified system. A legal structure for the ownership and operation of such combined system will be established by Declarant, consistent with applicable laws and regulations.

6.02. The Design of the water system shall be performed by a engineer, licensed in the State of Hawaii. The design of the system shall meet all the requirements of the County of Maui Department of Water Supply. The Association shall maintain and operate the water system in accordance with its design limitations, engineers' recommendations and standards, and all applicable laws, rules, and regulations (including State of Hawaii Department of Health Regulations).

6.03. Warning: By legal contract with Pioneer Mill Company, Limited, a Hawaii corporation, the maximum amount of available water to the Mahanalua Nui Subdivision is 500,000 gallons per day. This maximum allowable draw down of 500,000 gallons per day may require some limits to be placed on the consumption of water by each lot at Mahanalua Nui. Limits will not be less than 2500 gallons per day or 75,000 per month for a 2-Acre lot and 5,000 gallons per day or 150,000 gallons per month for a 4-acre lot. Higher limits may be established by Declarant or the Association for the larger lots.

6.04. Costs and Assessments. The developer and/or Homeowners Association shall operate the water system as a non-profit entity. The cost of operating the system and funding reserves to repair and replace the components of this system will be provided by assessing each lot owner the lot's fair share of the expenses, based on usage. The determination of a lot's fair share will be based on metered usage at the rates established by the Association. Although the water is free, the cost of operation is not. Therefore, the Association will establish rates and fees in order to provide the necessary revenue to operate the system, but consistently with operating as a noncommercial and nonprofit entity.

7. ADDITIONAL LOTS.

7.01. Addition of Lots. Declarant has the right to add additional lots in both the Mahanalua Nui Subdivision and outside of the Mahanalua Nui Subdivision, and may amend this Declaration unilaterally, from time to time, to add said lots to the "Properties" to which the benefits and burdens of this Declaration shall accrue in accordance with this Declaration.

8. EASEMENTS

8.01. Easements Shown on Plan. The Plan specifically describes certain Easements over, across and affecting certain Properties. Each of said Easements is hereby established for those purposes and in those locations ("Easement Areas") which are shown on the Plan. Each Easement shall be for the benefit of (a) the Property or Properties served by such Easement; (b) the Association in each case where an Easement benefits a road or other property held by the Association; (c) the public or private utility provider whose pipes or lines are installed within any such Easement; or (d) any other person or entity benefited by said Easement, as the case may be. Each Easement shall confer the right to the benefited Property, person or entity to construct, operate, maintain, repair, improve and replace such utilities, lines, pipes, equipment, structures, or drainage structures within the Easement Area as may be reasonably necessary or appropriate for the purposes for which the Easement is established as stated on the Plan.

All work within each Easement Area shall be conducted in a reasonable and orderly manner, so as to minimize any disturbance to the Owners and occupants of the encumbered Property, and all excavations will be filled in and promptly returned to even grade without unreasonable delay.

8.02. Encroachments. If upon the completion of the installation of any utility line or water line, drainage structure, or other facility which is part of the Common Areas or which will be owned by a third party utility provider, it is determined that the location of the line, structure or facility inadvertently encroaches on any land outside of the easement area as defined on the Plan, a nonexclusive, perpetual Easement shall thereafter exist for the maintenance, operation, repair, improvement and replacement of such line, structure, or facility in its location as built, provided that its location outside of the Easement Area shall not unreasonably interfere with the reasonable use and enjoyment of the encumbered Property by the Owners and occupants thereof or cause any diminution in value of the encumbered Property

8.03. Additional Easements. Declarant hereby reserves for itself and its successors in interest the right to grant and create further easements within the roads and Common Areas of Mahanalua Nui for the purpose of establishing or relocating utility lines, water lines, sewer lines, effluent lines, as well as pumps, controls, access points,

meters, poles, anchors, stays and wires or any other equipment necessary or appurtenant thereto, and for establishing any necessary drainage structures or areas.

In addition, so long as Declarant owns any portion of the land described on Exhibit "A" of this Declaration, Declarant reserves for itself, the Association, and the designees of each (which may include, without limitation, Maui County and any utility provider) access and maintenance easements upon, across, over, and under all of the Properties to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining cable television systems, roads, walkways, drainage systems, irrigation systems, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity, and for the purpose of installing any of the foregoing on Property which it owns or within easements designated for such purposes. Notwithstanding anything to the contrary herein, this easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Property, and any damage to a dwelling resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the person exercising the easement. The exercise of this easement shall not unreasonably interfere with development or use of any dwelling and, except in an emergency, entry onto any dwelling shall be made only after reasonable notice to the Owner or occupant thereof.

8.04. Notice Re: Agricultural and Development Operations. All owners and occupants of Properties are hereby notified that any or all Properties may be subject to possible odor, noise, dust pollution, and other nuisances or inconveniences, which may be created by nearby agricultural activities or development activities by Declarant or its affiliates. The owners and operators of said agricultural operations and Declarant (and all officers or directors, employees or agents of Declarant) shall not have any liability or responsibility for any injury, loss or damage which may arise in connection with said operations

8.05. Agricultural Waiver. Acknowledgement of Adjacent Activities; Waiver Developer, for itself, any person or entity claiming by or through it and their respective successor and assigns, acknowledges that Mahanalua Nui is located near or adjacent to properties (the "Adjacent Properties"), including the land of Pioneer Mill Co., Limited, which are or may be used for various agricultural, industrial, development, drainage and other purposes. As such, it is expected that Mahanalua Nui will periodically be affected by noise, dust, smoke, soot, ash, odor or other adverse conditions of any kind created by or resulting from such agricultural, industrial, development, drainage and other activities. Each Owner acknowledges and agrees that neither Declarant, Pioneer Mill Co., Limited, nor its affiliates, nor the owners of the Adjacent Properties, nor any other respective successors in title or assigns shall be held liable for any nuisance, personal injury, illness or other loss, damage or claim which is caused by or related to the presence, operation and/ or development of the Adjacent Properties adjacent to or near Mahanalua Nui.

Reference is made to the Hawaii Right to Farm Act, Hawaii Revised Statutes Chapter 165, establishing certain limitations on claims against farmers based on certain nuisances from agricultural operations.

8.06. Archaeological Sites. There are thirteen significant historic Archaeological sites that have been designated for preservation by the State Historic Preservation Commission. Details of the plan are in the Mahanalua Nui Preservation Plan filed with the State DLNR. Copies are available through the office of Declarant.

The sites are grouped by location:

Sites No. 2676, 2677 and 2682- These three (3) sites are grouped together in an approximately 3-acre Archaeological preserve near the Mauka end of the property.

Sites No. 2639, 2666, 2672, 2683, and 2684 are all located in the proposed Launiupoko Streambed Park.

Sites No. 2642, 2646, 2655, 2670 and 2679 are located within the property lines of individual lot(s). See Archaeological Preservation Map attached. Note Section 8.07 (Access Easements) below.

8.07. Access Easements. Walking easements to each site are located on the attached Preservation Plan Map. Each Owner with a walking easement on their Property will have the right to move the walking easement provided it remains on their Property and provides similar adequate access to the site. Any such changes must be filed with the State Historic Preservation Division.

Access to the religious sites (uprights) will be allowed to native Hawaiians and the State Historic Preservation Division and to any bona fide researchers with the approval of the State Historic Preservation Division. Access is by appointment with the Owner, contact to be made through Declarant or the Association. Please allow reasonable prior notice (at least 48 hours).

8.08. Additional Archaeological Sites. There are three (3) sites which shall be preserved under other criteria. Sites No. 2653, 2656 and 2665 shall be preserved under rules to be set by the Association. These sites shall be surveyed and marked. Alteration or destruction of these sites is prohibited. A buffer zone of three (3) meters shall be established around all of these sites. Owners shall be able to plant and landscape within this buffer zone. Section 8.07 (Access Easements) above shall apply to these sites. Owners will be allowed to remove these sites from preservation by consent of the Association. Monitoring of the sites shall be the responsibility of the individual Owner.

9. TRAILS AND PARKLANDS.

9.01. Creation. It is the intent of Declarant to create a system of parks and trails in and around the Mahanalua Nui Subdivision. The trails are to be around the perimeter of the project and will be kept private, with limited public use allowed. The parks will be a combination of archaeological preserves, public parks, and wilderness areas. These parks and trails will be created by Declarant prior to the completion of the subdivision. The trails will be established in part on easements over some of the Properties. Said easements will be Common Areas.

9.02. Private Parks and Trail Areas. Declarant will dedicate the perimeter trail that runs around sixty percent (60%) of the project to the Association. The Association will be required to maintain the perimeter trail as a cleared trail suitable for hiking. The perimeter trail may be available for public use with the control of the Association. An archaeological preserve will be created within the mauka six (6) acres. This Preserve will be quasi-public, with visitation allowed during daylight hours, seven days a week. Also, the Association will be responsible for the maintenance at the archaeological sites.

9.03. Public Parks Areas. Declarant intends to create a wilderness area open to the public during daylight hours, seven (7) days a week, in the Launiupoko Streambed. Declarant or the Association may grant stewardship of this park to an entity, other than the Association, that will maintain the park and establish rules of operation. Declarant may grant title to the park to this entity or the Association as a Common Area, at Declarant's discretion. Use of the park shall be for the access to the historic sites located in the park and above the park in the upper valley.

10. ADMINISTRATIVE PROVISIONS.

10.01. Right to Abate Violations. If any person or entity shall violate or attempt to violate any of the covenants herein contained or any rules or regulations of the Association, the Association (acting through its Board of Directors) or any Owner of any Property may commence legal action at law or in equity against such person or entity, either to prevent or abate such violation or to recover damages caused by such violation, or both. Said damages may expressly include a judgment for all of the plaintiff's costs of suit, including reasonable attorney's fees, and any fines for noncompliance as may be adopted by the Board of Directors of the Association as part of its rules and regulations. The Board of Directors may in its absolute discretion elect (a) not to take action with respect to any violation or alleged violation, (b) to discontinue any such action once commenced, (c) to settle any dispute with respect thereto, or (d) to take any other action as the Board deems appropriate including but not limited to the establishment and enforcement of a system of fines and penalties. Reference is made to HRS Chapter 421J for certain dispute resolution procedures.

10.02. Resolution of Disputes Between Owners of Properties. If a dispute arises between Owners of Properties as to any matter relating to any term, meaning, application or enforcement of this Declaration, said Owners may, by mutual agreement, refer the matter to the Board of Directors of the Association for nonbinding arbitration. The Board of Directors may conduct proceedings to hear and consider both sides of the dispute, in accordance with reasonable procedures to be established by the Board of Directors, and may decide any such matter by majority vote of the Board members in attendance. Any decision in such matter shall be advisory only and shall not pre-empt or restrict either party's rights to pursue legal action in said matter. The Board may, in its discretion, for any reason, refuse to hear any matter referred to it under the terms of this paragraph. Reference is made to HRS Chapter 421J for certain dispute resolution procedures.

10.03. Duration of Covenants. These covenants shall be binding for a period of fifty (50) years from the date this instrument is recorded in the Bureau. Thereafter, they shall automatically be extended without any documentation or any action of any reason or the Association, for successive periods of ten (10) years each unless terminated at the end of said initial 50-year period or at the end of any such successive 10-year period by the affirmative vote or written election of Owners representing not less than 65% of all Properties in Mahanalua Nui, evidenced by an instrument reciting said vote or election, signed and sworn by the Owners of not less than three Properties, and recorded in the Bureau.

10.04. Amendment of Covenants. These covenants may be amended at any time by the affirmative vote or the written consent of the Owners of not less than 65% of all Properties in Mahanalua Nui. Said amendment shall be effective upon the filing in the Bureau of an instrument which shall (a) recite said amendment; (b) recite that the Owners of not less than 65% of all Properties in Mahanalua Nui voted for, or gave their written approval for, said amendment and (c) be signed and sworn by the Owners of not less than 3 Properties in Mahanalua Nui.

Notwithstanding the foregoing no amendment occurring within seven years from the date these covenants are recorded in the Bureau will be effective without Declarant's written consent (unless before the end of said seven years Declarant shall be dissolved, shall be declared bankrupt, or shall in its sole discretion elect to relinquish said approval right by written notice signed by Declarant and duly recorded in the Bureau).

Notwithstanding anything herein to the contrary, Declarant may from time to time amend these covenants unilaterally without the consent of any Owner or mortgagee of any Property, for any of the following purposes:

- (a) to correct any drafting or typographical error;
- (b) to comply with (i) any applicable law, rule or regulation of the State of Hawaii or the County of Maui, (ii) any requirement or condition of any governmental agency or (iii) any governmental approval, permit or order affecting the subdivision;
- (c) to comply with any requirement of the State of Hawaii or the U. S. Department of Housing and Urban Development in connection with the registration and sale of any Properties or any exemption from registration;
- (d) to qualify some or all of the Properties for financing through the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, or any similar program to facilitate the financing of Properties through any mortgage market or general financing program; or
- (e) to add Properties to the land covered by this Declaration as provided in Section 7 above.

Declarant's rights under this section 10.04 shall expire upon the first to occur of (a) the expiration of seven years from the date these covenants are recorded in the Bureau; or (b) Declarant's voluntary relinquishment of said rights by written release recorded in the Bureau.

10.05. Severability. Invalidation of any one or more of these covenants by judgment or court order shall not affect any of the other provisions hereof.

10.06. Perpetuities. If any of provision of this Declaration shall be void or voidable for violation of the Rule Against Perpetuities in effect in the State of Hawaii, said provision shall continue only until the end of such period as shall not violate the Rule Against Perpetuities, measured by the lives of the following persons on the date of this Declaration: The members of the United States Senate serving in office on date of this Declaration, and the descendants of such persons living on the date of this Declaration.

10.07. Notice of Sale or Transfer of Title. Upon the sale or transfer of title to any Property, the transferee shall promptly notify the Board of Directors of the

EXHIBIT "A"

to Amended and Restated Covenants, Conditions & Restrictions
for the Mahanalua Nui Subdivision at Launiupoko

DESCRIPTION OF LAND

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Royal Patent Number 1358, Land Commission Award Number 82 to Thomas Phillips) situate, lying and being at Launiupoko, District of Lahaina, Island and County of Maui, State of Hawaii, more particularly described as follows:

MAHANALUA NUI SUBDIVISION

LOT "A-1"

Being a portion of R.P. 1358, L.C. Aw. 82 to Thomas Phillips.

Situated at Launiupoko, Lahaina, Island of Maui, Hawaii

Beginning at a Westerly corner of this parcel of land, being also the Southeast corner of Lot B-2 of Mahanalua Nui Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LAUNIUPOKO" being 1,714.45 feet North and 2,461.47 feet West, and running by azimuths measured clockwise from true South:

1.	183°	05'	50"	286.11	feet along remainder of R.P. 1358, L.C. Aw. 82 to Thomas Phillips, along Lots B-2 and B-1 of Mahanalua Nui Subdivision;
2.	168°	45'	20"	286.22	feet along remainder of R.P. 1358, L.C. Aw. 82 to Thomas Phillips, along Lot B-1 of Mahanalua Nui Subdivision;
3.	181°	31'	20"	225.06	feet along same;
4.	145°	33'	40"	260.49	feet along same;
5.	150°	20'	00"	230.87	feet along same;
6.	160°	26'	30"	283.55	feet along same;
7.	165°	21'	30"	560.52	feet along same;

EXHIBIT "A"

to Amended and Restated Covenants, Conditions & Restrictions
for the Mahanalua Nui Subdivision at Launiupoko

(Continued)

8.	154°	26'	10"	470.28	feet along same;
9.	176°	33'	20"	54.46	feet along same;
10.	220°	22'	10"	202.59	feet along same;
11.	237°	02'	50"	225.88	feet along same;
12.	250°	05'	50"	292.82	feet along same;
13.	224°	13'	10"	96.65	feet along same;
14.	193°	23'	40"	74.96	feet along same;
15.	227°	09'	30"	96.62	feet along same;
16.	242°	45'	40"	157.03	feet along same;
17.	259°	32'	50"	220.86	feet along same;
18.	236°	42'	50"	548.07	feet along same;
19.	198°	48'	20"	135.04	feet along same;
20.	169°	04'	10"	176.50	feet along same;
21.	165°	20'	00"	373.96	feet along same;
22.	153°	02'	30"	305.40	feet along same;

Thence, along same on a curve to the right, with a radius of 327.50 feet, the chord
azimuth and distance being:

23.	211°	28'	45"	558.11	feet;
24.	269°	55'	00"	620.48	feet along same;

EXHIBIT "A"

to Amended and Restated Covenants, Conditions & Restrictions
for the Mahanalua Nui Subdivision at Launiupoko

(Continued)

25.	289°	14'	10"	208.03	feet along same;
26.	254°	40'	10"	104.75	feet along same;
27.	309°	23'	40"	239.62	feet along same;
28.	353°	20'	40"	271.43	feet along same;
29.	26°	14'	00"	129.75	feet along same;
30.	13°	03'	20"	185.91	feet along same;
31.	353°	04'	20"	155.26	feet along same;
32.	10°	22'	20"	464.61	feet along same;
33.	332°	26'	20"	69.95	feet along same;
34.	358°	01'	10"	128.73	feet along same;
35.	19°	46'	40"	158.74	feet along same;
36.	339°	59'	50"	306.15	feet along same;
37.	301°	48'	30"	99.12	feet along same;
38.	270°	45'	40"	272.18	feet along same;
39.	317°	21'	20"	217.29	feet along same;
40.	279°	58'	10"	242.22	feet along same;
41.	232°	47'	40"	304.84	feet along same;
42.	256°	52'	20"	451.13	feet along same;
43.	241°	52'	00"	404.57	feet along same;

EXHIBIT "A"

to Amended and Restated Covenants, Conditions & Restrictions
for the Mahanalua Nui Subdivision at Launiupoko

(Continued)

44.	303°	49'	30"	203.46	feet along same;
45.	7°	28'	10"	167.46	feet along same;
46.	37°	55'	20"	337.47	feet along same;
47.	56°	52'	30"	186.15	feet along same;
48.	32°	59'	40"	611.15	feet along same;
49.	14°	46'	30"	556.18	feet along same;
50.	353°	58'	20"	385.39	feet along same;
51.	322°	30'	10"	89.44	feet along same;
52.	279°	08'	40"	107.13	feet along same;

Thence, along same on a curve to the right, with a radius of 53.50 feet, the chord azimuth and distance being:

53.	315°	49'	45"	63.92'	feet;
54.	352°	30'	50"	126.08	feet along same;
55.	284°	10'	10"	62.96	feet along same;
56.	185°	22'	10"	270.17	feet along same;
57.	148°	19'	50"	144.78	feet along same;
58.	225°	52'	00"	121.12	feet along same;
59.	299°	12'	00"	65.20	feet along same;
60.	272°	08'	10"	52.20	feet along same;

EXHIBIT "A"

to Amended and Restated Covenants, Conditions & Restrictions
for the Mahanalua Nui Subdivision at Launiupoko

(Continued)

61.	283°	00'	50"	64.93	feet along same;
62.	14°	10'	20"	104.16	feet along same;
63.	332°	38'	40"	405.55	feet along same;
64.	250°	43'	20"	380.50	feet along same;
65.	309°	12'	30"	296.08	feet along same;
66.	340°	45'	20"	120.58	feet along same;
67.	331°	19'	40"	165.67	feet along same;
68.	11°	18'	10"	119.28	feet along same;
69.	27°	59'	30"	80.99	feet along same;
70.	13°	30'	00"	179.41	feet along same;
71.	349°	46'	50"	72.67	feet along same;
72.	277°	33'	50"	78.00	feet along same;

Thence, along same on a curve to the right, with a radius of 94.00 feet, the chord azimuth and distance being:

73.	346°	18'	25"	175.21	feet;
74.	55°	03'	00"	352.77	feet along same;
75.	38°	41'	40"	670.00	feet along same;

Thence, along same on a curve to the right, with a radius of 100.00 feet, the chord azimuth and distance being:

EXHIBIT "A"

to Amended and Restated Covenants, Conditions & Restrictions
for the Mahanalua Nui Subdivision at Launiupoko

(Continued)

76.	77°	40'	40"	125.82	feet;
77.	116°	39'	40"	333.87	feet along same;
78.	107°	57'	10"	363.67	feet along same;
79.	117°	41'	30"	755.24	feet along same;
80.	98°	59'	20"	206.23	feet along same;
81.	102°	42'	50"	354.90	feet along same;
82.	122°	00'	30"	112.82	feet along same;
83.	95°	22'	20"	169.34	feet along same;
84.	62°	17'	20"	362.59	feet along same;
85.	16°	59'	00"	49.56	feet along same;
86.	323°	40'	40"	157.22	feet along same;
87.	284°	27'	30"	243.50	feet along same;
88.	297°	37'	30"	117.18	feet along same;
89.	325°	24'	20"	180.03	feet along same;
90.	359°	41'	20"	50.10	feet along same;

Thence, along same on a curve to the right, with a radius of 68.00 feet, the chord azimuth
and distance being:

91.	43°	24'	40"	94.00	feet;
92.	87°	08'	00"	109.54	feet along same;

EXHIBIT "A"

to Amended and Restated Covenants, Conditions & Restrictions
for the Mahanalua Nui Subdivision at Launiupoko

(Continued)

93.	72°	09'	10"	193.19	feet along same;
94.	44°	04'	20"	104.09	feet along same;
95.	51°	37'	40"	85.62	feet along same;
96.	75°	27'	00"	113.80	feet along same;
97.	48°	31'	00"	224.13	feet along same;
98.	32°	17'	00"	81.58	feet along same;
99.	48°	07'	20"	53.04	feet along same;
100.	64°	34'	40"	112.64	feet along same;
101.	56°	54'	20"	28.76	feet along same;
102.	51°	25'	20"	10.45	feet along same;
103.	10°	04'	20"	8.87	feet along same;
104.	352°	24'	50"	26.27	feet along same;
105.	316°	52'	40"	32.13	feet along same;
106.	308°	03'	50"	89.91	feet along same;

Thence, along same on a curve to the left, with a radius of 93.00 feet, the chord azimuth and distance being:

107.	293°	23'	45"	47.10	feet;
108.	278°	43'	40"	180.97	feet along same;

EXHIBIT "A"

to Amended and Restated Covenants, Conditions & Restrictions
for the Mahanalua Nui Subdivision at Launiupoko

(Continued)

Thence, along same on a curve to the right, with a radius of 164.50 feet, the chord
azimuth and distance being:

109.	296°	08'	40"	98.48	feet;
110.	313°	33'	40"	146.52	feet along same;
111.	329°	22'	30"	16.04	feet along same;
112.	341°	02'	10"	184.83	feet along same;
113.	335°	30'	30"	158.06	feet along same;
114.	343°	51'	00"	155.45	feet along same;

Thence, along same on a curve to the right, with a radius of 105.50 feet, the chord
azimuth and distance being:

115.	31°	44'	55"	156.55	feet;
116.	79°	38'	50"	100.00	feet along same;
117.	79°	13'	50"	448.71	feet along same;
118.	38°	22'	40"	157.56	feet along same;

Thence, along same on a curve to the right, with a radius of 266.50 feet, the chord
azimuth and distance being:

119.	92°	39'	10"	431.80	feet;
120.	146°	35'	40"	215.12	feet along same;

EXHIBIT "A"

to Amended and Restated Covenants, Conditions & Restrictions
for the Mahanalua Nui Subdivision at Launiupoko

(Continued)

121.	156°	26'	30"	328.10	feet along same;
122.	155°	21'	10"	336.07	feet along same;
123.	169°	29'	50"	483.65	feet along same;

Thence, along same on a curve to the right, with a radius of 126.00 feet, the chord
azimuth and distance being:

124.	204°	21'	25"	144.04	feet;
125.	239°	13'	00"	196.94	feet along same;
126.	182°	07'	40"	761.27	feet along same;
127.	165°	07'	00"	176.11	feet along same;
128.	183°	05'	50"	121.91	feet along same to the point of beginning and containing an area of 433.219 acres, more or less.

Being all of the land conveyed by the following:

DEED

Grantor:	PIONEER MILL COMPANY, LIMITED, a Hawaii corporation
Grantee:	LAUNIUPOKO ASSOCIATES, LLC, a Hawaii limited liability company
Dated:	November 28, 1997
Document No.	97-166434

EXHIBIT "B"

to Amended and Restated Covenants, Conditions & Restrictions for the Mahanalua Nui Subdivision at Launiupoko

ARCHITECTURAL CONTROLS

1. Purpose. The purpose of the architectural controls set forth in this Exhibit "B" is not to regulate all details of an owner's construction and landscaping activity, but instead is to give Declarant the means to attempt, in its discretion, to avoid strange, jarring or inappropriate structures being initially developed within Mahanalua Nui which may be out of harmony with Mahanalua Nui as a whole. It is understood that Declarant's judgment in these matters may not be perfect or even consistent, and that some degree of taste and subjectivity will necessarily be involved. However, it is hoped that all concerned will cooperate in this process with the mutual objective of protecting property values and the general appearance of the neighborhood. The power to exercise these controls is reserved to Declarant and may be exercised at Declarant's option only. Declarant shall have no legal obligation to exercise the architectural controls and shall have no liability to any buyer or owner if Declarant shall elect not to exercise said controls as to some or all of the Properties or if Declarant exercises said controls in whole or in part in a manner which a buyer or owner of any Property feels is inappropriate, inconsistent or otherwise objectionable.

2. Restriction and Scope. No structure which is or will be visible from a road or from any other Property may be constructed without the prior written approval of the Architectural Design Committee.

3. Composition of the Architectural Design Committee. Declarant may appoint to the Architectural Design Committee one (1) staff person, and one (1) professional (either an architect or an engineer). The duration of the Committee may be for ten (10) years, or longer or shorter at the discretion of Declarant.

Declarant may transfer control of the Architectural Design Committee to the Mahanalua Nui Homeowners Association. At no time shall a lot owner, other than Declarant, be a member of the Committee.

4. Standards, Procedures and Submittals to the Architectural Design Committee. All applications for approval of the Architectural Design Committee shall be accompanied by plans, specifications and other supporting material which shall be detailed and complete to the point which would, in the Architectural Design Committee's reasonable judgment, enable it to adequately understand and evaluate the location and appearance of the planned work.

Prior to commencement of construction, an applicant must submit to the Architectural Design Committee complete working construction drawings stamped by an architect licensed to practice in the state of Hawaii. These construction drawings shall include, as a minimum:

1. Four (4) copies of all plans for any new building submitted to the Committee for approval, which shall include, without limitation, the following:

(a) Plot Plan showing location of all existing and proposed improvements, utilities, service areas, fences and walls, accessory buildings, lighting plans, paved areas, driveways, parking areas, walkways, Property lines, and landscaped areas.

(b) Grading Plan showing existing and proposed topographic elevations.

(c) Building Plans to include:

- i. one 1/4" scale floor plan,
- ii. four 1/8" scale exterior elevations,
- iii. two 1/8" scale cross-section elevations; and
- iv. one 1/8" scale site plan.

(d) Other Items as required by the Committee from time to time upon review of each individual project.

The Architectural Design Committee may in its discretion adopt reasonable rules and regulations to govern its procedures and requirements as it may deem appropriate from time to time.

Any application for approval shall be deemed automatically approved by the Architectural Design Committee if the Committee shall fail to approve or disapprove it in writing within twenty (20) days after the applicant has submitted to the Committee the completed application and all supporting plans and other materials in accordance with the preceding paragraphs.

If no suit or other proceeding shall have been commenced in a Hawaii court of competent jurisdiction within one (1) year after the visible commencement of construction of any structure, such construction shall be deemed automatically to have complied with all of the provisions of this Exhibit "B" and the Design Standards, notwithstanding any actual failure of any person to comply strictly with all of the requirements and procedures of this Exhibit "B."

5. Responsibility. The members of the Architectural Design Committee shall not be personally liable, and the Architectural Design Committee itself and Declarant shall not be liable, for any of their or its acts or omissions in connection with the performance of (or failure to perform) any duties hereunder so long as such actions or omissions are in good faith.

6. Design Guidelines. The following are encouraged and will be favorably reviewed:

1. Buildings that set into the existing grade, requiring a minimum of site work.
2. Buildings that have a rural, farm, plantation or polynesian feeling.
3. Large covered decks or verandas.
4. Roof lines incorporating hips, split pitch, dormers, pitch of 4:12 or steeper, and other interesting features.

5. The elimination of any elevations which feature large, one- or two-story wall sections with no relief.

6. Colors which are neither jarring nor garish.

7. Landscaping to compliment the buildings.

The following are not encouraged:

1. Excessive site work.

2. Roofs with a single gable feature.

3. Large, unbroken exterior wall massing.

4. Main houses of under 1200 square feet.

The following will not be approved:

1. The use of reflective or gloss finishes.

2. Overly bright, jarring or garish colors.

7. No Protection of Views. No Property shall have any vested rights or easements for the protection of any view from said Property and Declarant and the Architectural Review Committee make no warranties or representations of any kind to the buyer, owner or occupant of any Property concerning the extent, attractiveness or protection of any view over any Property or Common Area from any other Property or Common Area.

8. Fees. The Architectural Review Committee shall have the right to require payment of a reasonable fee for review of proposed Plans. Until and unless adjusted by the Committee by resolution, such review fee shall be Four Hundred Dollars (\$400) for an initial application, and Two Hundred Dollars (\$200) for each additional application concerning the same improvements.



R-254 STATE OF HAWAII
 BUREAU OF CONVEYANCES
 RECORDED
 MAR 03, 2003 08:01 AM
 Doc No(s) 2003-038050



Isl CARL T. WATANABE
 REGISTRAR OF CONVEYANCES

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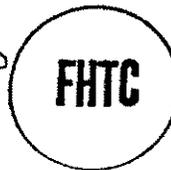
LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail () Pickup () To:

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Launiupoko Associates
 33 Lono Ave, Suite 450
 Kahului, HI 96732



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 ACCOMMODATION RECORDING
 NO TITLE LIABILITY

pah.72346/January 29, 2003

TMK (2) 4-7-09: 1 through 40, inclusive
 (2) 4-7-09: 42 through 53, inclusive
 (2) 4-7-10: 1 through 25, inclusive

Total No. of Pages: 3

FIRST AMENDMENT TO:
 AMENDED AND RESTATED
 DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
 FOR THE MAHANALUA NUI SUBDIVISION AT LAUNIUPOKO

1. Introduction

This First Amendment is dated this 25th day of February, 2003 and is executed by Launiupoko Associates, LLC, a Hawaii limited liability company, the principal place of business of which is 173 Ho'ohana Street, Suite 201, Kahului, Hawaii, 96732 ("Declarant").

This First Amendment amends those certain Amended and Restated Declaration of Covenants, Conditions and Restrictions dated July 13, 1999 and filed July 19, 1999 in the Bureau of Conveyances of the State of Hawaii as Document No. 99-114891 (the "Declaration") and is for the purpose of identifying additional lots within and subject to the Declaration pursuant to Section 7 of the Declaration.

Declarant makes this First Amendment pursuant to the powers reserved to it under Section 10.04(e) of the Declaration:

2. Amendments and Additions

The following paragraphs shall fully replace their corresponding paragraphs within the Declaration or where no corresponding paragraph exists, shall constitute an addition to the Declaration:

2.06 A “Property” means each of lots numbered 1 through 40 inclusive including sub-lots and/or condominium lots or partitions thereof, 41-A , 41-B, 41-H, 41-I, 41-J, 41-L and 41-M including sub-lots and/or condominium lots or partitions of Phase I and II (as defined below), and Lots 1 through 41 inclusive including sub-lots and/or condominium lots or partitions of Phase III (as defined below), all as shown on the Plan (defined below) and any other lots added to this Declaration by Declarant pursuant to Section 7 below.

If any Property in the future shall be divided into two or more separate parcels, condominium units or other divisions each of which shall be capable of being owned and conveyed in fee simple as a separate and discreet unit of ownership, each such parcel, unit or division shall be deemed to be a separate “Property” for all purposes under this Declaration, from and after the effective date of such division.

2.09 The “Plan” means collectively the following:

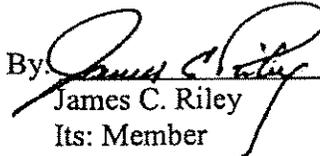
1. The subdivision entitled “Mahanalua Nui Subdivision Phase I” and “Mahanalua Nui Subdivision Phase II” dated December 2, 1998 and November 12, 1998 (LUCA Nos. 4.730 and 4.731), respectively (including any amendments), by Austin Tsutsumi & Associates, Inc., to which final subdivision approval was granted by the Department of Public Works and Waste Management of the County of Maui on May 27, 1999, as said plans shall be amended from time to time (collectively “Phase I and II”); and
2. The subdivision entitled “Mahanalua Nui Subdivision Phase III” revised November 26, 2001 (LUCA No. 4.827) (including any amendments), by Austin Tsutsumi & Associates, Inc., to which final subdivision approval was granted by the Department of Public Works and Waste Management of the County of Maui on December 19, 2002, as said plan shall be amended from time to time (“Phase III”).
3. All other subdivision plans approved by the Department of Public Works of the County of Maui and condominium maps recorded in the Bureau of Conveyances of the State of Hawaii the effect of which has been to subdivide (or establish condominium units within) lots within Mahanalua Nui.

5.05. Roadway Lots 42 through 46 in Phase III. All Properties shall be granted a non exclusive easement over Roadway Lots 42 through 46 in Phase III as a common area of the subdivision, pursuant to Section 2.04 and 5 of the Declaration.

In all other respects, the Declaration shall remain in full force and effect.

This Declaration is executed the day and year first written above.

LAUNIUPOKO ASSOCIATES, LLC
a Hawaii limited liability company

By: 
James C. Riley
Its: Member

"Declarant"

STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

On this 25th day of February, 2003, before me personally appeared JAMES C. RILEY, to me personally known, who, being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.


Notary Public, State of Hawaii
Printed Name: Diane Wanner
My Commission Expires: 7-17-03

ns



R-71 STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED
NOV 17, 2004 08:01 AM
Doc No(s) 2004-231124



/s/ CARL T. WATANABE
REGISTRAR OF CONVEYANCES

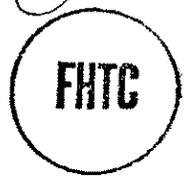
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LAND COURT SYSTEM

REGULAR SYSTEM

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LAUNIUPOKO ASSOCIATES LLC
33 LONO AVE., SUITE 450
KAHULUI, HI 96732



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ACCOMMODATION RECORDING
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Total No. of Pages: (9)

TMK (2) 4-7-10:8, 9, and 10
TMK (2) 4-7-9:35, 36 and 37

SECOND AMENDMENT TO AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR MAHANALUA NUI SUBDIVISION AT LAUNIUPOKO

1. INTRODUCTION.

This Second Amendment is dated this 9th day of November, 2004 and is executed by LAUNIUPOKO ASSOCIATES, LLC, a Hawaii limited liability company, the principal place of business of which is 33 Lono Avenue, Suite 450, Kahului, Hawaii 96732 ("Declarant").

This Second Amendment amends the Amended and Restated Declaration of Covenants, Conditions and Restrictions dated July 13, 1999, recorded in the State of Hawaii Bureau of Conveyances as Document No. 99-114891, as amended by First Amendment dated February 24, 2003, recorded as Document No. 2003-

038050 (collectively the "Declaration"). This Second Amendment is executed and recorded for the purposes of (a) identifying additional lots within Phase IV of Mahanalua Nui Subdivision which shall be subject to the Declaration pursuant to Declarant's powers reserved under Section 7 of the Declaration pursuant to the powers reserved to it under Section 10.04(e) of the Declaration; and (b) adopting additional terms and restrictions which will be applicable to the Properties in said Phase IV.

The Second Amendment also amends that certain Declaration of Restrictive Covenants, dated November 25, 1998, recorded in said Bureau as Document No. 98-186637.

2. AMENDMENTS AND ADDITIONS.

The following paragraph shall fully replace their corresponding paragraphs within the Declaration or where no corresponding paragraph exists shall constitute an addition to the Declaration:

2.06 A "Property" means each of lots numbered 1 through 32, inclusive and 36 through 40 of Phase I and II including sub-lots and/or condominium apartments or partitions thereof; Lots numbered 41-A, 41-B, 41-L and 41-M of Phase I and II including sub-lots and/or condominium apartments or partitions thereof; and Lots 1 through 41 of Phase III including sub-lots and/or condominium apartments or partitions thereof; and Lots numbered 1 through 36 of Phase IV including sub-lots and/or condominium apartments or partitions thereof, all as shown on the Plan (defined below) and any other lots added to this Declaration by Declarant pursuant to Section 7 below.

If any Property in the future shall be divided into two or more separate parcels, condominium apartments or other divisions each of which shall be capable of being owned and conveyed in fee simple as a separate and discrete unit of ownership, each such parcel, unit or division shall be deemed to be a separate "Property" for all purposes under this Declaration, from and after the effective date of such division.

2.09 The "Plan" means collectively the following:

1. The subdivision entitled "Mahanalua Nui Subdivision Phase I" and "Mahanalua Nui Subdivision Phase II" dated December 2, 1998 (LUCA Nos. 4.730 and 4.731), respectively (including any

amendments), by Austin Tsutsumi & Associates, Inc., to which final subdivision approval was granted by the Department of Public Works and Waste Management of the County of Maui on May 27, 1999, and said plans shall be amended from time to time (collectively "Phase I and II"); and

2. The subdivision entitled "Mahanalua Nui Subdivision Phase III" revised November 26, 2001 (LUCA No. 4.827) (including any amendments), by Austin Tsutsumi & Associates, Inc., to which final subdivision approval was granted by the Department of Public Works and Waste Management of the County of Maui on December 19, 2002, as said plan shall be amended from time to time ("Phase III"); and

3. The subdivision entitled "Mahanalua Nui Subdivision Phase IV" dated October 8, 2004 (DSA No. 4.883) (including any amendments), by Austin, Tsutsumi & Associates, Inc., to which final subdivision approval was granted by the Department of Public Works and Environmental Management of the County of Maui on October 26, 2004, as said plan shall be amended from time to time ("Phase IV"); and

4. All other subdivision plans approved by the Department of Public Works and Environmental Management of the County of Maui and condominium maps recorded in the Bureau of Conveyances of the State of Hawaii the effect of which has been to subdivide (or establish condominium units within) lots within Mahanalua Nui.

5.06 Roadway Lots 37 through 44 in Phase IV. All Properties shall be granted a non-exclusive easement over Roadway Lots 37 through 44 in Phase IV as a common area of the subdivision, pursuant to Section 2.04 and 5 of the Declaration."

3. DESIGNATION OF DRAINAGE EASEMENTS AS ADDITIONAL COMMON AREAS. Pursuant to the authority reserved by Declarant in Section 2.04(iv), Declarant hereby designates the following easements as Common Areas: Drainage Basins described on the Plan of Phase IV as Easements D-39 through D-58 inclusive and Drainage Reserves described on the Plan of Phase IV as Easements DR-20 through DR-26, inclusive and DR-14A. The Association shall have the right to enter said easements from time to time with men and equipment for the purpose of clearing debris, vegetation and unauthorized structures from said areas which may reduce or interfere with the operation of said easement as a

drainage facility. The routine maintenance of vegetation and clearing of said areas and their maintenance as drainage facilities shall be the responsibility of the Owner(s) of the Property upon which the easement is located and the cost thereof shall be borne by said Owner(s). The standards for maintenance are set forth in Exhibit "A" hereto. If said Owner(s) shall fail to maintain any such area then the Association may exercise its easement rights set forth above and shall have the right to assess the cost thereof to said Owner(s) as a special assessment secured by the lien under Section 4.03 below. The cost of any work by the Association not caused by the act or omission of said Owner or the failure of the Owner to maintain the area as required herein shall be a common expense.

The Owner of each Property on which any such easement is located may place crops, orchards, landscaping, driveways and other structures within such easement provided that (a) such vegetation and structures shall not interfere with or impair the designated function of the area for managing storm water runoff; (b) such vegetation and structures shall not interfere with or impair the maintenance of said area in accordance with the standards set forth in Exhibit "A" hereto; and (c) all such vegetation and structures shall be approved by the Board of Directors of the Association (on such terms, conditions and restrictions as the Board may determine).

4. NEW PROVISIONS RELATING TO AGRICULTURAL USE REQUIREMENTS UNDER APPLICABLE LAW. In order to assure that Owners of Properties shall comply with applicable state and county laws concerning agricultural use of lands located within the areas zoned agricultural under Maui County Code Chapter 19 and designated agricultural under the state land use law HRS Chapter 205, the following additional covenants are added to Section 3 of the Declaration:

3.13 Farm Plan Requirements. Under rules and policies of the County of Maui in effect on the effective date of this Second Amendment, a farm plan is required in connection with the issuance of building permits for farm dwellings. A "farm plan" means a formal plan under which the Owner commits to proceed with bona fide agricultural operations on the Property, utilizing at least 50% of the land area within the Property as an active, bona fide and ongoing endeavor. "Agricultural operations" shall mean agricultural use as described in Maui County Code Chapter 19.30A, including but not limited to the cultivation of crops, orchard operations, animal husbandry and similar activities. Each Owner shall comply strictly with all applicable rules, regulations and policies in this regard.

3.14 Agricultural Use Restrictions. The restrictions on agricultural uses set forth in Section 3.01 shall not apply to the Properties located in Phase IV. The limitations on agricultural use restrictions set forth in Hawaii Revised Statutes Section 205-46 shall apply to all Phase IV Properties since the Phase IV lands were not subject to the reservations in Section 3.01 prior to July 8, 2003. If any other provision of the Declaration shall be found to violate said Section 205-46 such provision shall be deemed void insofar as it shall apply to any Phase IV Property.

These provisions this Section 4 have been adopted by the Declarant acting unilaterally under the authority reserved to the Declarant under Section 10.04(b) which authorizes the Declarant to amend the Declaration unilaterally for the purpose of complying with (i) any applicable law, rule or regulation of the State of Hawaii or the County of Maui, (ii) any requirement or condition of any governmental agency, or (iii) any governmental approval, permit or order affecting the subdivision.

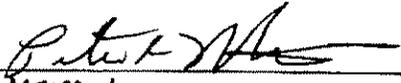
5. **DRIVEWAY LOCATIONS.** All properties in Phase IV are subject to a restriction as to the permitted location of the driveway entrance at each Property line on the road abutting such Property. The location of the driveway entrance for each Property is shown on the Plan describing Phase IV. The Owner(s) of each Property shall comply strictly with said restriction and may not construct a driveway entrance on said Property in any other location without the approval of the County of Maui Department of Public Works and Environmental Management, Development Services Administration.

6. **AMENDMENT OF DECLARATION OF RESTRICTIVE COVENANTS.** The Declaration of Restrictive Covenants, dated November 25, 1998, recorded in the State of Hawaii Bureau of Conveyances as Document No. 98-186637 is hereby amended by excluding all lots in Phase IV from the restrictions in said documents. This exclusion is in accordance with Hawaii Revised Statutes Section 205-4.6.

7. **CONCLUSION.** In all other respects the Declaration shall remain in full force and effect.

This Declaration is executed the day and year first above written.

LAUNIUPOKO ASSOCIATES, LLC,
a Hawaii limited liability company

By: 
Peter K. Martin
Its: Member

"Declarant"

STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

On this 9th day of November, 2004, before me personally appeared Peter K. Martin, to me personally known, who, being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Kerai Lynn B.S. Heeka
Notary Public, State of Hawaii
Printed Name: *Kerai Lynn B.S. Heeka*
My Commission Expires: *May 1, 2005*

la

EXHIBIT "A"

Operation and Maintenance Plan For Retention Basins 1 through 7 Mahanalua Nui Subdivision, Phase 4 Mahanalua Nui Homeowner's Association, Inc.

Operation and maintenance for Retention Basins 1 through 7 shall include the retention basins and vegetated swales that serve to control the storm water discharge into the retention basin. Mahanalua Nui Homeowner's Association, Inc. is the identified party to oversee and enforce the operation and maintenance of these basins and swales. Regular maintenance designed to ensure the long-term efficiency of the system shall include:

1. Sediment that accumulates in the catch basins, drain inlets, vegetated/concrete swales and retention basins shall be removed. The reclaimed sediment may be used for fill or as a supplement to topsoil.
2. Overgrown vegetation on the bottom, sides and benches of the retention basins shall be removed by means of mowing and/or herbicide spraying.
3. Overgrown vegetation along swales shall be removed by means of mowing and/or herbicide spraying.
4. Vegetative growth and accumulated silt deposits at all drainage outlets and at all overflow weirs shall be removed and kept clear at all times.
5. Mosquito infestation shall be controlled by removing stagnant water at bottom of retention basin.
6. After the occurrence of a major storm event, visually inspect the retention basins and swales for accumulation of sediment and debris. Sediment build-up and debris greater than two feet above the basin floor shall be removed immediately after the storm event. Removal of sediment and debris shall be done after it is deemed safe to accomplish remedial work.
7. All access paths to the retention basin shall be maintained and clear of obstructions. Vegetative growth and accumulated silt shall be removed. Loose gravel/dirt within access path shall be compacted to

maintain a safe route for vehicles used for the maintenance of the retention basins.

END OF EXHIBIT "A"



R-721 STATE OF HAWAII
 BUREAU OF CONVEYANCES
 RECORDED
 MAR 29, 2005 08:02 AM
 Doc No(s) 2005-060479



/s/ CARL T. WATANABE
 REGISTRAR OF CONVEYANCES

20 1/2 22

LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail (x) Pickup () To:

Mancini, Welch & Geiger LLP
 Attention: Thomas Welch
 33 Lono Avenue Ste 470
 Kahului, HI 96732

Escrow # 20304158 DW



#169365

TDW/88586

Total No. of Pages: 4

TMK (2) 4-7-10: 1-3, 8-10, 12-23, 26-65

(2) 4-7-9: 1-26, 27 (por), 28 (por), 29-38, 39 (por), 40, 43-55, 57-61

THIRD AMENDMENT TO AMENDED AND RESTATED
 DECLARATION OF COVENANTS, CONDITIONS AND
 RESTRICTIONS FOR MAHANALUA NUI SUBDIVISION AT LAUNIUPOKO

A. INTRODUCTION.

This Third Amendment is dated this 16th day of March, 2005 and is executed by LAUNIUPOKO ASSOCIATES, LLC, a Hawaii limited liability company, the principal place of business of which is 33 Lono Avenue, Suite 450, Kahului, Hawaii 96732 ("Declarant").

This Third Amendment amends the Amended and Restated Declaration of Covenants, Conditions and Restrictions dated July 13, 1999, recorded in the State of Hawaii Bureau of Conveyances as Document No. 99-114891, as amended by First Amendment dated February 24, 2003, recorded as Document No. 2003-038050 and Second Amendment dated November 9, 2004, recorded as Document No. 2004-231124 (collectively the "Declaration"). This Third Amendment is executed and recorded for the purpose of supplementing certain disclosures of record.

B. AMENDMENT.

The Declaration is hereby further amended as follows:

1. Amendment and Disclosure Regarding Mahanalua Nui Water System.
Section 6.05 is hereby added to the Declaration, to read as follows:

"6.05 Water System Disclosures and Warnings.

Prior to the date of this Second Amendment, the Declarant has established two affiliated corporations, Launiupoko Water Co., LLC and Launiupoko Irrigation Co., LLC, to provide potable and non-potable water service to Mahanalua Nui Subdivision. Said corporations are regulated by the State of Hawaii Public Utilities Commission.

All lot owners should be aware, and are hereby warned, as follows:

(a) Each water system may be subject to interruptions and cessations in service, changes in water quality or water quantity, and other problems which may occur in the operation of private water systems. Property owners are warned that if they desire to protect themselves against such changes or inconveniences, property owners may wish to construct supplemental water facilities on their own properties, including water storage facilities.

(b) The non-potable water provided by Launiupoko Irrigation Co., LLC is for irrigation purposes and is not suitable for drinking or domestic use. Such water is provided from surface water sources and may contain bacteria which are extremely hazardous to health. All property owners accepting non-potable water service are instructed to warn their family, guests, tenants, visitors and successors in title of these risks and the unsuitability of the water for human consumption or domestic use.

(c) Also, neither the Declarant nor Launiupoko Irrigation Co., LLC shall be responsible

if for any reason the source of non-potable water is withdrawn from use. The control of surface waters in the State of Hawaii is vested in the State of Hawaii Water Resources Commission. The right of the use of said sources for irrigating Mahanalua Nui Subdivision (and other developed areas served by it) has been challenged by certain parties.”

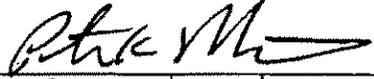
2. An additional Section 8.05A is hereby added to read as follows:

“8.05A Possible Future Development of Adjacent Properties. Adjacent Properties (defined in Section 8.05 above), may be developed in the future. Such developments may include agricultural, residential, non-residential or other types of development, and may be re-zoned which may result in increased development density and changes in use. Development may result in increase in traffic, noise, dust and other nuisances. Declarant may grant to the lots and buyers within the Adjacent Properties the rights to use certain roads and facilities within Mahanalua Nui and may add the owners of said lots to the membership of Mahanalua Nui Homeowners Association, Inc. Neither the Declarant nor the owners of the Adjacent Properties nor any other respective successors in title or assigned shall be held liable for any such nuisance or adverse consequences of such developments.”

3. In all other respects the Declaration shall remain in full force and effect.

This Declaration is executed the day and year first above written.

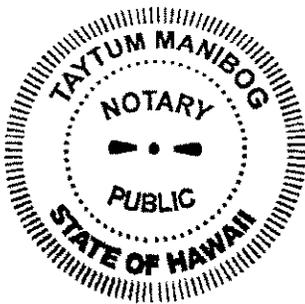
LAUNIUPOKO ASSOCIATES, LLC,
a Hawaii limited liability company

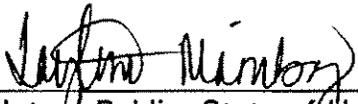
By: 
Peter K. Martin
Its: Member

"Declarant"

STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

On this 16th day of March, 2005, before me personally appeared Peter K. Martin, to me personally known, who, being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.




Notary Public, State of Hawaii
Printed Name: Taytum Manibog
My Commission Expires: 2.29.2008