

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

CONDOMINIUM PROJECT NAME	KA HALE ANUHEA CONDOMINIUMS
Project Address	Lot 1-B-8, Kaukini Loop, Kahakuloa, Maui, Hawaii
Registration Number	6677
Effective Date of Report	<b>October 30, 2008</b>
Developer(s)	Craig and Nalani Foreman

**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.

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*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.]

Please note that there are changes and/or inaccuracies within the application to register Ka Hale Anuhea Condominium which are described in Exhibit I to this Public Report. Any purchaser or prospective purchaser is advised to carefully review Exhibit I.

## TABLE OF CONTENTS

	Page
Preparation of this Report .....	1
General Information On Condominiums.....	2
Operation of the Condominium Project .....	2
1. THE CONDOMINIUM PROJECT.....	3
1.1 The Underlying Land.....	3
1.2 Buildings and Other Improvements.....	3
1.3 Unit Types and Sizes of Units .....	3
1.4 Parking Stalls.....	4
1.5 Boundaries of the Units .....	4
1.6 Permitted Alterations to the Units.....	4
1.7 Common Interest.....	4
1.8 Recreational and Other Common Facilities .....	4
1.9 Common Elements.....	5
1.10 Limited Common Elements .....	5
1.11 Special Use Restrictions .....	5
1.12 Encumbrances Against Title.....	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters.....	6
1.14 Other Zoning Compliance Matters .....	6
1.15 Conversions.....	7
1.16 Project In Agricultural District .....	8
1.17 Project with Assisted Living Facility.....	8
2 PERSONS CONNECTED WITH THE PROJECT.....	9
2.1 Developer .....	9
2.2 Real Estate Broker .....	9
2.3 Escrow Depository .....	9
2.4 General Contractor.....	9
2.5 Condominium Managing Agent.....	9
2.6 Attorney for Developer .....	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS .....	10
3.1 Declaration of Condominium Property Regime.....	10
3.2 Bylaws of the Association of Unit Owners.....	10
3.3 Condominium Map .....	10
3.4 House Rules.....	11
3.5 Changes to the Condominium Documents .....	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents.....	11
4. CONDOMINIUM MANAGEMENT .....	12
4.1 Management of the Common Elements.....	12
4.2 Estimate of the Initial Maintenance Fees .....	12
4.3 Utility Charges to be Included in the Maintenance Fee .....	12
4.4 Utilities to be Separately Billed to Unit Owner.....	12
5. SALES DOCUMENTS.....	13
5.1 Sales Documents Filed with the Real Estate Commission .....	13
5.2 Sales to Owner-Occupants .....	13
5.3 Blanket Liens.....	13
5.4 Construction Warranties.....	13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion.....	14

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance .....	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance .....	14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing .....	14
5.7 Rights Under the Sales Contract.....	16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract.....	16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract .....	16
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed .....	17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change.....	17
 6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT .....	 18
EXHIBIT A: Description of Buildings and Units	
EXHIBIT B: Common Elements and Limited Common Elements	
EXHIBIT C: Encumbrances Against The Title	
EXHIBIT D: Breakdown of Annual/Monthly Maintenance Fees	
EXHIBIT E: Summary of Sales Contract	
EXHIBIT F: Summary of Condominium Escrow Agreement	
EXHIBIT G: Summary of Water Agreement with copy of Agreement	
EXHIBIT H: Letter From County of Maui, Dept. of Public Works, Dev. Services Admin. dated 09/16/2008	
EXHIBIT I: Disclosure letter, dated October 25, 2008, from Developer's attorney	

## **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	Not Applicable	
Address of Project	Lot 1-B-8 Kahakuloa Agricultural Park Subdivision	
Address of Project is expected to change because		
Tax Map Key (TMK)	(2) 3-1-001-062	
Tax Map Key is expected to change because	Not Applicable	
Land Area	191,664 square feet	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	Not Applicable	

**1.2 Buildings and Other Improvements**

Number of Buildings	2
Floors Per Building	1
Number of New Building(s)	2
Number of Converted Building(s)	0
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood

**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	2/ 2 <sup>1/2</sup>	2310 Sq. ft.	1,830 sq. ft.	lanai, garage	4,140 sq. ft.
B	1			12 sq. ft.	shed	12 sq. ft.
See Exhibit A						

2	<b>Total Number of Units</b>
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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:	* see below
Number of Guest Stalls in the Project:	* see below
Number of Parking Stalls Assigned to Each Unit:	* see below
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. Not Applicable.	
*Each Unit has ample area within its limited common area for parking purposes. In addition, Unit A has a garage.	

**1.5 Boundaries of the Units**

Boundaries of the unit: Each Unit shall be deemed to include the perimeter walls and any doors, windows, floors, roofs, concrete footings, slab foundations, garages or other improvements now existing or hereafter constructed on or within the appurtenant limited common elements.
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**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): Each Unit Owner shall have the right at its sole option at any time, without the consent and/or approval of the owner of any other Unit or the Association to improve renovate, remodel, make additions to, enlarge, remove, replace, alter, or restore the improvements to or in his unit or portions thereof or upon the lot or limited common element appurtenant to the owner's Unit subject to the restrictions and requirements set forth in Paragraph N of the Declaration.
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**1.7 Common Interest**

<b>Common Interest:</b> 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 B.
As follows:

**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 checked="" type="checkbox"/>	Other (describe): wire fence between units

**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 B.

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 checked="" type="checkbox"/>	Pets: See paragraph 5.3 of Bylaws
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Various use restrictions imposed by CC&R's for Kahakuloa Agricultural Park Subd.,
<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 13, 2008

Company that issued the title report: Fidelity National Title Insurance Company

**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
	Residential		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
	Commercial		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
	Mix Residential/Commercial		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
	Hotel		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
	Timeshare		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
	Ohana		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
	Industrial		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
X	Agricultural	1	X	Yes	<input type="checkbox"/>	No Ag
	Recreational		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
X	Other(specify) Shed	1	X	Yes	<input type="checkbox"/>	No Ag
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>
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**1.15 Conversions**

<b>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</b>	<input type="checkbox"/> <b>Applicable</b> <input checked="" type="checkbox"/> <b>Not Applicable</b>
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:	
Developer's statement of the expected useful life of each item reported above:	
List of any outstanding notices of uncured violations of any building code or other county regulations:	
Estimated cost of curing any violations described above:	

<b>Verified Statement from a County Official</b>
Regarding any converted structures in the project, attached as Exhibit ___ is a verified statement signed by an appropriate county official which states that either:  (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: (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;  or  (B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.
Other disclosures and information:

**1.16 Project In Agricultural District**

<p><b>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii?</b>  <b>If answer is "Yes", provide information below.</b></p>	<p><input checked="" type="checkbox"/> <b>Yes</b>  <input type="checkbox"/> <b>No</b></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"/> <b>Yes</b>      <input type="checkbox"/> <b>No</b></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"/> <b>Yes</b>      <input type="checkbox"/> <b>No</b></p> <p>If the answer is "no", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:  Unit Owners must comply with County and State regulations as to restrictions imposed in agricultural district.</p>	

**1.17 Project with Assisted Living Facility**

<p><b>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS?</b>  <b>If answer is "Yes", complete information below.</b></p>	<p><input type="checkbox"/> <b>Yes</b>  <input checked="" type="checkbox"/> <b>No</b></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

<b>2.1 Developer(s)</b>	Name: Craig and Nalani Foreman Business Address: 60 One Malia Way Wailuku, HI 96793  Business Phone Number: 808.243.5892 E-mail Address: craigforeman@gmail.com
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)	Not Applicable
<b>2.2 Real Estate Broker</b>	Name: Locations Maui, LLC, dba Prudential Locations Maui  Business Address: 151 E. Wakea Ave., Ste. 204 Kahului, HI, 96732  Business Phone Number: 808.283.3472 E-mail Address:
<b>2.3 Escrow Depository</b>	Name: Fidelity National Title & Escrow of Hawaii, Inc. Business Address: 201 Merchant Street, Suite 2100 Honolulu, HI 96813  Business Phone Number: 808.536.0404
<b>2.4 General Contractor*</b>	Name: Pono Building Company, Todd Preseault Business Address: 4230 Lower Kula Rd. Kula, Hawaii 96790  Business Phone Number: 808.878.1717
<b>2.5 Condominium Managing Agent</b>	Self-managed by the Association. Name: Business Address: Business Phone Number:
<b>2.6 Attorney for Developer</b>	Name: Robert D. Triantos Business Address: 75-1000 Henry St. Ste. 209 Kailua-Kona, HI 96740  Business Phone Number: 808.329.6464

\*Developer may proceed to build Unit A as "owner/builder"

### 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 19, 2008	2008-109958

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances		

#### 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 19, 2008	2008-109959

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	4674
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 checked="" type="checkbox"/>
Have Been Adopted and Date of Adoption		<input type="checkbox"/>
Developer does not plan to adopt House Rules		<input 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%	67%
Bylaws	67%	67%

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

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>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:</p> <p>Developer may amend the Declaration, Bylaws and/or Condominium Map (a) at any time prior to the filing of the first unit conveyance to a party not a signatory to the Declaration; (b) to file the "as built" verification statement (with plans, if applicable) required by the Condominium Property Act; (c) to make any amendments required by law, by the Real Estate Commission of the State of Hawaii, by a title insurer issuing title insurance on the Project or any of the units, by any purchaser, insurer or guarantor of loans to enable it to purchase, insure or guarantee a loan made on the security of the Project or any of the units, or by any governmental agency; and (d) to reflect alterations of the Project which the Developer is permitted to make pursuant to the Declaration.</p>

#### 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 D 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 checked="" 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: All utilities other than water are the responsibility of the unit owner to install and maintain.

<input type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV cable
<input checked="" type="checkbox"/>	Other (specify) Unit owner is required to insure his unit.

## 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 E 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: April 24, 2008 Name of Escrow Company: Fidelity National Title & Escrow, Inc. Exhibit F 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. Not Applicable

<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	If the existing mortgage is foreclosed upon prior to conveyance to the purchaser, the purchaser will be entitled to a refund of deposits held in escrow, if any, and to exercise the purchaser's rights in the purchase contract against the developer

### 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: Developer disclaims any implied warranty of habitability, any implied warranty of merchantability, any implied warranty of fitness for a particular purpose or use, any implied warranty of workmanship and any express or any implied warranties with respect to the Units, the Common Elements or the Project.
Appliances: None

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

<p>Status of Construction: Construction of Unit A is expected to be completed by December of 2008. Developer may proceed with construction of Unit A as "owner/builder". If Developer proceeds to construct Unit A as "owner/builder" Unit A will not be available for sale for a minimum of one year after completion of Unit A. Construction of Unit B is expected to be completed by January of 2009.</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: Not Applicable.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: Not Applicable.</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, 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><b>Box A</b></p> <input type="checkbox"/>	<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><b><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.</b></p>
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<p><b>Box B</b></p> <input type="checkbox"/>	<p>The Developer has <b>not</b> 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 <b><u>Important Notice Regarding Your Deposits</u></b> 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, <b><u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u></b> (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 <b><u>Important Notice Regarding Your Deposits</u></b> 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>
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**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.	<b>Developer's Public Report</b>
2.	<b>Declaration of Condominium Property Regime (and any amendments)</b>
3.	<b>Bylaws of the Association of Unit Owners (and any amendments)</b>
4.	<b>Condominium Map (and any amendments)</b>
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: Declaration of Covenants, Conditions and Restrictions with amendments thereto, Bylaws and House Rules (if any) for the Cliffs at Kahakuloa Homeowners Association, Inc., last annual budget for the Cliffs at Kahakuloa Homeowners Association, last annual budget for the Kahakuloa Acres Private Water Corporation and all documents listed in Exhibits C and G to this Public Report.
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: <a href="http://www.capitol.hawaii.gov">www.capitol.hawaii.gov</a>	
Website to access rules: <a href="http://www.hawaii.gov/dcca/har">www.hawaii.gov/dcca/har</a>	

## 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

1. Agricultural Uses. Ka Hale Anuhea Condominium project is classified and zoned "Agricultural". Maui County ordinances and Hawaii Land Use laws allow only the construction of farm dwellings on such lands. A farm dwelling is a single family dwelling that is located on or used in connection with a farm or if the agricultural activity provides income to the family occupying the dwelling.

The County of Maui Planning Department has recently adopted a strict enforcement policy requiring agriculture-zoned land to be used for only those agricultural uses permitted by HRS Section 205-4.5 and Maui County Code, Chapter 19.30A. Also, County approval of farm plans shall be required as well as actual ongoing implementation. Dwellings may only be constructed and used as "farm dwellings". BUYER SHOULD CONSULT WITH AN ATTORNEY OR THE MAUI COUNTY PLANNING DEPARTMENT FOR ADDITIONAL INFORMATION.

Buyer's are advised that the Developer makes no representations or warranties with respect to (i) the improvements that are or will be allowed on the real property, (ii) the uses that are allowed or required for real property located in an "Agricultural" land use classification or (iii) the restrictions, requirements or conditions that may be imposed by any governmental entity with respect to the proposed uses of the real property and/or the apartments or the proposed construction of improvements thereon or therein. Prospective buyers are advised to verify the legality of and the requirements for the buyer's intended use of the apartment and the land with the County of Maui.

### Residential Dwellings within State Land Use Agricultural District FARM DWELLING NOTICE

TO: Applicants for Building Permits in Land in State Land Use Agricultural District.

This is to inform you that Chapter 205, Hawaii Revised Statutes, does not authorize residential dwellings as a permissible use in an agricultural use district, unless the dwelling is related to an agricultural activity or is a "farm dwelling".

"Farm dwelling" is defined in Chapter 205-4.5 (a)(4), Hawaii Revised Statutes, as "a single-family dwelling located on and used in connection with a farm, including clusters of single-family farm dwellings permitted within agricultural parks developed by the State, or where agricultural activity provides income to the family occupying the dwelling".

There are significant penalties for violation of this statute.

2. Septic Disposal System. Unit A will have a septic system, and Unit B is not developed, the approximate location of the septic disposal system for Unit A will be shown on an amendment to the Condominium Map. County sewer service is not available to the condominium land. The owner of each unit shall be responsible for the cost of constructing, maintaining, operating and/or replacing said unit's system. This may include upgrading the system as required by the proper governmental agency from time to time. No representations or warranties are made as to the quality, useful life, replacement cost, operating cost, or maintenance cost of said system.

3. Agricultural Restrictions. Recently enacted State law prohibits all restrictions on agricultural uses and activities on agricultural zoned land. Any such restrictions are invalid if created after July, 2003. BUYER UNDERSTANDS THAT ACTIVITIES SUCH AS RAISING ANIMALS OR IRRIGATION AND FERTILIZATION OVERSPRAY ON NEARBY PROPERTIES MAY CAUSE NUISANCES AND INCONVENIENCES TO BUYER.

4. Farm Plan. At the request of the owner of any unit, and as long as the applicable agricultural zoning and land use laws shall require that agriculture-zoned land be used for only those agricultural uses permitted by HRS Section 205-4.5 and Maui County Code, Chapter 19.30A, the unit owners agree to proceed promptly, diligently, cooperatively and in good faith to create and implement a farm plan. Unit A

and Unit B shall each commit an equal percentage of their appurtenant limited common element areas to be used for agriculture or agricultural land conservation, in order that no less than 51% (or the appropriate percentage as required by the applicable governmental agency) of the condominium land area as a whole shall be used for agriculture or any other uses as required by the appropriate governmental agency. In this effort, all unit owners will act cooperatively and in good faith, will respond promptly and with an open mind to inquiries and communications from the other(s), will execute such authorizations and applications and will take all actions as members of the Association with the mutual objective of implementing said farm plan as soon as reasonably possible. Also the parties agree to mutually execute and record a "unilateral agreement" as may be required by the County of Maui.

5. Zoning Limitations. Under the current zoning ordinance, only one full size farm dwelling (which may be limited in size by the rules of the County of Maui) and one farm dwelling with a living area of 1,000 square feet or less are permitted, and no other dwellings. Unit B was designated as the unit which is subject to the 1,000 square feet limitation, and may not be expanded beyond this limitation and Unit A was designated as the full size farm dwelling. THE PROSPECTIVE PURCHASER IS CAUTIONED TO CONSULT WITH HIS OR HER LEGAL COUNSEL CONCERNING THE REQUIREMENTS OF A FARM DWELLING AND THE PERMITTED USES OF THE LAND AND DWELLING IN THE AGRICULTURAL ZONE.

6. Mailboxes. Each unit shall have its own separate mailbox, the Developer shall locate the mailboxes pursuant to U.S. Postal Service requirements.

7. Fire Protection. The property is subject to agreements with the County of Maui acknowledging that the County's fire protection facilities and water supply may be inadequate to protect the buildings in the event of fire. BUYER SHOULD CONSULT AN ENGINEER AND BUYER'S INSURANCE CARRIER IN ORDER TO EVALUATE THE RISKS AFFECTING THIS PROPERTY.

8. Special Management Area. The subject property is not within the Special Management Area.

9. Roads. The property is accessed through private roads owned and maintained by The Cliffs at Kahakuloa Homeowners Association Inc. The Project is subject to the covenants, conditions and restrictions of said association and as such Buyer will be responsible for a share of the expenses relating to ownership of the roads as determined by said association. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL OR CONTACT THE CLIFFS AT KAHAKULOA HOMEOWNERS ASSOCIATION INC. FOR ADDITIONAL INFORMATION.

10. Zoning Designation. Developer certifies that the property is zoned Agriculture by the County of Maui.

11. Insurance. The owner(s) of each unit shall obtain his, her or their own insurance to cover fire and casualty loss. Also each unit should be separately insured against liability risks, and each policy should name the owner(s) of the other unit as a named or additional insured. The Common Element Fencing should also be included in the liability coverage of one of the units or separately insured by a joint policy as a shared common expense.

12. Water. This property is served by a private water company and is not provided water for any purpose by the County of Maui. Please see Exhibit G for further information.

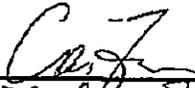
THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING. EACH BUYER IS ALSO ADVISED TO CONTACT THE APPROPRIATE GOVERNMENT AGENCIES TO DETERMINE SPECIFIC REQUIREMENTS FOR THIS PROPERTY, AND TO CONSULT WITH AN ATTORNEY AND OTHER APPROPRIATE PROFESSIONALS.

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.

Craig Foreman and Nalani Foreman  
Printed Name of Developer

By:  10/28/2008  
By:  10/28/2008  
Duly Authorized Signatories\* Date

Craig Foreman and Nalani Foreman  
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"**

**UNIT TYPES AND SIZES OF UNITS**

Each of the two (2) Units shown on the Condominium Map, together with the perimeter walls and any doors, windows, floors, roofs, concrete footings or other improvements now existing or hereafter constructed on or within the Units, are hereby designated as the Units of the Project, and are shown on the Condominium Map and described below. If the descriptions and divisions set forth in the Declaration conflict with the depictions and divisions shown on the Condominium Map, the latter shall control. The Condominium Map is intended only to show the layout, location, Unit numbers, dimensions and elevations of the building and Units and is not intended and shall not be deemed to contain or make any other representation or warranty.

The Units and their respective areas are more particularly described as follows: Unit A consists of a single-family dwelling consisting of a living room, kitchen, dining room, study and garage, two (2) bedrooms, two and one half (2 1/2) bathrooms, with a net living area of approximately 2310 square feet, and lanai space of approximately 1110 square feet, and a garage of approximately 720 square feet and other improvements as shown on the Condominium Map. Unit B is a 12 square foot agricultural shed and other improvements as shown on the Condominium Map. The foregoing approximate total square footage of the enclosed portions of the Units is computed from and to the interior surfaces of the Unit perimeter walls.

**END OF EXHIBIT "A"**

## EXHIBIT "B"

### COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

1. **Common Elements**: One freehold estate is designated in all remaining portions of the Project, called the "Common Elements", including specifically, but not limited to:

- a. The Land in fee simple.
- b. All grounds, landscaping and fencing between the units.
- c. All ducts, sewer lines, cesspools, electrical equipment, wiring, pipes and other appurtenant transmission facilities over, under and across the Project which are outside of the Unit and which serve more than one Unit for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution.
- d. 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.
- e. Any area labeled common area on the Condominium Map.

2. **Limited Common Elements**: Certain parts of the Common Elements, herein called the "Limited Common Elements", are designated, set aside and reserved for the exclusive use of certain Units, and such Units shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements as set forth hereinbelow and in the Declaration. The costs and expenses of every description pertaining to the Limited Common Elements, including but not limited to the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements, shall be charged to the Owner of the Unit to which the Limited Common Element is appurtenant, and if there is more than one Unit to which the Limited Common Element is appurtenant, then in proportion to the Common Interest appurtenant to each of the respective Units except as otherwise provided in the Declaration.

a. All Common Elements of the Project which are rationally related to less than all of the Units shall be Limited Common Elements appurtenant to the Unit(s) to which they are so related.

**Common Interests are as follows:**

Unit No.	Common Interest
A	50%
B	50%
TOTAL	100.00%

**Limited Common Area assignments are as shown on the Condominium Map as follows:**

Unit A--95,848 sq. ft.

Unit B--95,848 sq. ft.

**END OF EXHIBIT "B"**

## EXHIBIT "C"

### ENCUMBRANCES AGAINST THE TITLE

1. Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2007-2008 Tax Map Key 2) 3-1-001-062 \*

1st installment:                   \$1,780.43 Paid  
2nd installment:                   \$1,780.42 Paid

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Easement "A 3" (area 2,128 square feet) over/replacing existing Easement "A", Segment 2 (10 feet wide) in favor of auwai, as shown on subdivision map prepared by Sherman Dudley Deponte, Licensed Professional Surveyor, dated May 3, 1995, revised July 11, 1995, May 22, 1996, June 25, 1996 and July 24, 1996 which easement area may also be subject to the following if and when each becomes effective:

Unrecorded Easement Agreement dated as of February 22, 1996, between Kahakuloa Acres, a Hawaii limited partnership, and Ernest R. Mendes, Ernest R. Mendes, Jr. and Jeanie Mendes, husband and wife, Ernest Mendes and Jane G. Mendes, husband and wife, Anthony J. Rodrigues and Irene G. Rodrigues, husband and wife, James Mendes, husband of Katherine Kapuahauanani Mendes, Floyd E. Weaver and Beverly Weaver, husband and wife, and Manuel R. Mendes and Cynthia D. Mendes, husband and wife, and Unrecorded Easement Agreement dated as of May 15, 1996, between Kahakuloa Acres, a Hawaii limited partnership, and James A. Bendon, Trustee of the James A. Bendon Revocable Trust Agreement dated September 21, 1981, and Susan K. Bendon, Trustee of the Susan K.-Bendon Revocable Trust Agreement dated September 21, 1981.

4. Boundary Settlement Agreement, upon and subject to all of the provisions contained therein.

By and Between:           Hawaiiana Investment Co., Inc., a Hawaii corporation and Nobriga's Ranch, Inc., a Hawaii corporation  
Dated: December 22, 1978  
Recorded:           in the Bureau of Conveyances of the State of Hawaii, Book 13629, Page 773.

5. Water Agreement, upon and subject to all of the provisions contained therein.

By and Between:           County of Maui, Department of Water Supply, a political subdivision of the State of Hawaii, and Edgar D. Kerr (married), husband of Ingrid L. Kerr  
Dated: February 27, 1980  
Recorded:           in the Bureau of Conveyances of the State of Hawaii, Book 14676, Page 765.

6. Water Agreement, upon and subject to all of the provisions contained therein.

By and Between:           County of Maui, Department of Water Supply, a political subdivision of the State of Hawaii, and Kahakuloa Acres, a limited partnership  
Dated: December 1, 1981  
Recorded:           in the Bureau of Conveyances of the State of Hawaii, Book 16169, Page 398.

**EXCEPTIONS**  
(Continued)

7. Subdivision Agreement, upon and subject to all of the provisions contained therein.

By and Between: Kahakuloa Acres, a limited partnership, and County of Maui  
Dated: August 5, 1981  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Book 16422, Page 209.

8. Subdivision Agreement, upon and subject to all of the provisions contained therein.

By and Between: Kahakuloa Acres, a limited partnership, and County of Maui  
Dated: August 5, 1981  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Book 16422, Page 218.

9. Private Water System Agreement, upon and subject to all of the provisions contained therein.

By and Between: Department of Water Supply, County of Maui, and Kahakuloa Acres, a limited partnership  
Dated: July 22, 1982  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Book 16501, Page 635.

10. Unrecorded Easement Agreement, upon and subject to all of the provisions contained therein.

By and Between: Ned Nakoa and Mildred Nakoa  
Dated: October 30, 1989  
Recorded: in the Bureau of Conveyances of the State of Hawaii, re: Pipeline Easement Area A and Pipeline Easement Area B.

A short form of said Easement Agreement is dated January 15, 1993, recorded as Document No. 93-020689.

11. Agreement for Subdivision Approval, upon and subject to all of the provisions contained therein.

By and Between: Kahakuloa Ho'onani Estate Venture, a Hawaii general partnership, Kahakuloa Acres, a Hawaii limited partnership, and the County of Maui, through its Department of Public Works and Waste Management  
Dated: January 13, 1995  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 95-012092.

12. Subdivision Agreement (Agricultural Use), upon and subject to all of the provisions contained therein.

By and Between: Kahakuloa Acres, a Hawaii limited partnership, and the County of Maui, through its Department of Public Works and Waste Management  
Dated: April 24, 1995  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 95-075513.

**EXCEPTIONS**  
(Continued)

13. Private Water System Agreement, upon and subject to all of the provisions contained therein.

By and Between: Kahakuloa Acres, a Hawaii limited partnership, and the County of Maui  
Dated: June 27, 1995  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 95-087366.

14. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;

In favor of: Maui Electric Company, Limited  
Purpose: granting a perpetual right and non exclusive easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and underground power lines, etc. for the transmission of electricity  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 95-099664, dated July 3, 1995.  
Affects: land herein described

15. 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

Dated: November 22, 1994  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 96-018842.

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 set forth in the following:

Declaration of Covenants

Dated: February 13, 1996  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 96 034356.

The foregoing Declaration was amended by the following:

Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 2000 023440, dated February 10, 2000.

Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 2001 183636, dated November 14, 2001.

## EXCEPTIONS

(Continued)

17. Unrecorded Water Usage and Easement Agreement, upon and subject to all of the provisions contained therein.

By and Between: Kahakuloa Acres, a Hawaii limited partnership, and Ernest R. Mendes  
Dated: September 22, 1983

NOTE: The interests under this Water Usage and Easement Agreement of Ernest R. Mendes, individually, and of some but not all signatories thereto, have been released by reason of that certain Easement Agreement dated February 22, 1996 between Kahakuloa Acres, a Hawaii limited partnership, and Ernest R. Mendes, et al., recorded as Document No. 97-0024711, which pertains to an adjoining property.

18. 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:

Warranty Deed

Dated: None Shown  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 96-102040.

19. 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:

Warranty Deed

Dated: None Shown  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 96-102041.

20. Easement Agreement, upon and subject to all of the provisions contained therein.

By and Between: Kahakuloa Acres, a Hawaii limited partnership, and James Bendon and Susan Bendon, husband and wife, and James Bendon, Trustee of the James A. Bendon Revocable Living Trust Agreement dated September 21, 1981, and Susan K. Bendon, Trustee of the Susan K. Bendon Revocable Trust Agreement dated September 21, 1981  
Dated: None Shown  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 96-112892.

**EXCEPTIONS**  
(Continued)

21. Easement Agreement, upon and subject to all of the provisions contained therein.

By and Between: Kahakuloa Acres, a Hawaii limited partnership, Ernest R. Mendes, Ernest R. Mendes, Jr. and Jeanie Mendes, husband and wife, Ernest Mendes and Jane G. Mendes, husband and wife, Anthony J. Rodrigues and Irene G. Rodrigues, husband and wife, James Mendes, husband of Katherine Kapuahaunani Mendes, Floyd E. Weaver and Beverly Weaver, husband and wife, and Manuel R. Mendes and Cynthia D. Mendes, husband and wife

Dated: None Shown

Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 97-024711.

22. Easement Agreement, upon and subject to all of the provisions contained therein.

By and Between: Kahakuloa Acres, a Hawaii limited partnership, and Kahakuloa Acres, a Hawaii limited partnership

Dated: None Shown

Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 98-120044.

23. 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.

24. Easement W 7 for waterline purposes as shown on survey map dated October 24, 2007 prepared by Carl R. Musto, Licensed Professional Land Surveyor, Certificate No. 11443

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

Amount: \$441,000.00

Dated: October 25, 2007

Loan No.: 20372374

Mortgagor: Craig Lee Foreman and Odetta Nalani Foreman, husband and wife

Mortgagee: Mortgage Electronic Registration Systems, Inc., a separate corporation acting solely as nominee for American Savings Bank, F.S.B., a federal savings bank which is organized and existing under the laws of the United States of America

Recorded: October 30, 2007, in the Bureau of Conveyances of the State of Hawaii, Document No. 2007- 190608.

**EXCEPTIONS**

(continued)

26. DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KA HALE ANUHEA CONDOMINIUM  
DATED: May 19, 2008  
RECORDED: 2008-109958  
MAP NO. 4674
27. BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF KA HALE ANUHEA CONDOMINIUM  
DATED: May 19, 2008  
RECORDED: 2008-109959

\* For information regarding real property taxes as may be due and owing, reference is made to the, County of Maui Tax Assessor's Office.

**END OF EXHIBIT "C"**

**EXHIBIT "D"**

**BREAKDOWN OF ANNUAL MAINTENANCE FEES**

**AND**

**MONTHLY ESTIMATED COST FOR EACH UNIT**

The following estimates are subject to change based on actual costs of the items listed, and the Developer cannot provide any assurances regarding the estimated maintenance expenses. The breakdown of the estimated cost for each unit does not include the buyer's obligation to pay the Cliffs at Kahakuloa Homeowners Association ("Master Association") assessments or real property taxes. The quarterly assessment charged to this property by the Master Association is currently approximately \$105.00. The Kahakuloa Acres Private Water Corporation ("Water Company") currently charges a service fee of \$260 per month to the property plus usage charges currently set at \$5.95 per 1,000 gallons. All Master Association assessments and Water Company service charges will be billed 50% to Unit A and 50% to Unit B.

Estimated Annual Maintenance Fees:

	<u>Monthly Fee x 12 months = Yearly Total</u>	
Water (does not include personal usage charges to be charged to each Unit monthly as shown by separate water meters)	\$260	\$3,120
Fence Maintenance	\$10	\$120
Insurance(**)	\$10	\$120
Reserves(*)	\$ ____	\$ ____
<b>TOTAL</b>	<b>\$280</b>	<b><u>\$3,360</u></b>

Monthly Estimated Cost for Each Unit:

<u>Unit</u>	<u>Monthly Fee x 12 months - Yearly Total</u>	
A	\$140	\$1680
B	\$140	\$1680
<b>TOTAL</b>		<b><u>\$3,360</u></b>

(\*\*) Unit owners are required to insure their own units. That cost is not included in these fees.

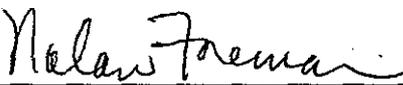
We, Craig Foreman and Nalani Foreman (collectively, the Developer"), Developer of the Ka Hale Anuhea condominium project, hereby certify that the above breakdown of the annual maintenance fees and the monthly estimated cost for each unit are based on generally accepted accounting principles.

(\*) Developer discloses that no reserve study has been conducted in accordance with §514B-148, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. Pursuant to §514B-148, HRS, a new association created after January 1, 1993 need not collect estimated replacement reserves until the fiscal year which begins the association's annual meeting.

The Developer will assume all the actual common expenses of the Project, and a Unit Owner will not be obligated for the payment of the Owner's share of the common expenses until such time as the Developer sends the Owners written notice that, after a specified date, the Owners shall be obligated to pay for the portion of common expenses that is allocated to their respective Units. The Developer shall mail the written notice to the Owners, the Association, and the Managing Agent, if any, at least thirty (30) days before the specified date. The Developer shall have no obligation to pay for any cash reserves or any other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

DATED: 7<sup>th</sup>, Maui, Hawaii, August, 2008.

  
CRAIG FOREMAN

  
NALANI FOREMAN

Subscribed and sworn to before me  
this 7<sup>th</sup> day of August, 2008.

  
Name: \_\_\_\_\_  
Notary Public, State of Hawaii

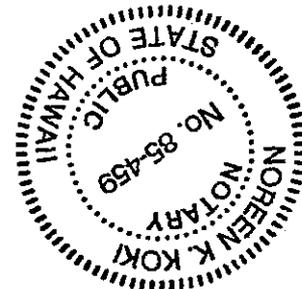
**Noreen K. Koki**  
Commission Expires: October 30, 2008

My commission expires: \_\_\_\_\_



**END OF EXHIBIT "D"**

Doc. Date: 8/7/08 # Pages: 38  
Name: Development Dept. and Credit  
Doc. Description: Division Public  
Dept for Condominium  
NLC Koki  
Notary Seal



**EXHIBIT "E"**

**SUMMARY OF SALES CONTRACT**

The sales contract that will be used will state, in addition to the price, description and location of the unit, and other terms and conditions under which a buyer will agree to purchase a unit in the Project, the following:

(a) What a buyer must do to qualify for a loan if the buyer wants a mortgage loan to cover part of the purchase price.

(b) That a buyer's money will be held in escrow, under the terms of the escrow agreement.

(c) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(d) That in the event a buyer fails to perform the buyer's obligations under the sales contract (seller not being in default), seller may (1) bring an action for damages for breach of contract, (2) retain the initial deposit and all additional deposits provided for herein as liquidated damages, and (3) buyer shall be responsible for any costs incurred in accordance with the sales contract.

(e) That in the event seller fails to perform seller's obligations under the sales contract (buyer not being in default), buyer may (1) bring an action for damages for breach of contract, (2) seek specific performance of the sales contract, and (3) seller shall be responsible for any costs incurred in accordance with the sales contract.

The sales contract will contain various other provisions which the buyer should become acquainted with.

**It is incumbent upon a prospective buyer to read the full text of the Sales Contract.**

**END OF EXHIBIT "E"**

**EXHIBIT "F"**

**SUMMARY OF CONDOMINIUM ESCROW AGREEMENT**

A copy of the executed Condominium Escrow Agreement dated April 24, 2008 between Fidelity National Title and Escrow of Hawaii, Inc., as Escrow Agent, and Developer, has been submitted to the Real Estate Commission. The Escrow Agreement provides for the deposit of buyer's funds pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement provides, in part, that any interest earned on money on deposit may be retained by the Developer unless the Sales Contract directs otherwise. In the event that the Sales Contract and Chapter 514B, Hawaii Revised Statutes, entitle a buyer to a refund of buyer's deposits held by the Escrow Agent, then Escrow Agent, upon instruction from Developer, will refund buyer's deposits, without interest earned and less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Chapter 514B, Hawaii Revised Statutes, as it may be amended from time to time.

By law the total amount of such cancellation fees shall not exceed Two Hundred Fifty and No/100 Dollars (\$250.00). Under the Escrow Agreement no disbursement of funds can be made to the Developer until the Sales Contract becomes effective under the provisions of Chapter 514B, Hawaii Revised Statutes.

**It is incumbent upon a prospective buyer to read the executed Escrow Agreement with care.**

**END OF EXHIBIT "F"**

**EXHIBIT G**

**SUMMARY OF WATER AGREEMENT AND COPY OF WATER AGREEMENT**

This project is served by a private water company. There is no water supplied by the County of Maui. The arrangements concerning the water to be supplied by the private water company are the responsibility of the Master Association for the subdivision. A purchaser of a condominium in this project will be subject to the Master Association and the expenses, rights and liabilities of the private water company as determined by the Master Association. Attached hereto is the agreement between the Master Association and the County of Maui regarding the absence of county water services to the project.

16  
TW

R-204

STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECORDED

JUL 05 1995 08:03 AM

Doc No(s) 95-087366

/s/ CARL T. WATANABE  
ACTING  
REGISTRAR OF CONVEYANCES  
BY

LAND COURT SYSTEM

REGULAR SYSTEM

RETURN BY MAIL (X) PICKUP ( ) TO:

**BODDEN & MURAOKA**  
Attorneys at Law \* A Law Corporation  
24 North Church Street, Suite 200  
Wailuku, Maui, Hawaii 96793

7011209182 WA

TITLE OF DOCUMENT:

**PRIVATE WATER SYSTEM AGREEMENT**

PARTIES TO DOCUMENT:

**KAHAKULOA ACRES, a Hawaii Limited Partnership**  
**BOARD OF WATER SUPPLY, COUNTY OF MAUI**

PROPERTY DESCRIPTION:

LIBER/PAGE:  
DOCUMENT NO.:

Various properties located  
at Kahakuloa, Maui, Hawaii

TMK: (II) 3-1-1: 3 & 36

KA263700 K41

200 Wailuku Executive Center  
24 North Church Street  
Wailuku, Maui, HI 96793

**BODDEN & MURAOKA**  
ATTORNEYS AT LAW • A LAW CORPORATION

Telephone: (808) 244-8222  
Telecopier: (808) 242-7621

**PRIVATE WATER SYSTEM AGREEMENT**

THIS AGREEMENT made and entered into this date: June 27, 1995, by and between **KAHAKULOA ACRES**, a Hawaii limited partnership, whose mailing address is 24 N. Church Street, Suite 208, Wailuku, Hawaii 96793, hereinafter referred to as the "Applicant," and the **BOARD OF WATER SUPPLY, COUNTY OF MAUI** hereinafter referred to as the "Board."

**W I T N E S S E T H**

**WHEREAS**, the Applicant is the fee simple owner of the real property described in Exhibit "A-1" and Exhibit "A-2" attached hereto, and identified by Tax Map Key Nos. (II) 3-1-1-3 and 36 respectively, hereinafter referred to as the "Property";

**WHEREAS**, the Applicant, has obtained preliminary approval to subdivide and develop the Property;

**WHEREAS**, this project is located more than five miles from the closest available public water source service by the Department of Water Supply of the County of Maui, referred to as the "Department";

**WHEREAS**, the Applicant proposes to develop a privately owned water source, treatment, transmission, and distribution system on the Property to satisfy the water requirements for the development of the Property;

**WHEREAS**, the Applicant, in coordination with the State Water Commission, has installed two water wells, a primary eight inch well and a back up four inch well, on an adjoining parcel owned by Nohriga Ranch, Inc. and the Nohriga family;

**WHEREAS**, the individual lot owners of the proposed subdivision will participate in, and become owners of, a private water company organized and incorporated specifically for the purpose of operating and maintaining the private water system to be developed and installed in connection with the subdivision and development of the Property;

**WHEREAS**, the private water system, will be designed to meet all applicable capacity, storage, water quality and fire flow standards of the State of Hawaii and of the Department, applicable performance criteria established by the Department, as well as current engineering standards in effect;

**WHEREAS**, the private system is outside of the area of service by the Department and will not connect to the Department's system;

**WHEREAS**, the Applicant appeared before the Board on November 15, 1994 to request that the Applicant's Property and subdivision not be required to comply with the Department's standards for implementation of the private water system; and

**WHEREAS**, the Board approved the Applicant's above request, subject to the terms and conditions set forth in this Agreement;

**NOW THEREFORE**, in consideration of the granting of said approval, Applicant, on behalf of itself, its successors and assigns, hereby agrees as follows:

1. The subdivision water system will be privately owned, operated and maintained, and no request or demand will be made upon the Department for the operation, maintenance, and/or repair of the said water system.

2. The Owner and/or the Applicant shall not request or demand the Department to construct any water system improvements to serve the Property.

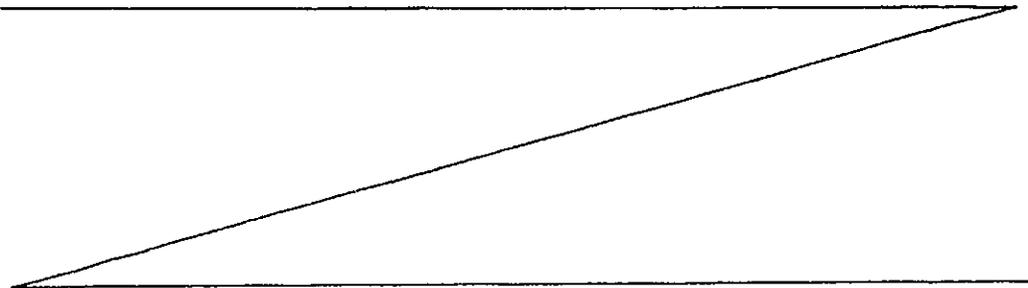
3. Applicant agrees that, so long as it owns any portion of the Property, it will defend, indemnify, and hold harmless the Department, its employees, and assigns from and against any and all claims that may arise from the private water system, and will reimburse the Department, its employees, and assigns from any judgements, costs, and expenses, including attorney's fees incurred in connection with the defense of any such claim.

4. Applicant agrees that it will insert into each and every deed to individual lot owners of the subject subdivision a provision by which all such lot owners, as successors and assigns of Applicant will be obligated to defend, indemnify, and hold harmless the Department, its employees and assigns from and against any and all claims which may arise from the private water system, and that said lot owners will reimburse the Department, its employees, and assigns from any judgements, costs, and expenses, including attorney's fees incurred in connection with the defense of any such claim.

5. Applicant further acknowledges, and will require all lot owners and other assignees from Applicant to acknowledge, that if the owners of the subdivided lots ever wish to be considered for inclusion in a county service water system (it being understood that no such right exists nor has any representation to that effect been made), attachment to the county system could not occur so long as the private water system did not comply with the Department's standards, and any costs necessary to effect such compliance would be at the sole expense of the said lot owners.

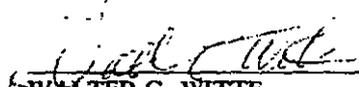
6. This agreement shall be binding upon all subsequent owners, lienors, mortgagees, successors in interest, and assigns of the Property or any interest therein or in any Lot derived therefrom.

7. The Applicant shall, prior to or with the execution of this agreement, submit a certification, in a form acceptable to the Department, from an engineer registered in the State of Hawaii, stating that the design and construction of the System is capable of providing adequate water for all purposes and uses required of the subdivision.



IN WITNESS WHEREOF, the parties hereto have executed this agreement the date written above.

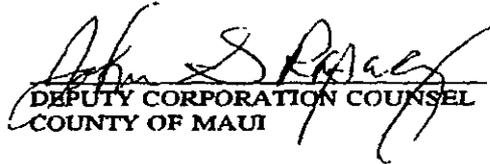
APPLICANT:  
KAHAKULOA ACRES

  
WALTER C. WITTE  
GENERAL PARTNER

BOARD:

  
Dorvin D. Lee  
vice  
CHAIRPERSON

APPROVED AS TO FORM AND LEGALITY:

  
DEPUTY CORPORATION COUNSEL  
COUNTY OF MAUI

Wash  
STATE OF HAWAII )  
Pierce ) SS.  
COUNTY OF MAUI )

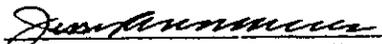
On this date: 3-31-95, before me appeared WALTER C. WITTE to me personally known, who, being by me duly sworn, did say that he is the General Partner of KAHAKULOA ACRES, a Hawaii limited partnership, and that said instrument was signed on behalf of said limited partnership, and said general partner acknowledged that he executed the same as the free act and deed of said limited partnership.

  
\_\_\_\_\_  
Notary Public, State of Hawaii  
Monte C. Markward  
My Commission expires: 6-15-98

STATE OF HAWAII )  
COUNTY OF MAUI ) SS.  
)

On this 27th day of June, 1995, before me appeared Dorvin D. Leis, to me personally known, who, being by me duly sworn, did say that he is the Chairperson of the BOARD OF WATER SUPPLY of the COUNTY OF MAUI, and that the seal affixed to the foregoing instrument is the lawful seal of said BOARD OF WATER SUPPLY, and that said instrument was signed and sealed on behalf of said BOARD OF WATER SUPPLY, and the said Dorvin D. Leis acknowledged the said instrument to be the free act and deed of the said BOARD OF WATER SUPPLY.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public, State of Hawaii  
My Commission expires: 4/19/98

**EXHIBIT "A-1"**

**ALL** of that certain parcel of land known as Lot 1-A of the "KAHAKULOA AGRICULTURAL PARK SUBDIVISION," being a portion of Grant 4982 to J. W. L. Marshall, situate at Waikila and Makaliua, Kahakuloa, Island and County of Maui, State of Hawaii, and more particularly described as follows:

Beginning at a 3/4 inch iron bar at the northerly side of this lot and on the southerly side of Kahekili Highway, the coordinates of said point of beginning being:

South	12,776.46 feet
East	3,490.03 feet

referred to Government Survey Triangulation Station "KAHAKULOA" and running by azimuths measured clockwise from true South (meridian of said "KAHAKULOA"); thence

1. Along Kahekili Highway on a curve to the right with a central angle of 28 25' and a radius of 360.00 feet, the chord azimuth and distance being  

314 37' 30"	176.72	feet to a 3/4 inch iron bar; thence,
-------------	--------	--------------------------------------
2. 328 50' 64.99 feet along the same to a 3/4 inch iron bar; thence,
3. Along the same on a curve to the left with a central angle of 38 42' and a radius of 260.00 feet, the chord azimuth and distance being  

309 29'	172.30	feet to a 3/4 inch iron bar; thence,
---------	--------	--------------------------------------
4. 290 08' 149.76 feet along the same to a 3/4 inch iron bar; thence,
5. 338 25' 1,348.76 feet along Remnant 5, a portion of Grant 10,863 to Wailuku Sugar Company, to a found 3/4 inch pipe; thence.

Along the top bank of gulch along Lot 12-A of Kahakuloa Homesteads, the chord azimuth and distance for the next 17 courses being

6. 64 55' 442.45 feet to a 3/4 inch iron bar; thence,
7. 37 28' 78.60 feet to a 3/4 inch iron bar; thence,
8. 52 52' 286.90 feet to a 3/4 inch iron bar; thence,
9. 343 38' 72.20 feet to a 3/4 inch iron bar; thence,
10. 42 34' 62.60 feet to a 3/4 inch iron bar; thence,
11. 63 43' 116.20 feet to a 3/4 inch iron bar; thence,
12. 37 10' 102.60 feet to a 3/4 inch iron bar; thence,

13.	56	23'	95.10	feet to a 3/4 inch iron bar; thence,
14.	36	29'	161.40	feet to a 3/4 inch iron bar; thence,
15.	51	03'	223.60	feet to a 3/4 inch iron bar; thence,
16.	34	04'	114.00	feet to a 3/4 inch iron bar; thence,
17.	66	12'	106.44	feet to a 3/4 inch iron bar; thence,
18.	53	43'	78.17	feet to a found 3/4 inch pipe; thence,
19.	53	52'	167.50	feet to a 3/4 inch iron bar; thence,
20.	79	01'	77.00	feet to a 3/4 inch iron bar; thence,
21.	71	24'	164.91	feet to a 3/4 inch iron bar; thence,
22.	65	40'	182.04	feet to a 3/4 inch iron bar; thence,

Along the top bank of gulch along Lot 13 of Kahakuloa Homesteads, the chord azimuth and distance for the next 11 courses being

23.	103	59'	45"	142.20	feet to a 3/4 inch iron bar; thence,
24.	95	37'		147.61	feet to a 3/4 inch iron bar; thence,
25.	112	04'		211.10	feet to a 3/4 inch iron bar; thence,
26.	94	03'		76.40	feet to a 3/4 inch iron bar; thence,
27.	112	51'		136.20	feet to a 3/4 inch iron bar; thence,
28.	77	25'		90.40	feet to a 3/4 inch iron bar; thence,
29.	95	37'		137.36	feet to a 3/4 inch iron bar; thence,
30.	84	04'		247.90	feet to a 3/4 inch iron bar; thence,
31.	50	00'		213.50	feet to a 3/4 inch iron bar; thence,
32.	88	29'		275.04	feet to a 3/4 inch iron bar; thence,
33.	53	31'		130.00	feet to a found 1-1/2 inch pipe; thence,
34.	149	53'	05"	2,511.05	feet along West Maui Forest Reserve, being CSF 12184, to a found 1-1/2 inch pipe; thence,
35.	235	16'		2,063.00	feet along Lot 14 of Kahakuloa Homesteads to a found 3/4 inch pipe; thence,
36.	120	52'		365.05	feet along Lot 1-B of this subdivision to a pipe; thence,
37.	93	00'		388.78	feet along the same to a pipe; thence,

- |     |   |         |        |   |
|-----|---|---------|--------|---|
| 38. | 340   | 26'     | 22.77  | feet along Remnant 4, a portion of Grant 10,863 to Wailuku Sugar Company to a concrete monument with bronze disk marked "3218-04-81"; thence, |
| 39. | 279   | 00'     | 70.32  | feet along the same to a 3/4 inch iron bar; thence.   |
| 40. | Along the same on a curve to the right with a central angle of 43 18' and a radius of 230.00 feet, the chord azimuth and distance being |         |        |   |
|     | 300   | 39'     | 169.71 | feet to a 3/4 inch iron bar; thence,  |
| 41. | 322   | 18'     | 225.96 | feet along the same to a 3/4 inch iron bar; thence.   |
| 42. | Along the same on a curve to the left with a central angle of 25 51' and a radius of 365.00 feet, the chord azimuth and distance being  |         |        |   |
|     | 309   | 22' 30" | 163.28 | feet to a 3/4 inch iron bar; thence.  |
| 43. | 296   | 27'     | 84.52  | feet along the same to a 3/4 inch iron bar; thence,   |
| 44. | Along the same on a curve to the right with a central angle of 85 03' and a radius of 112.00 feet, the chord azimuth and distance being |         |        |   |
|     | 338   | 58' 30" | 151.40 | feet to a 3/4 inch iron bar; thence,  |
| 45. | 21  | 30'     | 196.39 | feet along the same to a 3/4 inch iron bar; thence.   |
| 46. | Along the same on a curve to the left with a central angle of 122 22' and a radius of 50.00 feet, the chord azimuth and distance being  |         |        |   |
|     | 320   | 19'     | 87.62  | feet along the same to a 3/4 inch iron bar; thence.   |
| 47. | 259   | 08'     | 112.55 | feet along the same to a 3/4 inch iron bar; thence.   |
| 48. | Along the same on a curve to the right with a central angle of 56 52' and a radius of 100.00 feet, the chord azimuth and distance being |         |        |   |
|     | 287   | 34'     | 95.23  | feet to a 3/4 inch iron bar; thence,  |
| 49. | 316   | 00'     | 65.82  | feet along the same to a concrete monument with bronze disk marked "3218-05-81"; thence.  |

- |     |   |         |        |  |
|-----|---|---------|--------|--|
| 50. | 201   | 57'     | 686.39 | feet along the same to a concrete monument with bronze disk marked "3218-04-81"; thence, |
| 51. | 201   | 57'     | 150.49 | feet along Kahckili Highway to a 3/4 inch iron bar; thence,                              |
| 52. | Along the same on a curve to the right with a central angle of 20 43' and a radius of 265.00 feet, the chord azimuth and distance being |         |        |  |
|     | 212   | 18' 30" | 95.29  | feet to a 3/4 inch iron bar; thence  |
| 53. | 222   | 40'     | 211.96 | feet along the same to a 3/4 inch iron bar; thence,                                      |
| 54. | Along the same on a curve to the right with a central angle of 106 25' and a radius of 70.00 feet, the chord azimuth and distance being |         |        |  |
|     | 275   | 52' 30" | 112.11 | feet to a 3/4 inch iron bar; thence,   |
| 55. | 329   | 05'     | 115.45 | feet along the same to a 3/4 inch iron bar; thence.                                      |
| 56. | Along the same on a curve to the left with a central angle of 28 40' and a radius of 214.89 feet, the chord azimuth and distance being  |         |        |  |
|     | 314   | 45'     | 106.40 | feet to the point of beginning and containing 245.123 acres, more or less.               |

END OF EXHIBIT "A-1"

TMK: (II) 3-1-1-3

**EXHIBIT "A-2"**

ALL of that certain parcel of land known as Lot 1-B of the "KAHAKULOA AGRICULTURAL PARK SUBDIVISION," being a portion of Grant 4982 to J. W. L. Marshall, situate at Makaliua, Kahakuloa, Island and County of Maui, State of Hawaii, and more particularly described as follows:

Beginning at an iron bar at the north easterly corner of this lot, the south easterly corner of Lot 1-C of this subdivision and at the west side of Kahekili Highway, the coordinates of said point of beginning being:

South	10.630.72 feet
East	2.718.42 feet

referred to Government Survey Triangulation Station "KAHAKULOA" and running by azimuths measured clockwise from true South (meridian of said "KAHAKULOA"); thence

- |     |     |     |        |  |
|-----|-----|-----|--------|--|
| 1.  | 53  | 01' | 83.23  | feet along the west side of Kahekili Highway (50 feet R/W), to an iron bar; thence.      |
| 2.  | 45  | 50' | 176.11 | feet along the same to an iron bar; thence   |
| 3.  | 53  | 01' | 872.44 | feet along Lot A of Remnant 4 Subdivision to a bronze disk stamped "3218-07-81"; thence. |
| 4.  | 33  | 37' | 32.00  | feet along the same to an iron bar; thence.  |
| 5.  | 348 | 44' | 237.60 | feet along the same to an iron bar; thence.  |
| 6.  | 15  | 16' | 101.70 | feet along the same to an iron bar; thence.  |
| 7.  | 22  | 26' | 124.94 | feet along the same to an iron bar; thence.  |
| 8.  | 8   | 41' | 123.10 | feet along the same to an iron bar; thence.  |
| 9.  | 58  | 22' | 106.10 | feet along the same to an iron bar; thence.  |
| 10. | 338 | 04' | 211.04 | feet along the same to an iron bar; thence.  |
| 11. | 352 | 08' | 271.00 | feet along the same to an iron bar; thence.  |
| 12. | 340 | 26' | 292.02 | feet along the same to an iron bar; thence.  |
| 13. | 93  | 00' | 388.78 | feet along Lot 1-A of this subdivision to an iron bar; thence.                           |
| 14. | 120 | 52' | 365.05 | feet along the same to a found 3/4 inch pipe; thence.                                    |

Along Lot 14 of Kahakuloa Homesteads, owned by the State of Hawaii following the top of pali for the next fourteen (14) courses, which are as follows:

15.	165	47'	57.00	feet to a point; thence.
16.	174	23'	169.00	feet to a point; thence.
17.	175	55'	150.98	feet to a point; thence.
18.	203	04'	105.38	feet to a point; thence.
19.	202	50'	65.00	feet to a point; thence.
20.	185	36'	253.00	feet to a point; thence.
21.	176	10'	188.00	feet to a point; thence.
22.	201	20'	164.00	feet to a point; thence.
23.	174	29'	210.00	feet to a point; thence.
24.	255	20'	34.00	feet to a point; thence.
25.	205	59'	90.00	feet to a point; thence.
26.	166	15'	166.00	feet to a point; thence.
27.	146	58'	148.05	feet to a point; thence.
28.	169	19'	152.19	feet to a point; thence.
29.	205	19'	146.04	feet along Lot 5-C of Kahakuloa Homesteads Subdivision, along the top of pali to a point; thence.
30.	218	10'	182.00	feet along the same to a point; thence.
31.	173	35'	175.80	feet along the same to a found 3/4 inch pipe; thence.
32.	224	05'	232.35	feet along the same to a found 3/4 inch pipe; thence.
33.	224	00' 14"	417.05	feet along the same and along Lot 5-B of Kahakuloa Homesteads Subdivision to a point; thence.
34.	314	00' 14"	1,285.79	feet along Lot 1-C of Kahakuloa Agricultural Park Subdivision, portion of Grant 4982 to J. W. L. Marshall to the point of beginning and containing an area of 51.001 acres, more or less.

**END OF EXHIBIT "A-2"**

TMK: (II) 3-1-1-36



**PROFESSIONAL ENGINEER CERTIFICATION**

The undersigned, being a registered professional engineer, certifies that:

The private water system for the Wailena wells (*State Well Nos. 5832-02 and 5832-03*), will provide water for domestic and fire protection purposes in accordance with the Rules and Regulations of the State of Hawaii Department of Health and County of Maui and is capable of providing adequate water for all purposes and uses required of the subdivision of TMK: (2) 3-1-01:36 (The Cliffs at Kahakuloa).



  
-----  
Michael Conway

This report was prepared by  
me or under my supervision.

1371 lower main street, suite 2  
wailuku, maui, hawaii 96793  
phone 808 244-8239 fax 242-7746

---

END OF EXHIBIT G

CHARMAINE TAVARES  
Mayor

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

MICHAEL M. MIYAMOTO  
Deputy Director

EXHIBIT H



40011 7-13 8/14/08  
RALPH M. NAGAMINE, L.S., P.E.  
Development Services Administration

CARY YAMASHITA, P.E.  
Engineering Division

BRIAN HASHIRO, P.E.  
Highways Division

RECEIVED  
PVL  
REAL ESTATE BRANCH

COUNTY OF MAUI  
DEPARTMENT OF PUBLIC WORKS  
**DEVELOPMENT SERVICES ADMINISTRATION**

250 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

September 16, 2008

08 SEP 19 P1:23

DEPT OF COMMERCE  
& CONSUMER AFFAIRS  
STATE OF HAWAII

Mr. Robert D. Triantos  
CARLSMITH BALL LLP  
P. O. Box 1720  
Kailua-Kona, Hawaii 96745-1720

SUBJECT: KA HALE ANUHEA CONDOMINIUM  
567 KUAKINI LOOP AND 47 HAKUHEE WAY, WAILUKU, MAUI, HAWAII  
KAHAKULOA AGRICULTURAL PARK SUBDIVISION #3.1544, LOT 1B8  
TMK (2) 3-1-001:062

Dear Mr. Triantos:

This is in response to your August 11, 2008, letter regarding a condominium public report for the proposed Ka Hale Anuheia Condominium on the subject property.

- Three building permit applications (#B T2008-1409, #B T2008-1410, and #B T2008-1411) for a main farm dwelling, second farm dwelling, and garage/workshop, respectively, were submitted on August 13, 2008, and are still pending approvals.
- The county-assigned address for the proposed main farm dwelling, designated as Unit A, is 567 Kuakini Loop. The county-assigned address for the proposed second farm dwelling is 47 Hakuhee Way.
- Maui County Code exempts from building permit agriculture buildings not exceeding 200 square feet (sf). The proposed shed, designated as Unit B, is 49 sf and is therefore exempt from building permit.

Please call the Planning Department at (808) 270-7735 to confirm whether planning and zoning requirements have been met.

If you have any questions regarding this letter, please call me at (808) 270-6186.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sharon Norrod".

SHARON NORROD  
KIVA Resource Technician

sn S:\DSAAdmin\Scn\31001062\_KaHaleAnuheia\_condominium\_sn.wpd

c: Hawaii Real Estate Commission  
Planning Department  
Real Property Tax Division with attachments

END OF EXHIBIT H

EXHIBIT I

**CARLSMITH BALL LLP**

A LIMITED LIABILITY LAW PARTNERSHIP

75-1000 HENRY STREET, SUITE 209

P.O. BOX 1720

KAILUA-KONA, HAWAII 96745-1720

TELEPHONE 808.329.6464 FAX 808.329.9450

WWW.CARLSMITH.COM

RTRIAOTOS@CARLSMITH.COM

OUR REFERENCE NO.:

October 25, 2008

Real Estate Branch  
State of Hawaii  
Department of Commerce and Consumer Affairs  
335 Merchant Street, Room 333  
Honolulu, HI 96813

Re: Ka Hale Anuheia Condominium  
Registration No. 6677

Dear Real Estate Branch:

The application to register Ka Hale Anuheia Condominium was filed on August 11, 2008. Subsequently, the Developer has been informed that information contained therein has changed or is inaccurate.

The changes and inaccuracies are as follows:

1. Condominium Map No. 4674 shows true north in two different directions;
2. Said Map does not include the second farm dwelling as mentioned in the letter from County of Maui, Public Works, dated September 16, 2008 (see attached letter which shall be incorporated as Exhibit H to the Public Report);
3. Among other improvements, mailboxes and septic systems are not delineated on the Map; and,
4. Elevations of improvements noted are not included on the Map.

To correct these discrepancies, the Developer shall file an amended map and amended declaration upon substantial completion of all improvements. Additionally, the "as built" certificate and plans shall be submitted to your office for further disposition.

In the event it is determined that an amendment to or amended Public Report is necessary, the Developer shall submit all applicable materials to ensure that a complete disclosure is provided to any purchaser or prospective purchaser.

October 25, 2008  
Page 2

Sincerely yours,

  
Cheryl L. Parkinson

Enclosure

4842-8044-4675.1.061433-00001

END OF EXHIBIT I