

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

CONDOMINIUM PROJECT NAME	293 AILANA CONDOMINIUM
Project Address	293/295 Ailana Place Kihei, HI 96753
Registration Number	6605 (conversion)
Effective Date of Report	June 27, 2008
Developer(s)	Halama Properties L.P.

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

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

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

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

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

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

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

SPECIAL ATTENTION

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

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath a UNIT and any land area designated as a LIMITED COMMON ELEMENT does not represent a legally subdivided lot. The lines on the Condominium Map dividing the land into unit and limited common element land areas are for condominium purposes only and are not to be construed to be formal subdivision lines.

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

In a condominium, all of the land included in the condominium remains a single, un-subdivided parcel of land for purposes of zoning and land use regulation. If one unit owner violates a regulation, the violation is attributable to both that owner and the innocent owner of each other unit. For example, if one owner builds or adds to a structure in a manner which violates height limits, size limit, setbacks, building permit requirements, or flood zone rules, or uses the unit for an unauthorized additional dwelling or short term rental, the violation applies to the entire condominium and the innocent unit owner may be subject to fines or may be denied a building permit as long as the violation remains uncured.

This condominium is served by a single water meter and water use for all units will be billed to the Association of Unit Owners by the County of Maui Department of Water Supply in a single bill. The Association is responsible for paying said charges and will allocate them among the unit owners as common expense assessments. The method of allocation shall be by individual use meters apportioning the County's billings between both apartments by proportionate metered water usage.

The County of Maui Department of Water Supply may have adopted a policy to require that each unit in a condominium have its separate water meter. This condominium has only one meter, which is shared. This sharing may be in violation of these rules. Due to the current shortage of water in the Department's water system, it may not be possible to obtain additional meters for this property. WATER SERVICE IS NOW BEING PROVIDED TO ALL UNITS AND DEVELOPER KNOWS OF NO INSTANCE WHERE THE WATER DEPARTMENT HAS TERMINATED WATER SERVICE TO A CONDOMINIUM UPON CONVERSION. HOWEVER BUYER IS CAUTIONED THAT BUYER MAY BE REQUIRED TO OBTAIN A METER AS A CONDITION TO THE BUYER'S USE, EXPANSION OR CONSTRUCTION OF BUYER'S UNIT, OR THE ISSUANCE OF A BUILDING PERMIT FOR ANY PURPOSE. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL OR CONTACT THE DEPARTMENT OF WATER SUPPLY FOR ADDITIONAL 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 AND SHOULD SHOULD CONSULT WITH HIS OR HER ATTORNEY FOR LEGAL COUNSEL.

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner		
Address of Project	293 Ailana Plce Kihei, HI 96753	
Address of Project is expected to change because	Not Applicable	
Tax Map Key (TMK)	(2) 3-8-074-091	
Tax Map Key is expected to change because	Not Applicable	
Land Area	8,573 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	Unit A: 2 story; Unit B: 1 story
Number of New Building(s)	0
Number of Converted Building(s)	2
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
Unit A	1	3/2	1,473.70 sq. ft.	805.80 sq. ft.	deck, garage	2279.5 sq ft
Unit B	1	2/1	445.31 sq. ft.	89.83 sq. ft.	deck	535.14 sq ft
See Exhibit A						

2	Total Number of Units
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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:	0*
Number of Guest Stalls in the Project:	0*
Number of Parking Stalls Assigned to Each Unit:	0*
Attach Exhibit <u>N.A.</u> 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. *Unit A has a two-car garage and a concrete area of Limited Common Element A for parking; Unit B has a one-car parking area designated within Limited Common Element B.	

1.5 Boundaries of the Units

Boundaries of the unit: Exterior surfaces of foundations, walls and roofs
--

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 may be expanded, relocated, and altered in its owner's discretion, subject to restrictions in the Declaration and in applicable laws. An owner may unilaterally amend the declaration to redefine a unit to conform the unit boundaries as so altered, expanded or relocated.
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1.7 Common Interest

<u>Common Interest</u> : 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 <u>G</u>
As follows: Unit A: 67% Unit B: 33%

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): Common Element 1 (driveway/utilities);

1.9 Common Elements

<u>Common Elements:</u> 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 <u>A</u> .	
Described as follows: Common Element 1 (Driveway and Utilities), area = 962 sq. feet.	
Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

<u>Limited Common Elements:</u> 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 <u>A</u> .
Described as follows: Limited Common Element A is appurtenant to Unit A and has an area of 4,379 square feet. Limited Common Element B is appurtenant to Unit B and has an area of 3,241 square feet.

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.	
<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See adopted House Rules (Exhibit G)
<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 <u>B</u> describes the encumbrances against title contained in the title report described below.
Date of the title report: April 4, 2008
Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning							
	Type of Use	No. of Units	Use Permitted by Zoning			Zoning	
<input checked="" type="checkbox"/>	Residential	4	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	R-2 Residential
<input type="checkbox"/>	Commercial		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input type="checkbox"/>	Other(specify)		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
Variances to zoning code have been granted.			<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	
Describe any variances that have been granted to zoning code.							

1.14 Other Zoning Compliance Matters

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

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

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

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units: All Units are more than 5 years old. Based on a report dated November 16, 2007, prepared by Martin V. Cooper, a Hawaii-licensed architect, the Developer states as follows: All the structural components and mechanical and electrical installations material to the use and enjoyment of the project appear to be in good condition.</p>	
<p>Developer's statement of the expected useful life of each item reported above: The Developer states that no representations are made in regard to the useful life of any structural component and mechanical and electrical installation material to the use and enjoyment of the project.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations: Not Applicable</p>	
<p>Estimated cost of curing any violations described above: Not Applicable</p>	

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

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: Halama Properties, L.P., a Hawaii limited partnership</p> <p>Business Address: P.O. Box 3305 San Diego, CA 92163</p> <p>Business Phone Number: 619-806-0185 E-mail Address: georgehelland@cox.net</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>Banyan Trading Company, Inc., a California corporation, is the general partner of Developer. (George Helland is a director and the chief executive officer of Banyan Trading Company, Inc., and Robin Reinhart is a director and the secretary and chief financial officer of Banyan Trading Company, Inc.)</p>
<p>2.2 Real Estate Broker</p>	<p>Name: MICHAEL BURNSTEIN CORPORATION dba Assist 2 Sell Buyers and Sellers Real Estate</p> <p>Business Address: 55 Hukilike St. #210A Kahului, HI 96732</p> <p>Business Phone Number: 808-873-7653 E-mail Address: michaelb@asst2sell.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Old Republic Title & Escrow of Hawaii, Ltd.</p> <p>Business Address: 33 Lono Avenue, Suite 195 Kahului, HI 96732</p> <p>Business Phone Number: 808-871-2800</p>
<p>2.4 General Contractor</p>	<p>Name: N.A.</p> <p>Business Address:</p> <p>Business Phone Number:</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Self managed by the association</p> <p>Business Address: 1322 Kaupakalua Road Haiku, HI 96708</p> <p>Business Phone Number: 619-806-0185</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Joel Eser Richman, Esq.</p> <p>Business Address: 47 Lepo Place Haiku, HI 96708</p> <p>Business Phone Number: 808-572-6293</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	August 14, 2007	2007-158921

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	August 14, 2007	2007-158922

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	4508
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

<p>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.</p>		
<p>The House Rules for this project:</p>		
Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	April 3, 2008
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

3.5 Changes to the Condominium Documents

<p>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.</p>		
Document	Minimum Set by Law	This Condominium
Declaration	67%	100%
Bylaws	67%	100%

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

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

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<u>Management of the Common Elements:</u> 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

<u>Estimate of the Initial Maintenance Fees:</u> 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 C contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV cable
<input checked="" type="checkbox"/>	Other (specify) telephone, internet

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>E</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: March 18, 2008 Name of Escrow Company: Old Republic Title & Escrow of Hawaii, Ltd. Exhibit <u>F</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.	
<input checked="" type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

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: None
Appliances: None

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

Status of Construction: Unit A was completed in 1986; Unit B was completed in 1989.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

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

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):

<input type="checkbox"/>	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
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

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

<p>Box A <input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
<p>Box B <input type="checkbox"/></p>	<p>The Developer has not submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

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

5.7 Rights Under the Sales Contract

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

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Maui County Code, Title 19. Zoning Website to access official copy: http://ordlink.com/codes/maui/_DATA/TITLE19/index.html

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

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

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

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

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

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

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

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

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

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

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

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

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

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Hazardous Substances. Developer neither prepared nor commissioned a Phase I Environmental Site Assessment and makes no representations or warranties whatsoever. Developer has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of hazardous materials laws. Buyer should have the unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. Developer will not correct any defects in this Condominium Project or anything installed or contained therein and Buyer expressly releases Developer from any liability to Buyer if any hazardous materials are discovered within this Project.

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

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

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

5. Zoning. The Developer certifies that the property is zoned R-2 Residential by the County of Maui.

6. 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 Driveway 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.

7. Flood Area. The subject property is not within a 100-year flood inundation area.

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

9. Mailboxes. Each unit has its own separate mailbox.

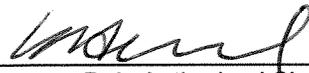
THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING. EACH BUYER IS ALSO ADVISED TO CONTACT THE APPROPRIATE GOVERNMENT AGENCIES TO DETERMINE SPECIFIC REQUIREMENTS FOR THIS PROPERTY, AND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

Halama Properties L.P.
Printed Name of Developer

By:  4/15/08
Duly Authorized Signatory* Date

George Helland, President
Banyan Trading Company, Inc., General Partner
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

DESCRIPTION OF BUILDINGS

Two building are located in the condominium project, and are identified as Unit A and Unit B. Both units are constructed primarily of wood, glass and related materials. Upon expansion, relocation, construction or reconstruction of any unit by any owner(s) thereof as provided in the Declaration, the modified or new building containing any unit may be constructed of any other building material meeting applicable building codes including but not limited to concrete masonry, plaster, wood, glass or related materials.

Provided, however, that because Unit B is designated as an accessory dwelling and Unit A is designated as a single-family dwelling (as defined by applicable building and zoning codes), the construction or modification of any building on Unit B shall not result in a dwelling with a floor space in excess of five hundred square feet (500 sq. ft.) If applicable building and zoning codes are amended at some future date to allow an accessory dwelling with a floor space in excess of 500 sq. ft., this limitation will without further action conform with any such amendment to permit the owner of Unit B to build an accessory dwelling in conformance with then applicable building and zoning codes.

DESCRIPTION OF UNITS

The condominium consists of two (2) units designated Unit A and Unit B, with Unit A the westernmost and Unit B the easternmost. Each unit is shown on the Condominium Map. Both Unit A and Unit B are residential structures. Each Unit has direct access to the land, the air, and to its appurtenant limited common element on which the unit is located, which both provide access to Common Element 1 (driveway), which provides access to a public road (Ailana Place).

Unit A is a two-story, single-family dwelling (as defined by applicable building and zoning codes), containing 1,473.70 square feet of net living area, 502.23 square feet of enclosed garage, and 303.57 square feet of uncovered deck. The second story includes three bedrooms, two full bathrooms, a kitchen, a dining/living room, and an uncovered deck. The first story includes a family room and bar utility area, a full bath, and the enclosed garage. The total area of Unit A is 2,279.50 square feet.

Unit B is an accessory dwelling (as defined by applicable building and zoning codes) containing 445.31 square feet of net living area, and includes

two bedrooms, one bathroom, a kitchen/living room, and an 89.83 square foot uncovered deck. The total area of Unit B is 535.14 square feet.

Responsibility for maintenance, repair, replacement and reconstruction and insurance of each unit is delegated to the owner(s) of said unit, and all of the cost thereof shall be borne by the owner(s) of said unit, at no cost to the owner(s) of any other unit or the association.

LOCATION, RELOCATION, AND NUMBERING OF UNITS

Each unit is located as shown on the condominium map. The units are lettered A and B, consecutively from west to east. As provided in Section K.2. of the Declaration, at the option of the owner(s) of each unit, a unit may be relocated to any other location within the limited common element appurtenant to said unit. The boundaries of said unit may be changed, by amendment to the Declaration as provided in Section K.2. of the Declaration. Provided however that, (a) all construction in connection therewith shall comply with all applicable zoning and building codes; and (b) no portion of the structure comprising a unit or other structure shall be constructed outside of the boundaries of the area designated for said unit or its limited common element as shown on the Condominium Map, or within any required setbacks.

APPROXIMATE AREA OF UNITS

Unit

- | | |
|---|---|
| A | Existing two-story structure with 1,473.70 square feet of net living area measured from the interior surface of boundary walls, an enclosed garage of 502.23 square feet and 303.57 square feet of uncovered deck area considered part of the Unit. Total area of Unit A is 2,279.50 square feet. |
| B | Existing one-story structure with 445.31 square feet of gross floor area measured from the interior surface of boundary walls, and 89.83 square feet of uncovered deck area considered part of the Unit. Total area of Unit B is 535.14 square feet. |

COMMON ELEMENT

The common elements include all other elements of the Project not included within any unit, including but not limited to:

- (a) The Property in fee simple;

- (b) The Common Element "1" (Driveway), for access and purposes, having an area of 962 square feet, as shown on the Condominium Map; and
- (c) The limited common elements described below.

LIMITED COMMON ELEMENTS

Unit A has appurtenant to it and for its exclusive use the land described in the condominium map as appurtenant thereto, having an area of 4,370 square feet. The map describes this area as "Limited Common Element A". A limited common element includes the land located underneath the unit located thereon.

Unit B has appurtenant to it and for its exclusive use the land described in the condominium map as appurtenant thereto, having an area of 3,241 square feet. The map describes this area as "Limited Common Element B". A limited common element includes the land located underneath the unit located thereon.

END OF EXHIBIT A

EXHIBIT B

1. Taxes and assessments, general and special, for the fiscal year 2007-2008, as follows:

Tax Map Key	:	2-3-8-074-091	
1 st Installment	:	\$1,665.49	Marked Paid
2 nd Installment	:	\$1,665.49	NOT Marked Paid
Cost	:	\$686,800.00	
Land	:	\$492,200.00	
Imp. Value	:	\$194,600.00	
Exemption	:	\$0.00	

2. Title to all minerals, and metallic mines reserved to the State of Hawaii.

3. CERTIFICATE AND CONSENT

Dated	:	December 17, 1980
Recorded	:	December 26, 1980 in the Bureau of Conveyances, State of Hawaii, in Book 15241, Page 456
Made By	:	MAUI 100 PARTNERS, a Hawaii general partnership

4. Covenants, Conditions and Restrictions, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled	:	DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
Dated	:	July 8, 1985
Recorded	:	July 11, 1985 in the Bureau of Conveyances, State of Hawaii, in Book 18774, Page 100

AMENDMENT thereof by instrument:

Recorded	:	August 30, 1985 in the Bureau of Conveyances, State of Hawaii, in Book 18902, Page 178
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5. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in DEED dated September 25, 1986, recorded December 19, 1986 in the Bureau of Conveyances, State of Hawaii, in Book 20172, Page 455, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or natural origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS.

6. CERTIFICATION OF LONG-TERM RESIDENTIAL USE

Dated : January 30, 1989
Recorded : March 1, 1989 in the Bureau of
Conveyances, State of Hawaii, in Book
22908, Page 630

7. Condominium Map No. 4508, filed in the Bureau of Conveyances, State of Hawaii.

8. Matters in an instrument that, among other things, contain or provide for easements, assessments, liens and their subordination; provisions relating to partition, restrictions on severability of component interest, covenants, conditions and restrictions, provision that no violation thereof and no enforcement of any lien provided for therein shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value, but omitting and covenants or restrictions if any, based upon race color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Entitled : Declaration of Condominium Property
Regime
Recorded : September 6, 2007 in the Bureau of
Conveyances, State of Hawaii, as Document
No. 2007-158924

Liens and charges for upkeep and maintenance as provided in the above mentioned Covenants, Conditions and Restrictions, if any, where no notice thereof appears on record.

For information regarding the current status of said liens and! or assessments

Contact : 293 AILANA CONDOMINIUM Association of Unit Owners

9. By-Laws of the 293 AILANA CONDOMINIUM Association of Unit Owners, dated August 14, 2007, recorded September 6, 2007 in the Bureau of Conveyances, State of Hawaii, as Document No. 2007-158922.

END OF EXHIBIT B

EXHIBIT C

ESTIMATED MONTHLY MAINTENANCE FEES

Unit	Common Interest Percentage	Monthly Base Common Expense	Monthly Reserve Contribution	Total Monthly Assessment
A	50%	8.23	32.99	\$41.22
B	50%	8.23	32.99	\$41.22

Schedule of Estimated Maintenance Fees

	<u>MONTHLY</u>	<u>ANNUAL</u>
Insurance	\$5.71	\$68.50
Total Expenses Before Reserve	\$5.71	\$68.50
<u>Reserve(*)</u>		
Capital Reserve Contribution	\$65.97	\$791.67
Subtotal Operating Expenses	\$71.68	\$860.17
<u>Contingency</u>		
Contingency @ 15.0%	\$10.75	\$129.03
TOTAL OPERATING EXPENSES	\$82.43	\$989.19

(*)Mandatory reserves assessment and collection in effect beginning 2008 budget year. A purchaser will become obligated to pay maintenance fees as of the date title to its unit vests.

This reserve amount is not based on a reserve study required by Hawaii law. The reserve study will be performed by the Association of Unit Owners.

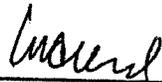
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

Reserve Calculation

Common Element Item	Current Useful Life (Years)	Estimated Replacement Cost	Annual Reserve
Driveway	8.3333	\$3,500.00	\$420.00
Total Annual Reserve			\$420.00

The condominium developer for the 293 Ailana Condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles

HALAMA PROPERTIES LP



George Helland, President, for
Banyan Trading Company, Inc., General Partner

4/3/08

Date

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

ATTACHMENT 1 TO ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

The Developer, in arriving at the figure for "Reserves" in the attached estimate, has not conducted a reserve study in accordance with HRS §514B-148 and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Upon its formation, the Association of Unit Owners should conduct a replacement reserve study for the common element driveway.

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

END OF EXHIBIT C

EXHIBIT D

DEVELOPER'S DECLARATION CONCERNING COMPLIANCE WITH COUNTY ZONING ORDINANCES, BUILDING CODES AND OTHER PERMITTING REQUIREMENTS

Pursuant to HRS § 514B-54(a)(8) and § 514B-83(a)(7), the Developer of the 293 Ailana Condominium project hereby declares that:

1. Upon request of the Developer, the subject property and Units A and B were inspected by the County of Maui on May 22, 2007.
2. The Developer is in receipt of a report of the Development Services Administration, Department of Public Works and Environmental Management, County of Maui, dated June 22, 2007, concerning the findings of the above-referenced inspection.
3. Upon receipt of the above-referenced report, certain typographical and factual errors were noted.
4. Upon request of the Developer, the Development Services Administration, issued a correction of the above-referenced errors, in a letter dated August 16, 2007.
5. The project is in compliance with all applicable County of Maui zoning and building ordinances and codes and all other permitting requirements.

HALAMA PROPERTIES LP



George Helland, President
Banyan Trading Company, Inc., General Partner

CHARMAINE TAVARES
Mayor
JEFFREY S. HUNT
Director
COLLEEN M. SUYAMA
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PLANNING
October 18, 2007

Mr. George Helland
1322 Kaupakalua Road
Haiku, Hawai'i 96708

Dear Mr. Helland:

RE: ZONING VERIFICATION FOR PROPERTY LOCATED AT 293 ALANA PLACE, KIHEI, MAUI, HAWAII; TMK: (2) 3-8-074:091 (RFS 07-0001794)

We apologize for the late response and any inconvenience this may have caused.

The subject parcel is located within the County's R-2 Residential District. Based on the survey map submitted, and according to our records, the subject parcel is in compliance with all zoning codes, rules, and regulations relative to use, density, parking, setback, and height requirements. To view these standards further, you may visit the County's website at www.maui.county.gov.

In addition, we do not have any pending or outstanding zoning violations on file.

Should you have any questions, please contact Trisha Kapua'ala, Staff Planner, at Trisha.Kapuaala@mauicounty.gov or at 270-8008.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Shinmoto".

AARON SHINMOTO
Planning Program Administrator

xc: Trisha Kapua'ala, Staff Planner

FAC:TMLK

RFS 07-0001794 (KIVA related document)
07/General File
07/ZAED TMK File

K:\WP_DOCS\PLANNING\RFS\2007\1794_HellandZoneVerifResponse.wpd

250 SOUTH HIGH STREET, WAILUKU, MAUI, HAWAII 96793
MAIN LINE (808) 270-7735; FACSIMILE (808) 270-7634

SURVEY DIVISION (808) 270-7634; LAND USE DIVISION (808) 270-7634; ZONING DIVISION (808) 270-7634

CHARMAINE TAVARES
Mayor

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

MICHAEL M. MIYAMOTO
Deputy Director



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

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

DAVID TAYLOR, P.E.
Wastewater Reclamation Division

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

TRACY TAKAMINE, P.E.
Solid Waste Division

June 22, 2007

Mr. George Helland
PO Box 3305
San Diego, CA. 92163

SUBJECT: MISCELLANEOUS INSPECTIONS #MISC 2007/0070, 0071
MAIN DWELLING/GARAGE/DECK AND
ACCESSORY DWELLING/DECK
FOR H.R.S. SECTION 514B-84 (a) (2) COMPLIANCE
LOCATED AT 293 AND 293A AILANA PLACE, KIHEI, HI 96753
TMK: (2) 3-8-074:131

Dear Mr. Helland:

This is regarding your May 22, 2007, request for miscellaneous inspections on two dwellings for a preliminary condominium public report on the subject property.

MISC# 2007/0070: MAIN DWELLING/DECK, UNIT A

- We made a plumbing inspection on May 25, 2007, a building re-inspection on May 29, 2007, and an electrical re-inspection on June 19, 2007, and found the premises to be in general compliance with applicable codes.

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

- Unit A was constructed under Building Permit # B1986/1269, and was issued on June 19, 1986.
- The county assigned address for the structure is 293 Ailana Place.

MISC # 2007/0071: ACCESSORY DWELLING/DECK, UNIT B

- We made a plumbing inspection on May 25, 2007, a building re-inspection on May 29, 2007, and an electrical re-inspection on June 19, 2007, and found the premises to be in general compliance with applicable codes.

June 22, 2007

Mr. George Helland

SUBJECT: MISCELLANEOUS INSPECTIONS #MISC 2007/0070, 0071
MAIN DWELLING/GARAGE/DECK AND
ACCESSORY DWELLING/DECK
FOR H.R.S. SECTION 514B-84 (a) (2) COMPLIANCE
LOCATED AT 293 AND 293A AILANA PLACE, KIHEI, HI 96753
TMK: (2) 3-8-074:131

Page 2 of 2

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

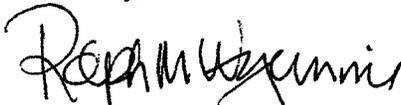
- Unit B was constructed under Building Permit # B1989/0451 and was issued on February 24, 1989.
- The county assigned address for the structure is 293A Ailana Place.

OTHER COMMENTS:

- There are no pending subdivisions, building and code appeals, or administrative waivers currently in process for the premises.
- We also recommend that you call the Planning Department at 270-7735 to verify if there are any variances, or if the existing or proposed uses, if any, are legally permitted.
- We made an inspection of the driveway on May 30, 2007 and did not observe any driveway violations.

If you have any questions regarding this letter, please call Robin Hong at (808) 270-7250.

Sincerely,



RALPH M. NAGAMINE
Development Services Administrator

rms rh

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c: Hawaii Real Estate Commission
Planning Department

CHARMAINE TAVARES
Mayor
MILTON M. ARAKAWA, A.I.C.P.
Director
MICHAEL M. MIYAMOTO
Deputy Director



RALPH M. NAGAMINE, L.S., P.E.
Development Services Administration
CARY YAMASHITA, P.E.
Engineering Division
BRIAN HASHIRO, P.E.
Highways Division

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

August 16, 2007

Mr. George Helland
1322 Kaupakalua Road
Haiku, Hawaii 96708

SUBJECT: REQUEST FOR SERVICE #RFS 07-0001794
293 and 295 AILANA PLACE, KIHEI, MAUI, HAWAII
TMK (2) 3-8-074:091

Dear Mr. Helland:

This is in response to your August 8, 2007, request for information for a preliminary condominium public report on the subject property.

Comments made in our June 22, 2007, letter (copy enclosed) still apply. However, please note the following corrections:

1. The tax map key (TMK) referenced on Page 2 of 2 should be (2) 3-8-074:091.
2. The county-assigned address for the accessory dwelling is 295 Ailana Place.

Your request has also been forwarded to the Zoning and Enforcement Division of the Department of Planning for comment on zoning ordinances and variances, and if the existing or proposed uses, if any are legally permitted.

If you have any questions regarding this letter, please call me at (808) 270-6186, or by email at sharon.norrod@mauicounty.gov.

Sincerely,

Handwritten signature of Sharon Norrod in cursive.

SHARON NORROD
Kiva Resource Technician

S:\DSA\Admin\Scn\38074091_293-ailana-condominium_rfs07-0001794.wpd
Enclosure

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

**DEVELOPER'S STATEMENT CONCERNING
CONDITION, USEFUL LIFE AND EXISTING VIOLATIONS**

The Developer of the 293 Ailana Condominium project states that Units A and B of the project were inspected by Licensed Professional Architect Martin V. Cooper of CWA Inc. on August 2, 2007.

The Units are in good condition with no visible structural or weather related insufficiencies.

The roofing of the Units is in good condition.

The plumbing and electrical systems of the Units are safe, in compliance with current codes, and in sound operating condition.

The developer specifically disavows any representation as to remaining useful life of any of the above.

There are no outstanding notices of uncured violations of building code or other regulations.



CWA Inc.
395 Dairy Road Suite "O"
Kahului, HI 96732
808 871 7110 Off
808 871 7111 Fax

November 16, 2007

State of Hawaii
Real Estate Branch
Department of Commerce and Consumer Affairs
250 South King Street, Room 702
Honolulu, Hawaii 96813

Re: 293 Ailana Condominium: Report of Condition of Existing Buildings
TMK: 2-3-8-074-091

Gentlemen:

The undersigned is a licensed Hawaii architect, licensed no. 7350. This letter is being provided as required by HRS Section 514B-84 in connection with the registration of the above condominium under Chapter 514B.

Please be advised that Units A and B of the condominium, both being more than five (5) years old, were physically inspected and a report of their existing conditions was provided to the owner. A copy of said report is attached hereto as Exhibit "A".

The undersigned hereby certifies to you that to the best knowledge and belief of the undersigned, the condition of said buildings is as set forth in Exhibit "A" hereto and the report attached hereto is true and accurate.

Sincerely,
CWA Inc.

A handwritten signature in black ink is written over a circular professional seal. The seal contains the text: 'MARTIN V. COOPER' at the top, 'LICENSED PROFESSIONAL ARCHITECT' in the center, 'No. 7350' below that, and 'HAWAII, U.S.A.' at the bottom. A small star is located on the right side of the seal.

Martin V. Cooper
Principal Architect

EXHIBIT "A" TO ARCHITECT'S REPORT



CWA Inc.
395 Dairy Road Suite "O"
Kahului, HI 96732
808 871 7110 Off
808 871 7111 Fax

November 16, 2007

INSPECTION SUMMARY NOTES

293 AILANA CONDOMINIUM

TAX MAP KEY: 2-3-8-074-091

INSPECTION DATE : August 2nd, 2007

Dear Mr. and Mrs. George Helland

An inspection of the subject property was conducted on 08/02/07. The inspection of the dwellings more than five years old consisted of two dwellings.

The plumbing and electrical systems appeared to be in compliance with current code and in safe sound operation.

The two structures were in good condition. There were no obvious termite problems or damage. There was minor water damage on the floor of the main structures' second floor bathroom. This has since been repaired satisfactorily. The roofing for both structures is in good shape with many years of use.

If you have any questions after this report is reviewed, please feel free to contact me at my office: 808 871 7110.

NOTE: Both buildings were occupied at the time of the inspection. The contents of the Units restrict the inspector's view of all surfaces and items.

The main house had no visible structural or weather related insufficiencies noted at the time of the inspection.

The cottage also had no visible structural or weather related insufficiencies noted at the time of the inspection.

Sincerely,
CWA Inc.

A handwritten signature in black ink, appearing to read 'M. Cooper', is written over a horizontal line.

Martin V. Cooper
Principal Architect



END OF EXHIBIT D

EXHIBIT E

SUMMARY OF SALES CONTRACT

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

- a. The total purchase price, method of payment and additional sums that must be paid in connection with the purchase of a unit.
- b. That the purchaser acknowledges having received and read the Developer's Public Report for the Project prior to signing the Sales Contract.
- c. That the Developer makes no representations concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.
- d. That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
- e. Requirements relating to the purchaser's financing of the purchase of a unit.
- f. That the unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.
- g. That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.
- h. That the Project may be subject to ongoing sales activities that may result in certain annoyances to the purchaser.
- I. That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Sales Contract on file with the Real Estate Commission.

END OF EXHIBIT E

EXHIBIT F

SUMMARY OF ESCROW AGREEMENT

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

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

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

END OF EXHIBIT F

EXHIBIT G

HOUSE RULES

1. All service areas for trash receptacles, pool equipment and any other maintenance or service facilities shall either be enclosed, surrounded or concealed by landscaping so as not to be visible from any neighboring lots. All rubbish, trash, garbage or other waste on any Lot shall be kept in sanitary closed containers and disposed from such Lot within a reasonable time.
2. Swimming pools will be allowed to be placed on any Lot below grade or above grade so long as they are appropriately integrated into the landscaping and grading design so as to minimize the impact on other Lots.
3. Lighting should create a unified, natural effect that will not interfere or compete with the dramatic nighttime panorama views of the landscape and surrounding mountains. Mercury vapor lamps or lamps which emit light of a similar character, exposed fluorescent lamps visible from adjacent lots, flashing lights, unshielded exterior lights and lights which result in excessive glare are prohibited.
4. Notwithstanding the uses allowed by applicable land use and zoning designations, no pigs or roosters are permitted on any lot, and no commercial poultry operations may be conducted on any Lot.
5. No noxious or offensive activity shall be permitted on any Lot, nor shall anything be done or placed on any Lot which may be or become a nuisance, or cause unreasonable embarrassment, smoke, odors, noise, disturbance, or annoyance to other owners or occupants of other lots.
6. No commercial activity shall be carried on or conducted from any Lot, except that: (1) a Lot may be leased or rented for residential purposes for a term that shall not be less than one month (30 days); and (2) home offices and workshops are permitted, subject to County and State law.
7. In case of the need to rebuild a dwelling, prior to construction of said dwelling, each Lot shall be kept and maintained in a clean, neat, and orderly condition at all times or be left in its natural state. Each Lot shall remain free and clear of trash, garbage, rubbish, debris and junk, to keep it from becoming unsightly, a nuisance, or a health or fire hazard. No garbage, refuse, or trash of any kind shall be thrown, placed, kept or burned in any Lot other than within refuse containers or other disposal facilities provided for such purposes.

EXHIBIT H

Description of Common Interest is as follows:

Unit A shall have a 50% undivided interest and Unit B shall have a 50% undivided interest (hereinafter the "common interests") in all common elements of the Project and the same respective shares in all common profits and common expenses of the Project and for all other purposes, including voting.

Notwithstanding the allocation of common interests in the preceding paragraph, the common interests for the sole purpose of the ownership of fee simple title to the underlying land (and, therefore, for the allocation of proceeds from the sale or partition of the land upon termination of the condominium or the taking of the land by eminent domain) shall be allocated between the units in proportion to the relative value of the land area included within the limited common elements appurtenant to each unit (determined as if each limited common element were a separate unimproved parcel of land), and not according to the common interests for financial and voting purposes as stated above.

END OF EXHIBIT H