

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

CONDOMINIUM PROJECT NAME	151 HANA HIGHWAY
Project Address	151 Hana Highway, Paia, Maui, Hawaii 96779
Registration Number	6817
Effective Date of Report	May 7, 2009
Developer(s)	151 Ohana LLC

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 project consists of ten (10) commercial/office units as shown on the Condominium Map. The following paragraphs attempt to highlight certain features not always found in other projects:

INTERIOR LAYOUT: Each unit is being sold initially as unfinished loft space with stubbed-in utilities and unfinished ceiling and floor. At each purchaser's option, each purchaser shall install interior partitions and finishes at said purchaser's own expense. Unit 101 contains a bathroom.

Each purchaser will have the responsibility of obtaining a building permit from the County of Maui before constructing any interior improvements. Each purchaser (and the purchaser's architect) must make sure that the improvements comply with all applicable laws and codes and will be required to obtain a certificate of occupancy when purchaser's improvements are completed.

PARKING: There are twelve (12) parking spaces, plus one (1) handicap space and one (1) loading zone. Parking will be unassigned, unless the Association of Unit Owners or the Developer shall otherwise determine, by amendment to the Declaration of Condominium Property Regime.

PURCHASER'S BUSINESS USE: In Purchaser's contract to purchase the unit, Purchaser shall be asked to make a representation to Seller concerning the nature or category of Purchaser's business use of the unit. Seller will rely on that representation in determining the types of businesses to be conducted in other units as they are sold.

Developer makes no representations or warranty to any purchaser as to the types of uses to which units in the project may be put, or whether such uses may or may not be compatible with or competitive with purchaser's. No unit may be used for any business which involves the on-site preparation or consumption of food or food products. Otherwise, the uses are controlled by the County of Maui Ordinance Chapter 19.15 which governs all uses within the Country Town Business area and permits general retail and business office uses, educational and training establishments, and health and personal service establishments. Purchasers should consult the Maui County Code and discuss all questions with legal counsel.

There will be a total of thirteen (13) parking spaces in the Project to serve a total of 4,824.6 net square feet of general office and retail uses. If all units are used for business uses, which under the Maui County Code requires one (1) space for each five hundred (500) square feet of retail area, then there will be sufficient parking for those uses. However, some uses, such as banks and medical and dental offices may require more spaces than are available in the Project. There is no guaranty that parking will be sufficient to meet the minimum parking required by the Maui County Code for a purchaser's proposed use of the unit.

SIGNS AND DISPLAYS: Signs and window displays of first-floor units may be restricted by the board of directors to avoid garish or inappropriate displays. Hallway signs and door treatments in second-floor units are subject to design restrictions and board regulation, generally.

FOOD SERVICE BUSINESSES: As required by the Special Management Area (SMA) Permit for the Project, the Declaration prohibits, in perpetuity, the conduct of any food service or food production business on the premises.

CONSULTATION WITH AGENCIES: Purchasers are urged to consult with all appropriate County of Maui agencies in order to determine all requirements for purchaser's proposed uses, all building code requirements applicable to purchaser's proposed improvements, and all required permits and approvals.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW ALL CONDOMINIUM DOCUMENTS GIVEN TO HIM/HER/IT AND REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	Not applicable
Address of Project	151 Hana Highway, Paia, Maui, Hawaii 96779
Address of Project is expected to change because	Not applicable
Tax Map Key (TMK)	(2)2-6-004-011
Tax Map Key is expected to change because	Not applicable
Land Area	7,999 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	1
Floors Per Building	2
Number of New Building(s)	1
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, glass, masonry and related materials

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
See Exhibit <u> A </u> .						

10	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 Stall in the Project:	13
Number of Guest Stalls in the Project:	13
Number of Parking Stalls Assigned to Each Unit:	None
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. Parking shall be unassigned.	

1.5 Boundaries of the Units

Boundaries of the unit: Interior unfinished surfaces of perimeter walls, floors, and ceilings. Exterior edges of floor and railing of lanai abutting Units 101 and 102.
--

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): Non-structural interior partitions and finishes may be installed by the unit owner.
--

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit <u>A</u> .
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): Building, parking areas, driveway, and grounds, common entry lobby,

4 electrical equipment room, second-floor lanai, 2 stairways, and interior hallway

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 _____.

Described as follows:

1. The underlying land in fee simple and appurtenant easements.
2. The building (except that which comprises the units themselves), dumpster area, and parking area.
3. Any utility lines serving more than one (1) unit.

Common Element	Number
Elevators	0
Stairways	2
Trash Chutes	0

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 _____.

Described as follows:

None.

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: None allowed.
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See disclosure in Special Attention, page 1a.
<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 B describes the encumbrances against title contained in the title report described below.

Date of the title report:

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 type="checkbox"/>	Residential		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Commercial	10	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Country Town Business (B-CT)
<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration 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>			

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input type="checkbox"/> Applicable</p> <p><input checked="" type="checkbox"/> Not Applicable</p>
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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:

Verified Statement from a County Official

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 non-conforming 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>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

2.1 Developer(s)	Name: 151 Ohana LLC Business Address: 90 Oheala Place, Makawao, HI 96768 Business Phone Number : (808)575-7431 E-mail Address: stone@aioha.net
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).	Joshua A. Stone
2.2 Real Estate Broker	Name: Commercial Properties of Maui, LLC Business Address: 1995 Main St., Wailuku, HI 96793 Business Phone Number: (808)244-2200 E-mail Address:
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 80 Puunene Avenue, Kahului, HI 96732 Business Phone Number: (808)871-2200
2.4 General Contractor	Name: Not yet selected Business Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: Commercial Properties of Maui Management, Inc. Business Address: 1962B Wells St., Wailuku, HI 96793 Business Phone Number: (808)243-8600
2.6 Attorney for Developer	Name: Thomas D. Welch, Jr. Business Address: Mancini, Welch & Geiger LLP, 33 Lono Ave., Suite 470, Kahului, HI 96732 Business Phone Number: (808)871-8351

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	April 6, 2009	2009-056220

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	April 6, 2009	2009-056221

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	4793
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>(a) The right to change the condominium project to add or subtract units, to change the locations of walls between abutting units, and to change the common interest percentages of changed units to reflect their changed floor areas;</p> <p>(b) The right to make changes to correct errors, resolve ambiguities, or comply with legal requirements.</p>

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 checked="" type="checkbox"/>	Not affiliated with the Developer
<input 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 <u>C</u> 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 checked="" type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify) Electricity

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 type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water (Unit 101 only)-to be metered and billed by the Association
<input checked="" type="checkbox"/>	Sewer (Unit 101 only)-to be metered and billed by the Association
<input type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

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

5.2 Sales to Owner-Occupants - NOT APPLICABLE

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

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

5.3 Blanket Liens

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

<input type="checkbox"/>	There are <u>no</u> blanket liens affecting title to the individual units.
<input type="checkbox"/>	There are <u>blanket</u> liens that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage in favor of Ikeda Trusts for \$1.2 Million dated Sept. 10, 2008, Document No. 2008-141816	Purchaser will lose the right to acquire the unit but escrow shall return all Purchaser's deposits.

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: One (1) year from the date of substantial completion.
Appliances: Not applicable

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

Status of Construction: Construction has not yet begun.
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: 24 months from the date of 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. <i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i>
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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</p> <p><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</p> <p><input checked="" type="checkbox"/></p>	<p>The Developer has <u>not</u> 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: The documents listed in Exhibit B as encumbrances against title.

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

(a) **WATER.** The condominium will be served by the County of Maui by a central water meter. Cost of water service to the common bathrooms shall be assessed to each unit by the Association of Unit Owners as a common expense. Water use by Unit 101's bathroom will be metered and charged to Unit 101 as a separate expense.

(b) **SEWER.** The condominium shall be served by the County of Maui's public sewer system. Sewer charges will be billed and paid in the same manner as water service charges are allocated.

(c) **SPECIAL MANAGEMENT AREA (SMA).** The condominium is located in the Special Management Area. The Special Management Area Permit for the Project is attached as Exhibit F. Some project-specific conditions include:

(1) a prohibition on food service businesses (see Section 8(a) of the Declaration).

(2) a requirement that an entry gate to control ingress and egress to Homelani Place be installed on land adjacent to the condominium, if requested by the Homelani homeowners' association. If this shall be required, it shall be the Developer's obligation to provide it. Note: This requirement does not expressly include any obligation for ongoing maintenance or repair of the entry gate, and it is the Developer's position that no such obligation exists. Developer has made no representation or undertaking to the County of Maui or the Homelani homeowners with respect to repair or maintenance. However, purchasers are advised that the possibility of a claim on this issue by the Homelani homeowners may exist, which, if successful, could require common expense assessments with respect thereto.

(3) a requirement that the House Rules prohibit loitering on the rear lanai and stairwell (see Section 7.L. of the House Rules).

(d) **FLOOD ZONE.** The condominium is not located in a special flood hazard zone.

(e) **MAIL DELIVERY.** Mail delivery shall be made to each unit.

(f) **INSURANCE.** The condominium association will carry casualty insurance and liability insurance on the common elements as a whole, including the individual units as unfinished "loft space" only. Individual unit owners will be responsible to insure themselves against loss or damage to their internal improvements and alterations and their own contents, equipment, inventory and personal property. Also, individual unit owners will be responsible for insurance against liability claims for injuries and damages to tenants or third persons occurring within, or in connection with the owner's operation of, the unit.

(g) **ZONING.** The Developer hereby certifies that the zoning applicable to the condominium is Country Town Business (B-CT).

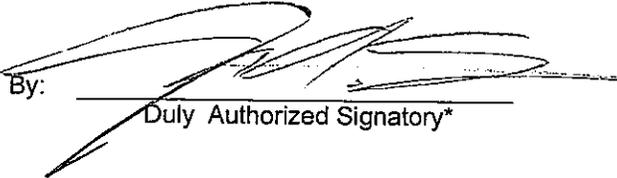
The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, 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.

151 OHANA LLC

Printed Name of Developer

By:  April 27, 2009
Duly Authorized Signatory* Date

Joshua A. Stone, Manager

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 NUMBER; APPROXIMATE AREA OF UNIT;
APPROXIMATE NET SQUARE FOOTAGE OF LANAI;
AND PERCENTAGE OF COMMON INTEREST

<u>Unit Number</u>	<u>Approximate Net Living (Floor) Area of Unit (Sq. Ft.)</u>	<u>Approximate Net Square Footage of Lanai</u>	<u>Percentage of Common Interest</u>
101	1,033.0		20.96%
102	437.0		8.86%
201	388.3	52.8	8.84%
202	433.1	54.2	9.88%
203	733.0		14.86%
204	377.3		7.65%
205	379.0		7.69%
206	375.0		7.60%
207	373.3		7.57%
208	300.5		6.09%

Description of Building. 151 Hana Highway is a single two-story building constructed of wood, glass, masonry, and related building materials. It is located on the northerly side of Hana Highway, with a driveway entrance/exit on the Hookipa side of the property leading to a driveway and parking area to the rear. The second story of the building extends over the first story and over a portion of the parking area to the rear of the lot.

Locations of Units. Units 101 and 102 are located on the ground floor, numbered from west to east, with entrances directly on the public sidewalk abutting Hana Highway. Units 201 through 208 are located on the second floor, and are numbered consecutively from west to east (Units 201 and 202), from south to north (Units 202 through 205), from east to west (Units 205 and 206), and from north to south (Units 207 and 208).

Layouts of Units. Each unit is initially defined as a loft space, surrounded only by its perimeter boundaries, with no interior partitions (except the enclosed bathroom within Unit 101). The interior layout of each unit shall be determined by the owner(s) thereof and shall be constructed or installed pursuant to Section 8 of this Declaration.

Parking. The project includes twelve (12) covered or semi-covered parking spaces numbered 1 through 6 from east to west, and from 7 through 12 from west to east, and a thirteenth (13th) uncovered, handicap parking space, all as shown on the Condominium Map. Parking spaces shall not be assigned. Assigned parking may be established by amendment to this Declaration.

END OF EXHIBIT "A"

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

*Comments in parenthesis below are not part of the encumbrances provided by the title company and do not represent any warranty or representation by the State of Hawaii Real Estate Commission or the title company but are explanations provided by Developer's attorney to assist Purchasers in understanding the disclosures in this Exhibit "B". They are not approved by the title company and will not be set forth or referred to in Purchaser's title insurance policy to be issued at the time of purchase.

1. Real Property Taxes which may be due and owing. Reference is made to the Tax Assessor's Office, County of Maui.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

*(Note: This encumbers most properties in Hawaii and does not affect the use or value of the condominium property.)

3. The terms and provisions contained in Declaration of Condominium Property Regime of 151 Hana Highway dated April 6, 2009, recorded as Document No. 2009-056220, covered by Map 4793 and any amendments thereto.

4. The terms and provisions contained in By-Laws of the Association of Apartment Owners dated April 6, 2009, recorded as Document No. 2009-056221.

5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

*(Note: The property has been surveyed. Developer has no knowledge of any such discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters.)

6. Unrecorded leases.

*(Note: There are no unrecorded leases.)

7. Any lien for services, labor or material.

*(Note: Each unit at closing will be conveyed to its Purchaser free and clear of any such lien, and the Purchaser shall receive title insurance.)

END OF EXHIBIT "B"

151 HANA HIGHWAY
 OPERATING BUDGET
 Prepared on a Cash basis
 prepared 3/09

	January	February	March	April	May	June	July	August	September	October	November	December	Total
INCOME:													
Common Expense Assessment	4,907.00	4,907.00	4,907.00	4,907.00	4,907.00	4,907.00	4,907.00	4,907.00	4,907.00	4,907.00	4,907.00	4,907.00	58,884.00

TOTAL INCOME	4,907.00	58,884.00											
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COMMON EXPENSES:

Audit/Taxes			2,000.00										
Electrical Repairs & Maint.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	2,000.00
Electricity	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	1,200.00
General Repairs & Maint.	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	3,600.00
Insurance D&O	0.00	0.00	1,180.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,800.00
Insurance (Prop/Liab/Bond)	416.00	416.00	416.00	416.00	416.00	416.00	416.00	416.00	416.00	416.00	416.00	416.00	1,180.00
Janitorial Service	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,992.00
Landscaping & Plant Rentals	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	4,200.00
Management Fees(Includes GE	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	1,800.00
Miscellaneous Expenses	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	6,600.00
Professional Fees/Tax Prep	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00
Refuse Collection	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	370.00
Restroom Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	2,400.00
Security Service/Fire Alarm	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	1,200.00
Water & Sewage	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	4,200.00
Reserves	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00	2,400.00
TOTAL COMMON EXPENSES	4,811.00	4,411.00	7,991.00	4,411.00	4,811.00	4,411.00	4,811.00	4,781.00	4,811.00	4,411.00	4,811.00	4,411.00	58,882.00

NET INCOME/LOSS	96.00	496.00	(3,084.00)	496.00	96.00	496.00	96.00	126.00	96.00	496.00	96.00	496.00	2.00
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151 HANA HIGHWAY
 MAINTENANCE FEE

ANNUAL EXPE 58,884.00

UNIT	Square Footage	Prorata Share	Monthly Recovery
101	1,033.00	20.95%	1,027.85
102	437.00	8.86%	434.82
201	436.10	8.84%	433.92
202	487.30	9.88%	484.87
203	733.00	14.86%	729.34
204	377.30	7.65%	375.42
205	379.00	7.69%	377.11
206	375.00	7.60%	373.13
207	373.40	7.57%	371.54
208	300.50	6.09%	299.00
	4,931.60	100.00%	4,907.00

151 HANA HIGHWAY
20 YEAR CASH FLOW PLAN

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
TOTAL REPLACEMENT COST	323,500.00	334,822.50	346,541.29	358,670.23	371,223.69	384,216.52	397,664.10	411,582.34	425,987.72
X 3.5% annual cost adjustment	11,322.50	11,718.79	12,128.95	12,553.46	12,992.83	13,447.58	13,918.24	14,405.38	14,909.57
TOTAL COSTS	334,822.50	346,541.29	358,670.23	371,223.69	384,216.52	397,664.10	411,582.34	425,987.72	440,897.29
AMORTIZE 20 YEARS	16,741.13	17,327.06	17,933.51	18,561.18	19,210.83	19,883.20	20,579.12	21,299.39	22,044.86
DIVIDED BY 4931.6 sf (indicates cost psf/year)	3.39	3.51	3.64	3.76	3.90	4.03	4.17	4.32	4.47

	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
440,897.29	456,328.70	472,300.20	488,830.71	505,939.79	523,647.68	541,975.35	560,944.48	580,577.54	600,897.75	621,929.18	643,696.70
15,431.41	15,971.50	16,530.51	17,109.07	17,707.89	18,327.67	18,969.14	19,633.06	20,320.21	21,031.42	21,767.52	
22,816.43	23,615.01	24,441.54	25,296.99	26,182.38	27,098.77	28,047.22	29,028.88	30,044.89	31,096.46	32,184.83	
4.63	4.79	4.96	5.13	5.31	5.49	5.69	5.89	6.09	6.31	6.53	

151 Hana Hwy
 Reserve Study - 20 Year
 Cash Flow Basis
 Calendar Year 2009
 Reserves as of 10-09

MAJOR COMPONENT	ESTIMATED USEFUL LIFE	ESTIMATED REMAINING LIFE	CURRENT ESTIMATED COST TO REPLACE	END OF	END OF						
				YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	
Building, Exterior Siding	30	30	\$20,000.00								
Building, Exterior Awnings	30	30	\$20,000.00								
Building, Ext Stairs/Deck	30	30	\$15,000.00								
Building Ext. Facades/Soffits	30	30	\$15,000.00								
Building Int. Drywall	15	15	\$10,000.00								
Painting, Exterior	15	15	\$30,000.00								
Painting, Interior*	10	10	\$5,000.00								
Painting, Parking striping	15	15	\$5,000.00								
Concrete Drive/Parking*	20	20	\$25,000.00								
Roof, Pitch/Metal	30	30	\$20,000.00								
Repair/Warranty	30	30	\$5,000.00								
Ceramic Tile/Floor*	30	30	\$3,000.00								
A/C Pans & Grill	5	5	\$5,000.00						\$5,000.00		
Concrete Sidewalk*	20	20	\$10,000.00								
Plumbing, Piping*	35	35	\$15,000.00								
Plumbing, Parking	10	10	\$10,000.00								
Irrigation System*	10	10	\$2,000.00								
Doors*	30	30	\$12,000.00								
Windows*	30	30	\$15,000.00								
Restrooms*	30	30	\$15,000.00								
Laminante Wood (stairs)*	15	15	\$1,500.00								
Light Fix., Interior*	30	30	\$3,500.00								
Light Fix., Exterior	10	10	\$2,000.00								
Fire Alarm System	30	30	\$2,500.00								
Bldg Entry Sign	10	10	\$2,000.00								
Electric Meter Boxes	10	10	\$10,000.00								
Electrical Wiring*	30	30	\$20,000.00								
Concrete Walls*	30	30	\$25,000.00								
			\$323,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$0.00
Component cost increase factor @ 3.5% per annum				1.035	1.071	1.107	1.144	1.180	1.216	1.252	
Estimated replacement costs in scheduled year (apply cost factor to total replacement costs)				\$0.00	\$0.00	\$0.00	\$0.00	\$5,899.50	\$0.00	\$0.00	\$0.00
Current Reserve Balance				\$0.00	\$16,741.13	\$34,068.20	\$52,001.72	\$70,562.91	\$83,874.24	\$103,757.45	\$124,336.57
Contributions (current)				\$16,741.13	\$17,327.07	\$17,993.52	\$18,561.19	\$19,210.83	\$19,883.21	\$20,579.12	\$21,299.12
New Balance				\$16,741.13	\$34,068.20	\$52,001.72	\$70,562.91	\$83,874.24	\$103,757.45	\$124,336.57	\$145,635.69

*LIFE COULD BE EXTENDED ITEMS IN GOOD REPAIR

I, Many Jane Kaamer, President of Commercial Properties of Maui Management, Inc., the condominium managing agent of 151 Hana Highway 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.

Commercial Properties of Maui Management, Inc.

By Many Jane Kaamer
Its President
Date: 4-6-08

I, Many Jane Kaamer, President of Commercial Properties of Maui Management, Inc., the condominium managing agent of 151 Hana Highway condominium project, hereby certify that a reserve study has not been conducted to support the Reserve Accrual line item set forth above, as there is insufficient information available to conduct such study at this time. Although under Hawaii law, a newly formed association is not required to collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting, the Association for this project will begin to collect reserve amounts upon closing of sales of units based upon the estimates set forth above. Purchasers should be aware that the amount collected for reserves may increase or decrease when the reserve study is conducted.

Commercial Properties of Maui Management, Inc.

By Many Jane Kaamer
Its President
Date: 4-6-08

STATEMENT OF DEVELOPER UNDER HRS SECTION 514B-41(b)

A unit owner, including the Developer, shall become obligated for the payment of the share of the common expenses allocated to the owner's unit at the time the certificate of occupancy relating to the owner's unit is issued by the appropriate county agency; provided that the unit owner shall 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 unit 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.

END OF EXHIBIT "C"

EXHIBIT "D"

SUMMARY OF SALES AGREEMENT

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

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

2. Warranties. The Seller's general contractor will provide its warranty against defects in workmanship and materials for a period of one (1) year from substantial completion of the building.

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

4. Closing Costs. Buyer will pay the following closing costs: 100% of the escrow fee, all of Buyer's notary fees, all appraisal fees, all recording costs (except for documents to clear Seller's title), the conveyance tax (35¢ for each \$100.00 of purchase price), all charges for Buyer's credit report, all costs of preparing any mortgages and promissory notes, and Buyer's title insurance premium. Buyer will also pay all mortgage costs. Buyer will also pay a non-refundable start-up fee which will be held and used by the Seller and the first managing agent of the Association as a working capital fund for the benefit of all the unit owners. Buyer agrees that Seller does not have to pay any start-up fee for any unit in the Project, but Seller will cause all Buyers to pay the start-up fee when units are sold and closed in escrow. Proration of real property taxes will be made as of the scheduled closing date. Proration of maintenance charges will be made as of the scheduled closing date or later at Seller's option.

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

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

(b) Seller may file a lawsuit for damages.

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

(d) Seller may take advantage of any other rights which the law allows or which Seller may have under the Sales Agreement.

Buyer also agrees to pay for all costs, including Seller's reasonable lawyers' fees (for both in-house and outside counsel) and the escrow cancellation fee, which are incurred because of Buyer's default.

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

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

7. Certain Acknowledgments and Waivers by Buyer Concerning "Property Conditions". The Buyer acknowledges and agrees to the following (which are hereafter referred to as the "Property Conditions"):

(a) Construction Deflection, Defects and Changes. During the course of construction of the building, floors may be subject to a small degree of "deflection" from construction and settling. Deflection is a condition whereby a floor is not perfectly flat. Deflection is typical in concrete construction. In this instance, such deflection, if not treated, might be noticeable to some people. Much of the practical effect of deflection can be mitigated through the use of floor coverings. Given the nature of the soil upon which the building is constructed, it is possible some further settling may occur. Deflection (and any anticipated additional settling) typically does not detract from the structural integrity of the building and Seller is not responsible to correct such deficiencies.

Minor cracking, flaking or discoloration of concrete or drywall within the building floors, walls, ceilings and/or soffits, driveways and walkways are not covered by warranty, and Seller is not responsible to correct such deficiencies.

Also, reference is made to Section 3.3 of the purchase contract concerning other possible changes and substitutions in the Project or unit.

(b) Waiver. Buyer represents and warrants to Seller that Buyer, in Buyer's sole discretion, has determined that the benefits of owning and enjoying the unit outweigh the risks of the above-described Property Conditions. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Property Conditions.

(c) Changes. Seller reserves the right in its sole discretion to make non-substantial changes to the area, materials or configuration of each unit including but not limited to adjustments to meet construction tolerances and conditions, substitution of materials, equipment, appliances or details, and variations in color, brand, grade and dimensions. All such non-substantial changes shall be in compliance with applicable building standards and codes and shall be of equal or better quality and value.

Seller shall also have the right to make substantial changes, to the unit in Seller's discretion and if any such change shall have been made without Buyer's consent, and if Buyer shall object to such changes, Buyer's sole remedy shall be to cancel this contract by written notice to Seller in which event all deposits shall be refunded to Buyer and Buyer and Seller shall have no further obligations or liabilities to each other under the sales contract.

(d) Other Rights. Seller has also reserved certain easement rights affecting the Project land and common elements for access and utility services in connection with the future development of lands in the vicinity of the Project.

8. Landscaping. Buyer understands and agrees that (i) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (ii) installation of the plant materials and irrigation system may be completed after the closing date; (iii) full maturity of the plant materials will only be reached over an extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; (iv) the

Association of Unit Owners of the Project will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity.

9. Contract Termination and Changes. Developer reserves the right to terminate sales contracts if the Project feasibility or profitability is affected by construction cost increases, governmental delays or other causes beyond Seller's control. Also, Developer reserves the right to terminate the Project and terminate all Sales Agreements prior to the transfer of a unit title to a Buyer. Buyer shall be entitled to a refund of all moneys paid hereunder. The parties shall then be released from all obligations and liabilities hereunder.

Also, Seller reserves the right to make changes to the Project as more particularly described in Section 3.6 of the Public Report.

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

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

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

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.

(b) That the buyer acknowledges having received and read a Public Report for the Project prior to signing the Deposit, Receipt and Sales Contract.

(c) That the buyer's money will be held in escrow, under the terms of the Escrow Agreement.

(d) Requirements relating to the buyer's financing of the purchase of a unit.

(e) That the unit and the Project will be subject to various other legal documents which the buyer should examine, and that the Developer may change these documents under certain circumstances.

(f) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project. Only the Developer's contractor makes construction warranties.

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

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

END OF EXHIBIT "D"

EXHIBIT "E"

SUMMARY OF ESCROW AGREEMENT

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

(a) Escrow will let the purchaser know when payments are due.

(b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Agreement.

(d) After a Sales Agreement becomes final and binding after the issuance of the Public Report for the Project, Developer may withdraw purchaser's deposits to pay for Project construction costs.

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

END OF EXHIBIT "E"

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

JUL 0 2 2008



COUNTY OF MAUI
DEPARTMENT OF PLANNING

June 24, 2008

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
7006 2760 0000 7127 4401

Ms. Rowena Dagdag
Munekiyo & Hiraga, Inc.
305 High Street, Suite 104
Wailuku, Hawai'i 96793

Dear Ms. Dagdag:

SUBJECT: SPECIAL MANAGEMENT AREA (SMA) USE PERMIT FOR PROPOSED PAIA COMMERCIAL BUILDING, A 5,400 SQUARE FOOT COMMERCIAL BUILDING TO BE LOCATED AT 151 HANA HIGHWAY, PA'IA, MAUI, HAWAII TMK: (2) 2-6-004:011 (SM1 2007/0004)

At its regular meeting on June 10, 2008, the Maui Planning Commission (Commission) reviewed the above request and after due deliberation, voted to grant approval of the above-referenced SMA Use Permit. Further, the Commission granted approval of a SMA Use Permit, subject to the following conditions:

STANDARD CONDITIONS:

1. That construction of the proposed project shall be initiated by June 30, 2011. Initiation of construction shall be determined as construction of offsite improvements or issuance of a grading, foundation or building permit and construction of the improvements, whichever occurs first. Failure to comply within this three (3) year period will automatically terminate this SMA Use Permit unless a time extension is requested no later than ninety (90) days prior to the expiration of said three (3) year period. The Planning Director (Director) shall review and approve a time extension request, but may forward said request to the Commission for review and approval.

2. That the construction of the project shall be completed within five (5) years after the date of its initiation. Failure to complete construction of this project will automatically terminate the subject SMA Use Permit. A time extension shall be requested no later than ninety (90) days prior to the completion deadline. The Director shall review and approve a time-extension request, but may forward said request to the Commission for review and approval.
3. The permit holder or any aggrieved person may appeal to the Commission any action taken by the Director on the subject permit no later than ten (10) days from the date the Director's action is reported to the Commission.
4. That final construction shall be in accordance with the plans represented before the Commission.
5. That appropriate measures shall be taken during construction to mitigate the short-term impacts of the project relative to soil erosion from wind and water, ambient noise levels, traffic disruptions, vector control, and construction waste.
6. That the subject SMA Use Permit shall not be transferred without prior written approval in accordance with Section 12-202-17(d) of the SMA Rules of the Commission. However, in the event that a contested case hearing preceded issuance of said SMA Use Permit, a public hearing shall be held upon due published notice, including actual written notice to the last known addresses of parties to said contested case and their counsel.
7. That the applicant, its successors and permitted assigns shall exercise reasonable due care as to third parties with respect to all areas affected by subject SMA Use Permit and shall procure at its own cost and expense, and shall maintain during the entire period of this SMA Area Use Permit, a policy or policies of comprehensive liability insurance in the minimum amount of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) naming the County of Maui as an additional named insured, insuring and defending the applicant and County of Maui against any and all claims or demands for property damage, personal injury and/or death arising out of this permit, including but not limited to: (1) claims from any accident in connection with the permitted use, or occasioned by any act or

nuisance made or suffered in connection with the permitted use in the exercise by the applicant of said rights; and (2) all actions, suits, damages and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms and conditions of this permit. Proof of a policy naming County of Maui as an additional named insured shall be submitted to the Department within ninety (90) calendar days from the date of transmittal of the decision and order.

8. That full compliance with all applicable governmental requirements shall be rendered.
9. That the applicant shall submit plans regarding the location of any construction related structures such as, but not limited to trailers, sheds, equipment and storage areas and fencing to be used during the construction phase to the Department for review and approval.
10. That the applicant shall submit to the Department five (5) copies of a detailed report addressing its compliance with the conditions established with the subject SMA Use Permit. A preliminary report shall be reviewed and approved by the Department prior to issuance of the grading, building or foundation permit, whichever occurs first. A final compliance report shall be submitted to the Department for review and approval prior to issuance of a Certificate of Occupancy for each phase of the development.
11. That the applicant shall develop the property in substantial compliance with the representations made to the Commission in obtaining the SMA Use Permit. Failure to so develop the property may result in the revocation of the permit.
12. That all lighting shall be fully shielded, directed downward, and comply with the County outdoor lighting ordinance. There shall be no "uplighting" installed.
13. That appropriate energy conservation measures shall be incorporated into the project, which may include, but not be limited to, energy conserving building materials, solar water heaters, etc.
14. That appropriate filtration measures to separate petroleum products and other potential contaminants shall be incorporated into the

project's drainage plan and shall be regularly maintained by the owner.

PROJECT SPECIFIC CONDITIONS:

15. That the applicant or its assigns shall be responsible for all required improvements, as required by Maui County Code, and rules and regulations.
16. That the archaeological monitoring plan approved by the State Historic Preservation Division (SHPD) be fully implemented throughout the entire project. In the event Native Hawaiian cultural or traditional deposits are uncovered during ground excavation or disturbance, work shall cease in the area and the SHPD notified immediately and appropriate mitigative measures incorporated into the project.
17. That an appropriate Best Management Practices (BMPs) plan shall be reviewed and approved by the Department of Public Works and/or the Department of Environmental Management. Said plan shall address impacts associated with erosion, contaminants, and construction waste. The approved plan shall be filed with the Department.
18. That a traffic calming device, such as a speed bump, be placed on the project's driveway in order to force vehicles leaving the project site to stop before reaching the pedestrian sidewalk. This is in order to alleviate pedestrian safety concerns expressed by the Maui Police Department.
19. That should a Noise permit be required by the Department of Health (DOH), a copy of said permit shall be remitted to the Department to be kept on file.
20. That the applicant shall comply fully with the DOH standards regarding dust control.
21. That prior to issuance of a Certificate of Occupancy, the applicant shall create house rules which shall include prohibition of loitering on the rear, makai-facing lanai and stairwell of the building.



Ms. Rowena Dagdag
June 24, 2008
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22. That no food service establishment(s) be allowed to occupy the building. This condition shall remain in perpetuity.
23. That the applicant, if requested by Homelani Street homeowners, shall install a driveway entry gate to manage ingress and egress to Homelani Place.



Further, the Commission adopted the Report and Recommendation Report prepared by the Department for the June 10, 2008 meeting as the Findings of Fact, Conclusions of Law, and Decision and Order, attached hereto and made a part hereof. Parties to proceedings before the Commission may obtain judicial review of decision and orders issued by the Commission in the manner set forth in Chapter 91-14, Hawaii Revised Statutes.

Thank you for your cooperation. If additional clarification is required, please contact Staff Planner Danny Dias via email at danny.dias@mauicounty.gov or at 270-7557.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey S. Hunt".

JEFFREY S. HUNT, AICP
Planning Director

xc: Clayton I. Yoshida, AICP, Planning Program Administrator
Aaron H. Shinmoto, PE, Planning Program Administrator (2)
Mark King, Long Range
Danny A. Dias, Staff Planner
Development Services Administration
Project File
General File

JSH:DAD:vb

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