REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

SUPPLEMENTARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

ON

MAUNALOA SHORES
1875 Kalanianaole Street
Hilo, Hawaii

REGISTRATION NO. 678 (CONVERSION)

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated May 24, 1974 **issued by the Real Estate Commission on the above project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.**

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

(1) A copy of this Report has been given to the prospective purchaser,
(2) The latter has been given an opportunity to read same, and,
(3) His receipt taken therefor.

Issued: August 30, 1982
Expires: June 23, 1983

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON APRIL 22, 1974, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 16, 1982. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Final Public Report of May 24, 1974 on MAUNALOA SHORES, Registration No. 678, the Developer has requested various extensions which were granted through March 14, 1977. Since then, the project has been used as an apartment rental complex. By letter of July 30, 1982, the Developer requested that said Final Public Report be revived and extended. The Commission has agreed to extend same to June 23, 1983. Further, on the basis of additional information forwarded by the Developer reflecting the fact that material changes have been made in the documents and plans for the project, the Commission has issued this Supplementary Public Report.

2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this condominium project and the issuance of this Supplementary Public Report.

3. No advertising and promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.

4. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514A of the Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

5. This Supplementary Public Report amends the Commission's Final Report dated May 24, 1974 and is made a part of the registration of MAUNALOA SHORES. The Developer shall be responsible for placing this Supplementary Public Report (pink paper stock), the Final Public Report (white paper stock), and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

6. This Supplementary Public Report automatically expires June 23, 1983, unless a second Supplementary Public Report is issued, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

Except for the information under the topical headings which follow, the Developer has advised the Commission that information in the Final Public Report dated May 24, 1974, has not been changed.

ZONING: The zoning of the project has been changed to Single-Family Residential (RS-10) with a minimum lot size requirement of 10,000 square feet. This new zoning designation took effect on May 5, 1982. Under the present RS-10 zoning designation, the building and its present use are considered a non-conforming structure and non conforming use.

DEVELOPER: Though the Developer is still Maunaloa Shores, a Hawaii limited partnership, the general partner is now Ahuna Investments, Inc., and the principal place of business and post office address has been changed to the general partner's address: Apartment 1207, 1860 Ala Moana Boulevard, Honolulu, Hawaii 96815; Phone: 955-7718.

ATTORNEY REPRESENTING DEVELOPER: Carlsmith & Dwyer, Suite 1800, 900 Fort Street Mall, Honolulu, Hawaii 96813 (Attention: Charles Edward Pear, Jr. or Joyce Y. Neeley), Telephone No. 524-8000.

USE: By copy of a letter dated June 10, 1982 from Sidney Fuke, director of the Planning Department of Hawaii County, the Developer has advised that: (1) the project was granted a variance to allow construction of an eight story (instead of seven story) building in 1971, (2) that except for said variance, the building met code requirements at that time, and (3) that due to said rezoning from Resort-Hotel to Single Family, the building and use are now considered non conforming.

ENCUMBRANCES AGAINST TITLE: A Preliminary Title Report issued by Title Guaranty of Hawaii, Incorporated, dated June 9, 1982, reflects the following encumberances:

1. Real Property Taxes that are due and owing; reference is made to the Office of the Tax Assessor, Department of Finance, City and County of Honolulu.

2. Morgage dated December 16, 1971, in favor of Zenith Mortgage Company, a California corporation, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 562149 and also recorded in the Bureau of Conveyances in Liber 8010, Page 95; which mortgage, by mesne assignments, was assigned to Secretary of Housing and Urban Development by document dated July 22, 1974 and recorded in the Land Court as Document No. 694180 and recorded in the Bureau in Liber 10105, Page 460.

   By instrument dated July 22, 1974 filed as Document No. 694181, recorded in Liber 10105 at Page 464, First Federal Savings and Loan Association of Philadelphia assigns to Secretary of Housing and Urban Development, all of its rights and interest under the mortgage dated December 16, 1971.

3. Regulatory Agreement for multi-family Housing Projects under Section 221(D) (4) of the National Housing Act, as amended, by and between Ernest Schwrtz, M.D. and Annette Louise Schwartz, husband and wife, General Partners of Maunaloa Shores, a Hawaii Limited Partnership, and the Secretary of Housing and Urban Development, dated December 16, 1971, filed as Document No. 562150, recorded in Liber 8010, Page 102.

4. The covenants, conditions, restrictions and other provisions set forth in Declaration of Horizontal Property Regime dated March 19, 1974, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 676435 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9843 at Page 464, and the By-Laws attached thereto. Said Declaration was amended by instrument dated May 23, 1974, filed as Document No. 682953, recorded in Liber 9924 at Page 416.

PURCHASE MONEY HANDLING: A specimen Condominium Deposit Receipt and Sales Agreement (hereinafter called "Sales Agreement") and the Escrow Agreement have been submitted to the Real Estate Commission as part of the registration. The Escrow Agreement dated July 22, 1982 identifies Title Guaranty Escrow Services, Inc. as the escrow agent. Upon examination, the specimen Sales Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. The provisions of the Sales Agreement and the executed Escrow Agreement should be carefully read by the purchasers. The specimen Sales Agreement filed as a part of the registration recites the conditions under which the purchaser acknowledges receipt of the Public Report.

Among other provisions, the Escrow Agreement provides that the purchaser shall be entitled to a refund of his funds if (a) seller asks Escrow to refund the purchaser's funds or (b) seller notifies Escrow of seller's rescission of the Sales Agreement.

Among other provisions, the specimen Sales Agreement provides that:

(1) The Seller makes no warranties, express or implied, with respect to the apartment, the property, the project, or consumer products installed or contained in any of them, including but not limited to warranties of merchantability, habitability, workmanlike construction or fitness for a particular use. The existence of any defect in the property shall not excuse the purchaser's obligation to perform all of his obligations under the Sales Agreement, it being understood that the property is being sold in its present condition, "as is," without any warranties.

(2) The seller may cancel the Sales Agreement and hold the purchaser in default if any material discrepancies are discovered between the financial information furnished by the purchaser and the purchaser's actual financial status. Seller may also cancel if the purchaser's application or eligibility for a mortgage loan is rejected or not given unqualified approval within thirty (30) days after application. If purchaser proposes to pay the purchase price in cash and seller, in its sole discretion, after reviewing the written evidence submitted to it by purchaser, determines that seller is not satisfied as to purchaser's ability to make such cash payments, then seller may cancel the Sales Agreement. Seller may also cancel the Sales Agreement if the purchaser should die.

(3) If by March 1, 1983, less than thirty-five (35) residential apartments in the project have been sold to qualified purchasers, seller, at its option, may cancel the Sales Agreement upon written notice to purchaser, in which event all sums paid by purchaser under the Sales Agreement shall be refunded to purchaser, without interest, and after deducting the escrow cancellation fee and the items specified in Article IV, Section B.2(b) of the Sales Agreement.

(4) The seller's mortgage loan or loans (interim, renewals and extensions, used for acquiring the land, renovating the

project, and associated costs) shall be and remain at all times a lien or charge on the project, including the individual apartments prior to and superior to any and all other liens or charges on the project, and purchasers intentionally waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest they may have under the Sales Agreement in favor of the lien or charge on the project of the security interest of the lender. The purchasers also consent to the assignment for security of seller's interest in the Sales Agreement and purchasers' escrow deposits to lender. The purchasers also irrevocably appoint the Managing Agent to receive and accept service of process on behalf of the purchasers.

(5) The seller makes no representations with respect to the possiblity or probability of rental or other income from the apartment or other economic benefits to be derived from the rental of the apartment, including but not limited to, any representations to the effect that seller or the Managing Agent of the project or a third party will provide services relating to the rental or sale of the apartment nor representations as to possible advantages from the rental of the apartment under federal or state tax laws. If purchaser wishes to rent the apartment to third persons, purchaser must make his own arrangements. Purchaser further agrees and acknowledges that in the event that the offer to sell and the purchase of the apartment or the activities of purchaser with respect to the apartment are determined to be or alleged to give rise to any violation of any federal or state securities laws or regulations, seller may obtain an injunction against purchaser and seller may in addition pursue any other remedies and purchaser shall pay the seller's costs and attorneys' fees in connection therewith. In the event that the purchaser or anyone claiming by or through him or his apartment alleges that the offer to sell or the purchase of the apartment gives rise to any violation of federal or state disclosure laws or regulations, the purchaser covenants not to sue for any remedy other than to sue for a refund of the purchase price and actual closing costs plus interest at 8% per annum from the date of closing to the date of repayment. This will not limit purchaser's rights under federal securities laws. The purchaser agrees to absorb any additional charges incurred with respect to the apartment as the reasonable use value of the apartment. The terms of this paragraph will survive the closing, occupancy, and delivery of the apartment deed to the purchaser.

(6) The purchaser will pay all closing costs, including but not limited to, the escrow fee, conveyance taxes, all acknowledgment fees, all appraisal fees, all recording costs, charges for purchaser's credit report, costs for drafting of the mortgage and notes, and any assignment thereof, and costs for any title insurance. All applicable mortgage costs shall be paid by purchaser, and purchaser shall pay the nonrefundable start-up fee for commencement of the operations of the project by the Managing Agent and the Association of Apartment Owners. Real property taxes, maintenance costs and other prorations shall be made, and risk of loss shall transfer from seller to purchaser on the scheduled Closing Date as defined in the specimen Sales Agreement. Purchaser shall execute all

documents necessary for closing and deposit with escrow all funds other than proceeds of purchaser's first mortgage loan within ten (10) days after receiving written notice to pre-close. Pre-closing may commence at any time after thirty-five (35) days after the effective date of the Sales Agreement.

(7) Upon the issuance of a separate certificate of title for any apartment sold, the purchaser shall agree and direct that the seller shall take possession of the "Owner's duplicate certificate" as Owner's "attorney duly authorized" (as those terms are used in Section 501-75, HRS) and upon delivery of possession of the apartment to the purchaser, the seller shall deposit such certificates with the Board of Directors through the Managing Agent, who shall keep all Owner's duplicate certificates in a safe place; provided that (a) the seller or the Board of Directors and the Managing Agent shall surrender or make available the Owner's duplicate certificate upon request from the owner thereof for the purpose of having any conveyance or encumbrance noted thereon, on condition that such Owner's duplicate certificate, or any Owner's duplicate certificate issued in the place thereof, shall be redelivered to the seller or the Board of Directors promptly after any necessary processing in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, (b) the seller or the Board of Directors may deliver any Owner's duplicate certificate covering any apartment and appurtenant common interest to any first mortgagee of such apartment and appurtenant common interest which may require that it have possession of the Owner's duplicate certificate, on condition that such mortgagee shall promptly surrender such Owner's duplicate certificate to the seller or the Board of Directors, without further instruction or authorization from the owner, if presentation of such Owner's duplicate certificate shall be required by the seller or the Board of Directors in order to permit amendment to the Condominium Map for the property, the designation of any easement, the filing of any grant of easement, or the filing of any other instrument authorized hereunder, or in the Declaration or By-laws or apartment deed to the owner's apartment, (c) the seller or the Board of Directors, without further authorization from the owner, may (and shall at the request of the seller) present such Owner's duplicate certificate of title to the Office of the Assistant Registrar of the Land Court of the State of Hawaii whenever it may be appropriate to note thereon the filing of an amendment to the Declaration, the By-Laws, or the Condominium Map for the property, or any designation or grant of easement authorized under the Declaration or By-Laws or under the apartment deeds to the owners' apartments, or the filing of any other document incident to the exercise of any reserved right to the seller or under any such document.

It is incumbent upon purchasers and prospective purchasers that they read with care the specimen Sales Agreement and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the condominium apartments are placed in trust, as well as the retention and disbursement of funds.

MANAGEMENT AND OPERATION: The Declaration of Horizontal Property Regime provides that the operation of the project shall be conducted for the Association of Apartment Owners by a responsible Managing Agent. The Developer advises that its general partner, Ahuna Investments, Inc., whose principal place of business and post office address is Apartment 1207, 1860 Ala Moana Boulevard, Honolulu, Hawaii 96815 is the current Managing Agent.

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The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the Notice of Intention submitted on April 22, 1974, and information subsequently filed as of August 16, 1982.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 678 filed with the Commission on April 22, 1974. This Report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimilies must be pink.

G. A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

DISTRIBUTION:

Department of Finance
Bureau of Conveyances
Planning Department
County of Hawaii
Federal Housing Administration
Escrow Agent

Registration No. 678

August 30, 1982

MAUNALOA SHORES

DISCLOSURE ABSTRACT

JULY 30, 1982

1. (a) PROJECT: Maunaloa Shores
1875 Kalanianaole Street
Hilo, Hawaii 96720

(b) DEVELOPER: Maunaloa Shores
Apt. 1207
1860 Ala Moana Blvd.
Honolulu, Hawaii 96815
Telephone: (808) 955-7718

(c) PROJECT MANAGER: Ahuna Investments, Inc.
Apt. 1207
1860 Ala Moana Blvd.
Honolulu, Hawaii 96815
Telephone: (808) 955-7718

2. USE OF APARTMENTS:

All apartments of the project shall be occupied and used as permanent or temporary residences or hotel lodgings. The apartment owners shall have absolute right to rent their apartments, subject to the limitations, restrictions, covenants and conditions contained in the Declaration or in the By-laws. Each apartment owner shall not use his apartment for any purpose which will injure the reputation of the project, or suffer anything to be done or kept in his apartment or elsewhere on the project which will (a) jeopardize the soundness of the building or the premises, (b) interfere with or unreasonably disturb the rights of other owners and occupants, (c) increase the rate of fire insurance on the building or the contents thereof, (d) reduce the value of the premises. The extent of hotel use of this project has not yet been determined and, to a great extent, will depend on the individual apartment owner's use of their apartments.

3. WARRANTIES:

All apartments are being offered for sale by the developer in their present condition, "as is". There are no warranties on the apartments, the common elements, or appliances or other consumer products which are still in force. THE DEVELOPER MAKES NO WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY, THE PROJECT, OR CONSUMER PRODUCTS INSTALLED OR CONTAINED IN ANY OF THEM, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE. Purchasers should note that a certificate of occupancy for the project was issued on or about October 29, 1973, and that the project has been used as a rental building continuously from that time until the present.

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* THE ATTENTION OF THE PURCHASER IS DIRECTED TO ARTICLE IV *
* SECTION D OF THE SALES AGREEMENT (INCORPORATED HEREIN BY *
* THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS *
* AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE *
* PROJECT, ESTIMATED MAINTENANCE FEES AND RENTAL OF THE APART- *
* MENT, AND CONTAINING A COVENANT NOT TO SUE IN CERTAIN CASES. *
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4. BREAKDOWN OF ANNUAL MAINTENANCE FEES AND MONTHLY ESTIMATED COSTS FOR EACH APARTMENT:

The attached breakdown of annual maintenance fees and the estimated cost for each apartment have been prepared by the Managing Agent as of July 28, 1982, and are subject to revision based on actual cost for the items enumerated. The developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be more or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained herein does not include the buyer's obligation for the payment of real property taxes; estimates of the real property taxes will be provided by the developer upon request.

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* NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAIN-*
* TENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE DIFFICULT *
* TO ESTIMATE INITIALLY AND EVEN IF SUCH MAINTENANCE FEES HAVE *
* BEEN ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN*
* AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. MAIN- *
* TENANCE FEES CAN VARY DEPENDING ON SERVICES DESIRED BY APART-*
* MENT OWNERS. PURCHASERS SHOULD CHECK THE MAINTENANCE FEE *
* SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED THEREIN. *
****

	Estimated Monthly Fee
TYPE "A" APARTMENTS	$ 97.00
TYPE "B" APARTMENTS	$130.00

AHUNA INVESTMENTS, INC. does hereby certify that the attached breakdown of annual maintenance fees and monthly estimated costs for each apartment has been based on generally accepted accounting principles.

AHUNA INVESTMENTS, INC.

By _____
Its _____

MAUNALOA SHORES

By Ahuna Investments, Inc.
Its General Partner

By _____
Ernest Schwartz, M.D.
Its President

MAUNA LOA SHORES Hilo, Hawaii
Estimated 12 Month (1 Year) Condominium Operating Budget
For Establishing The Condominium Maintenance Fee

Operating Expenses	Estimated Expense Monthly	Estimated 12 Months Annual
Accounting	75	900
Cablevision (Master Distributed)	468	5,616
Elevator Contract Maintenance	565	6,780
Enterphone (Elevator Security Phone)	125	1,500
Electricity (Master Metered Bldg.)	3,620	43,440
Insurance: Fire/Liability/Assoc.	654	7,848
Legal	40	480
LPG-Gas (Master Metered Bldg.)	1,500	18,000
Maintenance, Repairs & Supplies	1,300	15,600
Management: Resident Mgr & Collection Services for Maintenance Fee	1,400	16,800
Miscellaneous	30	360
RESERVE: For Future Maintenance ($10 per unit per month x 84)	840	10,080
Trash Disposal	160	1,920
Water	400	4,800
	11,177	134,124
LESS: Income From Laundry-Each Floor	700	- 8,400
Estimated: Total Expenses-With Electric	10,477	125,724

For: Mauna Loa Shores
Estimated Monthly Maintenance Fees

Type A	Type B
.0092857 of total	.0124285 of total
97	130