

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer JUAN B. MAMUAD, ETAL.
Address P.O. Box 1595, Kahului, HI 96732

Project Name(*): MAMUAD OHANA
Address: 21 Kealahoa Avenue, Makawao, Maui, Hawaii

Registration No. 3033 (Conversion) Effective date: February 24, 1994
Expiration date: March 24, 1995

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission nor any other government agency. Neither the Commission or any other government agency has judged or approved the merits or value, if any, of the project or of purchasing of an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of any apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

X FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
[X] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with

SUPPLEMENTARY: This report updates information contained in the:
[] Preliminary Public Report dated:
[] Final Public Report dated:
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report

Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

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

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

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

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. 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 or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment 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 an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers or apartments to elect a majority of the Board of Directors, it is likely 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 buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: See Exhibit A Phone: _____
Name (Business)
Business Address

Names of officers or general partners of developers who are corporations or partnerships:

Real Estate Broker: Developers as Owners Phone: _____
Name (Business)
Business Address

Escrow: Island Title Corporation Phone: 242-7688
Name (Business)
23 N. Church Street, Ste. 203
Business Address
Wailuku, HI 96793

General Contractor: N/A Phone: _____
Name (Business)
Business Address

Condominium Managing Agent: Self-managed by Association of Apartment Phone: _____
Name (Business)
Owners
Business Address

Attorney for Developer: Glenn M. Adachi Phone: 526-3880
Name (Business)
841 Bishop St., Ste. 1601
Business Address
Honolulu, HI 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are enforceable in a court of law.

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

The Declaration for this condominium is:

Proposed

Recorded - Bureau of Conveyances: Document No. 93-208404

Book _____ Page _____

Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed

Recorded - Bureau of Conveyances Condo Map No. 1971

Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment 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 which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed

Recorded - Bureau of Conveyances: Document No. 93-208405

Book _____ Page _____

Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, dated and recording/filing information]:

D. **House Rules.** The Board of Directors may adopt 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.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents.**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	75%_____
Bylaws	65%	65%_____
House Rules	---	<u>Bd. of Directors</u>

*The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

To amend the Declaration, By-Laws and Condominium Map at anytime prior to recording of the sale of a unit.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date: _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor; often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 21 Kealahoa Avenue Tax Map Key: (3) 2-4-18: 7
Makawao, Maui, Hawaii (TMK)

Address TMK is expected to change because _____

Land Area: 54,622 [X] square feet acre(s) Zoning: R-3

Lessor

(Fee Owner): See Exhibit A

Name _____

Address _____

Sublessor:

Name _____

Address _____

C. Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s) Both New Building(s) and Conversion

2. Number of Buildings: 6 Floors Per Building 1 & 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Glass, corrugated metal roofing

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>5</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Other: <u>Shed</u>	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

Pets: No livestock or poultry permitted, except for such animals customarily kept as pets.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: None Trash Chutes: None

Apt.No.		Net		
Type	Quantity	BR/Bath	Living Area (sf)*	Lanai/Patio (sf)
4-A	1	5/2	2,012.82	_____
4-B	1	4/2	978.44	80
4-C	1	3/2	2,135.60	_____
4-D	1	2/1½	643.71	_____
4-E	1	0	9.0	_____
4-F	1	4/3	2,198.83	_____

Total Apartments: 6

***Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

Other documents and maps may give floor area figures which differ from the those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

1. All perimeter walls, floors, foundations and roofs of each building.
2. All pipes, wires, conduits, or other utility and service lines in such building, or outside such building, if the same are not utilized for or serve more than one apartment.
3. The garage and carports which are part of the respective apartment.

Permitted Alterations to Apartments:

Apartment owner may renovate, remodel, make additions to, remove or restore unit.

11. Conformance to Present Zoning Code See Letter from the County of Maui (Exhibit C)

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	_____	_____
Structures	<u> X </u>	_____	_____
Lot	<u> X </u>	_____	_____

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit D .

as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit _____.

as follows:

The areas beneath and immediately adjacent to the dwelling as shown on the condominium map. Areas referenced herein are not legally subdivided lots.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment'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 apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit _____.

as follows:

<u>Apt. No.</u>	<u>Common Interest</u>
4-A	16.66%
4-B	16.67%
4-C	16.67%
4-D	16.67%
4-E	16.67%
4-F	16.67%

E. 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 an apartment in the project.

Exhibit E describes the encumbrances against the title contained in the title report dated September 29, 1993 and issued by Island Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	A buyer may have to sue Developer for breach of contract and for return of any deposits paid.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

There are no warranties on any of the apartments.

2. Appliances:

There are no warranties for any of the appliances.

G. Status of Construction and Estimated Completion Date:

Units 4A and 4D were originally built in the 1930's and subsequently relocated onto the property.

Unit 4B was built in the 1980's.

Unit 4C was built in 1987 and was remodeled in 1992.

Unit 4E is a dog house built in 1993.

Unit 4F was built in 1980.

H. Project Phases:

The developer [] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment 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.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- | | |
|---|--|
| <input type="checkbox"/> not affiliated with the Developer | <input type="checkbox"/> the Developer or the Developer's affiliate. |
| <input checked="" type="checkbox"/> self-managed by the Association of Apartment Owners | <input type="checkbox"/> other _____ |

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and 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 F contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- | | | | |
|---|---|--------------------------------------|---|
| <input type="checkbox"/> None | <input type="checkbox"/> Electricity | <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Water |
| <input checked="" type="checkbox"/> Sewer | <input type="checkbox"/> Television Cable | <input type="checkbox"/> Other _____ | |

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit _____ contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated October 7, 1993
Exhibit G contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;
AND
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map
- F) Escrow Agreement
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3033 filed with the Real Estate Commission on Jan. 5, 1994.

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C. Additional Information Not Covered Above

D. 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 buyers 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.

JUAN B. MAMUAD, ETAL.
Name of Developer

By: Juan B. Mamuad Sr. 2-17-94
Duly Authorized Signatory Date

Juan Mamuad Sr. OWNER
print name & title of person signing above

Distribution:

- Department of Finance, County of Maui
- Planning Department, County of Maui
- Federal Housing Administration

EXHIBIT A

DEVELOPERS AND OWNERS

JUAN B. MAMUAD (also known as Juan Mamuad, Sr.), single
21 Kealaloe Avenue
Makawao, HI 96768

NELITA M. BONILLA, wife of Claudio Bonilla
21 Kealaloe Avenue
Makawao, HI 96768

JUAN MAMUAD, JR., husband of Clarita B. Mamuad
951 Kanakea Loop
Lahaina, HI 96761

ROLANDO S. MAMUAD, husband of Magdalena B. Mamuad
861 Kuialua Place
Lahaina, HI 96761

SHEILA ANN GERARD, wife of Calvin Gerard
2126D Vineyard Street
Wailuku, HI 96761

Each as to an undivided one-fifth (1/5th) interest as Tenants
in Common.

EXHIBIT B

ARCHITECT 'S VISUAL INSPECTION REPORT

October 4, 1993 (revised)

November 13, 1992

Abe Lee Development
2752 Woodlawn Drive
Unit #5-205
Honolulu, Hawaii 96822

Project: Mamuad Ohana
21 Kealaloa Avenue
Makawao, Maui, Hawaii

As per your instructions, a visual inspection was made on subject property on November 2, 1992.

The purpose of the visitation was to visually examine and comment on the present condition of the dwellings. Inspection was conducted by Juan Mamuad (owner), Sheila Gerrard (owner's daughter), Peter Haines and myself. In addition to visual observations, information was derived from verbal communication and various blueprints of existing dwellings as provided by the Mamuads. The lot size is approximately 1.254 acres and slopes upward towards the rear boundary. The property contains 5 separate dwelling units and is accessible via a gravel road. Lot 4-E was shown on Civil Drawings dated December 12, 1992 by Ergardo V. Velera #5076. Each dwelling has individual cesspools servicing the unit.

The following describes my assessment of the overall condition of the dwelling units:

UNIT 4-A

1. Visually, the dwelling has: raised foundation; vinyl lap siding on 1X6 T&G siding; Hardwood flooring, wooden trusses with canec ceiling and corrugated metal roofing.
2. According to the owner, the dwelling was originally located on a plantation and has since been relocated to the present site. A dining area, kitchen, and laundry room were added in 1974.
3. We visually noted dry rot and termite damage in various location's thruout the house. Although termite damage has affected several structural beams and post, the dwelling does not appear to be in immediate danger.
4. According to the owner, existing lights and outlets are in fair working order. Although the fixtures are in fair condition, it would appear that the units will be in need of replacement in a few years. Existing bathrooms and kitchen do not contain GFI outlets. Battery operated smoke detectors were visually seen in the hallway and kitchen. It is our assumption that the existing wiring in the dwelling is original and should be checked for safety by a licensed Electrician and/or Electrical Engineer.
5. The existing plumbing fixtures are in good working order. However, visually the units appear to be old and in probable need of replacement in a few years.

6. Existing windows in bedroom #2 and kitchen /dining area (facing garage) is non-conforming and should be closed up. In addition, walls separating bedroom and garage and wall separating kitchen and garage need to maintain a one hour fire rating. Existing kitchen door needs to be replaced with a 3/4" thk solid core door with self closer.
7. We did not visually see a smoke detector.

Generally, the overall condition of the dwelling is in fair shape considering the age of the structure. We estimate the life expectancy to be approximately 5 to 10 years.

UNIT 4-B

1. Visually, the dwelling has: slab on grade foundation; double wall construction with T-111 exterior siding and gypsum board; wooden trusses and corrugated metal roofing.
2. According to the owner, the dwelling was constructed in the 80's . All electrical and plumbing fixtures are in good condition. We visually noted that the kitchen and bathroom outlets were not equipped with GFI.
3. Interior stairs did not contain a handrail.
4. Termite damage was noted in Bedroom # 2 window sill. Due to interior and exterior siding, extent of damage is unknown.
5. In upper hallway next to the bathroom, we noted gyp board ceiling, gyp board walls, and carpet has been saturated by rain water due to leak in roof.
6. We did not visually see a smoke detector.

Generally, the overall condition of the dwelling is in good condition. If scheduled termite tenting and ground treatment and leaking roof is repaired, we estimate the life expectancy to be approximately 20 to 30 years.

UNIT 4-D

1. Visually, the dwelling has: raised foundation, single wall construction, trusses and corrugated metal roofing.
2. According to the owner, the dwelling was originally located on a plantation and has since been relocated to the present site. A carport with storage was added to the existing dwelling.
3. We noted extensive termite and dry rot damage throughout the existing dwelling.
4. According to the owner, existing lights and outlets are in fair to poor working order. Although the fixtures work, we feel that they are in need of replacement soon. Existing bathroom and kitchen outlets are not outfitted with GFI. Existing plumbing fixtures are in fair condition. Existing shower stall has deteriorated and has exposed concrete showing. It is our assumption that the existing wiring in the dwelling is original and should be checked for safety by a licensed Electrician and/or Electrical Engineer.
5. We did not visually see a smoke detector.
6. Existing windows in Bedroom #1 and #2 are opening to a newly constructed garage.

In addition, wall separating bedroom walls and garage needs to maintain a one hour fire rating and door needs to be minimum 3/4" thk. solid core door with self closer. No blueprints were available for newly constructed garage.

Generally, the overall condition of the dwelling is in poor shape and the estimated life expectancy is less than five years.

UNIT 4-C

1. Visually the original dwelling has: single story; slab on grade foundation; cmu walls, trusses and corrugated metal roofing. The new addition that was recently completed (towards street) is two stories with slab on grade foundation, stud wall, T-111 siding, trusses and corrugated metal roofing.
2. According to the owner, the existing electrical and plumbing fixtures are in good working order. Battery operated smoke detector was noted in hallway at original dwelling but not in new addition.
3. No handrail was provided in new stairway.
4. Blueprints provided by homeowners' for new addition does not match what was constructed.
 - a. Dimensions of deck on blueprints indicate a size of 23' X 6'. Actual dimensions are 24' X 25'. In addition, an open carport has been constructed below deck.
 - b. Interior wall separating t.v. room and master bedroom has been eliminated and combined as one large master bedroom.
 - c. New bath room has been eliminated.
 - d. Exterior stair has been eliminated.

UNIT 4-E

1. At time of visitation, structure has not been completed yet. According to plans provided, structure will be used for a dog house. Structure is 3'X3'X3' and is built on cmu blocks. Exterior walls are constructed of T-111, roof and floor sheathing is plywood, and asphalt shingle roofing.

UNIT 4-F

1. Visually, the dwelling is two stories with attached one story carport and sewing room. Dwelling was constructed in 1980. Existing lanai was enclosed to create a new sewing room. Two story portion has: slab on grade foundation; lower 8" cmu walls with double wall construction above; vinyl lap siding; truss framing and corrugated metal roofing. Interior walls are 1 X 8 T&G redwood siding. Attached one story dwelling contains double wall construction, rafters and corrugated metal roofing.
2. According to the owner, plumbing and electrical fixtures are all in good working order.
3. Blueprints as provided by the owners' did not match what was constructed.

- a. New sewing room has been constructed to include a full kitchen with all three appliances and has a dividing interior wall. Existing laundry room has been converted to a full bath.
- b. Lower family room has a full kitchen with all three appliances and cabinets.
- c. Interior stairwell has been removed and opening patched closed.

Conclusion: Date of construction for the dwellings is estimated to vary between the 30's and 90's. Generally, each dwelling appears to be in a condition that coincides with the age of the structure. Traditionally, asbestos and lead paint has been found in structures constructed during those early times. An investigation should be conducted to verify whether hazardous materials does or does not exist within the dwellings.



A handwritten signature in cursive script that reads "Steven M. Higashiya".

Steven M. Higashiya
Licensed Professional Architect
Hawaii Reg. No. 7689

LINDA CROCKETT LINGLE

Mayor

GEORGE N. KAYA
Director

CHARLES JENCKS
Deputy Director



COUNTY OF MAUI

DEPARTMENT OF PUBLIC WORKS

LAND USE AND CODES ADMINISTRATION

250 SOUTH HIGH STREET

WAILUKU, MAUI, HAWAII 96793

AARON SHINMOTO, P.E.
Land Use and Codes Administration

EASSIE MILLER, P.E.
Wastewater Reclamation Division

RALPH NAGAMINE, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Solid Waste Division

MELVIN HIPOLITO
Highways Division

August 16, 1993

The Mamuad Ohana
21 Kealalooa Avenue
Makawao, Maui, Hawaii 96768

Subject: 21, 21A, 21B, 21C, 21D Kealalooa Avenue
T.M.K. (2) 2-4-018:007

Dear Mrs. Gerrard,

On June 7, 1993 inspections were conducted at 21 Kealalooa Avenue, Makawao, Maui, Hawaii. To the best of my knowledge the above property was found to be in compliance with all Building and Zoning Codes of the County of Maui. All outstanding violations were found to be corrected and there are no variances at 21 Kealalooa Avenue, Makawao in effect at this time.

If you have any questions, please contact Wendel Tavares at 243-7375.

Very truly yours,

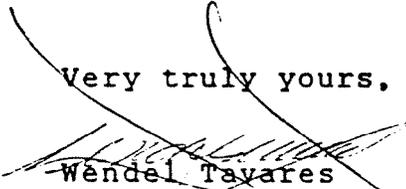

Wendel Tavares
Building/Planning Inspector

EXHIBIT C



LINDA CROCKETT LINGLE
Mayor

GEORGE N. KAYA
Director

CHARLES JENCKS
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS

LAND USE AND CODES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

AARON SHIMOMOTO, P.E.
Land Use and Codes Administration
EASSIE MILLER, P.E.
Wastewater Reclamation Division
RALPH NAGAMINE, P.E.
Engineering Division
BRIAN HASHIRO, P.E.
Solid Waste Division
MELVIN HIPOLITO
Highways Division

August 16, 1993

The Mamuad Ohana
21 Kealalooa Avenue
Makawao, Maui, Hawaii 96768

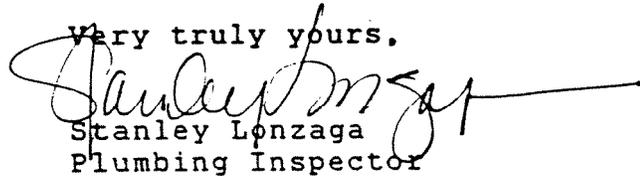
Subject: 21, 21A, 21B, 21C, 21D Kealalooa Avenue
T.M.K. (2) 2-4-018:007

Dear Mrs. Gerrard,

On June 7, 1993 inspections were conducted at 21 Kealalooa Avenue, Makawao, Maui, Hawaii. To the best of my knowledge the above property was found to be in compliance with all Plumbing Codes of the County of Maui. All outstanding violations were found to be corrected at 21 Kealalooa Avenue, Makawao at this time.

If you have any questions, please contact Stanley Lonzaga at 243-7371.

Very truly yours,



Stanley Lonzaga
Plumbing Inspector



LINDA CROCKETT LINGLE
Mayor

GEORGE N. KAYA
Director

CHARLES JENCKS
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS

LAND USE AND CODES ADMINISTRATION

250 SOUTH HIGH STREET

WAILUKU, MAUI, HAWAII 96793

AARON SHINMOTO, P.E.
Land Use and Codes Administration

EASSIE MILLER, P.E.
Wastewater Reclamation Division

RALPH NAGAMINE, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Solid Waste Division

MELVIN H. POLITO
Highways Division

August 16, 1993

The Mamuad Ohana
21 Kealalao Avenue
Makawao, Maui, Hawaii 96768

Subject: 21, 21A, 21B, 21C, 21D Kealalao Avenue
T.M.K. (2) 2-4-018:007

Dear Mrs. Gerrard,

On June 7, 1993 inspections were conducted at 21 Kealalao Avenue, Makawao, Maui, Hawaii. To the best of my knowledge the above property was found to be in compliance with all Electrical Codes of the County of Maui. All outstanding violations were found to be corrected at 21 Kealalao Avenue, Makawao at this time.

If you have any questions, please contact Angus Peters at 243-7371.

Very truly yours,

Angus Peters
Electrical Inspector



EXHIBIT D

DESCRIPTION OF COMMON ELEMENTS

1. The land in fee simple as described in the Declaration of Condominium Property Regime.

2. All ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which serve the apartments for services such as power, light, water, gas, refuse, telephone, radio, and television signal distribution.

3. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use.

EXHIBIT E

LIST OF ENCUMBRANCES

1. Reservation in favor of the State of Hawaii of all minerals and metallic mines.
2. The Plan for Subdivision, Use and Disposition of said property and improvements thereon contained in Deed dated April 7, 1987, recorded in said Bureau of Conveyances in Book 20547, Page 400.
3. Mortgage dated February 20, 1987, in favor of Associates Financial Services Company of Hawaii, Inc., a Hawaii corporation, recorded in said Bureau of Conveyances in Book 20404, Page 217.
4. Mortgage dated February 27, 1987, in favor of Associates Financial Services Company of Hawaii, Inc., a Hawaii corporation, recorded in said Bureau of Conveyances in Book 20430, Page 668.
5. Condominium Map No. 1971 filed in the Bureau of Conveyances, State of Hawaii.
6. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Condominium Property Regime dated December 3, 1993, recorded as Document No. 93-208404.
7. By-Laws of the Association of Apartment Owners of MAMUAD OHANA dated December 3, 1993, and recorded as Document No. 93-208405.
8. Real property taxes due and payable. For more information contact County of Maui, Department of Finance, Real Property Tax Assessment.

EXHIBIT F

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>		
4 A	\$50.33	x 12	= \$ 604
4 B	\$50.33	x 12	= \$ 604
4 C	\$50.33	x 12	= \$ 604
4 D	\$50.33	x 12	= \$ 604
4 E	\$50.33	x 12	= \$ 604
4 F	\$50.33	x 12	= \$ 604

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

Estimate of Maintenance Fee Disbursements:

Monthly 2 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

[] common elements only

[] common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

\$200 x 12

\$2,400

Maintenance, Repairs and Supplies

Building

Grounds / Driveway

\$30 x 12

\$ 360

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

\$42 x 12

\$ 504

Reserves

\$30 x 12

\$ 360

Taxes and Government Assessments

Audit Fees

Other

TOTAL

\$302 x 12

\$3,624

I/We, Juan B. Mamuad, Sr. (Owner/Developer), as
managing agents for the 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.

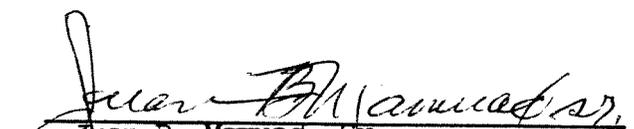

Juan B. Mamuad, Sr.
Date: 2-17-94

EXHIBIT G

SUMMARY OF ESCROW AGREEMENT

The escrow agreement sets up an arrangement under which the deposits a buyer makes under a sales contract will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

- (a) Escrow will collect payments due pursuant to the sales contract.
- (b) Escrow will deposit all monies received pursuant to the sales contract in a special account with a financial institution.
- (c) Escrow will let buyers know when payments are due.
- (d) Escrow will not disburse funds until it is notified by seller that a final public report has been issued and a copy has been given to the buyer.
- (e) A buyer's funds will be refunded without interest, less a cancellation fee if buyer cancels the sales contract and either the seller requests that buyer's funds be returned prior to issuance of the final public report, or buyer's funds were obtained prior to issuance of the final public report and buyer decides to cancel their reservation prior to receipt of the final public report.
- (f) The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.
- (g) Escrow will arrange for and supervise the signing of all necessary documents.
- (h) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

The escrow agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT H

DISCLOSURE ABSTRACT

1. a. PROJECT: MAMUAD OHANA
21 Kealaloa Avenue
Makawao, Maui, HI
- b. DEVELOPER: Juan B. Mamuad, etal.
21 Kealaloa Avenue
Makawao, Maui, HI 96768
- c. MANAGING AGENT: None. Project will be self-managed.

2. Estimated Maintenance Fee Assessments and Disbursements

Maintenance Fees: The routine maintenance and repair of each apartment unit, including all utility charges, is the sole responsibility of each owner. The breakdown of annual maintenance fees and monthly estimate for each apartment has been based on generally accepted accounting principles and is attached as Exhibit F.

Individual Insurance: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the Project's improvements. It is contemplated that each apartment owner will purchase and maintain his own homeowner's insurance policy which will include fire and liability coverage, and name the Association as an additional insured. As such, the premiums on said policies will be the individual responsibility of each apartment owner rather than a common expense of the Association. The premiums for said fire insurance will vary depending upon the insurance company and the coverage. Developer's best estimate regarding the cost of said coverage is approximately \$500.00 to \$2,000.00 per year per unit. If it is necessary for the Association to have its own public liability coverage (which could occur), this will become a common expense of the Association shared by the apartment owners.

3. Description of All Warranties Covering the Apartments and Common Elements.

NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO ANY APARTMENTS.

4. Use of Apartments. The MAMUAD OHANA condominium project will consist of six (6) apartments which will be used for residential purposes by the owners, their tenants, servants, guests and invitees and for no other purpose.

5. Structural Components and Mechanical and Electrical Installations.

Based on a visual inspection report prepared by a licensed architect (a copy of said report is attached as Exhibit B to this public report), it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the apartments appear to be sound and in satisfactory working condition. However, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF ANY OF THE APARTMENTS.

6. Code Violations. To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or municipal regulations of the County of Maui.

7. No Sale of Apartments. The developers and owners do not intend to offer for sale to the public any of the apartments at this time.

DATE: 2-17-84

JUAN B. MAMUAD, ETAL.

By Juan B. Mamuad, et al.