CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Joseph M. Fagundes, III
Address 77-6399 Nalani Street, Suite 3A, Kailua-Kona, HI 96740

Project Name(*): KEAUHOU MAUKA ESTATES
Address: 78-6853 Mamalahoa Hwy., Holualoa, Hi 96725

Registration No. 3459 (Conversion)

Effective date: January 28, 1998
Expiration date: February 28, 1999

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 or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing 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 an 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**: **(yellow)** The developer may not as yet have created a 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.

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

X **SUPPLEMENTARY**: **(pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[x] Final Public Report dated: January 12, 1996
[ ] Supplementary Public Report dated: _____

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

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Report

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.

[X] Changes made are as follows: Changes have been made in the size and configuration of Common Area "C" and the Limited Common Areas appurtenant to Apartments "A" and "B". The new configurations are set forth in Exhibit "C" attached hereto and may be summarized as follows:

	As described in the January 12, 1996 Public Report	As changed by amendment to the Declaration of Condominium Property Regime
Limited Common Area "A"	3.652 acres of land appurtenant to Apartment "A", and the approximately 20 foot wide strip of land containing the 14 foot wide driveway that provides access to Apartment "A".	3.652 acres of land, including a driveway appurtenant to Apartment "A"
Limited Common Area "B"	2.125 acres appurtenant to Apartment "B".	2.084 acres appurtenant to Apartment "B".
Common Area "C"	No description was provided in Exhibit "C".	The Common Area identified as Common Area 'C' on the Amended Condominium File Plan is the driveway entrance for the project and it is approximately 1768 square feet.

The foregoing changes have also been made in the Condominium File Plan and in Exhibit "B" to the Declaration of Condominium Property Regime by amendment to the declaration.

Paragraph 5 on Page 11 of the Public Report and the Bylaws have been amended to provide that there may be no pigs or commercial chicken farming on the project.

SPECIAL ATTENTION

This is a Condominium Project, **not** a subdivision. The land area beneath and immediately appurtenant to each unit is designated as a LIMITED COMMON AREA and is NOT a legally subdivided lot. The doted 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 governmental 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

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

[x] Recorded - Bureau of Conveyances: Document No. 95-129614
Book _____ Page _____

[ ] Filed - Land Court: Document No. _____

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

First Amendment to Declaration of Condominium Property Regime of Keauhou Mauka Estates, dated October 31, 1997, recorded as Document No. 97-165827, in the Bureau of Conveyances of the State of Hawaii.

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

The Condominium Map for this condominium project is:

[ ] Proposed

[x] Recorded - Bureau of Conveyances Condo Map No. 2284

[ ] Filed - Land Count Condo Map No._____

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

Amended File Plan is attached as Exhibit "A" to the First Amendment to Declaration of Condominium Property Regime of Keauhou Mauka Estates, which was recorded as Document No. 97-165827, as noted above.

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 conduced, 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

[x] Recorded - Bureau of Conveyances: Document No. 95-129615
Book _____ Page _____

[ ] Filed - Land Court: Document No. _____

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

First Amendment to the Bylaws of Keauhou Mauka Estates, dated October 31, 1997, and recorded as Document No. 97-165828, in the Bureau of Conveyances of the State of Hawaii.

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:

[X] Pets: As provided in the bylaws, with no pigs or commercial chicken farming

[ ] Number of Occupants: _____

[x] Other: Except for vehicles belonging to guests, the owners/tenants of the apartments shall keep or park no more than two motor vehicles on the property at any one time. They shall not keep or allow any junked or abandoned vehicle or vessel on the property. The property shall not be used as a location for the repair of any vehicle or vessel if such repair includes painting other than minor touch-up, or the removal and rebuilding of any of a vehicle's or vessel's major parts other than as may be related to minor tune-ups and adjustments. If a vessel is kept on the property it shall be kept in the carport. The property shall not be used for the outdoor cleaning of any large fish or the slaughtering or outdoor cooking of any whole animals.

[ ] There are no special use restrictions.

6. **Interior (fill in appropriate numbers)**

Elevators: 0 **Stairways: 0** **Trash Chutes : 0**

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	1	3/3	1700	400
B	1	1/1	400	56

Total Apartments 2

***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 those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

Each apartment includes, but is not limited to, the exterior finished surfaces of all walls, the doors and door frames, windows and window frames along the perimeters, the air space within the perimeter, and all fixtures originally installed in the apartment. The apartments include the interior load-bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floor and ceilings surrounding each apartment and any pipes, shafts, wires, conduits or other utility or service lines running through or servicing only that apartment. which are utilized for or serve more than one apartment. An apartment does not include any pipes, shafts, wires, conduits or other utility or service lines running through or servicing an apartment. which are utilized for or serve more than one apartment.

Permitted Alterations to Apartments:

Alterations or additions within an apartment may be made with prior written notice to the Board of Directors, as long as the structural integrity and soundness of the apartment is not adversely affected. A copy of the owner's plans and appropriate building permits and an estimate of time of construction shall be submitted with the written notice. No exterior alterations other than those reasonably required for maintenance and upkeep may be made without the prior written approval of the Board of Directors that changes if such alterations will change the overall uniform appearance of the Project.

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. (None)
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 First Amendment to Declaration of Condominium Property Regime of KEAUHOU MAUKA ESTATES dated October 31, 1997, and recorded with the Bureau of Conveyances of the State of Hawaii on November 26, 1997, as Document 97-165827, and First Amendment to The Bylaws of KEAUHOU MAUKA ESTATES, dated October 31, 1997 and recorded with the Bureau of Conveyances of the State of Hawaii on November 26, 1997, as Document 97-165828, and the Amended Condominium File Plan fled with the First Amended Declaration of Condominium Property Regime of KEAUHOU MAUKA ESTATES.

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 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. 3459 filed with the Real Estate Commission on 11/30/95.

Reproduction of Report. When reproduced, this report must be on:

[ ] yellow paper stock [ ] white paper stock [X] pink paper stock

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.

Joseph M. Fagundes, III
Name of Developer

By: _____ 12-12-97
Duly Authorized Signatory **Date**

Joseph M. Fagundes, III, Developer
print name & title of person signing above

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii
Federal Housing Administration

EXHIBIT "C"
DESCRIPTION OF COMMON ELEMENTS

"All of the property is Fee Simple.

In the various documents relating to this project, the term "Common Element" means the same thing as the term "Common Area", and the term "Limited Common Element" means the same thing as "Limited Common Area"

Common Elements are those portions of the condominium project other than the individual apartments. Common Elements are owned jointly by all apartment owners. Those portions of the Common Elements that are available for use by all of the apartment owners are often called Common Area. The owners of each apartment own an undivided one-half (1/2) interest (undivided 50% interest) in all of the Common Elements for all purposes, including voting. This means that the ownership **does not** depend on the size of an apartment or the use to which an apartment is put. *Common Element "C" shown on the Condominium File Plan is the only portion of the property that is available for use by all of the apartment owners. It provides access to the entrance driveways for both apartments.*

Limited Common Elements are those portions of the Common Elements which are reserved for the exclusive use of the owners of certain apartments. They are often referred to as Limited Common Area

Limited Common Elements for Apartment "A". The Limited Common Elements for Apartment A are the approximately 3.652 acres of land, including a driveway appurtenant to Apartment "A" as shown on the Amended Condominium File Plan for KEAUHOU MAUKA ESTATES. The land appurtenant to Apartment "A" is indicated by a dashed line on the Condominium File Plan. The dashed line, metes and bounds, courses and distances, and statement of a land area on Condominium File Plan **do not** indicate that the land has been subdivided. They only define the Limited Common Area for Apartment "A".

Limited Common Elements for Apartment "B". The Limited Common Elements for Apartment "B" are the approximately 2.084 acres appurtenant to Apartment "B". The dashed line, metes and bounds, courses and distances, and statement of a land area on the Condominium File Plan **do not** indicate that the land has been subdivided. They only define the Limited Common Area for Apartment "B".

Common Area Driveway Entrance. The Common Area identified as Common Area "C" on the Amended Condominium File Plan is the driveway entrance for the project and it is approximately 1768 square feet.

Each apartment has an equal undivided one-half (1/2) undivided interest (50%) in all of the common elements for all purposes, including voting."

EXHIBIT "D"

ENCUMBERANCES AGAINSTS TITLE

1. TAXES Tax map Key HAWAII 7-8-006-029

HAWAII 1995-1996 TAX ROLL

	95 VALUE	EXEMPTION	NET
BLDG	131,800	40,000	91,800
LAND	165,600	0	165,600
TOTAL	297,400		257,400

Taxes for the Fiscal Year 1995-1996 are a lien; payable as follows:

1st Installment:	$572.72	DELINQUENT
2nd Installment:	$575.72	DUE FEBRUARY 20, 1996

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

3. MORTGAGE

Mortgagor:	Joseph M. Fagundes, III and Dana L. Ross Fagundes, husband and wife
Mortgagee:	Melvin K. Alika, unmarried
Dated:	February 21, 1992
Document No.	92-028680
To Secure:	$125,000.00 and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to

4. SECOND MORTGAGE

Mortgagor:	Joseph Fagundes, III, and Dana L. Ross Fagundes, husband and wife
Mortgagee:	Robert E. Stevens, as Trustee under Trust Agreement dated June 26, 1985
Dated:	_____1992
Document No.	92-071676
To Secure:	$50,000.00 and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to

5. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor:	Joseph Fagundes, III and Dana L. Ross Fagundes, husband and wife
Borrower:	Joseph Fagundes, III, Attorney at Law, a Law corporation
Mortgagee:	Central Pacific Bank, a Hawaii corporation

Dated:	August 4, 1992
Document No.	92-130888
To Secure:	$40,000.00 and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to

6. The terms and provisions of that certain Agreement dated November 5, 1993, made by and between Joseph Fagundes III and Dana Ross "Owner", and Planning Department of the County of Hawaii, "County", recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 94-020472. Re: Improvements for a single family dwelling.

7. STATE TAX LIEN

Taxpayer:	Joe Fagundes III & Dana Ross
Dated:	March 21, 1994
Document No.	94-053495
Amount:	$11,090.20 against Joe Fagundes III and Dana Ross

8. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "KEAUHOU MAUKA ESTATES"

Dated:	September 1, 1995
Document No.	95-129614

Condominium Map No. 2284, to which reference is hereby made.

The foregoing Declaration was amended by the following:

FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KEAUHOU MAUKA ESTATES

Dated : October 31, 1997

Document No. : 97-165827

End Exhibit "D"

9. BY-LAW8 OF THE ASSOCIATION OF APARTMENT OWNERS OF "KEAUHOU MAUKA ESTATES"

Dated: September 1, 1995
Document No. 95-129615

The foregoing By-laws was amended by the following:

FIRST AMENDMENT TO THE BYLAWS OF KEAUHOU MAUKA ESTATES

Dated : October 31, 1997

Document No. : 97-165828

End Exhibit "D"