

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer CASEY ZENI TAMASHIRO and DENISE PUALANI TING TAMASHIRO
Address 688 S. Alu Road, Wailuku, Maui, Hawaii 96793
ProjectName(*): MILLYARD PROFESSIONAL SUITES
Address: 1728 Witi Pa Loop, Wailuku, Maui, Hawaii 96793

Registration No. 3764

Effective date: July 1, 1998
Expiration date: August 1, 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 the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
CONTINGENT FINAL: (green) The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
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

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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:

- 1) Number of units were reduced from 3 to 2 units.
- 2) Developers are now the fee owners of the underlying land.

SPECIAL ATTENTION

This Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5, HRS . The Real Estate Commission issued this report before the developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales contract executed pursuant to this report **are binding on the buyer under those conditions specified immediately below** and in Part V. B. of this report found on pages 18 &19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed.

STATUTORY NOTICE

"The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of a performance bond issued by a surety licensed in the State of not less than one hundred percent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public Report, then:

- (1) The Developer will notify the Purchaser thereof by certified mail; and
 - (2) Either the Developer or the Purchaser shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchaser to secure a financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment."
- (§514A-64.5, HRS)

The developer is not required to submit but has for this registration submitted the following documents and information :

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 of 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: CASEY ZENI TAMASHIRO and DENISE PUALANI TING TAMASHIRO Phone: (808) 244-6000
Name (Business)
1728 Wili Pa Loop, Suite 100
Business Address
Wailuku, Hawaii 96793

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

N/A

Real Estate Broker: Hironaka Enterprises, Inc. Phone: (808) 875-0788
Name (Business)
3490 Hookipa Place
Business Address
Kihei, Hawaii 96753

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 244-7924
Name (Business)
2103 Wells Street, Suite C
Business Address
Wailuku, Hawaii 96793

General Contractor: Maui Master Builders, Inc. Phone: (808) 242-8180
Name (Business)
72 Tings Drive BC-1684
Business Address
Wailuku, Hawaii 96793

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

Business Address

Attorney for Developer: Lawrence N. C. Ing, Esq. Ing, Horikawa & Kuwada Phone: (808) 242-4555
Name (Business)
2145 Wells Street, Suite 204
Business Address
Wailuku, Hawaii 96793-2222

**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. 98-060579
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, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed

Recorded -Bureau of Conveyances Condo Map No. 2723

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. 98-060580
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]: N/A

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%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>51%</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:

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 Sub-leasehold: 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(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Sub-leaseholds:

- 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 Sub-leasehold:

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: 1728 Wili Pa Loop Tax Map Key (TMK): (2) 3-4-20-67
Wailuku, Maui, Hawaii 96793

Address TMK is expected to change because _____

Land Area: 12,110 square feet acre(s) Zoning: Industrial (M-1)

Fee Owner: Casey Zeni Tamashiro and
Denise Pualani Ting Tamashiro

Name
688 S. Alu Road

Address
Waiituku, Hawaii 96793

Lessor:

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: 1 Floors Per Building 2
- Exhibit _____ contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
- Other _____

4. Uses Permitted by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Permitted</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input type="checkbox"/> Residential	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>2</u>	<input checked="" 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 type="checkbox"/> Other: _____	___	<input 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: None as commercial project.
- Number of Occupants: Use for office purposes and not for living accommodations. Protective Covenants of The
- Other: Millyard Subdivision. No unit owner shall offer, sell or transfer any time-sharing interest in any unit in the Project.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
<u>100</u>	<u>1</u>	<u> </u>	<u>2,418.08</u>	<u> </u>	<u> </u>
<u>200</u>	<u>1</u>	<u> </u>	<u>2,814.21</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Total Number of Apartments: 2 unimproved loft spaces

***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:

See Exhibit "A".

Permitted Alterations to Apartments:

The owner of each apartment may make any alterations or additions within the apartment.

11. Conformance to Present Zoning Code

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>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </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 "B" .

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 parking stalls set aside and reserved for the exclusive use of the particular apartment as shown on the Condominium Map are as follows:

Unit 100: Parking Stalls Nos. 10, 11, 12, 13, 14, 15, 16, 17 & 18

Unit 200: Parking Stalls Nos. 1, 2, 3, 4, 5, 6, 7, 8 & 9

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>Unit</u>	<u>Percentage in Common Elements</u>
100	50%
200	50%

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 "C" describes the encumbrances against the title contained in the title report dated June 29, 1998 and issued by Title Guaranty of Hawaii, Inc.

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 dated October 28, 1997, between Bank of Hawaii, a Hawaii corporation, as Mortgagee, and Casey Zeni Tamashiro and Denise Pualani Ting Tamashiro, husband and wife, as Mortgagor, recorded as Document No. 97-158799.	Present mortgage lien will be released prior to conveyance of first apartment to Buyer If said mortgage lien be foreclosed prior to conveyance to Buyer, all of Buyer's deposits will be refunded immediately by escrow.

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: None

2. Appliances: None

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

The Affidavit of Publication of the Owners Notice of Completion of Contract was filed with the Second Circuit Court on April 21, 1998.

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:

- not affiliated with the Developer the Developer or the Developer's affiliate.
 self-managed by the Association of Apartment Owners 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, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit "D" 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:

- None Electricity (Common Elements only _____ Common Elements & Apartments)
 Gas (_____ Common Elements only _____ Common Elements & Apartments)
 Water Sewer Television Cable
 Other Refuse Collection

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 "E" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated April 17, 1997
Exhibit "F" 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 the 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.

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent 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.

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 issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - 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 The Millyard Subdivision Declaration together with amendment and supplement dated May 10, 1985, July 15, 1985 and July 17, 1989, respectively

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 (DCCA). Supporting documents for this registration are on file with the DCCA for a period of ten years and one day from the effective date of the last public report. After that time, the DCCA will destroy the supporting documents except for the last public report. 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. 3764 filed with the Real Estate Commission on June 13, 1997.

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

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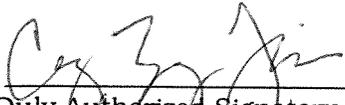
C. **Additional Information Not Covered Above**

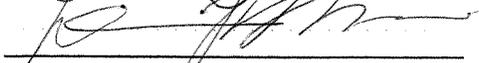
None.

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.

CASEY ZENI TAMASHIRO & DENISE PUALANI TING TAMASHIRO

Printed Name of Developer

By:  MAY 28 1998
Duly Authorized Signatory Date

By:  MAY 28 1998

CASEY ZENI TAMASHIRO & DENISE PUALANI TING TAMASHIRO, Developers

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui
Planning Department, County of Maui

EXHIBIT "A"

BOUNDARIES OF EACH APARTMENT

The perimeter of each of the commercial units is established by the floor area computed in accordance with Condominium Rule 16-107-6. All units are loft space only, with pipes, plumbing, wires, conduits or other utility or service lines serving the units and all glass, windows and window frames, doors and door frames along the perimeter of the unit.

In interpreting (a) any deed, lease, mortgage, or any other instrument that creates any estate, right or interest in or with respect to an apartment, (b) the Declaration of Condominium Property Regime, or the (c) Condominium Map, the existing physical boundaries of each apartment (as located in accordance with the foregoing description), or any apartment reconstructed substantially in accordance with the Condominium Map, shall control and shall constitute the boundaries of each apartment, regardless of any settling or lateral movement of an Apartment Building, and notwithstanding any minor variations between such existing physical apartment boundaries and the apartment boundaries shown in the Condominium Map.

EXHIBIT "B"

COMMON ELEMENTS

- a. The land described in Exhibit "G".
- b. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, exterior stairway, entrances and exits of the building, and all structural and bearing surfaces.
- c. The lobby.
- d. The roof.
- e. The trash areas.
- f. The driveway and loading area.
- g. The central and appurtenant installations for services such as power, light, cold water and like utilities.
- h. All of the parts of the project existing for the common use and are necessary to the existence, maintenance and safety of the project.

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing, reference is made to the Director of Finance, County of Maui.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Designation of Easement "15" for electrical purposes as shown on File Plan No. 1829.
4. Designation of Easement "32" for landscaping purposes, as shown on File Plan No. 1829.
5. Reservation contained in Deeds dated June 22, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17966 at Pages 310, dated June 22, 1984, recorded in Liber 17966 at Page 357, in favor of Wailuku Sugar Company, its successors and assigns of all water rights within or appurtenant to the premises hereby granted, provided, however, that in the exercise of said rights, Wailuku Sugar Company shall not have the right to drill for water or otherwise disturb the surface of the premises hereby granted or any improvements thereon.
6. Agreement to Develop The Millyard Subdivision in Two Phases dated December 13, 1984, recorded in the said Bureau of Conveyances in Liber 18331 at Page 768, by and between Hawaiiana Investment Co., Inc., a Hawaii corporation, and the County of Maui, through its Department of Public Works and the Department of Water Supply.
7. Declaration of Protective Covenants, Conditions and Restrictions for The Millyard dated May 10, 1985, recorded in the said Bureau of Conveyances in Liber 18659 at Page 397, as amended and supplemented by First Annexing Declaration dated as of July 15, 1985, recorded in Liber 18782 at Page 153, and supplemented dated July 17, 1989, recorded in Liber 23589 at Page 454.
8. Reservation as set forth in Deed dated August 8, 1986, recorded in said Bureau of Conveyances in Liber 19751 at Page 3, to-wit:

"EXCEPTING AND RESERVING, HOWEVER, unto C. Brewer Properties, Inc. and its successors and assigns, easements for electrical and other utility purposes and for sewerline, drainage, and waterline facilities over, under, across, along and through any and all such electrical, utility, sewerline, drainage and waterline easements of record shown on said File Plan 1829 (including, without limitation, Easement 15 for electrical purposes as shown on said File Plan 1829),

with the right to grant to the County of Maui or the State of Hawaii, or any other appropriate governmental agency, or to any public or private utility or corporation, or any person, easements, licenses or other rights to use all such designated easement areas for such purposes, upon such terms and conditions as C. Brewer Properties, Inc. or its successors and assigns shall deem appropriate.

9. Covenants, conditions and reservations, contained in the Declaration of Condominium Property Regime for "MILLYARD PROFESSIONAL SUITES" Condominium Project dated March 17, 1998, recorded in the said Bureau of Conveyances as Document No. 98-060579, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 2723).

10. Covenants, conditions and reservations, contained in the By-Laws of the Association of Apartment Owners of said Condominium Project dated March 17, 1998, recorded in the said Bureau of Conveyances as Document No. 98-060580, as the same may hereafter be amended.

11. Mortgage dated October 28, 1997, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 97-158799, between Casey Zeni Tamashiro and Denise Pualani Ting Tamashiro, husband and wife, as Mortgagor, and Bank of Hawaii, a Hawaii corporation, as Mortgagee, in the original amount of \$177,000.00.

tamaexc.b08S11

EXHIBIT "D"

MILLYARD PROFESSIONAL SUITES

May 28, 1998

DISCLOSURE ABSTRACT

1. **NAME OF PROJECT:** MILLYARD PROFESSIONAL SUITES
1728 Wili Pa Loop
Wailuku, Hawaii 96793
2. **DEVELOPER:** CASEY ZENI TAMASHIRO
DENISE PUALANI TING TAMASHIRO
688 S. Alu Road
Wailuku, Hawaii 96793
3. **MANAGING AGENT:** Self-Managed by the Association
of Owners of Millyard
Professional Suites
4. **USE OF APARTMENTS:** Commercial

The two (2) apartments in the Project may be occupied and used only for office purposes. No apartment may be used for residential purposes. The apartments are subject to additional restrictions on their use as set forth in (i) the Declaration of Condominium Property Regime of Millyard Professional Suites, (ii) the By-Laws of the Association of Owners of Millyard Professional Suites, (iii) the Apartment Deed for the individual apartments, (iv) the Reservation, Deposit Receipt and Sales Contract for the individual apartments, and (v) the House Rules. Copies of the foregoing documents are on file with the Real Estate Commission of the State of Hawaii.

5. **WARRANTIES:**

THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, COMMON ELEMENTS, OR OTHER PRODUCTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

As set forth in the Reservation, Deposit Receipt and Sales Contract, the Developer shall require from the general contractor for the project a written warranty with respect to any defects in the Buyer's apartment and the common elements due to faulty materials and/or

workmanship which are discovered and reported within one (1) year from the "Date of Substantial Completion" as defined in the construction contract. The Developer makes no warranties itself; however, the execution, delivery and recordation of the Buyer's Apartment Deed shall constitute the assignment by the Developer to the Buyer of any and all warranties given the Developer by the general contractor for the project, and by any subcontractors or materialmen, and the benefit of such warranties shall accrue to the Buyer on closing without further instruments or documents. The Developer agrees to cooperate with the Buyer during the effective period of any such warranties in asserting any claims based on such warranties. The Developer does not adopt the contractor's or manufacturer's warranties, if any, and the Developer is not acting as co-warrantor, but is merely attempting to pass to the Buyer the benefit of such warranties, if any, and the Buyer expressly acknowledges and agrees to this. The Buyer acknowledges that the Developer has made no other warranties, express or implied, with respect to the property or any common element or anything installed therein.

6. ESTIMATED MAINTENANCE FEES:

See pages 4, 5 and 6 of this exhibit.

The breakdown of estimated initial maintenance fees and maintenance fee disbursements for Millyard Professional Suites has been prepared for the Developer by Roen K. Hirose, CPA, as of May 19, 1997, and is subject to revision based on actual cost for the items enumerated. The Developer can make no assurances regarding the estimated maintenance fees and maintenance fee disbursements. 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 actual maintenance fees to be greater or lesser than the estimated maintenance fees.

NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF THE MAINTENANCE FEES ARE ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. MAINTENANCE FEES CAN VARY DEPENDING ON SERVICES DESIRED BY APARTMENT OWNERS. THE BUYERS SHOULD CHECK THE ATTACHED MAINTENANCE FEE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED THEREIN. THE INITIAL ESTIMATES HAVE BEEN MADE WELL IN ADVANCE OF THE COMPLETION OF THE PROJECT AND MAY BE SUBJECT TO SUBSTANTIAL REVISION PRIOR TO OR UPON COMPLETION.

IN WITNESS WHEREOF, the undersigned has executed these presents the day and year first above written.



CASEY ZENI TAMASHIRO



DENISE PUKLANI TING TAMASHIRO

**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 =</u>	<u>Yearly Total</u>
100	\$652.50	\$7,830
200	\$652.50	\$7,830

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 x 12 months = Yearly Total

Utilities and Services

Air Conditioning	n/a	
Electricity		
<input checked="" type="checkbox"/> common elements only	\$ 60	\$ 720
<input type="checkbox"/> common elements and apartments		
Elevator	n/a	
Gas	n/a	
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Refuse Collection	\$150	1,800
Telephone	n/a	
Water and Sewer	\$ 75	900

Maintenance, Repairs and Supplies

Building	\$150	1,800
Grounds	\$100	1,200

Management

Management Fee	n/a	
Payroll and Payroll Taxes	n/a	
Office Expenses	\$ 20	240

Insurance \$400 4,800

Reserves(*) (see attached) \$300 3,600

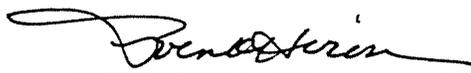
Taxes and Government Assessments \$ 25 300

Audit Fees n/a

Other \$ 25 300

TOTAL \$1,305 \$15,660

I, ROEN K. HIROSE, CPA, as ~~agent for and/or~~ ^{agent for and/or} employed by DENISE PUALANI TING TAMASHIRO and CASEY ZENI TAMASHIRO, the ~~condominium managing agent~~ ^{developer} for the MILLYARD PROFESSIONAL SUITES 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.



Signature

5/19/97

Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

Future Repair and Replacement Reserves

	<u>Estimated Cost</u>	<u>Life</u>	<u>Yearly Funding</u>
Roof	\$ 30,000	35	\$ 857
Painting	15,000	8	1,875
Parking lot	20,000	25	800
Contingency	68	1	<u>68</u>
			<u>\$ 3,600</u>

Assumes the effect of inflation will be offset by investment income earned.

Assumes 100% funding.

Estimated costs based on current proposals from contractors.

EXHIBIT "E"

SUMMARY OF SALES CONTRACT

1. The sales agreement contains the price and other terms and conditions under which a buyer will agree to buy a apartment in the project.
2. The sales agreement provides for the buyer to get a copy of certain legal documents that buyer should closely examine.
3. The sales agreement provides for severe penalties if buyer fails to comply with the terms and conditions of the agreement.
4. The buyer must complete the purchase of the apartment by a certain date and pay closing costs, in addition to the purchase price.
5. The buyer's money will be held in escrow under the terms of the Escrow Agreement for the project.
6. The sales agreement and the rights of the buyer under the sales agreement is subordinate to the lien of mortgages on the property.
7. The Developer is making no warranties or representations in connection with the sale of any of the apartments, except for its written limited warranty set forth in this report.

This is merely a summary of a few of the terms and conditions of the sales agreement, and the buyer should carefully read and review all the terms and conditions of the sales agreement before signing.

EXHIBIT "F"

SUMMARY OF ESCROW AGREEMENT

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

- (a) Escrow will let buyers know when payments are due.
- (b) Escrow will arrange for buyers to sign all necessary documents.
- (c) The Escrow Agreement says under what conditions a refund will be made to a buyer.
- (d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the sales agreement.

EXHIBIT "G"

All of that certain parcel of land situate on the northwesterly side of Wili Pa Loop at Papohaku, Wailuku, Island and County of Maui, State of Hawaii (portions of R.P. 5531, L.C. Aw. 1742, Apana 4 to Z. Kaauwai and Kam IV Deed to Z. Kaauwai), being LOT 47-A, same being a portion of Lot 47 of "THE MILLYARD SUBDIVISION", as shown on File Plan No. 1829, filed in the Bureau of Conveyances of the State of Hawaii, more particularly described as per survey of Warren A. Suzuki, Registered Professional Land Surveyor, Certificate No. 5073, as follows:

Beginning at a pipe at the most southerly corner of this lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LUKE", being 4,707.70 feet north and 1,118.68 feet west and running by azimuths measured clockwise from true south:

- | | | | | |
|----|------|-----|-------------|--|
| 1. | 145° | 20' | 157.17 feet | along Lot 45-A of The Millyard Subdivision to a pipe; |
| 2. | 236° | 00' | 75.01 feet | along Lot 32-A of The Millyard Subdivision to a pipe; |
| 3. | 325° | 20' | 165.73 feet | along Lots 31 and 48 of The Millyard Subdivision, File Plan 1829 to a pipe; |
| 4. | 62° | 30' | 75.59 feet | along the northwesterly side of Wili Pa Loop to the point of beginning and containing an area of 12,110 square feet. |