

CONDOMINIUM PUBLIC REPORT

Prepared & Issued By:

Developer Mark David Mrantz and Sheryl J. Mrantz, husband and wife
Address P.O. Box 795, Kula, Hawaii 96790

Project Name (\*): Hale Aloha Condominium
Address: 790 and 800 Holopuni Road, Kula, Hawaii 96790

Registration No. 5775

Effective Date: April 15, 2009
Expiration Date: May 15, 2010

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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[X] SUPPLEMENTARY: (pink) This report updates information contained in the:
[X] Final Public Report dated: August 11, 2005
[X] Supplementary Public Report dated:
And
[X] Must be read together with The Final Public Report noted above.
[X] This report reactivates the Final public report(s) which expired on January 23, 2007

(\* ) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

**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 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

Changes made are as follows:

Pages 1, 2, 2a (added), 14, 15, 19, 21, and Exhibit B have been revised to reflect updated information discussed in items 1 and 2 below:

1. Unit B has been sold to Richard William Slade and Stephanie Ann Slade, and is no longer subject to the Developer's Public Report for future sales.
2. An updated title report on the parcel as a whole was issued on December 31, 2008 by First American Title Insurance Company.

**Note: The Final Public Report (which must be read together with this Supplementary Public Report) expired on January 23, 2007. Pursuant to section 16-107-19, Hawaii Administrative Rules, sales contracts executed during this period that the Public Report was not in effect may be rescinded at the option of the purchaser and all monies refunded to purchaser. Purchaser's rights to rescind under this rule shall be void thirty calendar days after receipt of written notification of these rights from the developer or his agent.**

## **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 does not represent a legally subdivided lot. The lines on the Condominium Map dividing the land into limited common element land areas are for illustration purposes only and should not be construed to be formal subdivision lines.

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

There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property. Apartment A is an existing farm dwelling, and Apartment B is an existing farm dwelling.

Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

In a condominium, all of the land included in the condominium remains a single, unsubdivided parcel of land for purposes of zoning and land use regulation. If one unit owner violates a regulation, the violation is attributable to both that owner and the innocent owner of each other unit. For example, if one owner builds or adds to a structure in a manner which violates height limits, size limit, setbacks, building permit requirements, or flood zone rules, or uses the unit for an unauthorized additional dwelling or short term rental, the violation applies to the entire condominium and the innocent unit owner may be subject to fines or may be denied a building permit as long as the violation remains uncured. BUYER SHOULD CONSULT WITH AN ATTORNEY CONCERNING THESE IMPORTANT RISKS.

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 A\*.

as follows:

\*Note: Land 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: Apartment A shall have a 50% undivided interest and Apartment B shall have a 50% undivided interest (referred to as the "common interests") in all common elements of the Project and a said same respective share in all common profits and common expenses of the Project and for all other purposes, including voting.

Notwithstanding the allocation of common interests in the preceding paragraph, the common interests for the sole purpose of the ownership of fee simple title to the underlying land (and, therefore, for the allocation of proceeds from the sale or partition of the land upon termination of the condominium or the taking of the land by eminent domain) shall be allocated between the apartments in proportion to the relative value of the land area included within the limited common elements appurtenant to each apartment (determined as if each limited common element were a separate unimproved parcel of land), and not according to the common interests for financial and voting purposes as stated above.

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 B describes the encumbrances against the title contained in the title report dated December 31, 2008 and issued by First American Title Insurance Company

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 <b>Prior to Conveyance</b></u>
<b>Reference is made to Exhibit B of this Public Report for a description of all liens affecting the Property.</b>	Buyer may lose his or her unit but buyer's deposit to be refunded, less any escrow cancellation fee.  All mortgage liens will be paid in full out of the proceeds of the sale of the first apartment and the apartments will be released from the liens at that time.

**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

For Apartment A, the general contractor will provide a warranty against structural defects for one year from July 12, 2005.

For Apartment B, the general contractor will provide a warranty against structural defects for one year from November 18, 2004.

2. Appliances:

Developer will pass on to buyers all manufacturers warranties which have been provided for appliances.

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 Reference is made to Exhibit B of the Public Report for a description of all encumbrances affecting the title of the condominium land and the apartments individually.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)  
Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)  
Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is a part of Registration No. 5775 filed with the Real Estate Commission on August 29, 2005.

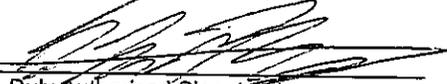
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YELLOW paper stock                       WHITE paper stock                       PINK paper stock

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report)
- E. 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.

Mark David Mrantz and Sheryl J. Mrantz, husband and wife  
 Printed Name of Developer

By:  1/23/09  
 Duly Authorized Signatory\* Date

By:  1/23/09  
 Duly Authorized Signatory\* Date

Mark David Mrantz and Sheryl J. Mrantz, Owner/Developer  
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

***\*Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.***

EXHIBIT B  
**Encumbrances against Title**

1. Real Property Taxes that may be due and owing. Reference is made to the Tax Assessor's Office, County of Maui.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

Deed

Dated: January 19, 1978  
Recorded: in the Bureau of Conveyances of the State of Hawaii, Book 12696, Page 630.

(This established certain restrictive covenants applicable to the Kula Glen Subdivision of which the condominium property is a part. These restrictions expired by their terms in 1997.)\*

4. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Unilateral Agreement and Declaration for Conditional Zoning.

Dated: July 19, 2004  
Recorded: July 29, 2004, in the Bureau of Conveyances of the State of Hawaii, Document No. 2004-154882.

(This agreement creates a conditional approval of a building permit for a farm dwelling on agricultural land, emphasizing the fact that a farm dwelling is accessory to agricultural use of the property, and that the farm plan as designated in the application for building permit will be monitored by the County of Maui through its Department of Planning.)\*

5. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Declaration of Condominium Property Regime of Hale Aloha Condominium, dated July 21, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-152783.

Condominium Map No. 4042 filed concurrently in said Bureau of Conveyances.

6. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in By-Laws of the Association of Apartment Owners of Hale Aloha Condominium dated July 21, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-152784.

7. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Encroachment document dated October 21, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-223743.

(There is a wood fence that straddles the westerly (left side) boundary line of the condominium land, which lies as much as 0'-3" within the condominium land, and as much as 1'-4" within the abutting Lot 32. This fence is owned by the owner(s) of Lot 33. This agreement, among other things, releases the owner(s) of the condominium land from the responsibility to maintain, repair or replace the encroaching fence.)\*

AS TO APARTMENT A ONLY:

8. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Apartment Deed dated January 24, 2006, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-018946.

(This Deed notes, among other things, that Unit A is part of a Condominium Property Regime making it subject to certain conditions and limitations.)\*

9. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in mortgage agreement dated January 23, 2006, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-018947, which mortgage was assigned via document dated January 23, 2006, recorded in said Bureau as Document No. 2006-022073.

(This mortgage will be removed prior to the sale of this Apartment A.)\*

AS TO APARTMENT B ONLY:

10. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Apartment Deed dated January 19, 2006, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-017300.

(This Deed notes, among other things, that Unit B is part of a Condominium Property Regime making it subject to certain conditions and limitations.)\*

11. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in mortgage agreement dated January 18, 2006, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-017301.

(This mortgage applies to Unit B only and does not affect the owner(s) of Unit A.)\*

\*Comments in parenthesis are explanations provided by Developer's attorney to assist Buyers in understanding the disclosures in this Exhibit "B". They are not approved by the title company and will not be set forth or referred to in Buyer's title insurance policy to be issued in this purchase.