



REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on
CENTRAL KONA SHOPPING CENTER II
Kealahou, Hawaii

Registration No. 1686

Issued: October 13, 1986
Expires: November 13, 1987

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 1, 19 86 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

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. A Final Public Report will be issued when complete information is filed.

FINAL:
(white) The developer has legally created a condominium and has filed complete information with the Commission. This report must be read together with the Preliminary Report.

SUPPLEMENTARY:
(pink) Changes information contained in the
[] Prelim. Public Report dated _____
[] Final Public Report dated _____
[] Supp. Public Report dated _____

And [] Supersedes all prior public reports
[] Must be read together with _____

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.

The information under the topical headings in the Preliminary Public Report dated August 26, 1985 has not been changed except for the sections designated Description of Project, Limited Common Elements, Encumbrances Against Title, Purchase Money Handling and Status of Project as specifically set forth below.

DESCRIPTION OF PROJECT: The net floor areas for Apartments B-1, B-2 and B-3 have been changed and the common interest for each apartment has been changed to be as set forth in Exhibit "A" attached hereto.

LIMITED COMMON ELEMENTS: The bathroom on the ground level of Building B has been expanded and relocated as shown on the condominium map and the Declaration has been revised to clarify that the restroom area shown on the ground level of Building B shall be used in common by Apartments B-1, B-2 and B-3.

ENCUMBRANCES AGAINST TITLE: A Preliminary Title Report dated August 29, 1986, issued by Title Guaranty of Hawaii, Incorporated, as submitted to the Commission shows title to the subject property to be subject to the encumbrances listed in Exhibit "C" attached hereto.

PURCHASE MONEY HANDLING: The Developer has informed the Commission that the previously submitted specimen Sales Contract has been revised by the addition thereto of a new paragraph 20 which provides as follows:

"Paragraph 20 Disclaimer

Seller hereby expressly disclaims any liability or responsibility for the performance or nonperformance of the parties to that certain Reciprocal Easement Agreement dated May 5, 1986, with regard to any future development of the properties adjacent to or near CENTRAL KONA SHOPPING CENTER II, a memorandum of which was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18890 at Page 305 and Buyer hereby expressly releases Seller from any responsibility or liability thereunder."

STATUS OF PROJECT: The Developer has advised the Commission that construction of the project has been completed and a Certificate of Occupancy was issued by the Bureau of Building Construction and Inspection, Department of Public Works, County of Hawaii on October 17, 1985.

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports.	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project.....	5
I. PEOPLE CONNECTED WITH THE PROJECT.....	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws.	7
D. House Rules	8
E. Changes to Condominium Documents.....	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land.....	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements.....	15
G. Maintenance Fees	16
H. Separate Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
EXHIBIT A: Description of Apartments	
EXHIBIT B: Limited Common Elements	
EXHIBIT C: Encumbrances Against Title	
EXHIBIT D:	
EXHIBIT E:	
EXHIBIT F:	
EXHIBIT G:	
EXHIBIT H:	
EXHIBIT I:	
EXHIBIT J:	

Appendix I: People Connected with the Project

Attached only if there are additions or changes to information contained in the body of the report.

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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 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 condominiums, 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 or encumbered, and they may be disposed of by will or gift.

Your apartment will, however, be part of the group of apartments that comprise the condominium. Study the 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

The Association of Apartment Owners is the means through which apartment owners may take action with regard to the administration, management, and operation of the condominium. 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 control of the administration and operation of the condominium will in most cases be limited to your right to vote as an owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all 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 vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer: Individual apartments and the underlying land will be in fee simple.

Type of Project:

1. New Construction Conversion
 Both New Construction and Conversion
2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. Type</u>	<u>Qty</u>	<u>Rooms or BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>A</u>	<u>7</u>	<u>1 room</u>	<u>varies **</u>	<u>none</u>
<u>B</u>	<u>2</u>	<u>1 room/1 bath</u>	<u>varies **</u>	<u>B-4 only</u>
<u>C</u>	<u>1</u>	<u>2 br/1 bath</u>	<u>794 sq. ft.</u>	<u>A-6 only</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 10

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

** See Exhibit "A" for floor area.

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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>2 (Apt. A-6)</u>
Guest Stalls	_____
Unassigned Stalls	<u>40</u>
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>42</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Ludvik Limberg and Christa Limberg Phone: (808) 322-6622
Name (Business)
Post Office Box 1130
Business Address
Kealakekua, Hawaii 96750

Names of officers or general partners of developers who are corporations or partnerships:
Not applicable

Real Estate Sales Agent: Grubb & Ellis Company (Mark Edwards-Murray) Phone: (808) 531-4202
Name (Business)
1001 Bishop Street, Pauahi Tower, Suite 1400
Business Address
Honolulu, Hawaii 96813

Escrow: First American Title Company of Hawaii, Inc. Phone: (808) 329-4431
Name (Business)
74-5706 Hanama Place
Business Address
Kailua-Kona, Hawaii 96740

Managing Agent: Ludvik Limberg and Christa Limberg Phone: (808) 322-6622
Name (Business)
Post Office Box 1130
Business Address
Kealakekua, Hawaii 96750

Attorney for Developer: Gallup & Van Pernis, Attorneys at Law, a Law Corporation
(Attention: Wallace H. Gallup, Jr.)
Name
Post Office Box 1837
Business Address
Kailua-Kona, Hawaii 96745-1837

Appendix I may be attached to this report. If so, it will list additional people connected with the project or changes that may have been made to the above information after this public report was issued.

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

Proposed
 Recorded — Bureau of Conveyances — Book 19807 Page 240
 Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

None

- B. Condominium Map (File Plan) shows the elevation and layout of the condominium. It also shows the floor plan for each apartment.

The Condominium Map for this condominium is:

Proposed
 Recorded — Bureau of Conveyances — Map No. 1033
 Filed — Land Court — File Plan No. _____

Amendment date(s) and recording/filing information:

None

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium. 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 way in which meetings will be conducted, and other matters which affect how the condominium will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded — Bureau of Conveyances — Book 19807 Page 258
 Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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 recorded or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of apartment owners who 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>75%</u>
House Rules	—	<u> </u>

The percentages for individual condominium projects may be more than the minimum set by law.

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

- (1) to file the "as built" verified statement required Section 514A-12 of the Act; and
- (2) to conform with any changes required by the Act.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to 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.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the underlying land will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

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.

Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners) either (1) remove or dispose of the building and other improvements; or (2) convey the building and improvements to the lessor at a specified price.

Exhibit _____ contains further explanations.

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:

For Subleaseholds:

Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled 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 cancelled or foreclosed.

B. Underlying Land:

Land Area: 29,678 square feet

Zoning: CV 7.5 (Commercial Village)

TMK: Third Division 8-1-3:62 & 63

Fee Owner: Ludvik Limberg and Christa Limberg

name

Post Office Box 1130

address

Kealakekua, Hawaii 96750

Sublessor:

name

address

C. Buildings and Other Improvements:

1. New Construction Conversion of Existing Building
 Both New Construction and Conversion

2. Buildings: 2 Floors Per Building: 2

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input checked="" type="checkbox"/> Commercial	<u>9</u>	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>1</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	_____		_____

5. Special Use Restrictions:

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

Pets: only common household pets which are kept confined may be kept

Number of Occupants: _____

Other: Apartment A-6 may be used only for single-family residential purposes. All other apartments may be used for any permitted commercial purposes under applicable laws and governmental regulations. Commercial use may be limited by the number of parking stalls allocated to a particular apartment under the Declaration as a limited common element.

6. Interior (fill in appropriate numbers):

Total Apartments 10

Elevators None Stairways 3 Trash Chutes None

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>A</u>	<u>7</u>	<u>1 room</u>	<u>varies**</u>	<u>None</u>
<u>B</u>	<u>2</u>	<u>1 room/1 bath</u>	<u>varies**</u>	<u>B-4 only</u>
<u>C</u>	<u>1</u>	<u>2 BR/1 bath</u>	<u>794 sq. ft.</u>	<u>A-6 only</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>

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

**See Schedule "A" for floor area.

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

Boundaries of Each Apartment:

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, any doors, windows or panels along the perimeter and all fixtures originally installed therein.

Permitted Alterations to Apartments:

No apartment owner shall do any work which would jeopardize the soundness or safety of the project, reduce the value thereof, or impair any easement or hereditaments, nor may any apartment owner add any material structure or excavate any basement or cellar without the consent of 75% of the apartment owners, together with the consent of all apartment owners whose apartments or limited common elements appurtenant thereto are directly affected.

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years): Not applicable

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

10. 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 (for conversions only)

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

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

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

1. Common Elements: Common Elements are those parts of the condominium intended to be used by all apartment owners. They are owned jointly by all apartment owners.

The Preliminary Report
Exhibit _____ describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments. The limited common elements and the apartment which may use them are:

described in Exhibit B

as follows:

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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit A describes the common interests for each apartment.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit C describes the encumbrances against the title contained in the title report dated August 29, 1986.

Blanket Liens:

- [] 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. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Lender may terminate sales contract
Additional Change Mortgage	Lender may terminate sales contract

F. 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. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium.

Initial Managing Agent: When the developer or the developer's affiliate is the initial 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 managing agent for this condominium is:

- [] not affiliated with the Developer.
[X] the Developer or the Developer's affiliate.
[] other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium. If you are late in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

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

The Preliminary Report

-Exhibit _____ contains a schedule of maintenance fees and maintenance fee disbursements.

H. Separate Utility Charges for Apartments:

Except for the utilities indicated below, each apartment will be billed separately for utilities:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. Construction Warranties

1. **Building and Other Improvements:** The Sales Contract provides that Developer makes no warranties, expressed or implied, with respect to the apartments or any common elements or any thing installed therein. Developer will assign to Buyer any and all warranties given Developer by the general contractor, subcontractors and material men.

2. **Appliances:** Buyer shall receive direct benefit of any warranties given by dealers or manufacturers on appliances.

J. Status of Construction and Estimated Completion Date

Construction has been completed and a Certificate of Occupancy was issued on October 17, 1985 by the County of Hawaii Department of Public Works.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development: None

L. Sales Documents Filed with the Real Estate Commission:

Notice to Owner Occupants Not applicable

Specimen Sales Contract

The Preliminary Report

-Exhibit _____ contains a summary of the provisions of the sales contract.

Escrow Agreement dated June 7, 1985

The Preliminary Report

-Exhibit _____ contains a summary of the provisions of the escrow agreement.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

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

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers a copy of the Final Public Report and all prior public reports not previously delivered to the buyer; and
2. The buyer is given an opportunity to read the reports; and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the reports and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the reports were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the reports were delivered to the buyer.

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

1. There is a material change in the condominium 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
2. 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.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Declaration of Horizontal Property Regime.
2. Bylaws of the Association of Apartment Owners.
3. House Rules.
4. Escrow Agreement.
5. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
6. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

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 Law are available for \$ 1.75 at the Department of Commerce and Consumer Affairs.

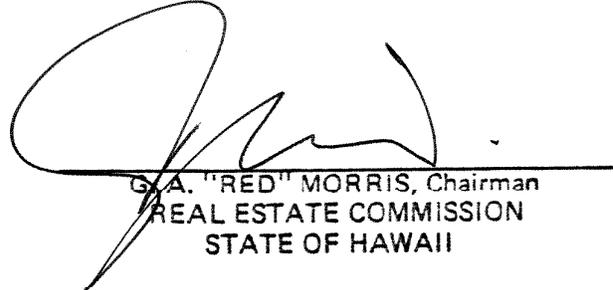
This Public Report is a part of Registration No. 1686 filed with the Real Estate Commission on June 12, 1985.

The Developer is responsible for delivering a true copy of this report to all purchasers and prospective purchasers and for securing a signed receipt for the report. When reproduced, this report must be on:

yellow paper stock white paper stock pink paper stock

Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.



G.A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Separate Disclosure Abstract on this condominium:

Required * Not Required – disclosures covered in this report

*See Preliminary Report

Distribution:

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

EXHIBIT "A"

The number of each apartment, apartment type, percentage of common interest appurtenant to each apartment and the description of each type of apartment in the Project is as follows:

BUILDING A

<u>Apartment Number</u>	<u>Approximate Floor Area</u>		<u>Apartment Type</u>	<u>Parking Stalls</u>	<u>Common Interest</u>
	<u>Gross</u>	<u>Net</u>			
A-1	787.5	703	A	3.9375	.0904
A-2	787.5	725	A	3.9375	.0932
A-3	765.0	706	A	3.8250	.0907
A-4	810.0	726	A	4.0500	.0933
A-5	728.0	692	B	2.4267	.0889
A-6	832.0	794	C	2.0000	.1020

BUILDING B

<u>Apartment Number</u>	<u>Approximate Floor Area</u>		<u>Apartment Type</u>	<u>Parking Stalls</u>	<u>Common Interest</u>
	<u>Gross</u>	<u>Net</u>			
B-1	900.0	850	A	4.5000	.1092
B-2	900.0	870	A	4.5000	.1118
B-3	900.0	720	A	4.5000	.0925
B-4	1040.0	996	B	3.4667	.1280
				<u>37.1434</u>	<u>1.0000</u>

The percentages of common interest have been based upon the ratio that each apartment's approximate net square footage bears to the total approximate net square footage of all of the apartments.

The number of parking stalls allocated to each apartment for occupancy permit purposes was based upon one (1) stall or fraction thereof per 200 square feet of approximate gross floor for each apartment except Apartment A-5 and B-4 which were based upon one (1) stall or fraction thereof per 300 square feet of approximate gross floor area and except for Apartment A-6 which was simply allocated two (2) parking stalls.

The types of apartments within the Project are as follows:

Type A Apartments are commercial use apartments containing one room of varying dimensions and areas which may be partitioned into multiple rooms by the apartment owner. Type A apartments share a restroom area as a limited common element with one or two other apartments as shown on the Condominium Map.

Type B Apartments are commercial use apartments containing two rooms of varying dimensions and areas one of which may be partitioned into multiple rooms by the apartment owner with the other room being a bathroom with water closet and sink.

The one Type C Apartment is for single-family residential use and contains a living/dining room, a kitchen, two bedrooms and a bathroom.

END OF EXHIBIT "A"

EXHIBIT "B"

LIMITED COMMON ELEMENTS Certain parts of the common elements, herein called and designated the "limited common elements" are hereby set aside and reserved for the exclusive use of certain apartments, which apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The common elements so set aside and reserved are as follows:

(a) Apartments A-6 and B-4 shall have appurtenant thereto the area designated as "Patio Area" which is adjacent to each apartment, respectively, as shown on Condominium Map.

(b) Apartment A-6 shall have appurtenant thereto the covered parking and storage area situate in the basement of Building A as shown on the Condominium Map. This limited common element shall be transferable in whole or in part to another apartment or apartments so long as the owner of Apartment A-6 continues to have appurtenant to it the minimum number of parking stalls required by law or ordinance.

(c) Each apartment shall have appurtenant thereto the restroom area immediately adjoining the apartment to be used in common with the other adjoining apartment or apartments.

(d) Each apartment shall for occupancy permit purposes have appurtenant thereto the number of parking stalls designated in Exhibit "A" attached hereto as being appurtenant to each apartment.

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE: A Preliminary Title Report dated August 29, 1986, issued by Title Guaranty of Hawaii, Incorporated, as submitted to the Commission shows title to the to the subject property to be subject to the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. The terms and conditions contained in that certain Agreement made by and between Kona Scenic Land, Inc., a Hawaii corporation; Foodland Super Market, Limited, a Hawaii corporation; and the County of Hawaii, a municipal corporation, through its Planning Department, dated September 22, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16586 at Page 238.
3. The terms, provisions and rights of that certain unrecorded Reciprocal Easement Agreement made by and between Kona Scenic Land, Inc., a Hawaii corporation; Eaton, Jorg, Lanet & Shrewsbury, a Hawaii general partnership; and Foodland Super Market, Limited, a Hawaii corporation, a Memorandum of which is dated August 2, 1985, recorded in said Bureau in Liber 18890 at Page 305.
4. The terms and provisions contained in that certain Agreement made by and between Kona Scenic Land, Inc., a Hawaii corporation, and Foodland Super Market, Limited, a Hawaii corporation, dated December 7, 1984, recorded in said Bureau in Liber 18345 at Page 702.
5. Assignment of Lessor's interest in Leases made by Christa Limberg and Ludvik Limberg in favor of Honolulu Mortgage Company, Inc. dated January 17, 1986 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 19240 at Page 446, which Assignment was assigned to Bishop Trust Company, Limited, a Hawaii Corporation, by instrument dated April 24, 1986, recorded in Liber 19456 at Page 527.
6. Mortgage, Security Agreement and Financing Statement made by Christa Limberg and Ludvik Limberg in favor of Honolulu Mortgage Company, Inc. dated January 17, 1986 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 19240 at Page 453, which mortgage was assigned to Bishop Trust Company, Limited by instrument dated January 22, 1986 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 19240 at page 478.
7. Terms and provisions of any and all recorded and unrecorded leases and/or sub-leases and encumbrances appurtenant thereto affecting the fee title to the land under search.
8. Additional change mortgage made by Christa Limberg and Ludvik Limberg in favor of Honolulu Mortgage Company, Inc. dated March 16, 1986 and recorded in said Bureau in Liber 19456 at Page 524.

9. Unrecorded Lease dated June 12, 1985, entered into by and between CHRISTA LIMBERG, wife of Ludvik Limberg, and LUDVIK LIMBERG, husband of Christa Limberg, as Lessors, and CHILD AND FAMILY SERVICE, as Lessee; leasing an demising the ground floor building, of the premises described herein.

Subordination, Nondisturbance and Attornment Agreement; Estoppel Certificates, dated January 17, 1986, recorded in Liber 19308 at Page 263, said lease is now subject and subordinate to the lien of and security interests in said Mortgage recorded in Liber 19240 at Page 453 and Assignment of Lessor's Interest in Leases recorded in Liber 19240 at Page 446.

10. Unrecorded Lease dated August 19, 1985, entered into by and between CHRISTA LIMBERG, wife of Ludvik Limberg, and LUDVIK LIMBERG, husband of Christa Limberg, as Lessors, and ROBERT J. RODRIGUEZ and DIANA C. RODRIGUEZ, as Lessee; leasing an demising the 2nd floor building, of the premises described herein.

Subordination, Nondisturbance and Attornment Agreement; Estoppel Certificates, dated January 17, 1986, recorded in Liber 19308 at Page 257, said lease is now subject and subordinate to the lien of and security interests in said Mortgage recorded in Liber 19240 at Page 453 and Assignment of Lessor's Interest in Leases recorded in Liber 19240 at Page 446.

11. Unrecorded Lease dated September 20, 1985, entered into by and between CHRISTA LIMBERG, wife of Ludvik Limberg, and LUDVIK LIMBERG, husband of Christa Limberg, as Lessors, and HAWAII PRODUCTION CREDIT ASSOCIATION, as Lessee; leasing an demising the 2nd floor building, of the premises described herein.

Subordination, Nondisturbance and Attornment Agreement; Estoppel Certificates, dated January 17, 1986, recorded in Liber 19308 at Page 251, said lease is now subject and subordinate to the lien of and security interests in said Mortgage recorded in Liber 19240 at Page 453 and Assignment of Lessor's Interest in Leases recorded in Liber 19240 at Page 446.

12. The covenants, agreements, obligations, conditions and other provisions set forth in that certain Declaration of Horizontal Property Regime dated August 15, 1986, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 19807 at Page 240 and By-Laws dated August 15, 1986, and recorded in said Bureau in Liber 19807 at Page 258. Project covered by Condominium Map No. 1033 recorded in said Bureau of Conveyances.