

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.

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of 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 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 they 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 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.

Some condominium projects are leasehold. This means that the land or the land, 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 owner/tenant) 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. The 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.

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 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.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: HEWETT & AGORASTOS Phone: 885-6266
Name (Business)
P.O. Box 1238
Business Address
Kamuela, Hawaii 96743

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

MELVIN B. HEWETT, General Partner
LESLIE M. AGORASTOS, General Partner

Real Estate Sales Agent: same as Developer (Note: Partnership Registration Statement indicates "Real estate development, sales and rental") Phone: 885-6266
Name (Business)
Business Address

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: 521-0211
Name (Business)
235 Queen Street, 1st floor
Business Address
Honolulu, Hawaii 96813

Managing Agent: Project is to be self-managed and must Phone:
Name (Business)
comply with the laws regarding such
Business Address

Attorney for Developer: ROGER V. MEEKER
Name
810 Richards Street, Suite 810
Business Address
Honolulu, Hawaii 96813

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of 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 project.

The Declaration for this condominium is:

Proposed
 Recorded – Bureau of Conveyances – Book 21605 Page 8
 Filed – Land Court – Document Number _____

Amendment date(s) 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 Conveyance Condo Map No. 1105
 Filed – Land Court Condo Map No. _____

Amendment date(s) 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 way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded – Bureau of Conveyances – Book 21605 Page 22
 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. 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 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>65%</u>
House Rules	—	<u>n/a</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:

NONE

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.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (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.

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 - 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; or (2) convey the building(s) and improvements to the lessor, often 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.

5. Special Use Restrictions:

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

- [] Pets: See Section 5.3 of By-Laws on "Use of Project"
- [] Number of Occupants: _____
- [X] Other: Units 1, 2, 3, 4 and 5 are restricted to commercial office use only.
Units 6, 7, 8 and 9 may be used both as commercial offices and as
private residential dwellings.
- [] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 9

Elevators NONE Stairways ONE Trash Chutes NONE

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>-- See Exhibit "A" for individual apartment descriptions --</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>

*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 floor area may have been used.

Boundaries of Each Apartment: See Exhibit "A"

Permitted Alterations to Apartments: Restoration or replacement of the Project or any building thereof, or construction of any additional building or structural alteration or addition to any building, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association of Apartment Owners only pursuant to an amendment to the Declaration, in accordance with complete plans and specifications therefor first approved in writing by the Board; and promptly upon completion of such restoration, replacement or construction, the Association shall record the amendment in the Bureau of Conveyances together with a complete set of floor plans of the Project so altered, certified as built by a registered architect or professional engineer.

7. Parking Stalls:

Total Parking Stalls: 13

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>3</u>	<u>5</u>	<u> </u>	<u>3</u>	<u> </u>	<u> </u>	<u>11</u>
Guest Unassigned	<u> </u>	<u>1</u>	<u> </u>	<u>1</u>	<u> </u>	<u> </u>	<u>2</u>
Extra Available for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>9</u>	<u> </u>	<u>4</u>	<u> </u>	<u> </u>	<u> </u>	<u>13</u>

Each apartment will have the exclusive use of at least one (1) parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit B, pg.2 contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: Central Driveway

9. Present Condition of Improvements
 (For conversions of residential apartments in existence for five years):

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

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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit B 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.

There are no limited common elements in this project.

The limited common elements and the apartments 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 E describes the common interests for each apartment.

as follows:

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 September 9, 1987. The Developer represents that since that date, there has been no change in the status of encumbrances.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It 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. 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>
Blanket Mortgage	If prior to closing, Buyer's interest will be subject to termination, but should this occur, Buyer will be entitled to a return of all deposits. On closing, title to the individual apartments will be free and clear.

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 project. 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 project.

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. Project is to be self-managed and must comply with the laws regarding such.
- [] 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 project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

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

Exhibit F contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

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

NOTE: These charges are for common utility charges. Apartments 6, 7, 8 and 9 are individually metered for their own private utility expenses.

I. 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: STANDARD ONE-YEAR BUILDING WARRANTY

2. Appliances:

J. Status of Construction and Estimated Completion Date:

Construction of the Project was scheduled for completion on or around March 15, 1988.

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:

L. 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 -- standard DROA contract is being used

Exhibit D contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated January 10, 1988

Exhibit D contains a summary of the pertinent provisions of the escrow agreement.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The construction contract with D. K. Hall Construction, Inc. is secured by a material house performance bond from Amfac Distribution, Inc. To protect purchasers' funds, the Developer has agreed and the escrow agent has confirmed that no funds of purchasers will be released unless and until the 45-day mechanics lien period has expired without a claim being filed.

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

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) 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. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. 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 (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 1919 filed with the Real Estate Commission on February 7, 1988.

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

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Expiration Date of Reports. 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.



GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

APARTMENT DESCRIPTIONS

The Declaration of Horizontal Property Regime and plans submitted by the Developer indicate that POMAIIKA'I COTTAGES is a fee simple condominium project consisting of a total of nine apartments contained in two separate buildings. "Building A", as shown and designated on the Condominium Map, is a two-story wood-frame structure, without basement, containing seven apartment units. "Building B", as shown and designated on the Condominium Map, is a two-story wood-frame structure, without basement, containing two apartment units. The apartments are described as follows:

- (a) Apartment 1 is located on the ground floor of Building A, and is designated on the Condominium Map as "Office 1". It consists of a single-room office of approximately 494 square feet of interior area.
- (b) Apartment 2 is located on the ground floor of Building A, and is designated on the Condominium Map as "Office 2". It consists of a single-room office of approximately 490 square feet of interior area.
- (c) Apartment 3 is located on the ground floor of Building A, and is designated on the Condominium Map as "Office 3". It consists of a single-room office of approximately 316 square feet of interior area.
- (d) Apartment 4 is located on the ground floor of Building A, and is designated on the Condominium Map as "Office 4". It consists of a single-room office of approximately 392 square feet of interior area.
- (e) Apartment 5 is located on the second floor of Building A, and is designated on the Condominium Map as "Office 5". It consists of a single-room office of approximately 342 square feet of interior area.
- (f) Apartment 6 is located on the second floor of Building A, and is designated on the Condominium Map as "Residential Office 6". It consists of a single room, bath, and lanai/deck, containing approximately 342 square feet of interior living area.
- (g) Apartment 7 is located on the second floor of Building A, and is designated on the Condominium Map as "Residential Office 7". It consists of two bedrooms, one bathroom, den, living room, dining area, kitchen and lanai/deck, containing approximately 1,196 square feet of interior living area.
- (h) Apartment 8 is located in the northern half of Building B, and is designated on the Condominium Map as "Residential Office 8". It consists of a two-story unit containing two bedrooms, two and one-half bathrooms, living room, dining area, kitchen, office and lanai/deck, containing approximately 1,880 square feet of interior living area.
- (i) Apartment 9 is located in the southern half of Building B, and is designated on the Condominium Map as "Residential Office 9". It consists of a two-story unit containing two bedrooms, two and one-half bathrooms, living room, dining area, kitchen, office and lanai/deck, containing approximately 1,880 square feet of interior living area.

COMMON ELEMENTS

One freehold estate is designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- (a) The land in fee simple;
- (b) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone;
- (c) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Horizontal Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any apartment which are filed of record.

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as the "limited common elements", are hereby designated and set aside for the exclusive use of one or more apartments, and such apartment(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The only limited common elements so set aside and reserved are the immediate land area upon and around which each apartment is located. Said land areas are shown and designated on the Condominium Map.

- (a) The men's and women's bathrooms located on the ground floor of Building A, and the small storage room also located on the ground floor underneath the stairway of Building A, are hereby deemed limited common elements appurtenant to and for the exclusive use of Apartments 1, 2, 3, 4, 5, 6 and 7.
- (b) Certain parking stalls are hereby deemed limited common elements appurtenant to and for the exclusive use of individual apartments. (As noted in Section III above, Parking Stalls 8 and 13 are designated as guest parking stalls, and as such, are deemed common elements rather than limited common elements.) The parking stalls and their respective appurtenant apartments are as follows:

Apartment 1	—————	Parking Stall 1
Apartment 2	—————	Parking Stall 6
Apartment 3	—————	Parking Stall 7
Apartment 4	—————	Parking Stall 2
Apartment 5	—————	Parking Stall 3
Apartment 6	—————	Parking Stall 4
Apartment 7	—————	Parking Stall 5
Apartment 8	—————	Parking Stalls 9, 10
Apartment 9	—————	Parking Stalls 11, 12

- (c) The carport structure located directly over and covering Parking Stall 5 is hereby deemed a limited common element appurtenant to and for the exclusive use of Apartment 7.
- (d) The carport structure located directly over and covering Parking Stalls 10 and 11 is hereby deemed a limited common element appurtenant to and for the mutual and exclusive use of Apartments 8 and 9.
- (e) The outdoor stairway located on the east side of Building A, serving as a secondary access to Apartment 7, is hereby deemed a limited common element appurtenant to and for the exclusive use of said Apartment 7.
- (f) The immediate land area — including all yards and landscaping — upon and around which Building A is located is hereby deemed a limited common element appurtenant to and for the mutual and exclusive use of the apartments located in Building A.
- (g) The immediate land area — including all yards and landscaping — upon and around which Building B is located is hereby deemed a limited common element appurtenant to and for the mutual and exclusive use of the apartments located in Building B.

ENCUMBRANCES AGAINST TITLE

An encumbrance is a claim against or a liability on the property. The following list describes the encumbrances against the title :

1. A 10-foot wide setback for future road widening along Opelo Road, as shown on survey map dated October 15, 1984.
2. A 5-foot wide setback for future road widening along Pomaika'i Place, as shown on survey map dated October 15, 1984.
3. Covenants, conditions and restrictions set forth in Deed dated April 3, 1985, recorded as aforesaid in said Bureau in Liber 18903 at Page 771.
4. Mortgage, Security Agreement and Financing Statement in favor of STANLEY MONSEF, unmarried, dated August 31, 1987, recorded in said Bureau in Liber 21108 at Page 657. Original consideration: \$600,000.00
5. Real Property Taxes as may be due and owing. Check with the Office of the Tax Assessor, 3rd Division, for further information.
6. Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners and Condominium Map as noted on page 7 of this report.

SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT

SALES CONTRACT: Developers are using the standard Hawaii Board of Realtors' Deposit Receipt, Offer and Acceptance (DROA) form as the intended sales contract for the project. Reference is hereby made thereto.

ESCROW AGREEMENT: The Escrow Agreement, dated January 10, 1988, identifies Title Guaranty Escrow Services, Inc. as Escrow for the Project. The Escrow Agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said Purchaser, without interest and less cancellation fee and costs, if Purchaser shall in writing request refund of his funds and Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser. Said cancellation fee shall be in the minimum amount of \$25.00, but in no event shall exceed \$125.00, the exact amount to be commensurate with the amount of work completed at the time of cancellation.

It is incumbant upon the purchaser and prospective purchaser that he reads with care the DROA and Escrow Agreement.

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 project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The nine apartments, and the respective percentage common interest appurtenant to each, is as follows:

Apartment 1	—	6.7 percent
Apartment 2	—	6.7 percent
Apartment 3	—	4.3 percent
Apartment 4	—	5.4 percent
Apartment 5	—	4.7 percent
Apartment 6	—	4.7 percent
Apartment 7	—	16.3 percent
Apartment 8	—	25.6 percent
Apartment 9	—	25.6 percent

The above common interest percentages shall apply to all situations that affect the common elements of the Project. However, in situations dealing with the limited common elements of the Project, matters that affect only Building A will be dealt with only by the owners of apartments located in Building A. Likewise, matters that affect only Building B will be dealt with only by the owners of apartments located in Building B. Therefore, in matters affecting only one building or the other, the respective common interest appurtenant to each apartment is as follows:

<u>Building A</u>			<u>Building B</u>		
Apartment 1	—	13.8 percent	Apartment 8	—	50.0 percent
Apartment 2	—	13.7 percent	Apartment 9	—	50.0 percent
Apartment 3	—	8.8 percent			
Apartment 4	—	11.0 percent			
Apartment 5	—	9.6 percent			
Apartment 6	—	9.6 percent			
Apartment 7	—	33.5 percent			

DISCLOSURE ABSTRACT

**POMAIIKA'I COTTAGES
Condominium Project**

Pursuant to Section 514A-61, Hawaii Revised Statutes
Horizontal Property Act

Developer

HEWETT & AGORASTOS
P.O. Box 1238
Kamuela, Hawaii 96743
Phone: 885-6266

Project Co-Managers

Melvin B. Hewett
Leslie M. Agorastos
P.O. Box 1238
Kamuela, Hawaii 96743
Phone: 885-6266

Estimated Maintenance Fees/Costs per Apartment

The Developer estimates that the annual maintenance fees and monthly estimated costs for each apartment to cover general maintenance, repairs, utility expenses, insurance, yard service, bookkeeping and reserves will be as follows:

	<u>Annual</u>	<u>Monthly</u>
Apartment 1	\$516.00	\$43.00
Apartment 2	516.00	43.00
Apartment 3	336.00	28.00
Apartment 4	420.00	35.00
Apartment 5	360.00	30.00
Apartment 6	360.00	30.00
Apartment 7	1,260.00	105.00
Apartment 8	1,296.00	108.00
Apartment 9	1,296.00	108.00

Note: In addition to the above charges for common expenses, Apartments 6, 7, 8 and 9 are also separately metered for electricity and water. Any such individual utility charges are the sole responsibility of each respective apartment owner, and are in addition to the maintenance fee charges noted above.

Warranties

Construction of the two buildings containing the nine apartments of the Project will be completed in 1988. Developers warrant against any structural and appliance defects for a period of one year from and after the date of issuance of the Real Estate Commission's Final Public Report.

Use of Apartments

As noted in the Section VIII of the Declaration, Apartments 1, 2, 3, 4 and 5 are intended to be occupied and used only as private commercial offices. Apartments 6, 7, 8 and 9, however, may be occupied and used both as private commercial offices and/or as private residential dwellings.

Dated: Honolulu, Hawaii, January 10, 1988.

HEWETT & AGORASTOS,
a Hawaii general partnership,

By Melvin B. Hewett
MELVIN B. HEWETT, General Partner

By Leslie M. Agorastos
LESLIE M. AGORASTOS, General Partner

Developer