



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

CONDOMINIUM PUBLIC REPORT

on
 KALOKOHANA BUSINESS CENTER
 KALOKO, NORTH KONA, HAWAII

Registration No. 2201

Issued: June 19, 1990
 Expires: July 19, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of April 25, 1990, 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: 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.
(yellow)

FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)

[] No prior reports have been issued
 [] Supersedes all prior public reports
 [] Must be read together with _____

SUPPLEMENTARY: Updates information contained in the
(pink)

[] Prelim. Public Report dated _____
 [] Final Public Report dated _____
 [] Supp. Public Report dated _____

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

[] This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the Commission.

Changes made are as follows:

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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 "Condominium 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 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.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. New Building(s) Conversion
 Both New Building(s) and Conversion
2. Residential Commercial
 Mixed Residential and Commercial
 Other Industrial
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings
5. Apartment Description See Exhibit A attached

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 10

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>30</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>30</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Kona Delcorp, Inc. Phone: (808) 885-7151
Name c/o Pannell Kerr Forster (Business)
900 Fort Street Mall, Suite 1330
Business Address
Honolulu, Hawaii 96813

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

Spencer C. Chapman - President/Treasurer
Timothy A. Andreucci - Vice President
Gloria L. Chapman - Secretary

Real Estate Sales Agent: Michael B. Griggs, dba
Griggs & Griggs Properties Phone: (808) 329-7670
Name (Business)
77-6575 Seaview Circle
Business Address
Kailua-Kona, Hawaii 96740

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 329-6666
Name (Business)
75-170 Hualalai Road, Suite C310
Business Address
Kailua-Kona, Hawaii 96740

Managing Agent: Association will be self-managed Phone: _____
Name (Business)
Business Address

Attorney for Developer: Moon, O'Connor, Tam & Yuen
Name
Central Pacific Plaza, 20th Floor
220 South King Street
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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances - Book _____ Page _____
 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. _____
 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 _____ Page _____
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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.

- 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 common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>51% of Board of Directo.</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: See Exhibit B attached

B. Underlying Land:

Address: Kaloko Industrial Subdivision, Lot 46 Tax Map Key: Hawaii 7-3-51:47
North Kona, Hawaii (TMK)

[] Address [] TMK is expected to change because _____

Land Area: 43,561 [x] square feet [] acre(s) Zoning: ML-1A

Fee Owner: Kona Delcorp, Inc.

Name
c/o Pennell Kerr Forster
900 Fort Street Mall, Suite 1330
Address
Honolulu, Hawaii 96813

Sublessor: _____

Name

Address

C Buildings and Other Improvements:

1. [x] New Building(s) [] Conversion of Existing Building(s)
[] Both New Building(s) and Conversion

2. Buildings: 2 Floors Per Building 1

[x] Exhibit A contains further explanations.

3. Principal Construction Material:

[x] Concrete [] Hollow Tile [x] Wood

[x] Other galvanized steel; gypsum board; glass and allied
construction materials

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[x] Industrial	<u>10</u>
[] Residential	_____	[] Agricultural	_____
[] Timeshare/Hotel	_____	[] Recreational	_____
[] 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 project include but are not limited to:

- Pets _____
- Number of Occupants: _____
- Other: See Exhibit C attached
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 10

Elevators 0

Stairways 0

Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	<u>See Exhibit A attached hereto</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 the floor area may have been used.

Boundaries of Each Apartment:

Each Apartment consists of the space within the boundaries shown on the Condominium File Plan, which is enclosed by the exterior perimeter walls, interior, non-load bearing partition walls, and if no walls the imaginary vertical planes, floor and ceiling of the Apartment, as shown on the Condominium File Plan.

Permitted Alterations to Apartments;

See Exhibit D attached

7. Parking Stalls:

Total Parking Stalls: 30

	<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>23</u>		<u>6</u>			<u>29</u>
Guest Unassigned							
Extra Available for Purchase							
Other: Handicapped		<u>1</u>					<u>1</u>
Total Covered & Open		<u>24</u>		<u>6</u>			

Each apartment will have the exclusive use of at least 2 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 A 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: One (1) trash dumpster

Landscaping

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

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

N/A

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

N/A

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	X		
Structures	X		
Lot	X		

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 E describes the common elements.

As follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit F

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.

As follows:

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

Exhibit G describes the encumbrances against the title contained in the title report dated January 5, 1990 and issued by Title Guaranty of Hawaii, Inc.

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.

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, Security Agreement and Financing Statement on the property in favor of Bank of Hawaii to secure a construction loan	Mortgagee, in its discretion, may either elect to honor Buyer's contract or return Buyer's deposit and cancel the contract. If the contract is cancelled the Buyer may lose all rights to acquire the apartment

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.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

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 H 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 type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |
| <input type="checkbox"/> Not applicable | |

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:**

The execution, delivery and recordation of the Apartment Deed shall constitute the assignment by Developer to Buyer of any and all warranties given Developer by the general contractor for the Project and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the Apartment, as that term is defined in the construction contract for the Project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents.

2. **Appliances:**

N/A

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 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 Condominium 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. 2201 filed with the Real Estate Commission on
March 9, 1990.

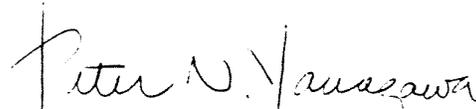
Reproduction of Report. When reproduced, this report must be on:

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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.



PETER N. YANAGAWA, 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

EXHIBIT A

DESCRIPTION OF APARTMENTS

Kalokohana Business Center consists of two one-story buildings (without basements) containing ten (10) Apartments, as shown on the Condominium File Plan.

The building is constructed primarily of aluminum, galvanized steel, concrete, gypsum board, wood, glass and allied construction materials. If the descriptions and divisions set forth in this Declaration conflict with the depictions and divisions shown on the Condominium File Plan, the Condominium File Plan shall control; and provided, further, that the Condominium File Plan is intended only to show the layout, location, Apartment numbers and dimensions of the Apartments and elevations of the Building and is not intended and shall not be deemed to contain or make any other representation or warranty. All Apartments have access directly to limited common element grounds

Each Apartment consists of the space within the boundaries shown on the Condominium File Plan, which is enclosed by the exterior perimeter walls, interior, non-load bearing partition walls, and if no walls the imaginary vertical planes, floor and ceiling of the Apartment, as shown on the Condominium File Plan.

Each Apartment in the Project is identified by an Apartment number on the Condominium File Plan and each Apartment will be located in the Project as shown on the Condominium File Plan. The floor plan of each Apartment is as shown on the Condominium File Plan.

The approximate net floor areas set forth below are based on measurements taken from the interior surface of all perimeter walls, interior walls and/or imaginary vertical planes as shown on the Condominium File Plan, except that no reduction is made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls, interior walls and/or said imaginary vertical planes. The floor areas set forth in Exhibit B are not exact but are approximations based on the floor plans of each Apartment. All floor areas set forth in Exhibit B have been rounded to the next lowest full square foot.

Notwithstanding the floor areas set forth below and the manner in which such floor areas are measured, the respective Apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, nonload bearing walls, or partition walls, the foundations, columns, girders, beams, floor slabs, footings, supports, roof and ceilings located within or at the perimeter of or surrounding such Apartment, any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such Apartment which are utilized for or serve more than one Apartment, all of which are deemed common elements as hereinafter provided.

<u>APT. NO. & TYPE</u>	<u>BDRM/ BATHS</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>COMMON INTEREST</u>	<u>PARKING STALLS</u>
1A	**	1555.0	0.0949	7, 11*, 12*
2A	**	1580.0	0.0965	4, 5, 6*
3A	**	1580.0	0.0965	1, 2, 3*
4B	**	1408.0	0.0860	8, 13
5B	**	1408.0	0.0860	9, 14
6B	**	1408.0	0.0860	10, 15
7C	**	1860.0	0.1136	16*, 17, 18+
8C	**	1860.0	0.1136	19, 20*, 21, 22
9C	**	1860.0	0.1136	23, 24, 25*, 26
10C	**	1860.0	0.1136	27, 28, 29, 30

* Denotes compact parking stalls

** Denotes loft industrial apartments. No bedrooms. Plumbing fixtures for one (1) bathroom per unit are available, but there are no finished bathrooms.

+ Denotes physically impaired (handicapped) parking stalls

EXHIBIT B

AMENDMENTS TO DOCUMENTS BY DEVELOPER

Until the filing in the Bureau of Conveyances of the State of Hawaii of Apartment conveyances with respect to all of the Apartments in the Project, Developer reserves the right to amend the Declaration, the By-laws and the Condominium File Plan, without the approval, consent or joinder of any purchaser of an Apartment or any of the persons then owning or leasing any Apartment to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the Apartments, by any institutional lender lending funds on the security of the Project or any of the Apartments, or by the governmental agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the marking or sale of Apartments in any such jurisdiction; provided, however, that except as otherwise provided herein, no such amendment which would change the common interest appurtenant to an Apartment or substantially change the design, location or size of an Apartment shall be made without the consent to such amendment by all parties having an interest in such Apartment.

Notwithstanding the filing of any Apartment conveyances with respect to any Apartment in favor of any person, Developer hereby reserves the right to successively amend the Declaration (including the By-laws and, when applicable, the Condominium File Plan), without the approval, consent or joinder of any purchaser of an Apartment or any of the persons then owning or leasing any Apartment, to file the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Condominium Property Act, (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, Apartment numbers and dimensions of the Apartments as built, or (ii) so long as any plans filed therewith involve only changes to the layout, location, Apartment numbers or dimensions of or other changes to the Apartments and Common Elements as built which Developer is permitted to make in accordance with Section 10.03 of the Declaration.

EXHIBIT C

RESTRICTIONS

All Apartment Owners, their tenants, lessees, invitees, licensees, employees, and any other person who may in any manner use the Project or any part thereof, shall comply strictly with the restrictions on use set forth in the Declaration of Condominium Property Regime of Kalokohana Business Center (the "Declaration") and that certain Declaration of Restrictive Covenants of Kaloko Light Industrial Subdivision, Unit 1, dated September 24, 1984, and recorded in the Bureau of Conveyances, State of Hawaii in Liber 18185, Page 204, as amended by instrument dated November 2, 1984, recorded in Liber 18251, Page 727, and as may be amended from time to time, (the "Master Declaration"). Each Apartment Owner shall indemnify, defend and hold harmless Developer, and its respective successors and assigns, and the Apartment Owners, and their respective successors and assigns, against and from any and all claims, demands, losses, damages, costs and expenses arising out of or relating to any violation by such Apartment Owner, or anyone under such Apartment Owner, of any of the restrictions contained in this Declaration and the Master Declaration.

(a) Neither the Association of Apartment Owners of the Kalokohana Business Center nor any Apartment Owner shall suffer anything to be done or kept in an Apartment or elsewhere in the Project which will:

- (1) jeopardize the soundness of the Building,
- (2) interfere with or otherwise unreasonably disturb the rights of other Apartment Owners and occupants,
- (3) obstruct any walkway, stairway or entryway of the Building,
- (4) increase the rate of fire or extended coverage insurance on the Building; or the contents thereof,
- (5) reduce the value of the Building,
- (6) violate any law, statute, ordinance, rule or regulation of any governmental entity or agency, or
- (7) commit any act or neglect whereby the Project or any part thereof at any time becomes subject to any attachment, judgment, lien, charge or encumbrance whatsoever.

(b) Except as otherwise expressly provided in Article X of the Declaration, an Apartment Owner shall not make any alterations in or additions to his Apartment or to any other portion or portions of the Common Elements without the prior written consent of the Board of Directors of Kalokohana Business Center.

(c) Developer reserves the right to conduct extensive sales activities on and at the Project, including the use of sales and management offices and extensive sales displays and activities until the closing of the initial sale of the last unsold Apartment in the Project.

(d) Each Apartment may be owned, occupied and used for all purposes permitted under the present zoning law except for the following purposes:

(1) All uses expressly prohibited under present zoning laws;

(2) Carpentry and cabinet making shops, surfboard making shops, automotive mechanic shops, automotive body repair shops, automotive paint shops or any other use which creates excessive noise;

(3) The unsafe use and storage of flammable materials as determined by county fire inspectors;

(4) Storage of customers' motor vehicles within the Common Elements;

(5) Any work connected with the business operation of an Apartment conducted outside the Apartment Building confines, in the common areas or in the limited common elements, except for routine minor maintenance of motor vehicles, such as adding water to radiators or batteries or adding engine oil, and loading or unloading equipment or inventory.

(6) Storage of goods or equipment outside the Building confines or within the common elements or limited common elements;

(7) Keeping pets or animals inside the Apartments, outside the Apartment Building confines or within the common elements or limited common Elements; and

(8) Uses which require electrical power in excess of 200 amps/3 phase are prohibited.

(e) Developer will provide each Apartment with one (1) exterior sign, the design and dimensions of which will be determined by Developer. Any other signs or other advertising matter visible from the exterior of any Apartment are prohibited.

(f) Each Apartment Owner shall have the right to rent or lease an Apartment to a single tenant upon such terms and conditions as the Apartment Owner shall determine; provided that no Apartment Owner shall sublease a single Apartment to multiple tenants.

EXHIBIT D

ALTERATION OF PROJECT

Except as otherwise provided herein, the Association of Apartment Owners of Kalokohana Business Center (the "Association") or any Apartment Owner shall undertake any alteration, repair or replacement of the Building only pursuant to an amendment of the Declaration of Kalokohana Business Center (the "Declaration") duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the Apartment Owners by interest and accompanied by the written consent of the holders of all liens affecting any of the Apartments. In accordance with all of the requirements of Section 10.01(a) of the Declaration, promptly upon completion of such alteration, replacement or construction, the Association shall duly record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

Any other provision in the Declaration to the contrary notwithstanding, an Apartment Owner shall have the right at any time and from time to time, at his sole cost and expense and without the consent or joinder of the other Apartment Owners, to make any alterations or additions within such Apartment Owner's Apartment (an Apartment Owner of any two or more adjoining Apartments may alter or remove all or portions of the intervening walls at such Apartment Owner's expense), provided that (i) the structural integrity of the building is not thereby affected, (ii) provisions for access to the common areas of the Project are made, (iii) such alterations and additions are made in accordance with plans and specifications therefor prepared by a licensed architect or engineer, and (iv) that prior to commencing any work to be commenced therein or thereon, such Apartment Owner shall secure a performance bond naming the Association as co-obligee in a penal sum of not less than 100% of the cost of construction, guaranteeing completion of construction free and clear of all mechanics' and materialmen's liens. Prior to performing any alterations or additions permitted by the immediately preceding provisos, the plans therefor shall be approved in writing by the holders of first mortgage liens affecting such Apartment (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the County of Hawaii if such agencies so require, and by the Board of Directors of Kalokohana Business Center (the "Board") (which approval the Board shall not unreasonably withhold or delay), and such alterations or additions may be undertaken without an amendment to the Declaration and without recording or filing a complete set of floor plans of the Apartment as so altered. Prior to the termination of common ownership of any two or more adjoining Apartments, the owner of such Apartment shall restore such intervening common walls and accessways to the common areas of the Project to substantially the same condition in which they existed prior to such alteration or removal.

EXHIBIT E

COMMON ELEMENTS

The "common elements", include specifically, but are not limited to:

- (a) The Land in fee simple;
- (b) All foundations, columns, girders, beams, footings, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions and roof;
- (c) All grounds, trees, gardens, landscaping, planters and entries;
- (d) All paved areas adjacent to parking stalls, sidewalks, or loading areas;
- (d) All refuse containers and trash enclosures on the grounds of the Project;
- (e) All driveways, walkways, sidewalks, building entries, loading areas, roadways, fences and gates;
- (f) All pipes, cables, conduits, ducts, pumps, sewer lines, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one Apartment for services such as power, light, gas (if any), sewer, water, and telephone; and
- (g) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT F

LIMITED COMMON ELEMENTS AND COMMON INTERESTS

Certain parts of the common elements, herein called and designated "limited common elements", are reserved for the exclusive use of certain Apartments. Each Apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements. Any entrance, exit, stairway, or ramp which would normally be used only for the purposes of ingress to and egress from less than all Apartments shall be limited common element appurtenant to and reserved for the exclusive use of each Apartment. The limited common elements shall consist of:

- (a) The automobile parking stalls designated on Exhibit A as being appurtenant to an Apartment shall be appurtenant to and for the exclusive use of such Apartment. Automobile stalls may be transferred from one Apartment to another pursuant to Article 11.01 of the Declaration of Condominium Property Regime of Kalokohana Business Center.
- (b) Any entrance, exit, stairway, or ramp which would normally be used only for the purposes of ingress to and egress from an Apartment shall be a limited common element appurtenant to and reserved for the exclusive use of such Apartment.
- (c) The landscape and paved areas surrounding the Apartments, including those areas where drain basins and trash receptacles are located.

All costs and expenses, including, but not limited to, maintenance, repair, replacement, additions and improvements to the limited common element of the Project shall be charged to Apartment Owner(s) and Apartment(s) to which such limited common element is appurtenant. Expenses which are attributable to more than one parking stall shall be allocated among the affected parking stalls on a per stall basis.

COMMON INTEREST

Each Apartment shall own a percentage of the undivided interest in the common elements of Kalokohana Business Center, referred to as the "common interest," as set forth in Exhibit A and the same proportionate share in all common profits and expenses of Kalokohana Business Center and for all other purposes, including voting.

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes (Hawaii TMK: 7-3-51:47: For Real Property Taxes that may due due and owing, reference is made to the Director of Finance, County of Hawaii.
2. Ordinance No. 83.38 of the County of Hawaii, and any amendments thereof, as set forth in Deed dated June 27, 1984, recorded in Liber 18148, Page 659.
3. Covenants, conditions and restrictions set forth in DECLARATION dated September 24, 1984, recorded in Liber 18185, Page 204. Said Declaration was amended by instrument dated November 2, 1984, recorded in Liber 18251, Page 727.
4. Mortgage, Security Agreement and Financing Statement on the property in favor of BANK OF HAWAII dated June 2, 1989, in the amount of \$275,000.00, recorded in Liber 23275, Page 248.

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
1A	\$ 99.00	\$ 1,188.00
2A	100.00	1,200.00
3A	100.00	1,200.00
4B	89.00	1,068.00
5B	89.00	1,068.00
6B	89.00	1,068.00
7C	118.00	1,416.00
8C	118.00	1,416.00
9C	118.00	1,416.00
10C	118.00	1,416.00
TOTALS	1,038.00	\$12,456.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning		
Electricity		
(X) common elements only	\$125.00	\$ 1,500.00
() common elements and apartments		
Gas		
Refuse Collection	80.00	960.00
Telephone		
Water	160.00	1,920.00

Maintenance, Repairs and Supplies

Building	20.00	240.00
Grounds	160.00	1,920.00

Management

Management Fee	100.00	1,200.00
Payroll and Payroll Taxes		
Office Expenses		

Insurance

(Fire, Comprehensive General Liability, Liability Umbrella, Officers & Directors)	335.00	4,020.00
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Reserves

Taxes and Government Assessments

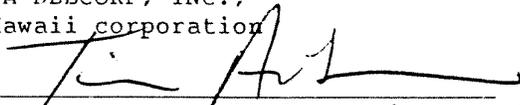
Audit Fees	58.00	696.00
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Other

TOTAL	1,038.00	\$12,456.00
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WE, KONA DELCORP, INC., as Developers for the Kalokohana Business Center condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

KONA DELCORP, INC.,
a Hawaii corporation

By 
Its Tim Andzelenki - U-12nd

Date: 5/31/90

EXHIBIT I

SUMMARY OF SALES CONTRACT

1. This Kalokohana Business Center Deposit, Receipt, Reservation Agreement and Sales Contract ("Sales Contract") is not a present transfer of any interest in the Project but only an agreement to purchase and sell apartments therein.

2. Buyer's interest will be subject to the restrictions, covenants and conditions contained in the Declaration of Condominium Property Regime of Kalokohana Business Center.

3. Within ten (10) days after execution of the Sales Contract, Buyer shall produce satisfactory evidence of his ability and the source of funding to purchase the Apartment or apply for a mortgage loan.

4. This Sales Contract is a reservation only until such time as Buyer received a Final Public Report and has acknowledged receipt of the Final Public Report and forty-eight (48) hours have elapsed or thirty (30) days has passed since such receipt by Buyer. Until such time, either party may either terminate this reservation and all funds shall be returned to Buyer less any escrow costs.

5. Upon the closing date, Buyer is obligated to fulfill his obligations regardless of satisfaction of his inspection of the Apartment, and regardless of whether common areas of the Project have been completed.

6. Buyer has the right to rescind this Sales Contract if there is material change in the Project which directly, substantially and adversely affects the use of value of Buyer's Apartment.

7. This right is waived upon delivery to Buyer of the Supplementary Public Report which describes the material change and which material change is: (i) approved by Buyer; or (ii) thirty (30) days have lapsed from the date of delivery of such Supplementary Public Report; or (iii) ninety (90) days have lapsed since Buyer has accepted or occupied the Apartment.

8. Seller shall furnish all materials and perform all labor necessary to complete the construction in accordance with the plans and specifications which Buyer acknowledges he has examined and/or waives any objections he may have thereto.

9. Construction shall be completed within 180 days absent conditions beyond the control of Seller.

10. At any time prior to commencement of construction or prior to Seller obtaining not less than five (5) executed and valid Sales Contracts, Seller may terminate this Contract and refund all amounts paid to Buyer.

11. In an event of default by Buyer to perform any obligations required under the Sales Contract, Seller shall, at Seller's option, terminate this Agreement and retain as damages, all sums previously paid by Buyer, and pursue any other remedy at law or equity.

12. Buyer acknowledges that Seller makes no warranties, expressed or implied, with respect to any Apartment except that Seller will require the general contractor a written warranty covering any defects to the Apartment due to faulty materials or workmanship within one (1) year from the date of completion of the Apartment.

13. Buyer acknowledges that he has examined the estimate of monthly maintenance charges for the Apartments as shown in the Preliminary Public Report, and that such amounts are only estimates and may change for reasons beyond the control of Seller.

14. Buyer's rights under the Sales Contract are not assignable without Seller's prior written consent, which consent may be withheld in Seller's sole discretion, and any purported assignment without such consent shall be void.

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

1. Buyer shall pay all monies payable under the Sales Contracts to TITLE GUARANTY ESCROW SERVICES, INC. ("Escrow").

2. Escrow will deposit Buyer's funds into a federally-insured account. All interest earned on such deposits will belong to Seller.

3. Upon receipt of a written notice from Seller that payments are due under any Sales Contracts, Escrow will give written notice to Buyer requesting such payments be made directly to Escrow.

4. After the Final Public Report on the Project has been issued and received by each Buyer, along with Seller's written statement that the respective Sales Contract is effective, Escrow will disburse escrowed funds for the following purposes:

(a) construction costs in proportion to the valuation of the work completed by the contractor on the Apartments, as certified by a registered architect or professional engineer and approved by Seller's mortgagee, and

(b) architectural, engineering, financing and legal fees and other incidental expenses upon submission of bills for disbursements to the extent approved by Seller's mortgagee.

5. Once the Project has been completed and Escrow has received satisfactory evidence that the Property is free from all mechanics' and materialmen's liens, and if not forty-five (45) days after the filing with Escrow of a copy of the affidavit of publication of notice of completion of the Project, Escrow will disburse the remaining escrowed funds in accordance with the directions of Seller.

6. Buyer will be entitled to a refund of Buyer's monies without interest and less Escrow's cancellation fee if one of the following shall occur:

(a) Seller directs Escrow to make the refund;

(b) Buyer rescinds the Sales Contract because of a material change in the Project adversely affecting Buyer's interest;

(c) Buyer rescinds the Sales Contract because Buyer paid its funds to Escrow before issuance of the Final Public Report, which when issued is materially different from the Preliminary Public Report;

(d) Buyer rescinds the Sales Contract because the Final Public Report is not issued within one year from the issuance of the Preliminary Public Report; or

(e) Buyer is entitled to a refund under any provision of the Condominium Property Act.

7. If Seller terminates the Sales Contract due to a default on the part of Buyer, Seller will so notify Escrow. Escrow will then notify Buyer by registered mail of such default and will thereafter treat all funds of such Buyer as Seller's property, except that Escrow shall be entitled to deduct its cancellation fee from such funds to cover the work performed, in an event not less than Twenty Five Dollars (\$25.00) nor more than Two Hundred and Seventy Five Dollars (\$275.00).

8. Escrow's fee is Two Hundred and Seventy-Five Dollars (\$275.00) for each Sales Contract closed.