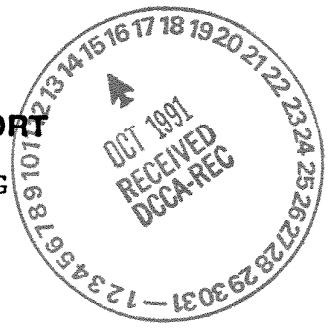
REAL ESTATE COMMISSION

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
P. O. Box 3469
Honolulu, Hawaii 96801



CONDOMINIUM PUBLIC REPORT

THE C. R. FENNER BUILDING
73-5677 Lawehana Street
Kailua-Kona, Hawaii

Registration No. 2470 (Conversion)

Issued: October 8, 1991
Expires: November 8, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as o September 8, 19 91, 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.

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

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

_____ **SUPPLEMENTARY:** *(pink)* Updates 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 _____

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required [ ] 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 pu report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with earlier reports if they wish to know the specific changes that have been made.

[X] 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 Hawaii's *"Condominium Property Act"* (Chapter 514A, Hawaii Revised Statutes) must be followed.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvemer are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lesse (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usua requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including a improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individu apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including a improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in yo 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 a owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of th building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Yo 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 c certain apartments. These common elements are called limited common elements and may include parking stall patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may b individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation c law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Stud the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupanc of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regar 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 a 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 Director 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:

[X] 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) [X] Conversion
   [ ] Both New Building(s) and Conversion

2. [ ] Residential [ ] Commercial [ ] Ohana
   [ ] Mixed Residential and Commercial [ ] Agricultural
   [X] Other Industrial

3. [ ] High Rise (5 stories or more) [X] Low Rise

4. [X] Single or [ ] Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
1A	Units 1 & 10	none	1,782.5	none
1	Units 2 thru 9	none	1,765	none

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:

	Number of Stalls
Assigned Stalls (Individual Units)	29
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other: Loading Zones (2)	3
Handicapped (1)	
Total Parking Stalls	32

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: SAVE-ON FOODS, INC., a Hawaii corp.
Name
Phone: 329-6740 (Business)

P. O. Box 5602
Business Address

Kailua-Kona, HI 96745

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

C. R. FENNER - President, Secretary & Treasurer

RICHARD HUGGINS - Vice President

Real Estate Broker: GRIGGS & GRIGGS PROPERTY
Name
Phone: 329-7670 (Business)

P. O. Box 5602
Business Address

Kailua-Kona, HI 96745

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
Phone: 329-6666 (Business)

P. O. Box 1837
Business Address

Kailua-Kona, HI 96745

General Contractor: B & B CONSTRUCTION
Name
Phone: 322-3567 (Business)

P.O. Box 135
Business Address

Kealakekua, HI 96750

Condominium Managing Agent: To be self managed by the
Name
Phone: (Business)

Association of Apartment Owners
Business Address

Attorney for Developer: CARLSMITH BALL WICHMAN MURRAY CASE MUKAI & ICHIKI
ROBERT D. TRIANTOS
Name
Phone: 329-6464 (Business)

P. O. Box 1720
Business Address

Kailua-Kona, HI 96745

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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartm Owners.

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

The Declaration for this condominium is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances - Document No. 91 74565
Book _____ Page _____
[ ] Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

Amended August 19,1991, recorded August 27, 1991 as Document No. 91-116699

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It al shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded - Bureau of Conveyance Condo Map No. 1512
[ ] 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. The provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, th powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect ho the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded - Bureau of Conveyances - Document No. 91 74566
Book _____ Page _____
[ ] Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights a obligations of the apartment owners with respect to the common elements, to each other, and to their respecti apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the comm elements and individual apartments. House rules may cover matters such as parking regulations, hours operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limi These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [X] 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 ar 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 changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	---	N/A

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

2. Developer:

[ ] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws c House Rules.

[X] Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws c House Rules

During the sales period, the Developer has reserved the right to make any changes to the project documents and the project as may be required by law, any title insurance company, and institutional lender or any governmental agency; and, prior to the conveyance or transfer of the first unit, for any reason and in any manner as the developer deems necessary, provided that no such change shall substantially alter or reduce the usable space within the unit, render unenforceable the Buyer's mortgage loan commitment, increase the Buyer's share of common expenses, or reduce the obligations of the Developer for common expenses or unsold units.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] Fee Simple: Individual apartments and the common elements which includes the underlying land will be fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlyi land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the e of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which t renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[ ] Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessee (apartment owners - tenants) deliver to the lessor (fee property owner) their interest in the lan and that they either (1) remove or dispose of the building(s) and other improvements; or (convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which th renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[ ] Other:

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 sam terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 73-5677 Lawehana Street
Kailua-Kona, HI 96740

Tax Map Key: (3) 7-3-51:049 (TMK)

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

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

Fee Owner: SAVE-ON FOODS, INC.
Name

P.O. Box 5602
Address

Kailua-Kona, Hawaii 96745

Sublessor: _____
Name

_____
Address

C Buildings and Other Improvements:

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

2. Buildings: 1 Floors Per Building 1

[X] Exhibit A contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [ ] Wood

[X] Other metal siding

4. Permitted Uses by Zoning:

	No. of Apts.	Use Determined By Zoning		No. of Apts.	Use Determined By Zoning
[ ] Commercial			[X] Industrial	10	Yes
[ ] Residential			[ ] Agricultural		
[ ] Timeshare/Hotel			[ ] Recreational		
[ ] Other:					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?
[X] Yes [ ] No

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:

[X] Pets: Prohibited

[X] Number of Occupants: Residential Occupancy is Prohibited

[X] Other: Only commercial and industrial uses permitted. Retail sales must be incidental and subordinate to a permitted use. See Exhibit

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators -0- Stairways -0- Trash Chutes -0-

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
1A	Units 1 & 10	none	1,782.5	none
1	Units 2 thru 9	none	1,765	none

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.

Boundaries of Each Apartment: Each apartment includes, but is not limited to, the interior surface of perimter wall, floors and ceiling, the doors and door frames, windows and window frames along the perimeters, the air space within the perimeter the air space within the perimeters, and all fixtures originally installed in the apartment. The apartments shall not include the undecorated or unfinished surface of the perimeter party or nonparty walls, the interior load-bearing columns, girde beams and walls, the undecorated or unfinished survaces of the floor and ceilings surrounding each apartment or any pipes, shafts, wires, conduits or other utility or service lines running through an apartment which are utilized for or serve more than one apartment.

Permitted Alterations to Apartments: Alterations or additions within an apartment may be made with prior written notice to the Board of Directors as long as the structural integrity and soundness of the project is not adversely affected. A copy of the owner's plans and appropriate building permits shall be submitted with the written notice, as well as an estimate of time of construction. An owner of two or more apartments separated by a party wall may alter or remove the intervening wall if structural integrity and soundness of the project is not adversely affected. At t termination of the common ownership, the altered walls shall be restored by the ow

7. Parking Stalls:

Total Parking Stalls: 32

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)		29					29
Guest							
Unassigned							
Extra Available for Purchase							
Other:		3					3
Total Covered & Open	32						

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.

[X] Exhibit A, B &C contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[ ] Other: _____

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

The structural components and the mechanical and electrical systems are in fair to good conditions consistent with their age. The Developer is not able to make any representations as to the useful life of the structural components or the mechanical and electrical systems.

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

The structures were constructed in compliance with the municipal regulations and building codes in effect at the time of construction.

10. Conformance to Present Zoning Code

a. [X] 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 or time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buy 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 restrictior on altering and repairing structures. In some cases, a non-conforming structure that is destroyed damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conformir 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 use all apartment owners. They are owned jointly by all apartment owners.

[X] Exhibit B describes the common elements.

[ ] As follows:

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

[ ] There are no limited common elements in this project.

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

[ ] described in Exhibit C

[ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elemen This interest is called the "common interest." It is often used to determine each apartment's share of t maintenance fees and other common profits and expenses of the condominium. It may also be used other purposes, including voting on matters requiring action by apartment owners.

[X] Exhibit D 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 E describes the encumbrances against the title contained in the title report dat May 23, 1991 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 usua released on an apartment-by-apartment basis upon payment of specified sums so that individual apartme 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 t developer conveys the apartment to a buyer. Buyer's interest will be affected only if the develop defaults prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgage in favor of Honfed Bank	Buyer's interest may be terminated and Buyer will receive a refund of all deposits

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for th management of the common elements and the overall operation of the condominium project. The Associatic may be permitted, and in some cases may be required, to employ or retain a managing agent to assist th Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, th management contract must have a term of one year or less and the parties must be able to terminate the contra 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.

[X] 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 a maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment m be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fe 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 the maintenance fees:

[ ] Not applicable

[ ] Electricity

[ ] Gas

[ ] Other _____

[ ] Television Cable

[X] Water & Sewer

I. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for ea warranty, are as follows:

1. Building and Other Improvements:

Seller makes no express warranties. SELLER DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP AND ANY OTHER EXPRESS OR ANY IMPLIED WARRANTIES WITH RESPECT TO THE APARTMENT, THE COMMON ELEMENTS OR THE PROJECT.

Seller disclaims any and all responsibility or liability for any water infiltration, any malfunction, any construction or design defect, or any other problems which Buyer may encounter with respect to the Apartment or Project.

2. Appliances:

Seller warrants that all major appliances, plumbing and electrical fixtures included in the sale will be in working order consistent with their age as of the date of closing, or occupancy, if earlier. No continuing warranty is expressed or implied.

J. **Status of Construction and Estimated Completion Date:**

The construction was completed on January 1, 1990.

K. **Project Phases:**

The developer [ ] has [X] 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:**

Sales documents on file with the Real Estate Commission include but are not limited to:

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated February 18, 1991

Exhibit H contains a summary of the pertinent provisions of the escrow contract.

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

None.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by tl Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sal are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, le 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 Fir Public Report;
      AND
   b. Any other public report issued by the Commission prior to the date of delivery, if the report was n 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 tl 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 u or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buye 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 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 relati 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 16-10 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 revie through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawai Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at tl Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2470 filed with the Real Estate Commission on June 25, 1991.

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

[ ] yellow paper stock [X] white paper stock [ ] pink paper stock

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 Yanagawa

PETER 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

EXHIBIT A

DESCRIPTION OF THE BUILDINGS

The Project is hereby divided into the freehold estates described and designated below.

1. Description of the Units: Ten (10) separate condominium units are designated in the spaces within the perimeter and party walls, windows, doors, floors, and ceilings of the unit of the Project, in the Building in the Project as described above, which spaces are referred to herein as "units," and are designated on the Condominium Map and described as follows:

a. Unit Numbers and Locations: The units in the Project are numbered from one (1) to ten (10). The units are numbered consecutively in ascending order from south to north beginning with "1" at the Lawehana Street end of the building through number "10". The unit numbers and locations are more fully illustrated on the Condominium Map.

b. Layout and Area of Individual Units: Each unit consists of a single (warehouse) room (subject to internal partitioning as provided in Paragraph 5 of Section E hereof) including plumbing stubs, a drive-in entrance with a roll-up overhead door and a walk-in entrance with door. The units are divided into one (1) floor plan as follows:

> Each end unit (Unit Nos. 1 and 10) shall have a net area of approximately 1782.5 square feet; each interior unit (Unit Nos. 2 through 9, inclusive) shall have a net area of approximately 1765.0 square feet.

2. Description of the Project. The Project is described in the Condominium Map and consists of one (1) separate building constructed principally of concrete, metal sidings and gypsum board. The building shall be single story, approximately twenty-four feet (24') in height, without basements. The Building shall have a gross area of approximately 18,000 square feet divided among ten (10) industrial condominium apartment units.

The approximate area of each unit is also set forth below. In calculating the areas for all unit types, the "net area" is measured along the floor of each unit and the "gross area" is measured from approximately eight feet above the level of the floor of each unit.

UNIT NUMBER	APPROXIMATE GROSS AREA	APPROXIMATE NET AREA	PERCENTAGE COMMON INTEREST	ASSIGNED PARKING STALL NUMBER
1	1,800 sq. ft.	1,782.5 sq. ft.	10%	2 & 3
2	1,800 sq. ft.	1,765.0 sq. ft.	10%	4, 5 & 6
3	1,800 sq. ft.	1,765.0 sq. ft.	10%	7, 8 & 9
4	1,800 sq. ft.	1,765.0 sq. ft.	10%	10, 11 & 12
5	1,800 sq. ft.	1,765.0 sq. ft.	10%	13, 14 & 15
6	1,800 sq. ft.	1,765.0 sq. ft.	10%	16, 17 & 18
7	1,800 sq. ft.	1,765.0 sq. ft.	10%	19, 20 & 21
8	1,800 sq. ft.	1,765.0 sq. ft.	10%	22, 23 & 24
9	1,800 sq. ft.	1,765.0 sq. ft.	10%	25, 26 & 27
10	1,800 sq. ft.	1,782.5 sq. ft.	10%	28, 29 & 30

END OF EXHIBIT A

EXHIBIT B

COMMON ELEMENTS

Common Elements. One freehold estate is hereby designated in all remaining portions of the Project, herein called the "Common Elements", including specifically but not limited to:

a. The Land in fee simple.

b. All unfinished, undecorated portions of all perimeter (including party) and load-bearing walls, all structural components, foundations, floor slabs, columns, girders, beams, supports and roofs.

c. All yards, grounds and landscaping and all refuse facilities, if any, whether within or appurtenant to the Project.

d. All roads, driveways, 30 parking stalls, including one handicap (H.C.) parking stall, two (2) loading areas and all walkways which are rationally of common use by Owners of more than one Apartment.

e. All ducts, sewer lines, cesspools, electrical equipment, wiring, pipes and other appurtenant transmission facilities over, under and across the Project which are outside of the Apartment or which serve more than one Apartment for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution.

f. Unimproved areas, maintenance and storage areas, mailbox areas and other similar areas which are not part of an Apartment.

g. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

END OF EXHIBIT B

EXHIBIT C

LIMITED COMMON ELEMENTS

Limited Common Elements. Certain parts of the Common Elements, herein called the "Limited Common Elements", are hereby designated, set aside and reserved for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements as set forth herein. The costs and expenses of every description pertaining to the Limited Common Elements, including but not limited to the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements shall be charged to the Owner of the Apartment to which the Limited Common Element shall be appurtenant, and if there is more than one Apartment to which the Limited Common Elements shall be appurtenant, then in proportion to the Common Interest appurtenant to each of the respective Apartments except as otherwise provided in this Paragraph 4.

a. Each unit shall have appurtenant to it as a limited common elements three (3) parking stalls except Unit 1 which shall have two (2) parking stalls appurtenant to it. The Developer reserves the right to assign and reassign stalls from time to time by amendment to this Declaration as provided in the Act. All costs and expenses of repaving, restriping or otherwise repairing such parking stalls shall be charged to each owner on a pro rata basis in direct proportion to the number of parking stalls appurtenant to the owner's unit and all other costs and expenses attributable to such parking stalls shall be charged to each owner as a common expense of the Project.

b. That portion of the concrete slab floor located immediately below each unit excluding any footings shall be appurtenant to such unit as a limited common element. The costs of any maintenance, repairs and all expenses of said floor shall be borne by the unit owner of the unit to which such floor is appurtenant as a limited common element.

c. Each Apartment shall have appurtenant to it as a Limited Common Element the cesspool and sewer line serving that Apartment.

d. All costs and expenses of maintaining the cesspools or other Limited Common Elements shall be charged to the Owner of the Apartment to which such Limited Common Element shall be appurtenant. The Owner of an appurtenant cesspool or other Limited Common Element shall have the right and the obligation in the first instance to maintain and repair the cesspool or other Limited Common Element appurtenant to such Owner's Apartment. The Association, upon giving notice to the Owner, may repair or maintain the cesspool or other Limited Common Element and charge the expense thereof to such Owner.

END OF EXHIBIT C

EXHIBIT D

COMMON INTERESTS

Each unit shall have appurtenant thereto an undivided percentage interest in all common elements of the Project, herein called the "common interest", and the same proportionate share in all common profits and expenses of the Project and for all other purposes including voting, as follows:

Apt. No.	Apt. Type	Common Int.
1	1A	10.0%
2	1	10.0%
3	1	10.0%
4	1	10.0%
5	1	10.0%
6	1	10.0%
7	1	10.0%
8	1	10.0%
9	1	10.0%
10	1A	10.0%
	Total	100.0%

END OF EXHIBIT D

EXHIBIT E

ENCUMBRANCES AGAINST THE TITLE

1. Ordinance No. 83.38 of the County of Hawaii and any amendments thereto, as contained in DEED dated June 27, 1984, recorded in Liber 18148 at Page 659.

2. Covenants, conditions and restrictions set forth in DECLARATION dated September 24, 1984, recorded in Liber 18185 at Page 204. Said Declaration was amended by instrument dated November 2, 1984, recorded in Liber 18251 at Page 727.

3. Declaration of Condominium Property Regime of C. R. Fenner Building dated May 9, 1991 recorded as Document No. 91-74565.

4. Bylaws of the Association of Apartment Owners of C. R. Fenner Building dated May 9, 1991 recorded as Document No. 91-74566.

5. First Amendment to the Declaration of Condominium Property Regime of the C. R. Fenner Building dated August 19, 1991 recorded as Document No. 91-116699.

6. REAL PROPERTY MORTGAGE AND SECURITY AGREEMENT; ASSIGNMENT OF RENTS; AND FINANCING STATEMENT

   MORTGAGOR : BOB'S MERCANTILE, LTD., a Canadian corporation registered to do business in the State of Hawaii

   MORTGAGEE : HONFED BANK, A FEDERAL SAVINGS BANK

   DATED : December 2, 1988
   RECORDED : Liber 22682 Page 427
   AMOUNT : $750,000.00

7. Real property taxes as may be due and owing. Check with the Director of Finance, County of Hawaii.

8. Condominium Map No. 1512 recorded in the Bureau of Conveyances of the State of Hawaii as amended.

9. Second Amendment to the Declaration of Condominium Property Regime of the C. R. Fenner Building dated October 2, 1991 recorded as Document No. 91-136306.

END OF EXHIBIT E

EXHIBIT F

Maintenance Fees, and Maintenance Fee Disbursements:

Estimate of Maintenance Fee Disbursements:

	Monthly X 12 months =	Yearly Total
Utilities and Services		
Air Conditioning		
Electricity		
(X) common elements only	$40 X 12 =	$480.00
( ) common elements and apartments		
Gas		
Refuse Collection	60 X 12 =	720.00
Telephone		
Water and Sewer	100 X 12 =	1,200.00
Maintenance, Repairs and Supplies		
Pool		
Building		
Grounds	350 X 12 =	4,200.00
Pest		
Reserves-Long term maintenance		
Management		
On-site Manager		
Management Fee	350 X 12 =	4,200.00
Payroll and Payroll Taxes		
Office Expenses		
Insurance	400 X 12 =	4,800.00
Taxes and Government Assessments (Real Property Taxes)	725 X 12 =	8,700.00
Audit Fees	150 X 12 =	1,800.00
Other		
TOTAL:	2,175.00	$26,000.00

I/We, Richard R. Huggins, Vice-President of Save-On Foods, Inc., as managing agents for the 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.

Date: May 9, 1991

SAVE-ON FOODS, INC., a Hawaii corporation

BY _____
RICHARD R. HUGGINS
Its VICE-PRESIDENT

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee X 12 months	= Yearly Total
1	$225.83	= $2,709.96
2	$225.83	= $2,709.96
3	$225.83	= $2,709.96
4	$225.83	= $2,709.96
5	$225.83	= $2,709.96
6	$225.83	= $2,709.96
7	$225.83	= $2,709.96
8	$225.83	= $2,709.96
9	$225.83	= $2,709.96
10	$225.83	= $2,709.96

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

EXHIBIT G

SUMMARY OF SALES CONTRACT AND RECEIPT

The unexecuted Sales Contract filed with the Commission, provides for, among other things, a description of the unit to be sold, the purchase price, the time, manner and place of payment, the Purchaser's obligations regarding mortgage financing, Developer's warranties and disclaimers regarding the construction, fixtures and appliances, and the remedies of Developer and of Purchaser in the event of a default under the Contract.

Among other provisions, the specimen Sales Contract and the provisions of Chapter 514A, Hawaii Revised Statutes provide:

3. That said Sales Contract is only a reservation agreement until (i) a true copy of the Final Public Report (with all then issued Supplementary Public Reports, if any) is delivered to the Purchaser, the Purchaser has an opportunity to read the report(s) and executes and gives the Developer a receipt/notice for the report(s) waiving Purchaser's right to cancel, provided that if Purchaser does not execute and return the receipt/notice within thirty (30) days from the date of delivery of the report(s) and receipt/notice, or if Purchaser's Unit is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have receipted for the report(s) and waived his right to cancel, and if (and only if) there is a material change affecting (i) Purchaser's unit or appurtenant limited common elements, or (ii) amenities of the Project available for Purchaser's use, and Purchaser executes and returns to Developer the written approval or acceptance of material change, provided that if Purchaser does not execute and return such written approval or acceptance of material change within thirty (30) days of delivery of such written approval or acceptance, or if Purchaser's unit is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have accepted and approved such material change. Until the Sales Contract becomes binding and effective as described above, and in accordance with Chapter 514-A, Hawaii Revised Statutes, the Sales Contract may be unconditionally cancelled at any time by either the Developer or the Purchaser. Upon such cancellation by Developer, Developer shall direct Escrow Agent to refund to Purchaser, without interest earned, all deposits paid by Purchaser; upon cancellation by Purchaser, Developer shall direct Escrow Agent to refund to Purchaser, without interest earned, a full refund of all deposits paid, less any escrow cancellation fee and other costs associated

with the purchase of Purchaser's Unit, up to a maximum of $250.00.

4. Developer has made no representations and has not authorized any representations to be made by any sales agent concerning any services or arrangements relating to the rental or sale or management of the Purchaser's Unit.

5. The Sales Contract is subject to the provisions of the Declaration of Horizontal Property Regime, By-laws, and other condominium documents.

It is incumbent on the Purchaser that he read the full text of the Sales Contract.

END OF EXHIBIT G

EXHIBIT H

SUMMARY OF EXECUTED ESCROW AGREEMENTS

A copy of the executed Escrow Agreement dated February 18, 1991 between Title Guaranty Escrow Services, Inc., as Escrow Agent, and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of Purchaser's funds pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement provides in part that any interest earned on money on deposit belongs to the Developer. In the event that the Sales Contract and Chapter 514A, Hawaii Revised Statutes entitle a Purchaser to a refund of Purchaser's Deposits held by the Escrow Agent, then Escrow Agent, upon instruction from Developer, will refund Purchaser's deposits, without interest earned and less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Chapter 514A, Hawaii Revised Statutes, as amended.

By law the total amount of such cancellation fees shall not exceed Two Hundred Fifty and No/100 Dollars ($250.00). Under the Escrow Agreement no disbursement of funds can be made to the Developer until the Sales Contract becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.

END OF EXHIBIT H

THE C. R. FENNER BUILDING - DISCLOSURE ABSTRACT

Name and Address of Project: The C. R. Fenner Building is located at 73-5677 Lawehana Street, Kailua-Kona, Hawaii 96740.

Name, Address and Telephone Number of Owner: Save-On Foods, Inc., a Hawaii corporation, whose mailing address is P. O. Box 5602, Kailua-Kona, Hawaii 96745, and whose telephone number is (808) 329-6740.

Managing Agent: Save-On Foods, Inc., a Hawaii corporation, whose mailing address is P. O. Box 5602, Kailua-Kona, Hawaii 96745, and whose telephone number is (808) 329-6740.

Estimated Annual Maintenance Fees and Monthly Costs for Each Unit: (See attached)

Description of Warranties: Paragraph 10 of the Exhibit A of the Sales Contract and Deposit Receipt states in relevant part:

1. No Warranties. Except for the limited warranty set forth in Paragraph F of the DROA, Seller makes no express warranties. SELLER DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OR WORKMANSHIP AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE APARTMENT, THE COMMON ELEMENTS OR THE PROJECT. Buyer acknowledges that he has had an opportunity to examine the Apartment, the common elements and the Project and that neither the Seller or its agents, representatives or employees have made any warranties, express or implied, with respect to the Apartment, its quality or grade, or any of the common elements of the Project or anything installed therein, their quality or grade. In particular, Seller disclaims any and all responsibility or liability for any water infiltration, any malfunction, any construction or design defect, or any other problems which Buyer may encounter with respect to the Apartment or the Project.

BUYER FURTHER ACKNOWLEDGES THAT HIS ATTENTION HAS BEEN DIRECTED TO THIS PARAGRAPH 10, THAT HE HAS READ AND UNDERSTANDS SELLER'S DISCLAIMERS OF WARRANTY AND THAT HE EXPRESSLY, KNOWINGLY AND INTELLIGENTLY WAIVES AND RELEASES ANY AND ALL RIGHTS, CLAIMS, ACTIONS OR CAUSES OF ACTION HE NOW HAS OR MAY HAVE IN THE FUTURE ARISING OUT OF, RELATED TO, OR CONNECTED IN ANY WAY WITH, ANY DEFECTS OR DEFICIENCIES IN THE APARTMENT, THE COMMON ELEMENTS OR THE PROJECT.

Usage: The project contains Commercial Units. the estimated annual and monthly maintenance fees were prepared as of May 9, 1991, and are hereby certified to have been based on generally accepted accounting principles. THE FIGURES CONTAINED HEREIN ARE ESTIMATES AND ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY OWNER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION AS TO THE ACCURACY OF SUCH ESTIMATES.

Please sign this disclosure Abstract and return the copy to us. Your signature acknowledges your receipt of this Disclosure Abstract dated _____, 19_____.

DATED: _____

SAVE-ON FOODS, INC., a Hawaii corporation

BY _____
RICHARD R. HUGGINS
Its VICE-PRESIDENT

UNIT NO. _____ Receipt acknowledged this _____ day of _____, 19_____.

_____ _____