



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

"CINDI HALE"
 NORTH KONA, ISLAND OF HAWAII

Registration No. 2491

Issued: September 25, 1991
 Expires: October 25, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 9, 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.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 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:

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 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.

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.

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.

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 Ohana
 Mixed Residential and Commercial Agricultural
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings
- 5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
1	1	3/2	1,200	468
2	1	3/2	1,200	360

Total Apartments: 2

**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>4 (2 per unit)</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>4</u>

7. Recreational amenities:

None.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Greg Pope and Robert L. Horn
Name
P.O. Box 390860
Business Address
Kailua-Kona, HI 96739

Phone: 329-8260
(Business)

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

Real Estate Broker: To be selected.
Name

Business Address

Phone: _____
(Business)

Escrow: Hawaii Escrow and Title, Inc.
Name
75-5722 Kuakini Hwy.
Business Address
Kailua-Kona, HI 96740

Phone: 329-2763
(Business)

General Contractor: _____
Name

Business Address

Phone: _____
(Business)

Condominium Managing Agent: Project is to be self-managed
Name
by Association of Apartment
Business Address
Owners

Phone: 329-3419
(Business)

Attorney for Developer: _____
Name

Business Address

Phone: _____
(Business)

**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 - Document No. 91-038227
Book _____ Page _____
 Filed - Land Court - Document No. _____

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. 1466
 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 - Document No. 91-038228
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

First amendment dated August 24, 1991 recorded as Document No. 91-116811 on August 28, 1991.

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>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

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

2. **Developer:**

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

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: Lot 46-A-3, Kuakini Makai Tax Map Key: (3) 7-6-024-072
North Kona, Island of Hawaii (TMK)

Address TMK is expected to change because _____

Land Area: 21,429 square feet acre(s) Zoning: RS-10

Fee Owner: Greg Pope and Robert L. Horn
Name

P.O. Box 390860
Address

Kailua-Kona, HI 96739

Sublessor: N/A
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building 1

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	2	YES	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____				_____	_____

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

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:

Pets: _____

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators None Stairways None Trash Chutes None

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
1	1	3/2	1,200	468
2	1	3/2	1,200	360
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

**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: See Exhibit A.

Permitted Alterations to Apartments:

As noted in the Declaration, individual unit owners may, at their sole discretion and at their own expense, remodel, expand, or otherwise alter their unit provided said alterations are done in complete accordance with all applicable ordinances, codes, rules, regulations, and other requirements in force at the time of said construction.

7. Parking Stalls:

Total Parking Stalls: 4 (2 per unit)

	<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>4</u>	<u> </u>	<u>4</u>				
Guest	<u> </u>						
Unassigned	<u> </u>						
Extra Available for Purchase	<u> </u>						
Other:	<u> </u>						
Total Covered & Open	<u>4</u>	<u> </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: _____

9. Present Condition of Improvements N/A
 (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

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	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 B 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 C

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 describes the common interests for each apartment.

As follows:

Each unit and its owner(s) shall have appurtenant thereto a one-half (1/2) fractional interest (50.0 percentage interest) in the common elements of the project, for all purposes including voting, said interest being referred to as the "common interest".

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

Exhibit D describes the encumbrances against the title contained in the title report dated July 16, 1991 and issued by Security Union Title Ins. Co. .

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Buyer's interest unaffected. Title to individual units will be free and clear at the time of conveyance.

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.

[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 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 I 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:

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

Other _____

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:

Both units were constructed by the developer and will continue to be owned and occupied by the developer and if the properties were ever to be disposed of, they would be advertised that they were being sold "as is" without any building warranties.

2. Appliances:

Manufacturer's only, if transferable.

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 the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales 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.

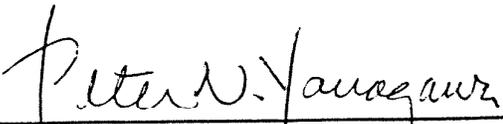
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2491 filed with the Real Estate Commission on
July 26, 1991

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

yellow paper stock 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 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

INDIVIDUAL UNIT DESCRIPTIONS

- A. **UNIT 1** consists of the following: 1.) a separate one-story wood frame structure without basement, containing three bedrooms, two baths, living room, kitchen, and lanais, together comprising a net interior living area of approximately 1,200 square feet; 2.) a detached garage of approximately 468 square feet; and 3.) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof.
- B. **UNIT 2** consists of the following: 1.) a separate one-story wood frame structure without basement, containing three bedrooms, two baths, living room, kitchen, and lanais, together comprising a net interior living area of approximately 1,200 square feet; 2.) a detached garage of approximately 360 square feet; and 3.) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof.

The condominium units are located in the manner shown on the the said condominium map. Each unit has direct access to the common areas. The respective units shall not be deemed to include any pipes, wires, conduits, or other utility lines running over, under, or through any unit which are utilized for, or serve more than one unit, the same being deemed common elements as hereinafter provided.

COMMON ELEMENTS

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

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

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

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as "limited common elements", are hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- a.) The land consisting of the "limited common element area" which is more particularly described on the condominium file plan, upon which the respective apartments are built shall be appurtenant to and for the exclusive use of such apartment.
- b.) The driveway connecting the garage or carport of each apartment to the roadway of the project shall be deemed a limited common element appurtenant to and for the exclusive use of the apartment which is served thereby.
- c.) The walkways connecting the apartment shall be deemed a limited common element appurtenant to and for the exclusive use of the apartment served thereby.

All cost of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement, and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant.

ENCUMBRANCES AGAINST TITLE

1. **TAXES Tax Map Key: HAWAII 7-6-24-072**

For any taxes that may be due and owing and a lien on the parcel of land herein described, reference is hereby made to the Office of the Tax Assessor of the Third Division.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Restrictions, covenants, and conditions as contained in:

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

Dated: June 23, 1983
Book: 17133
Page: 55

to which reference is hereby made

4. Easement "1" (Part 1) over and across Lot 46-A-3 of the "Kalani Makai, Increment II-A", for drainage purposes, containing an area of 9,194 square feet, more or less, as shown on surveyor's map prepared by Chrystal Thomas Yamasaki, dated August 9, 1985, as revised, and more fully described in that certain:

WARRANTY DEED

Dated: December 20, 1988
Book: 22702
Page: 742

to which reference is hereby made

5. Easement "W-3" affecting Lot 46-A-3 of the "Kalani Makai, Increment II-A", for water meter purposes, containing an area of 7 square feet, as shown on surveyor's map prepared by Chrystal Thomas Yamasaki, dated August 9, 1985, as revised, and more fully described in that certain:

WARRANTY DEED

Dated: December 20, 1988
Book: 22702
Page: 742

to which reference is hereby made

Encumbrances Against Title...Cont'd.

6. GRANT

In favor of: Water Commission of the County of
Hawaii
Dated: July 25, 1988
Book: 22483
Page: 28
Purpose: Easement for water purposes across
Easement "W-3".

7. A 100-year inundation as shown on surveyor's map prepared by Chrystal Thomas Yamasaki, dated August 9, 1985 as revised.

8. GRANT

In favor of: Hawaii Electric Light Company, Inc. and
GTE Hawaiian Telephone Company, Inc.
Dated: July 25, 1988
Book: 22808
Page: 167
Purpose: Easement for utility purposes across a
portion of the land herein described.

9. FINANCING STATEMENT

Debtor: Lloyd Earl Farnsworth, unmarried, and
Bonnie Moffat, unmarried
Secured Party: First Interstate Bank of Hawaii, a
Hawaii corporation
Filed on: May 18, 1989
Book: 23196
Page: 183

10. Terms, covenants, conditions, and agreements as contained in:

EASEMENT MAINTENANCE AGREEMENT

Dated: February 13, 1990
Document No.: 90-023434
Re: Easement "A" over and across Lot 46-A-4
in favor of Lot 46-A-3, "Kalani Makai,
Increment II-A"

Encumbrances Against Title...Cont'd.

11. REAL PROPERTY MORTGAGE AND FINANCING STATEMENT

Mortgagor: Greg Pope, unmarried, and Robert L. Horn, married
Mortgagee: Honfed Bank, a Federal Savings Bank, a corporation organized under the laws of the United States
Dated: July 25, 1990
Document No.: 90-116558
To secure: \$268,000
and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to.

12. The covenants, agreements, obligations, conditions, easements, and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "CINDI HALE"

Dated: March 8, 1991
Document No.: 91-038227

Condominium Map No. 1466, to which reference is hereby made.

NOTE: The individual condominium units set forth in the foregoing declaration are listed in Exhibit "B" herein.

13. BYLAWS OF THE ASSOCIATION OF CONDOMINIUM OWNERS OF "CINDI HALE"

Dated: March 8, 1991
Document No.: 91-038228



Reviewed by: _____
(Principal Broker, Broker in Charge, Authorized Signature)

DEPOSIT RECEIPT

Received from _____ herein called Buyer the sum of \$ _____
in the form of _____ as an initial deposit on account of this offer. Receipt is acknowledged by (REALTOR)(REALTOR-Associate)
REALTOR'S firm and address _____
PHONES (Bus.) _____ (Home) _____ (FAX) _____

OFFER

1. PURCHASE PRICE: _____ /Zone _____ /Sec _____ /Plat _____ /Parcel _____ /CPR _____

2. PROPERTY DESCRIPTION: Tax Map Key Division _____ /Zone _____ /Sec _____ /Plat _____ /Parcel _____ /CPR _____

(a) Realty: All of that (leasehold) (fee simple) property situated at _____
_____ Hawaii, described as follows: _____

(b) Seller's Real Property Disclosure Statement dated _____ (has) (has not) been received by Buyer.
If not, address in paragraph 8, Special Terms. (b-1) Residential Leasehold Property Addendum (is) (is not) made a part of this DROA.

(c) Sale Includes: All built-in furniture, attached fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, existing drapes,
and the following items if checked: Chandelier () ; Range () ; Refrigerator () ; Disposal () ; Dishwasher () ; Compressor () ; Washer () ; Dryer () ; Air Conditioner () ;
TV Antenna () ; TV Cable Outlet () ; Ceiling Fan () ; Furnishings per attached inventory () ; Pool Equipment () ; and _____

Specifically excluded: _____
(d) Title: Seller agrees to convey the property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances except _____

and any other covenants, easements, reservations or restrictions now of record which do not materially affect the value of the property.
(e) Assessments: _____ shall be (paid by Seller at closing) (assumed by Buyer).

3. FINANCING: Buyer agrees to pay said purchase price as follows:
ADDITIONAL DEPOSIT: \$ _____ In cash to be made on or before _____
\$ _____ in cash at closing including all deposits herein.
\$ _____ by way of _____
\$ _____
\$ _____ Total Purchase Price (see paragraph 1 above)

4. CLOSING: Closing will be on or before _____, 19_____. Escrowed by _____, 19_____.

5. OCCUPANCY: Seller agrees to give Buyer occupancy at closing or on _____.

6. PRORATIONS: Property taxes, lease rents, interest on assumed obligations, mortgage insurance premiums, other insurance premiums, maintenance fees, tenants' rents, if applicable, and _____ shall be prorated as of the date of closing or on _____, 19_____.
Tenants' security deposit, if any, shall be charged to Seller and credited to Buyer at closing.

7. TENANCY: Title shall vest in Buyer(s) as follows: _____
_____ Tenancy: _____
(print full legal name(s) and marital status (no initials))

8. SPECIAL TERMS: (Please number) _____

9. AGENCY DISCLOSURE: The Buyer is represented by _____ and all its salespeople. The Seller is represented by _____ and all its salespeople. Oral or written disclosure was provided before the signing of this offer.

10. AGREEMENT TO BUY: Buyer agrees to buy the property on the terms and conditions contained herein including The Standard Terms On The Reverse Side, acknowledges receipt of a copy hereof, and agrees that this offer shall be binding if accepted by Seller before _____, 19_____, AM/PM.

Offer Date _____, 19_____, AM/PM.
Buyer's address: _____
Phone: (Bus.) _____ (Home) _____
Buyer _____ signature
SS# _____
Buyer _____ signature
SS# _____

ACCEPTANCE

11. AGREEMENT TO SELL: Seller agrees to sell the property at the price and terms offered above, including The Standard Terms On The Reverse Side, and acknowledges that he has been given a copy of this offer.

12. SELLER'S AGREEMENT TO PAY COMMISSION: I agree to pay to _____ in U.S. dollars. I hereby a commission for the above sale of _____ instruct escrow to pay your commission directly to you at closing. I agree that I cannot change these instructions without your written consent. Unless otherwise agreed upon, I give you permission to share this commission as you see fit with the real estate company named here in the DEPOSIT RECEIPT section of this agreement. In the event of Buyer's default, if I retain the deposit(s), I agree to pay you one half of the amount I retain, but you shall not be paid more than what would have been your full commission.

Date _____, 19_____, AM/PM.
Seller's Name _____
Signature _____
Seller's Tax Identification # to be reported to IRS _____
Seller's Name _____
Signature _____
Seller's Tax Identification # to be reported to IRS _____
Foreign Person () Owner occupant () Other ()
Seller's Address _____
Phones: (Bus.) _____ (Home) _____
Seller's Address _____

ACKNOWLEDGEMENT OF ACCEPTANCE: The undersigned acknowledges that he has been given a copy of the acceptance of this offer.
Date _____, 19_____, AM/PM. Signature _____

STANDARD TERMS

A. CONTRACT:

This is more than a receipt for money it is a legally binding contract. Read it carefully.

B. EVIDENCE OF TITLE:

Seller shall furnish Buyer evidence of Seller's marketable title to the interest which is to be conveyed to Buyer. If Seller fails to deliver title as herein provided, Buyer has the option to terminate this agreement and have any of Buyer's deposits returned to Buyer. The foregoing shall not exclude any other remedies available to Buyer. Buyer will receive an Owner's standard coverage policy of title insurance at closing. (a) Seller shall pay 60% of the premium to be charged for an Owner's standard coverage policy of title insurance to be issued to the Buyer in the amount of the sales price, and, (b) Buyer shall pay 40% of such premium and any additional costs relating to the issuance of any extended coverage policy, including a Lender's policy.

C. STAKING:

Seller shall order and pay for the cost of the staking by a licensed surveyor if stakes are not visible. The Buyer may have a licensed surveyor verify the accuracy of the location of stakes prior to closing and the Seller agrees to reimburse the Buyer for the cost of this staking on or before closing only if the original stakes prove to be inaccurate. This provision does not apply to a condominium or cooperative apartment. (Note: Staking is not a survey and does not confirm the accuracy of the land area description or the absence of encroachments.)

D. CUSTOMARY CLOSING COSTS (Except Where Not Applicable):

These are customary costs and are not intended to be an all inclusive list.

Expenses to be paid by Buyer
 Continuation of Title Evidence
 Title Insurance (As printed in Standard Term B, above)
 Drafting of Agreement of Sale
 Drafting of Mortgage and Note
 Drafting of Buyer's Consents
 Buyer's Consent Fee
 Buyer's Notary Fee
 All Recording Fees except Documents to Clear Seller's Title
 1/2 Escrow Fee
 Condo Ownership Transfer Fee
 FHA Discounts When Applicable
 Mortgage Assumption Fee

Expenses to be paid by Seller
 Evidence Showing Marketable Title
 Title Insurance (As printed in Standard Term B, above)
 Drafting of Deed or Assignment of Lease
 Drafting of Bill of Sale
 Drafting of Seller's Consents
 Seller's Consent Fee
 Seller's Notary Fee
 Conveyance Tax
 1/2 Escrow Fee
 Staking
 VA or FHA Discount Points When Applicable
 Termite Inspection
 Termite Treatment if Required as per Standard Term E

E. TERMITE INSPECTION:

Seller shall deliver to Buyer through escrow a report from a licensed pest control company stating that there is no live visible termite infestation in the improvements described herein. Seller shall pay for termite extermination treatment if it is required.

F. SELLER'S LIMITED WARRANTY:

Seller warrants and Buyer will acknowledge in writing that all major appliances, plumbing and electrical and/or gas 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.

G. RISK OF LOSS:

Risk of loss passes to Buyer upon transfer of title or occupancy whichever occurs first.

H. DEFAULT:

It is expressly understood and agreed, First, in the event Buyer fails to pay the balance of the purchase price or complete the purchase as herein provided, Seller may (a) bring an action for damages for breach of contract, (b) retain the initial deposit and all additional deposits provided for herein as liquidated damages, and (c) Buyer shall be responsible for any cost incurred in accordance with this contract. Second, in the event Seller fails to perform his obligations as herein provided, Buyer not being in default, Buyer may (a) bring an action against Seller for damages for breach of contract, (b) file and maintain an action against Seller for specific performance of this contract, and (c) Seller shall be responsible for any cost incurred in accordance with this contract. The foregoing shall not exclude any other remedies available to either Seller or Buyer. In the event of default and/or a lawsuit arising out of this contract (including a suit by a REALTOR for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorney's fees. All expenses incurred by escrow shall be deducted from deposited funds prior to any disbursement to the prevailing party.

I. CLOSING:

For the purpose of this contract "closing" shall be the date upon which all appropriate documents are recorded. Buyer and Seller agree to execute appropriate or customary documents when requested to do so.

J. CONSENT:

The obligations of Buyer or Seller hereunder are conditioned upon obtaining those necessary consents of vendors, existing mortgagees, lessors and/or condominium co-op or other such associations. Buyer or Seller agree to cooperate and take all reasonable action to obtain such consents.

K. TIME IS OF THE ESSENCE:

If either Buyer or Seller for reasons beyond his control cannot perform his obligation to purchase or sell the property by the closing date, then such party by giving escrow written notice prior to the closing date called for in this contract with copies to all parties to this contract, can extend closing for no longer than 30 calendar days to allow performance. Thereafter time is of the essence and the default provisions of Standard Term H apply. Any further extension must then be agreed to in writing by both parties. There is no automatic right to extend. This provision relates only to the extension of the closing date.

L. OBLIGATIONS:

REALTOR shall not be held liable to either Buyer or Seller for the failure of either to perform their obligations pursuant to this contract.

M. CONFLICT:

Handwritten or typed provisions herein shall supersede any printed provisions in this contract if there is a conflict.

N. PERMISSION:

REALTOR has Buyer's and Seller's permission to supply data to the Multiple Listing Service regarding the sales price and terms of this transaction for use by REALTORS in making market studies, providing service to the public and advising their clients.

O. COMPLETE AGREEMENT:

This contract constitutes the entire agreement between Buyer and Seller and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements (both written and oral) of Buyer and Seller. No variation or amendment of this contract shall be valid or enforceable without written approval by Buyer and Seller.

Seller's Initials _____

Buyer's Initials _____

IMPORTANT: PLEASE SEPARATE DROA COPIES BEFORE EXECUTING COOPERATING REALTOR'S SEPARATE AGREEMENT OR SIGNATURES WILL COPY THROUGH TO OTHER SIDE

COOPERATING REALTOR'S SEPARATE AGREEMENT			
Seller's REALTOR agrees to pay to Cooperating REALTOR through escrow at closing the following amount: in consideration of assistance given by Cooperating REALTOR. In the event Seller retains Buyer's deposit money as liquidated damages and Seller's REALTOR retains a portion of the deposit as stated in paragraph 12, Seller's REALTOR will share 1/2 of his retained funds with Cooperating REALTOR.			
Date _____, 19____	Date _____, 19____		
Seller's REALTOR _____ <small>(name of REALTOR firm)</small>	Cooperating REALTOR _____ <small>(name of REALTOR firm)</small>		
By _____	By _____		
Address _____	Address _____		
Phone (Bus) _____ (Fax) _____	Phone (Bus) _____ (Fax) _____	Office ID Number _____	Office ID Number _____

Exhibit 'F'

CONDOMINIUM ESCROW AGREEMENT

THIS AGREEMENT, made this 13 day of June, 1991, by and between Hawaii Escrow & Title, Inc., whose principal place of business and post office address is 75-5722 Kuakini Highway, Suite, 210, Kailua-Kona, Hawaii 96740 hereinafter called "Escrow", and Greg Pope and Robert Horn, whose address is P.O. 390860 Kailua-Kona, Hawaii 96739, hereinafter called "Developer",

W I T N E S S E T H :

WHEREAS, Developer intends to enter into sales contracts for the sale of units in a condominium project established or to be established under a Declaration of Horizontal Property Regime created under Chapter 514A, Hawaii Revised Statutes, as amended, the terms of which sales contracts will provide for payment on account of the purchase price to be made to Escrow, to be held and disbursed by Escrow pursuant to the provisions hereof; and

WHEREAS, the name of the project is Cindi Hale (herein called the "Project"); and

WHEREAS, there are two units in the Project; and

WHEREAS, the land included or to be included within the Project is located in the County of Hawaii, State of Hawaii, and is designated as Tax Key 3-7-6-24-72;

NOW, THEREFORE, it is hereby mutually agreed as follows:

1. Sales Contracts Deposited in Escrow. As and when Developer shall enter into a sales contract for the sale of a unit, it shall deliver an executed copy of such sales contract to Escrow. Each sales contract shall contain the correct names and addresses of the purchasers, shall require that all payments to be made thereunder shall be made to Escrow and shall be accompanied by the initial deposit required thereunder.

2. Receipt of Funds by Escrow. Developer shall pay over to Escrow any monies received by Developer from purchasers under sales contracts covering units in the Project, including all disbursements made on loan commitments, if any, from lending institutions to individual purchasers. Escrow shall

receive and hold in escrow and disburse as herein set forth: (a) all payments received by Escrow under sales contracts made by Developer; (b) all sums received by Escrow hereunder from Developer; (c) all funds from any lending institution pursuant to a mortgage loan for the purchase of any unit by individual purchasers; and (d) all sums received by Escrow from any other source on account of this Project. In accordance with written instructions from Developer which are acceptable to Escrow, Escrow shall deposit all funds so received, within a reasonable time of their receipt by Escrow and in reasonably convenient sums, in accounts at a federally insured bank, savings and loan association or other financial institution which pays interest on deposits; provided, however, if Escrow is instructed to make such deposits more frequently than once each calendar week, Developer shall pay to Escrow a reasonable service charge for each additional deposit made during such week. Any interest earned on funds deposited in escrow under this Agreement shall accrue to the credit of the Developer; except that, if Escrow is requested to establish a separate account for a purchaser, the purchaser shall pay Escrow a fee of \$25.00 for each such separate account and shall furnish Escrow the purchaser's social security or federal identification number, and any interest earned on funds deposited in such account shall accrue to the credit of the purchaser. Escrow shall not be liable to either Developer or any purchaser for loss or diminution in funds invested in accordance with such instructions.

3. Conditions to be Met Prior to Disbursement. No disbursements of funds held in escrow shall be made unless and until the following conditions have been fulfilled:

(a) The Real Estate Commission shall have issued a Final Report on the Project; provided, however, to the extent any sales contracts are entered into and a purchaser's funds are obtained prior to the issuance of a Final Public Report of the Real Estate Commission, no disbursements shall be made from such purchaser's funds until (i) such Final Public Report shall have been issued; and (ii) the purchaser shall have been given a copy of said Final Report and shall have acknowledged receipt of same or shall have been deemed to have acknowledged receipt of same and Developer's attorney shall have delivered a written opinion to Escrow that the purchaser's sales contract has become effective; and

(b) The Developer or Developer's attorney shall have delivered a written opinion to Escrow stating that the requirements of Sections 514A-39, 514A-62 and 514A-63, Hawaii Revised Statutes, as amended, have been met; and, if the project is a conversion project, that requirements of Section 521-38, Hawaii Revised Statutes, as amended, have been complied with; and

(c) The Developer shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

4. Return of Funds and Documents. A purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater, up to a maximum of \$250.00) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

(e) Notwithstanding any other provision in this Agreement to the contrary, Escrow further agrees to make refunds to purchasers, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes, out of the funds then on deposit with Escrow, if the Developer and purchaser shall so request in writing and any one of the following events has occurred:

(i) no sales contract has been offered to the purchaser who has been placed on the Developer's reservation list of owner-occupant applicants; or

(ii) Purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for purchaser's reserved unit within thirty (30) calendar days following the end of the ten (10) calendar day period during which the Developer is limited to selling to owner-occupants; or

(iii) the purchaser desires to cancel the contract on account of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

Except for cancellations under subparagraph (i) above, Escrow may deduct from any such refund made to a purchaser a cancellation fee as set forth above.

5. Unclaimed Funds. Escrow shall give each purchaser entitled to a return of funds notice thereof by registered, certified or regular mail, postage prepaid addressed to such purchaser at purchaser's address shown on the sales contract or any address later made known in writing to Escrow by such purchaser. If such purchaser shall not have claimed such refund within sixty (60) days, Escrow shall deposit such funds into a special account in a bank or other depository selected by Escrow, in the name of Developer, as trustee for the benefit of such purchaser. After notifying purchaser of all such facts at purchaser's address as described herein and delivering all pertinent documents to Developer, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

6. Closing. Except for the sales contracts and any note and mortgage which is to be closed by the mortgagee thereof, Escrow shall promptly and diligently arrange for and supervise the execution of all documents related to the Project and shall promptly and diligently close the transactions and perform such services as are necessary or proper therefor. Upon receipt by Escrow of the conveyance document, all necessary releases of encumbrances, the full amount of the purchase price of the unit, any mortgage or other instruments securing payment by purchaser of all or part of the purchase price of the unit and

purchaser's share of closing costs, Escrow will act with diligence and dispatch to "close" the sale of the unit by performing the following:

(a) Escrow shall cause the recording of such releases, conveyance document and mortgage, if any; and

(b) After recordation, Escrow shall cause a copy of said conveyance document to be delivered to purchaser, the release or partial releases to be delivered to Developer, the mortgage, if any, to be delivered to purchaser's lending institution, and all sums respecting the purchase of the unit to be disbursed to Developer after deduction by Escrow of Developer's share of the closing costs.

7. Partial Closings. It is understood that partial closings, i.e., closings for some but not all of the units, may be desired by Developer. If Developer desires to close any or all sales at different times, Escrow agrees to cooperate with Developer and shall vary its performance of the directions contained herein in such manner as will facilitate its performance of such partial closings.

8. Defects in Documents. Upon the closing of each sales transaction, provided that any individual mortgage in connection therewith may then be filed or recorded, and it is legally possible to file and record all closing documents and none is in any way defective, Escrow shall proceed promptly and within five (5) business days (exclusive of the day of closing) file and record the necessary documents to effect the transfer of legal title to the purchaser. If for any reason it is determined that any document necessary to close the transaction is defective or cannot be filed or recorded, Escrow shall promptly notify Developer of such fact and Escrow shall proceed promptly to correct such defects as are within its capacity as an escrow depository to correct. If, for any cause beyond Escrow's control, the necessary documents cannot be filed or recorded within said five (5) day period after closing, Escrow shall file or record the same within five (5) days of learning that the reason which prevented their filing or recording no longer exists.

9. Purchaser's Default. Developer shall give notice in writing to Escrow of the occurrence of each event which initiates an obligation of a purchaser to make a payment to Escrow pursuant to the sales contract as well as notice of the amount and due date of such payment. Escrow shall thereupon promptly give the purchaser notice of the amount and due date of such payment. If the purchaser fails to make such payment to Escrow.

on or before the due date thereof or if the purchaser fails to perform in any matter which is being handled by Escrow, Escrow shall promptly notify Developer of any such failure on the part of the purchaser. If Developer subsequently certifies in writing to Escrow that Developer has terminated the sales contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to the purchaser, Escrow shall thereafter treat all funds of the purchaser paid on account of such purchaser's sales contract as funds of Developer and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Developer. Upon written request by Developer, Escrow shall pay such sums to Developer, less any escrow cancellation fee, shall return to Developer any documents which had been theretofore delivered to Escrow by Developer and shall hold all other documents theretofore delivered to Escrow in connection with the purchase of the unit for the statutory period; and, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

10. Protection of Escrow. In consideration of Escrow acting as escrow holder hereunder, it is agreed that Escrow is relieved from all liability for acting in accordance with the terms hereof, notwithstanding a notice to the contrary by Developer or any purchaser or third person. Escrow shall not be responsible for the validity or sufficiency of any sales contracts or other documents received by it and shall be entitled for all purposes to assume that the same have been signed by the persons whose signatures purport to be thereon and that any written certification or instruments from Developer are true and accurate.

If any dispute or difference shall arise or if any conflicting demand shall be made upon Escrow, Escrow shall not be required to determine the same or take any action in the premises, but Escrow may await settlement of the controversy by final appropriate legal proceedings or otherwise as it may require, or Escrow may file a suit in interpleader in any court having jurisdiction in the matter, for the purpose of having the respective rights of the parties adjudicated and may deposit with the court any or all monies held hereunder. Upon institution of such interpleader suit or other action, depositing such money with the court, and giving notice thereof to the parties thereto by personal service or in accordance with the order of the court, Escrow shall be fully released and discharged from all further obligations hereunder with respect to the monies so deposited.

Developer agrees to pay Escrow on demand and to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of every kind and nature reasonably suffered or incurred in connection with or arising out of this escrow, including, but not limited to, all costs and expenses incurred in connection with the interpretation of this Agreement or with respect to any interpleader or other proceeding, and excluding all of the foregoing which is the result of any act or omission by Escrow or its agents which is not generally accepted in the Honolulu business community as a reasonable business practice. Upon payment thereof, Developer will be subrogated to Escrow's right to judgment for such costs, damages, etc., against third persons.

11. Binding Effect. This Agreement shall be binding upon, shall apply to and shall inure to the benefit of the parties hereto and their respective devisees, personal representatives, successors and assigns.

12. Termination. This Agreement may be terminated by either party hereto upon fifteen (15) days written notice to the other; provided, however, that all transactions in process hereunder at the time of such termination shall be completed under the terms of this Agreement.

13. Statutory Provisions Control. This Agreement is, in all of its provisions, to be deemed and interpreted as supplementary and subject to the provisions of Chapter 514A, Hawaii Revised Statutes, as now or hereafter amended, and if any conflict should arise between the provisions of this Agreement and the provisions of said Chapter 514A, the provisions of the latter shall control.

14. Reports and Billings by Escrow. Escrow shall furnish Developer with a semi-monthly Developer's report which will cover the status of each sales contract in escrow. Escrow shall, upon certification from Developer that such payments are due, bill each purchaser for payments due under the purchaser's sales contract.

15. Compensation of Escrow. The compensation of Escrow for performance hereunder shall be \$see below (1) plus the Hawaii general excise tax, for each unit in the Project, on the condition that all sales of units in the Project are closed on or before two years from the date hereof. Escrow shall also arrange for the issuance of a title insurance policy (standard owner's or ALTA lender's policy) for the sum of \$see below (1), plus the Hawaii general excise tax, for each unit in the

(1) Fees for these services will be normal escrow fees for the sale of a condominium unit.

Project. An additional fee of \$None, plus the Hawaii general excise tax, shall be charged to the purchaser for each mortgage obtained by the purchaser if the purchaser does not obtain a mortgage loan from a lender designated by Developer.

Said compensation shall become due and payable with respect to a unit in the Project upon the first to occur of the following events: (1) the transfer to the purchaser of such unit of legal title thereto; or (2) final disbursement of the funds held in escrow in connection with such unit. In the event of the cancellation of any sales contract which has been submitted to Escrow, a cancellation fee commensurate with the services rendered by Escrow, but not less than \$25.00, plus all costs incurred by Escrow, shall be charged to the Developer, unless otherwise agreed to by the Developer and the purchaser. If Escrow shall for any reason without fault on its part be required to change subsequent to the commencement of pre-closings or closings for the Project any closing statement or document previously approved as to form and figures by Developer, Developer agrees to pay an additional charge for each such statement or document which is changed.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

Hawaii Escrow & Title, Inc.

By 
Its

By _____
Its

(Escrow)

By 

By 

(Developer)

00481

S P E C I M E N

Land Court

Regular System

After recordation, return by mail (x) pickup () to:

Name
Address
City/State/Zip

APARTMENT DEED

Grantor:

Grantee:

Property: TMKN: (3) _ _ _ _ _
(Apartment No. _)

APARTMENT DEED

This Indenture, Made this ____ day of _____ 1991

between

_____, (_____), whose residence address is _____, _____, and whose post office address is P. O. Box _____, _____, _____, party of the first part,

and

_____, (_____), whose residence address is _____, _____, and whose post office address is P. O. Box _____, _____, _____, party of the first part.

Witnesseth, That the said party of the first part, in consideration of the sum of TEN DOLLARS (\$10.00) to him in had paid by the said parties of the second part, the receipt whereof is hereby acknowledged, does hereby give, grant, bargain, sell and convey unto the said parties of the second part, as _____, their assigns, the survivor of them, and the heirs and assigns of such survivor, forever, all of that certain piece or parcel of land lying and being in the County of Hawaii and State of Hawaii, which is described as follows, to wit: All of the property described in Exhibit A attached hereto and by reference made a part hereof.

To Have and to Hold the Same, Together with all the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, to the said parties of the second part, as _____, their assigns, the survivor of them, and the heirs and assigns of such survivor, forever.

And the said party of the first part, as Tenant in Severalty, does covenant with the said parties of the second part, as _____, their assigns, the survivor of them, and the heirs and assigns of such survivor, forever, that he is well seized in fee of the land and premises aforesaid and has good right to sell and convey the same, in manner and form aforesaid, and that the same is free from all encumbrances, except as aforesaid. And the above bargained and granted land and premises in the quiet and peaceable possession of the said parties of the second part, as _____, their assigns, the survivor of them, and the heirs and assigns of such survivor, forever, against all persons lawfully claiming or to claim the whole or any part thereof, the said party of the first part will WARRANT AND DEFEND.

In Testimony Whereof, the party of the first part has hereunto set his hand the day and year first above written.

Party of the First Part



BUILDING DIVISION - DPW

COUNTY OF HAWAII - 25 AUPUNI STREET - HILO, HAWAII 96720
HILO OFFICE (808) 961-8331

KONA OFFICE (808) 329-4857

GREG POPE
P. O. Box 390860
Kailua-Kona, Hawaii 96739

1 March 1991

SUBJECT: STATUS REPORT FOR STRUCTURE
TMK: 7-6-024:072 (Kona, Hawaii)

This is to inform you that our records on file, relative to the status of the subject, discloses that:

- No _____ permit was issued for work done on the premise.
- No building permit was issued for the change of occupancy.
- At the time of completion, the subject complied to all building regulations that were in effect.

Variance from any building regulation (Building, Electrical, Plumbing, Housing or Sign) ~~was~~/was not granted.
Specifically, (if granted): _____

The following violation/s still outstanding:

Building Electrical Plumbing Housing Sign

Others: _____

This status report reflects Building Division records only and does not include information from other agencies.

Should you have any questions regarding matters contained herein, please feel free to contact us.

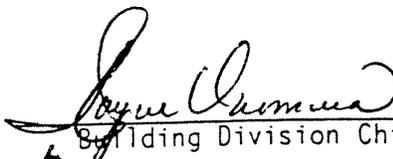

Building Division Chief

Exhibit "H"

DISCLOSURE ABSTRACT

CINDI HALE

Condominium Project

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

Developers/Project Managers

GREG POPE & ROBERT L. HORN
P. O. Box 390860
Kailua Kona, HI 96739

Phone: 325-5001 #1249

Estimated Maintenance Fees/Cost per Condominium Unit

MAINTENANCE FEES: The regular maintenance and repair of each condominium unit, including all utility charges, is the sole responsibility of each respective unit owner. There are no common services and/or expenses which will require regular monthly assessments.

INDIVIDUAL INSURANCE: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the improvements portion of the Project. Developer anticipates that the Association will elect to obtain separate policies for each individual condominium unit pursuant to Section XIV(c) of the Declaration. As such, the premiums will be the individual responsibility of each unit owner rather than common expenses of the Project.

Warranties

Both units were constructed by the developer and will continue to be owned and occupied by the developer and if the properties were ever to be disposed of they would be advertised that they were being sold "as is" without any building warranties.

Use of Condominium Units

Both units comprising the Project may be occupied and used for either residential and/or agricultural purposes, as permitted by applicable zoning ordinances.

- Exhibit 'I' -

Disclosure Abstract. Cont.

Structural Components and Mechanical & Electrical Installations

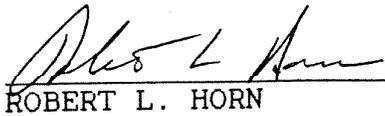
It is the opinion of the Developer that all structural components and mechanical and electrical installations material to the use and enjoyment of the individual condominium units appear to be sound and in satisfactory working condition. However, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE CONDOMINIUM UNIT(S).

Code Violations

To the best of knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or other municipal regulations of the City and County of Hawaii.

 4/13/91

GREG POPE

 4/13/91

ROBERT L. HORN

Developers

EXHIBIT L

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment

Monthly Fee x 12 months = Yearly Total

Each unit owner shall be responsible for the maintenance of their respective limited common elements.

There are no common element fees.

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 Each unit owner shall be responsible for their respective units.

Air Conditioning

Electricity

common elements only

common elements and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies Each unit owner shall be responsible for their respective units.

Building

Grounds

Management N/A. Project is self-managed.

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance Each unit owner shall maintain a policy on their respective unit.

Reserves N/A.

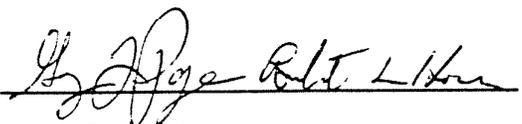
Taxes and Government Assessments Each unit shall be assessed as an individual unit.

Audit Fees Shall be shared equally if an audit is conducted.

Other

TOTAL None.

I/We, Greg Pope and Robert L. Horn as developer(s) and _____, 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: 9-24-91

Department of Public Works

CONSTRUCTION DIVISION

BUILDING PERMIT

A PERMIT HAS BEEN ISSUED FOR THE PERFORMANCE OF CERTAIN WORK PROVIDED BY THE ORDINANCE OF THE CITY OF HAWAII AS FOLLOWS:

96-150

NOTICE TO BUILDERS

The builder shall notify the Building Department of Public Works for inspection at the following periods during construction. Please call 48 hours prior to desired inspection.

- Beginning of construction
- Foundation inspection to be made prior to the pouring of foundation concrete
- Framing inspection
- Other framing

The Building Department may require any other inspections to be made. Inspections specified above, are to be made in accordance with all building regulations to be certain compliance with all building regulations.

HILLO: 961-8311

KONA: 329-4857

FOR DIVISION CHIEF

AUGUST 24, 1990

HILLO: 961-8311

KONA: 329-4857

ATTENTION is particularly called to the cutting up or making new sewer connections to existing curbs. Permit is required for such work. Public Works, Engineering Division

THIS NOTICE MUST BE POSTED IN A CONSPICUOUS PLACE ON THE SITE DURING THE PROCESS OF WORK AS REQUIRED BY LAW.



Planning Department

25 Aupuni Street, Rm. 109 • Hilo, Hawaii 96720 • (808) 961-8288

Lorraine R. Inouye
Mayor

Norman K. Hayashi
Director

Tad Nagasako
Deputy Director

January 2, 1991

Mr. Greg Pope
P. O. Box 390860
Kailua-Kona, HI 96739

Dear Mr. Pope:

Condominium Registration
TMK: 7-6-24:72

In response to your letter dated December 17, 1990, please be informed that we have not written any letter giving preliminary approval of building plans for condominium registration. As part of the review, the entire package (questionnaire, Condominium Public Report [CPR] and plans) is submitted to the Planning Department for review and comments. Our response would be for this proposed CPR.

Should you have any further questions, please feel free to contact this office.

Sincerely,

NORMAN K. HAYASHI
Planning Director

MO:mra

Exhibit 'K'