



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

BIG ISLAND VENTURES' ESTATES
 73-989 AHULANI STREET, KAILUA-KONA, HAWAII 96740

Registration No. 2613

Issued: May 22, 1992
 Expires: June 22, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of April 29, 1992, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** Updates information contained in the
(pink)
- Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
- This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required 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:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines in the Condominium Map (or Project Plot Plan) bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be formal subdivision lines. Additionally, the metes and bounds descriptions of these limited common element land areas and utility/access area described in the Declaration and Public Report are intended for purposes of clarity and not to denote subdivision boundaries. Further, references to "single-family" residential" on page 3, 4 and elsewhere in the project documents should not be construed to mean units on traditional single-family-residential-zoned lots (which are subdivided).

This public report does not constitute approval of the Project by the Real Estate Commission, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

Also, the prospective purchaser should be aware that at the time of this report, comments from the Hawaii County Planning Department have not been received. If and when such comments are received which are contrary or in addition to the information contained herein, a copy shall be provided to each purchaser or prospective purchaser. If the information represents material facts not already disclosed in this public report, the Developer shall file for a supplementary public report.

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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 - Unit 2
 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>
Unit 1	1	3/2	1,359 s.f.	480 s.f.
Unit 2	1	3/2	1,359 s.f.	480 s.f.
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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: Big Island Ventures, Inc.
Name
77-6705 Nohealani Street
Business Address
Kailua-Kona, Hawaii 96740

Phone: (808) 324-0608
(Business)

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

Richard C. Brown President, Secretary, Director
Bruce Grenetz Vice President, Treasurer, Director

Real Estate Broker: Village Realty Corporation
Name
75-5742 Hualalai Road, Suite 104
Business Address
Kailua-Kona, Hawaii 96740

Phone: (808) 329-1577
(Business)
Principal Broker: Richard Brown
Sales Manager: Walter Andrade

Escrow: Island Title Corporation
Name
1001 Bishop Street, Suite 600
Business Address
Honolulu, Hawaii 96813

Phone: Main Office: (808) 526-9171
(Business)
Kailua-Kona Branch: (808) 326-4111

General Contractor: H. Bud Patton
Name
P. O. Box 311
Business Address
Kailua-Kona, Hawaii 96745

Phone: (808) 329-5413
(Business)

Condominium Managing Agent: Self-Managed by Association of Apartment
Name Owners
Business Address

Phone: _____
(Business)

Attorney for Developer: Steven S. C. Lim, Esq.
Name Case & Lynch Business Center
460 Kilauea Avenue
Business Address
Hilo, Hawaii 96720

Phone: (808) 961-6611
(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. 91-177942
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

First Amendment to Declaration of Condominium Property Regime of "Big Island Ventures' Estates" recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-075600.

- 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. 1589
 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. 91-177943
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 and obligations of the apartment owners 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>100%</u>
House Rules	---	<u>100%</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

Declaration, page 9, paragraph L, "Amendment of the Declaration":

"2. At any time prior to the first recording in the Bureau of Conveyances of a conveyance or transfer (other than for security) of a unit and its appurtenances to a party not a signatory hereto, the Declarant may amend this declaration and/or the Condominium File Plan in any manner without approval or consent of any unit purchaser. This paragraph shall not be deemed to limit or restrict the Declarant's right as a unit owner to amend the Declaration as provided herein."

II. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

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

Exhibit _____ contains further explanations regarding the manner in which the 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 lessees (apartment owners - tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the 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:

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	<u>1</u>	<u>yes</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input checked="" type="checkbox"/> Other: <u>(1) ohana dwelling</u>	_____	_____		_____	_____

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: See, Exhibit H, House Rules. (Note: Common household pets permitted in reasonable numbers.)
- Number of Occupants: Each unit shall be occupied by a total of no more than two persons multiplied by the number of bedrooms in the unit.
- Other: See, Exhibit H, House Rules.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators -0- Stairways 1 per unit Trash Chutes -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>Unit 1</u>	<u>1</u>	<u>3/2</u>	<u>1,359 s.f.</u>	<u>480 s.f.</u>
<u>Unit 2</u>	<u>1</u>	<u>3/2</u>	<u>1,359 s.f.</u>	<u>480 s.f.</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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:

Generally, the slab, walls and roof, all the air space within, and the garage/ carport appurtenant to each unit, but excluding any utility lines serving more than one unit.

Permitted Alterations to Apartments:

An owner may renovate his unit at any time without having to obtain the other unit owner's consent, provided such renovation conforms with State law and County codes and the provisions contained in the Declaration and Bylaws referenced herein.

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>4</u>						<u>4</u>
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>4</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 _____ 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

(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

Not applicable.

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

Not applicable.

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

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

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

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

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

Exhibit B describes the common elements.

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 A

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:

	<u>Percentage of Common Interest</u>
Unit 1	50%
Unit 2	50%
Total:	<u>100%</u>

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

Exhibit C describes the encumbrances against the title contained in the title report dated March 11, 1992 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

Type of Lien

Effect on Buyer's Interest
If Developer Defaults

Mortgage
(\$140,000.00)
Lender: Richard R. Helmick
Kenneth B. Gordy
Mary Ann Gordy
Borrower: Big Island Ventures, Inc.
(Said Mortgage being recorded
in the Bureau of Conveyances
of the State of Hawaii on
December 11, 1991, as Document
No. 91-169824)

Each buyer takes their unit subject to the first and second mortgages, which mortgages are partially released as to each unit upon the closing of the sale of said unit. If the Developer defaults prior to such release, the first and second mortgages will have priority rights over each unit not yet released, and the buyer will receive back any deposit(s) paid to escrow, less the escrow cancellation fee of not more than \$250.00.

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

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

G. Estimate of Initial Maintenance 18:

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 D 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:

Contractor's standard one year warranty.

2. Appliances:

Manufacturer's standard warranties.

J. Status of Construction and Estimated Completion Date:

The estimated date of completion for Unit 1 is April 29, 1992.
Unit 2 was completed on February 18, 1992.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

No further construction or development is presently contemplated by the Developer.

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated December 23, 1991

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

Other See, Exhibits G and H attached hereto.

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. The land is zoned "unplanned" by the County of Hawaii, which designation permits single-family dwellings, ohana dwellings, agricultural uses and those uses permitted by Section 25-232 of the Zoning Code of the County of Hawaii, Hawaii County Code 1983, as amended.
2. Prospective purchasers are advised to consult with the County of Hawaii's Planning Department and Department of Public Works for permitted uses and structures and the construction of improvements on the land prior to purchasing.
3. Construction of structures and improvements to existing structures must conform to the County of Hawaii zoning and building ordinances and regulations, particularly the County of Hawaii's ohana zoning ordinance.
4. The land areas depicted on the Project Plan submitted to the Real Estate Commission represent limited common elements of approximately 9,429 square feet appurtenant to Unit 1 and approximately 7,501 square feet appurtenant to Unit 2, with a common area designated as "Common Area A" of approximately 1,927 square feet, and do not represent legally subdivided lots.
5. If closing is to occur prior to the expiration of the applicable mechanic's lien period, then the Developer is required to (a) provide the purchaser with an owner's title insurance policy with a mechanic's lien endorsement, protecting the purchaser against all future mechanics' and materialmen's liens, and (b) provide the Commission with a release by the general contractor of the contractor's lien rights.

Buyer's Right to Cancel Sales Contr

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.

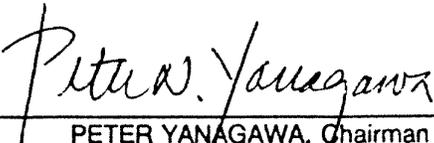
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) 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. 2613 filed with the Real Estate Commission on March 31, 1992.

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 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"

PROJECT DESCRIPTION

<u>APT. TYPE</u>	<u>QTY</u>	<u>BR/BATH</u>	<u>NET LIVING AREA</u>	<u>LANAI</u>
1-Residential Dwelling	1	3/2	1,359 s.f.	480 s.f.
2-Ohana Dwelling	1	3/2	1,359 s.f.	480 s.f.

DESCRIPTION OF BUILDINGS:

The project consists of one (1) residential dwelling and one (1) ohana dwelling, each of which includes a two-car carport appurtenant thereto. Unit 1 contains one (1) residential apartment ("unit"), consisting of two stories and no basement and constructed principally of wood, masonry, concrete flooring, plaster, glass and related building materials. Unit 2 contains one (1) ohana apartment ("unit") consisting of two stories and no basement and constructed principally of wood, masonry, concrete flooring, plaster, glass and related building materials.

DESCRIPTION OF UNITS:

Each unit (Unit 1 and Unit 2), is located as shown on the Condominium File Plan. Each unit contains an apartment consisting of three (3) bedrooms, two (2) bathrooms, a living room, a kitchen/dining room, closets, a lanai, a carport and accessory area, and other improvements as shown on the Condominium File Plan, with an appurtenant limited common element consisting of approximately 9,429 square feet and 7,501 square feet respectively (see Attachments 2 and 3 to Exhibit A). Each unit has a net living floor area of approximately 1,359 square feet, a lanai area of approximately 480 square feet, a carport area of approximately 540 square feet, an accessory area of approximately 756 square feet, and a stairway/entry area of approximately 128 square feet. Both Unit 1 and Unit 2 have ingress and egress rights directly onto a public street over and across "Common Area A", consisting of approximately 1,927 square feet, as shown on the Condominium File Plan (see Attachment 4 to Exhibit A).

The approximate net floor areas of each apartment and unit as set forth above is measured from the interior surface of the apartment and unit perimeter walls and includes all of the walls and partitions within its perimeter walls.

NOTE: THE FLOOR AREAS SHOWN ARE APPROXIMATE ONLY. THE DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR APARTMENT AND UNIT.

UNIT LOCATION AND ACCESS TO COMMON ELEMENTS:

Unit 1 and Unit 2 are located as shown on the Condominium File Plan. Each unit has direct access to the common elements of the project.

COMMON ELEMENTS:

The common elements of the project shall specifically include, but are not limited to, the following:

1. The land in fee simple, including the limited common elements described in Attachment 1 to Exhibit A.
2. All yards, grounds, landscaped areas, retaining walls, parking areas and driveways around and between the units.
3. All central and appurtenant installations for common services, including power, light, water, telephone and sewer.
4. Any and all apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS:

Certain units shall have appurtenant thereto easements for the exclusive use of certain limited common elements as follows:

1. Limited Common Elements. The limited common element land area upon which each unit is located, as shown on the Condominium File Plan, is appurtenant to and for the exclusive use of such unit, as follows:

<u>Unit No.</u>	<u>Limited Common Element (approximate land area)</u>
1	9,429 square feet
2	7,501 square feet

"Common Area A", consisting of approximately 1,927 square feet, as more fully described in Attachment 4 to this exhibit, shall be a common area (and not part of a limited common element) for use by the owner(s) of each unit for purposes of utility services and ingress to and egress from his or her respective unit.

Note: The above limited common elements, as more fully described in Attachments 2 and 3 to this exhibit, are not legally subdivided lots and any reference to them as such in any project documents is a misnomer.

All of that certain parcel of land situate at Kalaoa 3rd, District of North Kona, Island and County of Hawaii, State of Hawaii, being LOT 11 of the "KONA COASTVIEW SUBDIVISION, UNIT VI", as shown on File Plan Number 1052, filed in the Bureau of Conveyances of the State of Hawaii, and containing an area of 18,857 square feet, more or less.

BEING THE PREMISES DESCRIBED IN DEED

GRANTOR: JOSEPH M. TUFFY AND ROSEMARY I. ERDMANN, husband and wife

GRANTEE: BIG ISLAND VENTURES, INC., a Hawaii corporation

DATED: October 16, 1990

RECORDED: Document No. 90-168356

SUBJECT, HOWEVER, to:

Covenants, conditions and restrictions set forth in DEED dated June 26, 1974, recorded in Liber 10011 at Page 465. Said Declaration was amended by instrument dated August 7, 1991, recorded as Document No. 91-117267.

Attachment 1
to Exhibit A

(Metes and bounds descriptions of limited common elements appurtenant to Units 1 and 2 and access/utility easement)

NOTE: Metes and bounds descriptions used for purposes of clarity and not intended to imply a subdivision.

BIG ISLAND VENTURES' ESTATES
CONDOMINIUM PROJECT
CONDOMINIUM UNIT 1
LIMITED COMMON ELEMENT
OF LOT 11, KONA COASTVIEW SUBDIVISION,
UNIT VI, INCREMENT I (FILE PLAN 1052)

Land situated approximately 100 feet Northerly of Ahulani Street at Kalaoa 3rd, North Kona, Island and County of Hawaii, State of Hawaii.

Being portions of:

Lot 11 of Kona Coastview Subdivision, Unit VI, Increment I (File Plan 1052); and

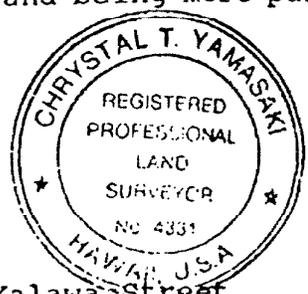
Grant 4842 to Nalu.

Beginning at the Southeasterly corner of this parcel of land, being also the Northeasterly corner of Common Area "A" (20-Ft. Wide) for Access and Utility Purposes and being a point on the Easterly boundary of Lot 11 and the Westerly boundary of Lot 10 of Kona Coastview Subdivision, Unit VI, Increment I (File Plan 1052), the coordinates of said point of beginning referred to Government Survey Triangulation Station "MOANUIAHEA" being 5,284.86 feet South and 14,689.50 feet West and running by azimuths measured clockwise from True South:

1. 92° 36' 99.00 feet along Common Area "A" (20-Ft. Wide) for Access and Utility Purposes, along Condominium Unit 2 and along the remainders of Lot 11 and Grant 4842 to Nalu to a point;

- 2. 182° 46' 95.27 feet along Lot 12 of Kona Coastview Subdivision, Unit VI, Increment I (File Plan 1052) and along the remainder of Grant 4842 to Nalu to a point;
- 3. 272° 38' 07" 99.00 feet along Grant 3027 to Heueu to a point;
- 4. 2° 46' 95.20 feet along Lot 10 of Kona Coastview Subdivision, Unit VI, Increment I (File Plan 1052) and along the remainder of Grant 4842 to Nalu to the point of beginning and containing an area of 9,429 Square Feet.

TOGETHER WITH, Common Area "A" (20-Ft. Wide) for Access and Utility Purposes and being more particularly described by the attached description.



WES THOMAS AND ASSOCIATES, INC.

Chrystal T. Yamasaki

Chrystal Thomas Yamasaki
Registered Professional Land Surveyor
State of Hawaii Certificate No. LS4331

75-5722 Kalawa Street
Kailua-Kona, Hawaii 96740-1818
TMK: 7-3-28: Portion 38 (3rd Division)
October 31, 1991
Revised: November 19, 1991

BIG ISLAND VENTURES' ESTATES
CONDOMINIUM PROJECT
CONDOMINIUM UNIT 2
LIMITED COMMON ELEMENT
OF LOT 11, KONA COASTVIEW SUBDIVISION,
UNIT VI, INCREMENT I (FILE PLAN 1052)

Land situated on the Northerly side of Ahulani Street at Kalaoa 3rd,
North Kona, Island and County of Hawaii, State of Hawaii.

Being portions of:

Lot 11 of Kona Coastview Subdivision, Unit VI, Increment I
(File Plan 1052); and

Grant 4842 to Nalu.

Beginning at the Southwesterly corner of this parcel of land, being
also the Southeasterly corner of Lot 12 of Kona Coastview Subdivision, Unit
VI, Increment I (File Plan 1052) and being a point on the Northerly side
of Ahulani Street, the coordinates of said point of beginning referred to
Government Survey Triangulation Station "MOANUIAHEA" being 5,375.44 feet
South and 14,793.00 feet West and running by azimuths measured clockwise
from True South:

1. 182° 46' 95.19 feet along Lot 12 of Kona Coastview
Subdivision, Unit VI, Increment I (File
Plan 1052) and along the remainder of
Grant 4842 to Nalu to a point;
2. 272° 36' 79.00 feet along Condominium Unit 1 and along
the remainders of Lot 11 and Grant 4842
to Nalu to a point;

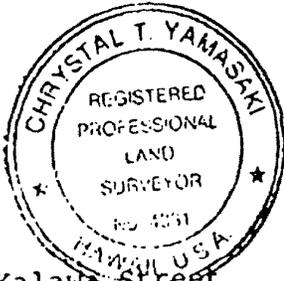
3. 2° 46' 85.28 feet along Common Area "A" (20-Ft. Wide) for Access and Utility Purposes and along the remainders of Lot 11 and Grant 4842 to Nalu to a point;

Thence, following along Common Area "A" (20-Ft. Wide) for Access and Utility Purposes and along the remainders of Lot 11 and Grant 4842 to Nalu on a curve to the right with a radius of 10.00 feet, the chord azimuth and distance being:

4. 47° 42' 30" 14.13 feet to a point;

5. 92° 39' 69.02 feet along the Northerly side of Ahulani Street to the point of beginning and containing an area of 7,501 Square Feet.

TOGETHER WITH, Common Area "A" (20-Ft. Wide) for Access and Utility Purposes and being more particularly described by the attached description.



WES THOMAS AND ASSOCIATES, INC.

Chrystal Thomas Yamasaki

Chrystal Thomas Yamasaki
Registered Professional Land Surveyor
State of Hawaii Certificate No. LS4331

75-5722 Kalawa Street
Kailua-Kona, Hawaii 96740-1818
TMK: 7-3-28: Portion 38 (3rd Division)
October 31, 1991
Revised: November 19, 1991

BIG ISLAND VENTURES' ESTATES
CONDOMINIUM PROJECT
COMMON AREA "A"
(20-FT. WIDE)
FOR ACCESS AND UTILITY PURPOSES
OVER AND ACROSS LOT 11
IN FAVOR OF CONDOMINIUM UNITS 1 AND 2
OF LOT 11, KONA COASTVIEW SUBDIVISION,
UNIT VI, INCREMENT I (FILE PLAN 1052)

Land situated on the Northerly side of Ahulani Street and along the Easterly boundary of Condominium Unit 2 of Lot 11, Kona Coastview Subdivision, Unit VI, Increment I (File Plan 1052) at Kalaoa 3rd, North Kona, Island and County of Hawaii, State of Hawaii.

Being portions of:

Lot 11 of Kona Coastview Subdivision, Unit VI, Increment I (File Plan 1052); and

Grant 4842 to Nalu.

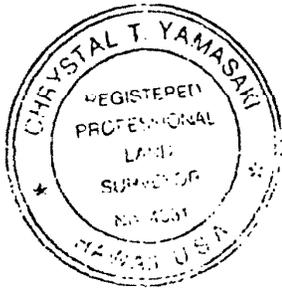
Beginning at the Northeasterly corner of this parcel of land, being also the Southeasterly corner of Condominium Unit 1 of Lot 11 of Kona Coastview Subdivision, Unit VI, Increment I (File Plan 1052), the coordinates of said point of beginning referred to Government Survey Triangulation Station "MOANUIAHEA" being 5,284.86 feet South and 14,689.50 feet West and running by azimuths measured clockwise from True South:

1. 2° 46' 95.28 feet along Lot 10 of Kona Coastview Subdivision, Unit VI, Increment I (File Plan 1052) to a point;

2. 92° 39' 29.98 feet along the Northerly side of Ahulani Street to a point;

Thence, following along Condominium Unit 2 and along the remainders of Lot 11 and Grant 4842 to Nalu on a curve to the left with a radius of 10.00 feet, the chord azimuth and distance being:

3. 227° 42' 30" 14.13 feet to a point;
4. 182° 46' 85.28 feet along Condominium Unit 2 and along the remainders of Lot 11 and Grant 4842 to Nalu to a point;
5. 272° 36' 20.00 feet along Condominium Unit 1 and along the remainders of Lot 11 and Grant 4842 to Nalu to the point of beginning and containing an area of 1,927 Square Feet.



WES THOMAS AND ASSOCIATES, INC.

Chrystal Thomas Yamasaki

Chrystal Thomas Yamasaki
Registered Professional Land Surveyor
State of Hawaii Certificate No. LS4331

75-5722 Kalawa Street
Kailua-Kona, Hawaii 96740-1818
TMK: 7-3-28: Portion 38 (3rd Division)
October 31, 1991
Revised: November 19, 1991

EXHIBIT "B"

COMMON ELEMENTS

(a) The land of the Project in fee simple, with the exception of areas set aside as limited common elements for each unit.

(b) All roadways within the land not set aside as limited common elements appurtenant to a unit, until such time as they may be dedicated to the County of Hawaii or State of Hawaii.

(c) Any installation for common services such as power, light, gas, water, sewer lines, telephone, radio and television signal distribution and like utilities which service more than one (1) unit.

(d) Any parts of the Project existing for the common use and which are necessary for the maintenance and safety of the project.

EXHIBIT "C"

List of Encumbrances

1. TAXES Tax Map Key: HAWAII 7-3-028-038
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. Covenants, conditions and restrictions set forth in DEED dated June 26, 1974, recorded in Liber 10011 at Page 465. Said Declaration was amended by instrument dated August 7, 1991, recorded as Document No. 91-117267. (See attached)

3. MORTGAGE

MORTGAGOR : BIG ISLAND VENTURES, INC., a Hawaii corporation

MORTGAGEE : RICHARD R. HELMICK, married, as Tenant in Severalty, as to an undivided 1/2 interest, and KENNETH B. GORDY and MARY ANN GORDY, husband and wife, as Tenants by the Entirety, as to an undivided 1/2 interest, as Tenants in Common

DATED : December 9, 1991
RECORDED : Document No. 91-169824
AMOUNT : \$140,000.00

4. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated December 12, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-177942, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1589.)

5. By-Laws of the Association of Apartment Owners of the Condominium Project known as "BIG ISLAND VENTURES' ESTATES" dated December 12, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-177943, as the same may hereafter be amended.

END OF EXHIBIT "C"

EXHIBIT "D"

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
Unit 1	\$10.00 X 12 months = \$120.00
Unit 2	\$10.00 X 12 months = \$120.00

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

Estimate of Maintenance Fee Disbursements

Monthly x 12 months = Yearly Total

Utilities and Services

NOT APPLICABLE

Air Conditioning

Electricity

common elements only

common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

\$120.00 per year

Grounds

\$120.00 per year

Management

NOT APPLICABLE

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

NOT APPLICABLE

Reserves

Taxes and Government Assessments

Audit Fees

Other

TOTAL

\$240.00 per year

BRUCE GRENETZ, Vice President, Big Island Ventures, Inc.
We, RICHARD C. BROWN, President, Big Island Ventures, 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.

Bruce D. Grenet
Richard C. Brown

Date: 3.26.92

EXHIBIT "E"

SUMMARY OF SALES CONTRACT

The sales contract (Condominium Deposit Receipt and Sales Contract) contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to purchase an apartment in the Project. Among other things, the sales contract says:

(a) What a buyer must do to qualify for a loan if the buyer wants a mortgage loan to cover part of the purchase price.

(b) That a buyer's money will be held in escrow, under the terms of the escrow agreement.

(c) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(d) What will happen if there is a default under the sales contract.

(e) That the buyer's funds held in escrow will not be turned over to the Seller until the 45-day lien period for the Seller's material house bond has expired.

The sales contract contains various other provisions which the buyer should become acquainted with.

EXHIBIT "F"

SUMMARY OF ESCROW AGREEMENT

The escrow agreement sets up an arrangement under which the deposits a buyer makes under a sales contract will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen.

- (a) Escrow will collect payments due pursuant to the sales contract.
- (b) Escrow will deposit all monies received pursuant to the sales contract in a special account with a financial institution.
- (c) Escrow will let buyers know when payments are due.
- (d) Escrow will arrange for and supervise the signing of all necessary documents.
- (e) The escrow agreement says under what conditions refund will be made to a buyer.
- (f) The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.
- (g) The escrow agreement says what conditions must be fulfilled before Buyer's funds can be taken out of the Trust Fund.

The escrow agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "G"

BUILDING PERMITS AND CONSTRUCTION OF IMPROVEMENTS

1. Permits. In the securing of any building, zoning and/or land use permits ("Permits") at the County of Hawaii, State of Hawaii, and/or the federal government, and any of its departments, agencies and/or its commissions the Developer, Association and/or the owners of condominium units shall observe the following.

a. Common Element Improvements. As to any improvements such as the improvement of any roadway and any installation of utilities that are located within the common element areas or if it is necessary to pass over and/or under a limited common element of a condominium unit, the Developer so long as it owns a unit is authorized on behalf of all of the owners to secure the permit or permits required for such improvements (this right shall pass on to the Board of Directors when the Developer no longer owns any units).

b. Limited Common Element Improvements. As to any improvements which will be within the limited common element for an owner, the Developer and thereafter the owner acquiring a conveyance of the condominium unit shall determine and is authorized on behalf of all of the owners to secure the permit or permits and to build the improvements located with the area set aside for the condominium unit, provided that the improvements comply with the Project Rules adopted for the association by the Developer and any amendments thereto. The plans for improvements to any limited common element shall be submitted for approval prior to construction to the Association and to the Developer so long as the Developer owns any condominium unit.

2. Reservations and Power of Attorney. So long as the Developer owns any condominium unit, it reserves the right and has the irrevocable power of attorney coupled with an interest on behalf of all of the owners of condominium units to act on any matter relating to the developing, construction and/or improvement including alteration, demolition and removal to develop and/or construct improvements as follows:

a. Common Elements. As to improvement of the common element and the installation of services, the Developer will advise the Association whether it is being done at Developer's cost and if not, then the Association will have to approve of and consent to the expenditure of the funds necessary to complete the improvements.

b. Limited Common Element. As to the improvement of the limited common element for any condominium unit, the owner of the same shall have the sole authority to determine the same and/or incur the cost of the improvements provided there is compliance with the Project Rules.

3. AUTOMATIC TRANSFER OF RESERVATIONS AND POWER OF ATTORNEY. The Developer by the conveyance of all of the condominium units in the Project will automatically transfer his reservations and power of attorney coupled with an interest to the Association of Apartment Owners and/or Board of Directors as to the application for any permits relating to the common elements and the installation of services.

EXHIBIT "G"
(page 2 of 2)

EXHIBIT "H"
HOUSE RULES
FOR
"BIG ISLAND VENTURES' ESTATES"

A. PURPOSE OF THESE RULES

1. Purpose. The purpose of these House Rules ("Rules") is to protect all occupants from annoyance and nuisance caused by improper use of the units. These Rules supplement, but do not change, the obligations of unit owners and other persons as set forth in the Declaration of Condominium Property Regime of "BIG ISLAND VENTURES' ESTATES" and the Bylaws of the Association of Apartment Owners of "BIG ISLAND VENTURES' ESTATES". In the event of any inconsistency between these Rules and the Declaration and the Bylaws, the Declaration and the Bylaws will prevail. The Board has the authority to make such other rules or to amend these Rules from time to time as the Board deems advisable for the safety, care and cleanliness of the premises and for securing the comfort and convenience of the owners of the units. All occupants and their guests shall be bound by these Rules and by standards of reasonable conduct whether covered by these Rules or not.

2. Authority. These rules represent the initial rules for the "BIG ISLAND VENTURES' ESTATES" condominium project. These Rules will be formally adopted by the Board or changed, as the Board deems appropriate, upon formation of the Association.

B. RULES

The basic guideline for these Rules is the standard of reasonable conduct which incorporates common sense and consideration for the rights and feelings of others so that the general atmosphere is friendly and pleasant. The Board requests all residents to practice reasonable tolerance, remembering the close proximity in which they live.

1. Nuisance.

a. The occupant of a unit shall not make or permit to be made any noise in the building by himself or his family or his invitees which will annoy or interfere with the rights, comforts and convenience of neighbors. Particular attention must be paid to maintaining a minimum of noise between 10:00 p.m. and 8:00 a.m., Sundays through Thursdays, and between midnight and 8:00 a.m., Fridays and Saturdays. In particular, this applies to social gatherings, television sets, radios, stereos and musical instruments.

b. Outdoor cooking shall be conducted so as not to be offensive to any neighbor. Fires other than for outdoor cooking are not permitted.

2. Parking and Parking Stalls. No vehicle belonging to a unit owner or to a guest, tenant, workman, repairman, or employee of a unit owner shall be parked in a driveway, stall or limited common element appurtenant to another unit, or in such a manner as to impede or prevent ready access to any driveway, stall or limited common element appurtenant to another unit. Violators shall have their vehicles towed at their expense. If the violator is a lessee, tenant, employee, workman, repairman, invitee or guest of an owner, the owner shall be responsible for payment of any such towing charges.

3. Occupants. Each unit shall be occupied by a total of no more than two (2) persons multiplied by the number of bedrooms in the unit.

4. Use by Lessees, Tenants and Guests. Owners who permit occupancy of their units by others shall convey a copy of these Rules to the occupant. Each owner shall be responsible for the actions or omissions of all occupants of his unit.

5. Pets. No animals, other than animals permitted pursuant to applicable zoning laws, or common household pets in such a number as not to cause an unreasonable disturbance to any unit owner, may be kept in a unit or upon the limited common element appurtenant to a unit, provided that all such animals and pets shall be restrained from entering upon the unit and limited common element appurtenant to the other unit and from unreasonably disturbing the owner of the other unit. The raising and keeping of said animals and pets shall at all times conform to the requirements of the Planning Department, Department of Health and any other applicable laws.

6. Trash Disposal. Garbage, rubbish and other trash shall be disposed of only in receptacles and areas provided therefor. Trash containing food shall be securely wrapped before being placed in a receptacle.

7. Hazards. No activity shall be engaged in and no substance introduced into or manufactured within the project which might result in violation of the law or in the cancellation of the insurance or increase in the insurance rate for the common elements of the project.

8. Project Appearance. Each unit owner shall maintain its said unit and appurtenant limited common area in such a manner as to foster a neat and attractive project appearance.

9. Landscaping. The landscaping and maintenance of the project common areas shall be paid for by the Association of Apartment Owners and/or Board of Directors and done by gardeners retained by the Developer as long as it owns any unit in the Project and subsequently by the Association of Apartment Owners and/or Board of Directors thereof. Landscaping of the limited common areas and unsold units shall also be paid for by the Association and/or Board of Directors until such units are sold. After purchase, each unit owner shall landscape and maintain the area reserved for the use of his unit at his cost and expense. All landscaping and/or trees shall be maintained and/or situated to minimize obstruction of the mauka and

makai viewplanes of the other units in the Project. All unit owners shall share according to their percentage of common interest in the Project the costs of such landscaping and maintenance.

10. Lot Drainage. Each unit owner shall be responsible for the design of all drainage facilities for the unit owner's site and will be liable for all claims for damages resulting therefrom. The Developer makes no representations to review the drainage plan for adequacy of engineering and shall not be responsible for damages to adjacent property resulting from inadequate drainage and grading.

11. Laws, Codes, Ordinances and Permits. It is the responsibility of the unit owner to become informed of and to comply with the appropriate Federal, State and County laws, rules, regulations, codes and ordinances. If a standard set forth herein differs from standards established by the various regulating agencies, the stricter standard shall govern. Any unit owner desiring to construct improvements within its unit as permitted by law shall comply with all applicable State of Hawaii, County of Hawaii and federal laws, ordinances and building and zoning codes as the same may be changed from time to time.

C. ENFORCEMENT OF RULES

1. Observance of Rules. Each owner shall observe and perform these Rules and ensure that his tenants, workmen, repairmen, employees and guests also observe and perform these Rules. The owner shall be responsible if expenses are incurred due to violations of these Rules by tenants, workmen, repairmen, employees or guests.

2. Violation of Rules. The violation by a unit owner of any of these Rules shall give the Board, and the other unit owner on behalf of the Board, the right, in addition to any other right set forth in the Bylaws, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation, and all costs, including attorneys' fees, shall be paid by the violating owner upon demand.

3. Expenses of Enforcement. Each owner shall pay all costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of the Board or the other unit owner in enforcing any of these Rules against the violating owner.

D. AMENDMENT

1. Amendments. These Rules may be amended only by the Board at a duly called meeting and shall become effective when published to all owners and occupants.

The Developer, acting as the initial Association, hereby adopts the foregoing House Rules as the House Rules for the "BIG ISLAND VENTURES' ESTATES" condominium project on behalf of the Association this 12th day of December, 1991.

BIG ISLAND VENTURES, INC.,
a Hawaii corporation

By Richard C. Brown
RICHARD C. BROWN
Its President

By Bruce S. Grenetz
BRUCE GRENETZ
Its Vice President

Developer

ssl 111891 0299c

STATE OF HAWAII)
) SS.
COUNTY OF HAWAII)

On this 11th day of December, 1991, before me appeared RICHARD C. BROWN, to me personally known, who, being by me duly sworn, did say that he is the President of BIG ISLAND VENTURES, INC., a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said officer acknowledged said instrument to be the free act and deed of said corporation.

L.S.

C. Gordon P. J. J. J.
Notary Public, State of Hawaii
My commission expires: 7.22.95

STATE OF HAWAII)
City & County of Honolulu) SS.
)

On this 12th day of December, 1991, before me appeared BRUCE GRENETZ, to me personally known, who, being by me duly sworn, did say that he is the Vice President of BIG ISLAND VENTURES, INC., a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said officer acknowledged said instrument to be the free act and deed of said corporation.

L.S.

Catherine J. Cheney
Notary Public, State of Hawaii
My commission expires: 1-18-92

END OF EXHIBIT "H"