

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report as Exhibit F. Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Report

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 developer.

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 as a LIMITED COMMON AREA and is NOT a legally subdivided lot. The dotted lines on the Condominium Map 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 the property lines of legally subdivided lots.

This Public Report does not constitute approval of the Project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with..

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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 are entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that compose the condominium project. Study the project's 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 rights to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Gloria J. Marshall, Trustee of the Gloria J. Marshall Living Trust dated December 16, 1983 Phone: (808)325-7826
Name (Business)
73-1149 Ahulani Street
Business Address
Kailua-Kona, Hawaii 96740

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

N/A

Real Estate Broker: CROM/MAX Corporation dba RE/MAX Properties Phone: (808)329-4833
Kevin Mc Cabe (Business)
Name
75-127 Lunapule Road
Business Address
Kailua-Kona, Hawaii 96740

Escrow: First Hawaii Title Corporation Phone: (808)329-8227
Name (Business)
75-5722 Kuakini Hwy. #210
Business Address
Kailua-Kona, Hawaii 96740

General Contractor: George Bennett Phone: (808)325-7532
Name (Business)
73-4863 Anini Street
Business Address
Kailua-Kona, Hawaii 96740

Condominium Managing Agent: Self-managed by the Association of Apartment Owners Phone: _____
Name (Business)

Business Address

Attorney for Developer: Colin L. Love Phone: (808) 329-2460
Name (Business)
Post Office Box 2072
Business Address
Kailua-Kona, Hawaii 96745

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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. 94-006866

Book _____ Page _____

Filed - Land Court:

Document No. _____

The Declaration referred to above has been amended by the following instrument [state name of document, date 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 numbers, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed

Recorded - Bureau of Conveyances Condo Map No. 1985

Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instrument [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed 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. 94-006867

Book _____ Page _____

Filed - Land Court:

Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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>N/A</u>

* The percentages for individual condominiums may be more than the minimum set by law for projects with five or fewer apartments.

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:

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/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

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between sublessor and fee owner is:
 Canceled 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 canceled or foreclosed.

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

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver 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 at the lessee's expense; 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 provisions(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:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of a leasehold condominium and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee.

The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 73-1149 Ahulani Street Tax Map Key: (3rd) 7-3-22-84
Kailua-Kona, Hawaii 96740 (TMK)

Address TMK is expected to change because N/A

Land Area: 19791 square feet acre(s) Zoning: Residential

Lessor: Gloria J. Marshall, Trustee of the Gloria J
(Fee Owner): Marshall Living Trust dated December 16, 1983
 Name
73-1149 Ahulani Street
 Address
Kailua-Kona, Hawaii 966740

Sublessor: NA.
 Name
 Address

C. Buildings and Other Improvements:

1. New Buildings Conversion of Existing Building(s) Bothk New Building(s) and Conversion
 2. **Number of Buildings:** 2 **Floors Per Building** "A" = 2, "B" = 3

Exhibit A contains further explanation.

3. **Principal Construction Materials:**

Concrete Hollow Tile Wood

Other _____

4. **Permitted Use by Zoning:**

	<u>No. of</u> <u>Apts.</u>	<u>Use Permitted</u> <u>By Zoning</u>		<u>No. of</u> <u>Apts.</u>	<u>Use Determined</u> <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Ohana	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

5. **Special Use Restrictions;**

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

Pets: _____

Number of Occupants: _____

Other: Except for vehicles belonging to guests, the owners/tenants of the apartments shall keep or park no more than two motor vehicles on the property at any one time. They shall not keep or allow any junked or abandoned vehicle or vessel on the property. The property shall not be used as a location for the repair of any vehicle or vessel if such repair includes painting other than minor touch-up, or the removal and rebuilding of any of a vehicle's or vessel's major parts other than as may be related to minor tune-ups and adjustments. If a vessel is kept on the property it shall be kept in the carport. The property shall not be used for the outdoor cleaning of any large fish or the slaughtering or outdoor cooking of any animals.

There are no special use restrictions.

6. **Interior** (fill in appropriate numbers)

Elevators: 0 Stairways: 1, Bldg. "B" Trash Chutes :

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>1</u>	<u>3/2</u>	<u>1620</u>	<u>0</u>
<u>B</u>	<u>1</u>	<u>2/3</u>	<u>1182</u>	<u>1985</u>
Total Apartments	<u>2</u>			

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

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

Boundaries of Each Apartment:

Each apartment includes, but is not limited to, the exterior finished surfaces of all walls, the doors and door frames, windows and window frames along the perimeters, the air space within the perimeter, and all fixtures originally installed in the apartment. The apartments include the interior load-bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floor and ceilings surrounding each apartment and any pipes, shafts, wires, conduits or other utility or service lines running through or servicing only that apartment which are utilized for or serve more than one apartment. An apartment does not include any pipes, shafts, wires, conduits or other utility or service lines running through or servicing an apartment which are utilized for or serve more than one apartment.

Permitted Alterations to Apartments:

Alterations or additions within an apartment may be made with prior written notice to the Board of Directors, as long as the structural integrity and soundness of the apartment is not adversely affected. A copy of the owner's plans and appropriate building permits and an estimate of time of construction shall be submitted with the written notice. No exterior alterations other than those reasonably required for maintenance and upkeep may be made without the prior written approval of the Board of Directors that changes if such alterations will change the overall uniform appearance of the Project.

7. **Parking Stalls:**

Total Parking Stalls: 6

	<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 each unit)	_____	<u>1</u>	<u>2</u>	_____	_____	_____	<u>3</u>
Guest:	_____	_____	_____	_____	_____	_____	_____
Unassigned:	_____	_____	_____	_____	_____	_____	_____
Extra for: Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>2</u>		<u>4</u>				

Each apartment will have the exclusive use of at least 3 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit "B" 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 Courts Trash Chutes
- Other: _____

9. **Compliance With Building Code and Municipal Regulations; Cost to Cure Violations:**

- There are no violations. Violations will not be cured.
- Violations and costs to cure are listed below. Violations will be cured by _____

10. **Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations**
(For conversions of residential apartments in existence for at least five years):

See Disclosure Abstract attached as Exhibit "F".

11. 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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration are:

described in Exhibit _____

as follows:

1. The land is fee Simple;
2. Approximately 1200 square feet of paved driveway that passes through the Limited Common Element assigned to Apartment "A", and that is between Ahulani Street and Limited Common Element assigned to Apartment "B", and that provides ingress and egress for the Apartment "B".

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 use them, as described in the Declaration, are:

described in Exhibit _____.

as follows:

1. That certain land area upon and around which Apartment A is located, shown and designated on the Condominium Map as "Lot A" which does not include the portion of the paved driveway that provides access to Apartment B. Approximately 10,366 square feet, more or less, in area, is deemed a limited common element appurtenant to and for the exclusive use of Apartment A.

2. That certain land area upon and around which Apartment B is located, shown and designated on the Condominium Map as "Lot B", and being 8,405 square feet, more or less, in area, is deemed a limited common element appurtenant to and for the exclusive use of Apartment B.

Note: Land areas herein described are not legally subdivided lots.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration are:

described in Exhibit _____

as follows:

Apartment A: 50%

Apartment B: 50%

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit "C" describes the encumbrances against the title contained in the preliminary title report dated January 18, 1994 and issued by First Hawaii Title Corporation

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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.

[x] 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
First Mortgage	If Developer defaults or the Mortgage lien is foreclosed prior to conveyance to Buyer, Buyer's contract to purchase will be terminated, and all of Buyer's funds will be refunded to Buyer. However, should Buyer's deposit be used by the Developer prior to a foreclosure of the mortgage and prior to conveyance to Buyer, Buyer may not be able to recover the deposited moneys.

F. Construction Warranties:

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

1. Building and Other Improvements:

The Owner/Developer makes no warranties itself and the Owner/Developer is not aware of any warranties from any general contractor, subcontractor or materials supplier that are in existence. The Owner/Developer will assign to the purchasers apartments such warranties as may exist, if any, and the Owner/Developer will cooperate with each apartment owner during the effective period of any warranty, if any, in asserting any claims.

2. Appliances:

None

G. Status of Construction and Estimated Completion Date:

All construction on both apartments has been completed since June 10, 1990.

k

H. Project Phase:

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

Summary of Developer's plans or rights to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. 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 condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

- | | |
|---|--|
| <input type="checkbox"/> not affiliated with the Developer | <input type="checkbox"/> the Developer or the Developer's affiliate. |
| <input checked="" type="checkbox"/> self-managed by the Association of Apartment Owners | <input type="checkbox"/> other _____ |

B. 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.

Exhibit "F" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

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

- | | | | |
|--------------------------------|---|--------------------------------------|---|
| <input type="checkbox"/> None | <input type="checkbox"/> Electricity | <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Water |
| <input type="checkbox"/> Sewer | <input type="checkbox"/> Television Cable | <input type="checkbox"/> Other _____ | |

V. MISCELLANEOUS

A 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 "D" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated January 21, 1994.

Exhibit "E" contains a summary of the pertinent provisions of the escrow agreement.

Other Specimen Deed

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission,

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s), AND

C) One of the following has occurred :

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Changes Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) 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.

2 **Rights Under the Sales Contract:** Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission
 - B) Declaration of Condominium Property Regime.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other Amendment to Kona Coastview Subdivision Covenants
-

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3052 filed with the Real Estate Commission on February 15, 1994.

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

yellow paper stock white paper stock pink paper stock

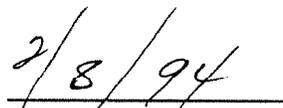
C. Additional Information Not Covered Above

- D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

**Gloria J. Marshall, Trustee of the Gloria J. Marshall Revocable
Living Trust dated December 16, 1983**

Name of Developer

By: 
Duly Authorized Signatory


Date

**Gloria J. Marshall, Trustee of the Gloria J. Marshall Revocable
Living Trust dated December 16, 1983**

print name & title of person signing above

Distribution:

Department of Finance, _____ County of Hawaii
Planning Department, _____ County of Hawaii
Federal Housing Administration

EXHIBIT "A"

DESCRIPTION OF BUILDING AND APARTMENTS

I. DESCRIPTION:

HALE KOLOLIA consists of two (2) buildings, primarily constructed of wood, with total square footage of 4787 square feet, 2802 square feet of which is living area.

Building "A". Building "A" is a two (2) story building with four (4) rooms, three (3) of which are bedrooms and two (2) baths, and a total living area of 1620 square feet. It has no basement. It has a carport under the structure with room to park two (2) compact cars. It also has one (1) outside parking space for a standard vehicle. All three (3) parking spaces are within the Limited Common Area for Building "A" and they are reserved for the sole use of the owners or occupants of Building "A". Building "A" has no lanais.

Building "B". Building "B" is a three (3) story building with eight (8) rooms, two (2) of which are bedrooms and three (3) baths, and a total living area of 1182 square feet. It has no basement. It has a carport under the structure with room to park two (2) compact cars. It also has one (1) outside parking space for a standard vehicle. All three (3) parking spaces are within the Limited Common Area for Building "B" and they are reserved for the sole use of the owners or occupants of Building "B". Building "B" also has 1985 square feet of decks and lanais.

APPROXIMATE NET FLOOR AREAS*

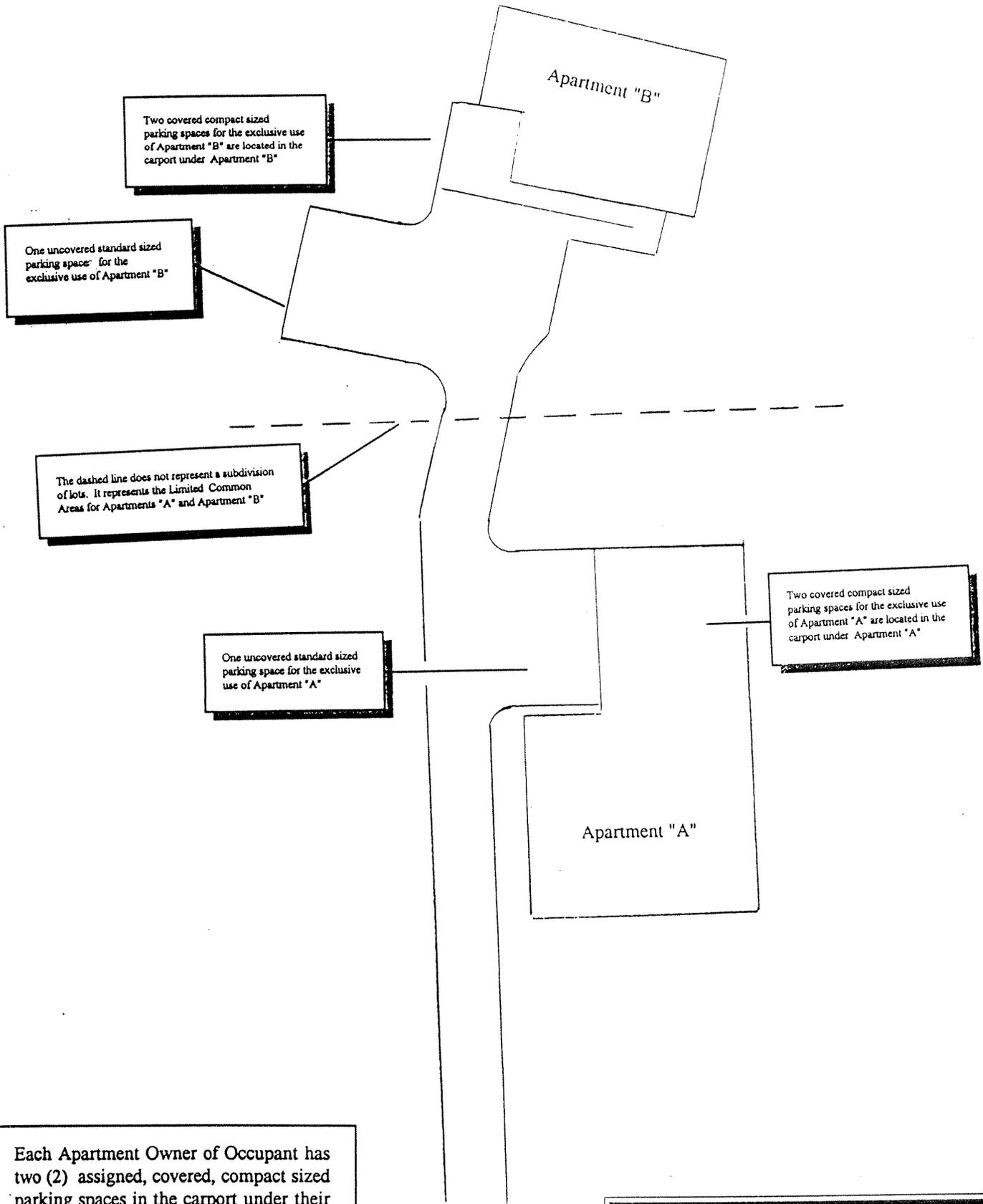
<u>Apartment Numbers</u>	<u>Number of Rooms</u>	<u>Net Living Area*</u>
A	4	1620
B	8	1182

* The approximate net floor areas of each Apartment in square feet as set forth above are measured from the interior surface of the Apartment perimeter walls.

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

End Exhibit "A"

EXHIBIT "B"



Two covered compact sized parking spaces for the exclusive use of Apartment "B" are located in the carport under Apartment "B"

One uncovered standard sized parking space for the exclusive use of Apartment "B"

The dashed line does not represent a subdivision of lots. It represents the Limited Common Areas for Apartments "A" and Apartment "B"

One uncovered standard sized parking space for the exclusive use of Apartment "A"

Two covered compact sized parking spaces for the exclusive use of Apartment "A" are located in the carport under Apartment "A"

Each Apartment Owner or Occupant has two (2) assigned, covered, compact sized parking spaces in the carport under their apartment and one (1) assigned, uncovered, standard parking space within the Limited Common Area appurtenant to their apartment. There are no Guest parking spaces, and no parking is allowed within the Common Area.

PARKING PLAN FOR HALE KOLOLIA

End Exhibit "B"

EXHIBIT "C"
ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes that may be due and owing. Refer to the County of Hawaii Director of Finances for further information.
Tax Key: 7-3-22-84
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Restrictions, covenants and conditions as contained in Warranty Deed dated August 7, 1972, and recorded on August 14, 1972, in the Bureau of Conveyances of the State of Hawaii in Book 8505 at Page 410, attached hereto and to which reference is hereby made.
4. That certain Mortgage dated August 26, 1991, and recorded on September 4, 1991, in said Bureau of Conveyances as Instrument No. 91-120059, made by GLORIA J. MARSHALL, Trustee of that certain Gloria J. Marshall Revocable Living Trust dated December 16, 1988, in favor of FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF AMERICA, which is organized and existing under the laws of the United States of America.
5. That certain Amendment to Kona Coastview Subdivision Covenants dated August 7, 1991, and recorded on August 28, 1991, in said Bureau of Conveyances as Instrument No. 91-117267, attached hereto and to which reference is hereby made.
6. The covenants, agreements, obligations, conditions, easements and other provisions as contained in that certain Declaration of Condominium Property Regime of "Hale Kololia" dated September 15, 1993, and recorded on January 14, 1994, in said Bureau of Conveyances as Instrument No. 94-006866; Condominium Map No. 1985, to which reference is hereby made.
7. By-Laws of the Association of Apartment Owners of Hale Kololia dated September 15, 1993, and recorded on January 14, 1994, in said Bureau of Conveyances as Instrument No. 94-006867, to which reference is hereby made.
8. The terms and provisions of that certain Gloria J. Marshall Revocable Living Trust dated December 16, 1983, having all powers under said trust agreement, including full power to sell, convey, exchange, mortgage, lease, assign or otherwise deal with and dispose of all lands of the trust estate and interest therein, to which reference is hereby made.

End Exhibit "C"

72- 59273

RECORDATION REQUESTED BY:
TITLE GUARANTY ESCROW SERVICES, INC.
AFTER RECORDATION RETURN TO:
POST OFFICE BOX 187 * 172521 (TG)
KAILUA, KONA, HAWAII 96740
RETURN BY: MAIL (X) PICKUP ()

LIBER 8505 PAGE 410
1972 AUG 14 11:11:30
[Signature]
REGISTRAR

WARRANTY DEED

THIS INDENTURE, made this 7th day of August, 1972, by and between MANFRED CIESLIK, a single person, hereinafter referred to as the "Grantor", and LUDWIG FEHRENBACHER, a single person, who resides in Kailua, Kona, Island, County and State of Hawaii, and whose mailing address is c/o Keauhou Beach Hotel, Kailua, aforesaid, hereinafter referred to as the "Grantee",

W I T N E S S E T H:

THAT the Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable consideration paid to Grantor by the Grantee, the receipt whereof is hereby acknowledged by the Grantor, does hereby grant, bargain, sell and convey unto the Grantee, forever and in fee simple, the following described property:

ALL of that certain parcel of land situate at Kalaoa 3rd, North Kona, Island, County and State of Hawaii, being LOT NUMBER TWENTY-NINE (29), the same being a subdivision of a portion of Grant 1606 Kanchailua, known as "KONA COASTVIEW SUBDIVISION, UNIT IV", as shown on the Map thereof filed in the Bureau of Conveyances of the State of Hawaii as File Plan Number 975, and containing an area of 19,791 square feet.

BEING a portion of the land conveyed to the Grantor by KONA SCENIC LAND, INC., a Hawaii corporation, by Deed dated the 17th day of July, 1972, and recorded concurrently with but prior to this Deed.

SUBJECT, HOWEVER, to the restrictive covenants relative to the use of the land as more fully set forth in Exhibit "A" hereto attached and by this reference made a part hereof.

STATE OF HAWAII
CONVEYANCE TAX...
P.B. 19.00
1972

556551

AND the reversions, remainders, rents, issues and profits thereof and all of the estate, right, title and interest of the Grantor, both at law and in equity, therein and thereto.

TO HAVE AND TO HOLD the same, together with all buildings, improvements, tenements, hereditaments, rights, easements, privileges and appurtenances thereunto belonging or appertaining or held and enjoyed therewith unto the said Grantee and Grantee's heirs, administrators, executors and assigns, absolutely and in fee simple, SUBJECT, HOWEVER, as aforesaid.

AND the said Grantor, in consideration of the premises, does hereby for himself and his heirs, administrators, and executors, covenant and agree to and with said Grantee, his heirs, administrators, executors and assigns, that the Grantor is lawfully seized in fee simple of the premises hereby conveyed; that the same are free and clear of and from all encumbrances EXCEPT as aforesaid, and EXCEPTING ALSO current real property taxes and any assessments chargeable against the property, which shall be prorated as of the date of delivery of this Deed; that he has good right to sell and convey said real property as aforesaid, and that he will and his heirs, administrators and executors shall WARRANT AND DEFEND the same unto the said Grantee and his heirs, administrators, executors and assigns against the lawful claims and demands of all persons EXCEPT as aforesaid.

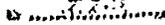
IN WITNESS WHEREOF the undersigned has executed this

Doc. 8505 FEB 412

instrument as of the day and year first hereinabove written.

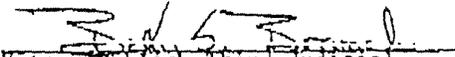
Grantor:


MANFRED CIESLIK

APPROVED AS TO FORM
STERRY & MAN


STATE OF HAWAII)
) SS:
COUNTY OF HAWAII)

On this 7th day of August, 1972, before me personally appeared MANFRED CIESLIK, to me known to be the person described in and who executed the foregoing instrument and who acknowledged that he executed the same as his free act and deed.


Notary Public, Third Judicial
Circuit, State of Hawaii

My commission expires: 6-30-74

(a) The above described premises, and every portion thereof, shall be used for private residence purposes only, including private garage and/or servants' quarters and other similar purposes reasonably necessary in connection with such private residence, and for no other purposes; and no building other than a private dwelling house shall be constructed, placed or maintained upon said premises during said term.

(b) No dwelling house shall be erected upon said premises which shall contain less than 1000 square feet of ground floor area, exclusive of servants' quarters, garage, storage space, workshop, verandas and open porches, and the total cost of construction, excluding furniture and appliances such as stove and refrigerator shall not be less than FIFTEEN THOUSAND DOLLARS (\$15,000.00); PROVIDED, HOWEVER, the restrictions as provided under this paragraph may be waived or modified upon receiving written consent from Kona Scenic Land, Inc.

(c) No used or second-hand lumber shall be incorporated in the construction of any improvements erected upon the above described premises, nor shall any building be placed or re-erected upon said premises which shall previously have been erected in another location; no "quonset" type of building shall be erected, placed or maintained upon said premises. No outdoor "privy" shall be erected.

(d) No hog raising shall be permitted on said premises, and all domestic fowl shall be confined.

(e) No deed, mortgage, agreement of sale or lease shall be made or delivered by the Grantees conveying, selling, mortgaging or leasing the above described premises, or any part thereof, at any time during said period, unless such deed, mortgage, agreement of sale or lease shall contain or be subject to the same restrictive terms, covenants and conditions as in this indenture set forth, including this covenant.

(f) The foregoing covenants, shall continue in effect and shall bind the Grantees, their heirs and assigns, during successive ten-year periods following December 31, 1980, except to the extent that the same shall be modified or amended prior to commencement of any such period by agreement of the owners of a majority of residential lots of the subdivision.

91 117267

RECEIVED
COUNTY CLERK

32 NOV 20 PM 12 50

S. FERRY LANE, REGISTRAR

LAND COURT SYSTEM _____ REGULAR SYSTEM _____
After Recordation, Return by Mail (X) Pickup ()

STEVEN S. C. LIM, ESQ.
Case & Lynch
101 Aupuni Street
Suite 228
Hilo, Hawaii 96720

SSL/072991/0205c

AFFECTING TAX MAP KEYS: (3) 7-3-22: 2 to 105
(3) 7-3-23: 1 to 100
(3) 7-3-28: 1 to 48
(3) 7-3-28: 50 to 81

AMENDMENT TO KONA COASTVIEW SUBDIVISION COVENANTS

Those certain unrecorded covenants, conditions, restrictions, reservations, agreements and obligations of the Kona Coastview Subdivision, Units I, II, III, IV, V, and VI, for the above-referenced tax map key parcels, are hereby amended to read as follows:

(a) The above described premises, and every portion thereof, shall be used for private residence purposes only, including private garage and/or servants' quarters and other similar purposes reasonably necessary in connection with such private residence, and for no other purpose; and no building other than a private dwelling house or such other dwellings "OHANA" as allowed by Article 25, Regulations of Ohana Dwelling, Chapter 25, Zoning Code of the Hawaii County Code shall be constructed, placed or maintained upon said premises during said term.

(b) No dwelling house shall be erected on said premises which shall contain less than 1,000 square feet of ground floor area, exclusive of servants' quarters, garage, storage space, workshop, verandas and open porches. Dwellings erected under the provisions of OHANA zoning shall not be less than 500 square feet. The total cost of construction excluding furniture and appliances such as stove and refrigerator shall not be less than FIFTEEN THOUSAND DOLLARS (\$15,000.00); PROVIDED, HOWEVER, the restrictions as provided under this paragraph may be waived or modified upon receiving written consent from Kona Scenic Land, Inc.

(c) No used or second-hand lumber shall be incorporated in the construction of any improvements erected upon the above described premises, nor shall any building be placed or re-erected upon said premises which shall previously have been erected in another location; no "quonset" type of building shall be erected, placed or maintained upon said premises. No outdoor "privy" shall be erected.

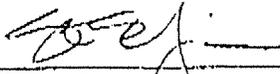
(d) No hog raising shall be permitted on said premises, and all domestic fowl shall be confined.

(e) No deed, mortgage, agreement of sale, or lease shall be made or delivered by Grantees conveying, selling, mortgaging or leasing the above described premises, or any part thereof, at any time during said period, unless such deed, mortgage, agreement of sale or lease shall contain or be subject to the same restrictive terms, conditions and covenants as in this indenture set forth, including this covenant.

(f) The foregoing covenants shall continue in effect and shall bind the Grantees, their heirs, executors, administrators and assigns, for during successive ten-year periods following December 31, 1980, except to the extent that the same shall be modified or amended prior to commencement of any such period by agreement of the owners of a majority of residential lots of the subdivision.

This Amendment is made pursuant to paragraph (f) of the covenants by agreement of a majority of subdivision lot owners.

DATED: Hilo, Hawaii, August 7, 1991



STEVEN S. C. LYM
Attorney for George Wilkins and
Lillian Wilkins, Property Owners,
Kona Coastview Subdivision

STATE OF HAWAII
COUNTY OF HAWAII

)
) SS:
)

On this 17th day of August, 1991, before me personally appeared STEVEN S. C. LIM, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Annunzio (620210)
Notary Public, State of Hawaii

My commission expires: 6-14-91

EXHIBIT "D"

SUMMARY OF DEPOSIT, RECEIPT AND SALES CONTRACT

The Deposit, Receipt and Sales Contract contains the price and other terms and conditions under which a Purchaser will agree to buy an apartment in the project. Among other things, the Deposit, Receipt and Sales Contract states:

1. The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.
2. That the Purchaser acknowledges having received and read a final public report for the Project prior to signing the Deposit, Receipt and Sales Contract.
3. That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefits to be derived from the purchase of an apartment.
4. That the Purchaser's money will be held in escrow, under the terms of the Escrow Agreement. The Purchaser's money can only be disbursed by escrow if the sale is canceled by the Purchaser, if the sale closes according to the terms of the Deposit, Receipt and Sales Contract, if the Purchaser is in default, if the Purchaser dies or is dissolved, or if the Seller and the Purchaser agree otherwise in writing.
5. The Purchaser has a right to cancel the Deposit, Receipt and Sales Contract before the apartment has been transferred to him or at any time within thirty (30) days after delivery of the Public Report, whichever is earlier and to have all money paid into escrow refunded less any escrow cancellation fees and other costs, up to \$250, by giving notice to the Seller as provided by HRS § 514-62 (d), as amended.
6. If the Purchaser does not cancel the Deposit, Receipt and Sales Contract as provided in Paragraph 5, and more than thirty days have passed since the delivery of the Public Report to the Purchaser then the Deposit, Receipt and Sales Contract is binding on the Purchaser. If the Purchaser fails purchase the apartment after the Deposit, Receipt and Sales Contract becomes binding upon the Purchaser then the Purchaser will be in default. If the Purchaser is in default then the Seller will be entitled to cancel the Deposit, Receipt and Sales Contract and retain all money paid by Purchaser up to 20% of the sales price as liquidated damages.
7. If the Purchaser dies prior to closing, or in the case of a corporation or partnership, dissolves prior to closing, the Seller may return the Purchaser's payments, without interest and less Escrow cancellation fees and all costs incurred by the Seller, Escrow, or any lending institution in processing this Deposit, Receipt and Sales Contract or by loan application, and this Deposit, Receipt and Sales Contract will be deemed to have been canceled and both the Seller and the Purchaser (including the Purchaser's estate and legal representatives) shall be released from all obligations and liability under that agreement.
8. Requirements relating to the Purchaser's financing of the purchase of an apartment.
 - a. The Purchaser's offer is **not** contingent on the Purchaser obtaining financing or on the Purchaser's ability to pay.
 - b. In the event the Purchaser wishes to finance the purchase of the Apartment, the Purchaser is required to apply for financing within ten business days from the date the agreement to purchase becomes a binding contract. The Purchaser is required to use his best efforts to obtain

the mortgage loan in good faith; to execute and deliver all necessary documents and disclose all information; to pay any and all costs, charges and expenses in connection with the mortgage loan; to otherwise promptly and diligently comply with all requests of the mortgagee and/or the Seller to apply for, obtain and close the mortgage loan; and, where deemed necessary by the Seller, to make further applications for a mortgage loan.

c. The Purchaser may be required to pay a loan fee in order to get a loan.

d. The Seller has no obligation to arrange for the Purchaser's mortgage or other financing.

9. That the apartment and the Project will be subject to various legal documents which Purchaser should examine, and that the Developer may change these documents under certain conditions.

10. That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

11. That the Purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price. The closing date will be set by the Seller, but it will not be sooner than sixty (60) days after the Deposit, Receipt and Sales Contract becomes binding.

12. On closing the Purchaser will be responsible for the payment of certain costs in addition to the purchase price. Typical closing costs for the Purchaser and the Seller include:

Item	Seller	Purchaser
Escrow fees	\$215	\$215
Recording		\$20 per document
Lien Check	\$20	\$20
Real Property Tax Check	\$2.00	
Documents	\$104 for a deed	\$135 for a purchase money mortgage
Hurricane Insurance Fund		.001 x the amount of any mortgage
Real Property Taxes & assessments	Prorated	Prorated
Conveyance tax	.001 x sale price	

The Deposit, Receipt and Sales Contract contain various other important provisions relating to the purchase of an apartment in the Project. It is incumbent upon Purchasers and prospective Purchasers to read with care the specimen Deposit, Receipt and Sales Contract on file with the Real Estate Commission.

EXHIBIT "E"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to the Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

1. Escrow will let the purchaser know when payments are due.
2. Escrow will arrange for the purchaser to sign all necessary documents.
3. The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention or disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT "F"

**HALE KOLOLIA
DISCLOSURE ABSTRACT**

1. **NAME OF PROJECT:** **HALE KOLOLIA**
73-1149 Ahulani Street
Kailua-Kona, Hawaii 96740

2. **DEVELOPER:** Gloria J. Marshall, Trustee for the Gloria J. Marshall Revocable Living Trust dated December 16, 1983

3. **REAL ESTATE BROKER** CROM/MAX Corporation dba RE/MAX Properties
Kevin Mc Cabe
75-5722 Kuakini Hwy. #210
Kailua-Kona, Hawaii 96740

4. **MANAGING AGENT:** None - the project will be managed by the Owners/Tenants

5. **USE OF APARTMENTS:** There are two buildings each of which contains one apartment. The property is to be used for residential purposes only. The Apartments are subject to additional restrictions on their use as set forth in (a) the Declaration of Condominium Property Regime and Bylaws of **HALE KOLOLIA**, (b) the Apartment Deed for the individual Apartments, (c) the Deposit Receipt and Sales Contract for the individual Apartments, and (d) the Condominium Public Report. Copies of the foregoing documents are on file with the Real Estate Commission of the State of Hawaii.

6. **WARRANTIES:**

THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, COMMON ELEMENTS, APPLIANCES, FURNISHINGS OR OTHER PRODUCTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

7. **ESTIMATED MAINTENANCE FEES:** See attached Exhibit 1 & 2

The breakdown of estimated initial maintenance fees and maintenance fee disbursements for **HALE KOLOLIA**, and is based on generally accepted accounting principals. It is subject to revision based on actual cost for the items enumerated. The Developer can make no assurances regarding the estimated maintenance fees and maintenance fee disbursements. Variables such as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, Apartment Owner delinquencies and other factors may cause the actual maintenance fees to be greater or lesser than the estimated maintenance fees. The breakdown of the estimated fees for each Apartment does not include the Buyer's obligation for the payment of real property taxes; estimates of such real property taxes will be provided by the Developer upon request. The estimate of annual maintenance fees and other monthly costs will be updated at least every twelve (12) months and provided to each prospective initial purchaser until all of the apartments are sold.

NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF THE MAINTENANCE FEES ARE ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE, MAINTENANCE FEES CAN VARY, DEPENDENT ON SERVICE DESIRED BY APARTMENT OWNERS. THE BUYERS SHOULD CHECK THE ATTACHED MAINTENANCE FEE SCHEDULE TO SEE IF SERVICES ARE INCLUDED THEREIN. THE INITIAL ESTIMATES HAVE BEEN MADE WELL IN ADVANCE OF THE COMPLETION OF THE PROJECT.

8. Apartment "A" is a conversion to a condominium of a structure that is more than five (5) years old.

a. According to a report dated September 6, 1993, and prepared by Max O. Onichak, a Hawaii Registered Architect, Registration No. AR6501, the structural components and mechanical and electrical installations material to the use and enjoyment of Apartment "A" are in satisfactory condition except for the following particulars:

- The underfloor supporting posts to the footings are not in conformance with the current Uniform Building Code (UBC) and with current structural standards in that there are no positive metal connectors between the posts and the footing pads.
- The carport posts and beams are not in conformance with the current Uniform Building Code (UBC) and with current structural standards in that they are not secured to the slab and footings and they do not have positive metal connectors.
- The exterior light next to the rear entry and the south exterior electrical receptacle are not in accordance with the current National Electrical Code.

b. No statements or representations are made about the expected useful life of the structural components and/or electrical and/or mechanical installations material to the use and enjoyment of the project

c. There are no outstanding notices of uncured building code violations or other municipal regulations.

d. The all structures and the lot on which they sit conform to present zoning requirements.

Apartment "B" is less than five (5) years old.

In Witness hereof, the Developer has executed this Disclosure Abstract on

2/8/94

Gloria J. Marshall Trustee of the Gloria J. Marshall
Revocable Living Trust dated December 16, 1983

By Gloria J. Marshall
Gloria J. Marshall, Trustee,

Exhibit "1"

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

Estimate of Initial Maintenance Fees

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
A	\$10.00 \$120.00
B	\$10.00 \$120.00

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

End of Exhibit "1"

Exhibit 2

Estimate of Monthly Fee Disbursements

Utilities and Service	<u>Monthly Fee x 12 months = Yearly Total</u>	
Air Conditioning (Service)	0	0
Electricity	0	0
[] common elements only	0	0
[] common element and apartments	0	0
Elevator	0	0
Gas	0	0
Refuse Collection	0	0
Telephone	0	0
Water and Sewer	0	0
Maintenance, Repairs and Supplies		
Building	0	0
Grounds	\$20.00	\$240.00
Management		
Management Fee (bookkeeping)	0	0
Payroll and Payroll Taxes	0	0
Office Expenses	0	0
Insurance	0	0
Reserve (*)	\$20.00	\$240.00
Taxes and Government Assessments	0	0
Audit Fees	0	0
Other	0	0
TOTAL	\$40.00	\$480.00

I, Gloria J. Marshall, Trustee for the Gloria J. Marshall Revocable Living Trust dated December 16, 1983, the developer for the condominium project HALE KOLOLIA, hereby certify that the above estimate of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principals.


 Date: 2/8/94

(*) Mandatory reserve in effect January 1, 1993.

End of Exhibit 2