

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report 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 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 a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The seven subdivided lots within this project have two units apiece and the dotted lines on the Condominium Map separating the two units within a lot is for illustrative purposes only and should not be construed to be the property lines of a legally subdivided lot.

There are four dwelling units for which Notice of Completions have been published: Unit B-1 on July 17 and 24, 1997 and Units B-2, D-1 and D-2 on July 13 and 20, 1997. The remaining ten units A-1, A-2, C-1, C-2, E-1, E-2, F-1, F-2, G-1 and G-2 are metal sheds and a purchaser should consult with the appropriate county agencies to determine whether the purchaser may build a residential dwelling unit on such units.

This public report does not constitute approval of the Project by the Real Estate commission, or any other government agency, nor does it assure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENT 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 will be 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 comprise 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 right 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: LOREN C. DIVERS, TRUSTEE OF THE LOREN C. DIVERS PROFIT SHARING RETIREMENT TRUST Phone: (808) 922-1347
Name (Business)
2345 Ala Wai Boulevard, #2413
Business Address
Honolulu, Hawaii 96815-2709

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

Real Estate Broker: REALTY EXECUTIVES HAWAII Phone: (808) 334-1530
Name (Business)
74-5620A Palani Road
Business Address
Kailua-Kona, Hawaii 96745

Escrow: Hawaii Escrow and Title, Inc. Phone: (808) 329-2763
Name (Business)
75-5722 Kuakini Highway
Business Address
Kailua-Kona, Hawaii 96745

General Contractor: RACINE & ASSOCIATES CONSTRUCTION Phone: (808) 325-5367
Name (Business)
P. O. Box 1356
Business Address
Kailua-Kona, Hawaii 96745

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

Attorney for Developer: Hiroshi Sakai, Attorney at Law Phone: (808) 531-4171
Name (Business)
201 Merchant Street, Suite 902
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. 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. 96-055539
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

- First Amendment to Declaration - Doc. No. 96-074818
Second Amendment to Declaration - Doc. No. 97-055428

- 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 Conveyances Condo Map No. 2391
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

- Second Amendment to Declaration - Doc. No. 97-055428

- 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. 96-055541
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>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	Majority vote <u>of Board</u>

* The percentages for individual condominium projects 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:

Developer has reserved the right under Paragraph 15.0 of the Declaration to alter the units in the Project which it owns without the approval of the Association or the other apartment owners and to amend the Condominium Map to note changes resulting from the exercise of the Developer's reserved rights under Paragraph 15.0. Developer has also reserved the right under Paragraph 16.0 to record any "as built" statements as required by law.

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 leasehold condominiums 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: 81-6656 Mamalahoa Highway
Kealahou, Hawaii 96750

Tax Map Key (TMK): (3) 8-1-025: 1 thru 7

Address TMK is expected to change because _____

Land Area: 121,144 square feet acre(s) Zoning: RS 15

Fee Owner: SHUNJI KUMAMOTO
Name
815 Kanoa Street
Address
Honolulu, Hawaii 96817

Developer LOREN C. DIVERS, TRUSTEE OF THE LOREN C. DIVERS
PROFIT SHARING RETIREMENT TRUST
Name
2345 Ala Wai Boulevard, #2413
Address
Honolulu, Hawaii 96815-2709

C. Buildings and Other Improvements:

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

2. Number of Buildings: 14 Floors Per Building 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other Metal

4. Uses Permitted by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Permitted</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>4</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Other: <u>Shed</u>	<u>10</u>	<input checked="" 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: _____

[x] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

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

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
1	2	3BR/2BA	1,345	265	Lanai
2	2	2BR/2BA	1,104	166	Lanai
S	10	-0-	15.28	-0-	Shed
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 14

*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:

The exterior surfaces of the structures and the description of the limited common elements for each of the apartments are as set forth in the Condominium Map.

Permitted Alterations to Apartments:

An apartment owner can increase the total square footage of his structure, add additional structures, alter the location of his structure and/or subdivide in accordance with the building code, zoning and subdivision ordinances.

7. Parking Stalls:

Total Parking Stalls: 28

	<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>2</u>	(unit B-1, B-2) <u>(D-1 & D-2)</u>					<u>8</u>
Guest Unassigned							
Extra for Purchase							
Other:		<u>20*</u>					<u>20</u>
Total Covered & Open:	<u>28</u>		<u>0</u>		<u>0</u>		<u>28</u>

Each apartment will have the exclusive use of at least _____ parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

*Units A-1, A-2, C-1, C-2, E-1, E-2, F-1, F-2, G-1 & G-2 have ample area within
 Commercial parking garage permitted in condominium project. their limited common elements for parking purposes.

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/Enclosure(s)

Other: _____

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

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

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):

N/A

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 A .

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 use them, as described in the Declaration, are:

described in Exhibit _____.

as follows:

The limited common element land area for each apartment is as follows:

A-1	7,804 sq. ft.	E-1	7,715 sq. ft.
A-2	7,241 sq. ft.	E-2	7,287 sq. ft.
B-1	7,790 sq. ft.	F-1	7,760 sq. ft.
B-2	7,225 sq. ft.	F-2	7,247 sq. ft.
C-1	7,636 sq. ft.	G-1	7,718 sq. ft.
C-2	7,387 sq. ft.	G-2	7,285 sq. ft.
D-1	7,496 sq. ft.		
D-2	7,521 sq. ft.		

NOTE: Land areas referenced herein 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:

Each apartment has a 7.14286% common interest except Apartment B-2 which has a 7.14282% common interest.

- 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 B describes the encumbrances against the title contained in the title report dated 4/18/97

and issued by Hawaii Escrow and Title, Inc.

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.

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

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

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. 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>
There are various mortgages as set forth in Exhibit B.	Buyer's interest may be terminated and Buyer's deposit refunded if the mortgage(s) affecting the apartment unit are not released, less escrow cancellation fee.

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: Units B-1, B-2, D-1 and D-2 there is a contractor's building warranty for a period of one year. Other units there is no warranty.

2. Appliances: There is a manufacturer's warranty for appliances in Unit B-1, B-2, D-1 and D-2. See such warranty provided by the manufacturer for the terms and conditions.

G. Status of Construction and Date of Completion or Estimated Date of Completion:

The Notice of Completions have been published for Unit B-1 on July 17 and 24, 1997 and for Units B-2, D-1 and D-2 on July 13 and 20, 1997.

The completion of the 10 apartments A-1, A-2, C-1, C-2, E-1, E-2, F-1, F-2, G-1 and G-2 will be on or before March 13, 1998.

H. Project Phases:

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

Summary of Developer's plans or right 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:

- not affiliated with the Developer the Developer or the Developer's affiliate.
 self-managed by the Association of Apartment Owners 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, a lien may be placed on your apartment and the apartment may be 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 E 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:

- None Electricity (_____ Common Elements only _____ Common Elements & Apartments)
 Gas (_____ Common Elements only _____ Common Elements & Apartments)
 Water Sewer Television Cable
 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 C contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated April 10, 1997
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

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 the 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 Change: 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 issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - 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 _____

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 and 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. 3739 filed with the Real Estate Commission on May 9, 1997.

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YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above

1. On December 29, 1992, Shunji Kumamoto, ("Seller") entered into a sales contract with Loren C. Divers, Trustee of the Loren C. Divers Profit Sharing Trust, ("Developer") for the purchase of the land now identified as the Keala Plantation Estates Condominium Project.

2. Seller caused the land to be subdivided into seven parcels. The Seller and Developer canceled their December 29, 1992 sales contract. On July 15, 1996, Developer and Seller entered into a Deposit, Receipt, Offer and Acceptance ("DROA") dated July 15, 1996. The DROA was later terminated.

3. Seller and Developer together as mortgagors obtained seven mortgages, one covering each parcel, for the purpose of paying off the existing mortgage covering the parcels and providing construction financing for building units on the seven parcels.

4. Effective May 8, 1997, Seller and Developer reinstated their sales contract. The seven mortgages on the property are being paid down by Developer in part payment of the sales price. Under the terms of the sales contract, Developer is to repay the balance owing to Seller in partial payment as each unit is closed.

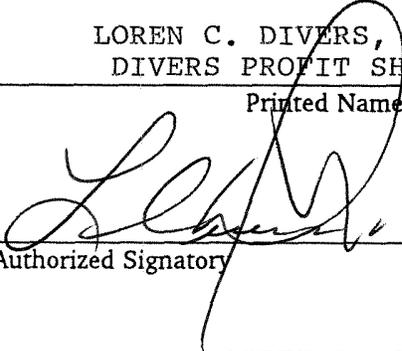
5. At the time of closing of an individual unit, Seller and Developer will jointly convey the unit by way of an Apartment Deed and the mortgage covering the unit will be released.

6. Seller and Developer have entered into a Reinstatement Agreement effective May 8, 1997, that the terms of the sales contract will run as long as required to sell each of the units comprising the Keala Plantation Estates condominium project. The Reinstatement Agreement is now documented by two agreements: (1) the DROA Agreement dated July 15, 1996 with the note and mortgage for the purchase of the property recorded as Document No. 96-104653, at the Bureau of Conveyances, State of Hawaii, and (2) the Reinstatement Agreement effective May 8, 1997 executed September 9, 1997, recorded as Document No. 97-122334 on September 11, 1997, at the Bureau of Conveyances, State of Hawaii.

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.

LOREN C. DIVERS, TRUSTEE OF THE LOREN C.
DIVERS PROFIT SHARING RETIREMENT TRUST

Printed Name of Developer

By:  _____ Date 5/6/97
Duly Authorized Signatory

LOREN C. DIVERS, TRUSTEE

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii

EXHIBIT "A"

Common Elements

The common elements of the Project which the apartments have immediate access to include:

- a. The land in fee simple.
- b. The common element Roadway R1 including roadway and utility access, reserving to Declarant the right to dedicate to the governmental authorities said roadway and further the right of Declarant to grant to any adjacent land the right of an easement in perpetuity to use such roadway pending the dedication of such roadway to the governmental authorities upon such terms and conditions that the Declarant in its sole discretion determines is appropriate.
- c. The common element Utility Easement U1 in favor of all apartments in the project that are required to hook up on utility lines located within such easement area with the right of Declarant to grant to any adjacent land the right of an easement to hook up on such utility lines upon such terms and conditions that the Declarant in its sole discretion determines is appropriate.
- d. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities.
- e. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

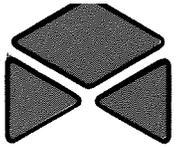


EXHIBIT "B"

hawaii ESCROW & title inc.

ISSUE DATE: MAY 8, 1997
AMENDED

IMPORTANT

WHEN REPLYING REFER TO:

**HAWAII ESCROW & TITLE, INC.
KONA OFFICE**

OUR NO: ET-2017-PD

YOUR NO:

ATTENTION: PATTI DEBAUER

ATTACHED PLEASE FIND OUR COMMITMENT REGARDING THE ABOVE MENTIONED ORDER NUMBER. YOU SHOULD READ THE COMMITMENT VERY CAREFULLY. IF YOU SHOULD HAVE ANY QUESTIONS ABOUT THE COMMITMENT PLEASE CONTACT YOUR TITLE OFFICER.

Perla V. Lagas

TITLE OFFICER

- Honolulu Office: Amfac Building, 700 Bishop Street, Suite 1600 - Honolulu, Hawaii 96813 - Ph: (808) 532-2977 - Fax: (808) 531-1165 Escrow - Fax: (808) 599-5450 Title
- Kailua-Kona Office: Kuakini Tower Building, 75-5722 Kuakini Hwy., Suite 100 - Kailua-Kona, Hawaii 96740 - Ph: (808) 329-2763 - Fax: (808) 329-6381

Commitment To Insure



OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, a Minnesota, corporation, herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

CONDITIONS AND STIPULATIONS

1. The term "mortgage", when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure of the proposed Insured to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.

3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and the Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and made a part of this Commitment except as expressly modified herein.

4. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

STANDARD EXCEPTIONS

In addition to the matters contained in the Conditions and Stipulations and Exclusions from Coverage above referred to, this Commitment is also subject to the following:

Any change in title occurring subsequent to the effective date of this Commitment and prior to the date of issuance of the TITLE POLICY.

IN WITNESS WHEREOF, Old Republic National Title Insurance Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A, to be valid when countersigned by a validating officer or other authorized signatory.

Issued through the office of:

 **hawaii escrow & title inc.**
850 RICHARDS STREET, SUITE 400
HONOLULU, HI 96813
(808) 532-2977
FAX (808) 599-5450

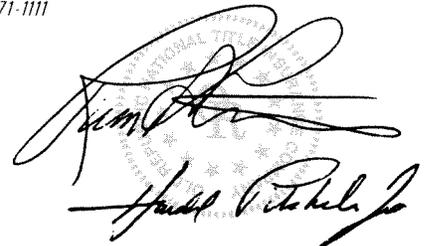
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

Perla V. Llagas

Authorized Signatory

ORNT 1701

By




President

Attest

Secretary

SCHEDULE "A"

1. COMMITMENT DATE: APRIL 30, 1997 AT 7:30 A.M.

FILE NO. ET-2017-PD

2. POLICY OR POLICIES TO BE ISSUED: TO BE DETERMINED

___ OWNER'S HAWAII STANDARD - POLICY AMOUNT \$ _

___ ALTA LENDER POLICY (1992) - POLICY AMOUNT \$ _

___ LENDER'S STANDARD CLTA - POLICY AMOUNT \$ _

PROPOSED INSURED: **LOREN C. DIVERS,
TRUSTEE OF THE LOREN C. DIVERS
PROFIT SHARING RETIREMENT TRUST**

3. THE ESTATE OF INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS COMMITMENT IS:

FEE SIMPLE

4. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

**SHUNJI KUMAMOTO,
HUSBAND OF NORIKO KUMAMOTO,
AS TENANT IN SEVERALTY.**

5. THE LAND REFERRED TO IN THIS COMMITMENT IS SITUATED IN THE COUNTY OF **HAWAII**, STATE OF HAWAII, AND IS DESCRIBED AS FOLLOWS:

SEE SCHEDULE "C" ATTACHED HERETO

SCHEDULE B - SECTION 1

REQUIREMENTS

The following are the requirements to be complied with:

1. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
2. Pay the premiums, fees and charges for the policy.
3. Documents satisfactory to use creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
4. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then add additional requirements or exceptions.
5. Release(s) or Reconveyance(s) and Consent(s) of items - to be determined.
6. You must give us the following information:
 - a. Any off record lease, surveys, etc.
 - b. Statement(s) of identity, all parties - if clearance is required.
 - c. Written status as to any documents to follow as required in item (#5) above.
 - d. If New Construction - Information will be provided.
 - e. Prior to the issuance of any policy of title insurance, the Company will require the following with respect to **Limited Liability Companies**:
 1. A copy of its operating agreement and any amendments thereto must be submitted to the Company for review.
 2. A certified copy of its articles of organization (**LLC-1**), any certificate of correction (**LLC-11**), certificate of amendment (**LLC-2**), or restatement of articles of organization (**LLC-10**), must be submitted to the Company for review.
 3. Letter of Good Standing.

SCHEDULE B - SECTION 2

EXCEPTIONS

PART I:

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interest or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in acts authorizing the issuance thereof; (c) water rights, claims, or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any liens, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law not shown by the public records.

Exceptions 1 - 6 may be eliminated in an ALTA Extended Coverage Policy.

SCHEDULE B - SECTION 2

EXCEPTIONS

PART II:

In addition to the Exceptions in Schedule B - Section 2, Part I: the policy or policies to be issued will not insure against loss, costs, attorney's fees, and expenses resulting from:

See Exhibit "A" attached hereto.

E X H I B I T "A"

- =====
1. TAXES ARE SHOWN ON EXHIBIT "I" ATTACHED HERETO.
 2. ASSESSMENTS

ASSESSMENTS OR CHARGES LEVIED BY MUNICIPAL OR GOVERNMENTAL AUTHORITY OR IMPOSED BY ANY OTHER LAWFULLY CONSTITUTED BODY AUTHORIZED BY STATUTE TO ASSESS, LEVY AND COLLECT THE SAME, IF ANY.
 3. TITLE TO ALL MINERALS AND METALLIC MINES RESERVED TO THE STATE OF HAWAII.
 4. AN EASEMENT AFFECTING A PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES, IN FAVOR OF: THE COUNTY OF HAWAII.
FOR : ROADWAY AND UTILITY PURPOSES.
DATED : NOVEMBER 21, 1977.
RECORDED : NOVEMBER 28, 1977, IN LIBER 12574, PAGE 206, IN THE BUREAU OF CONVEYANCES.
 5. AN EASEMENT AFFECTING A PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES, IN FAVOR OF: HAWAII ELECTRIC LIGHT COMPANY, INC., AND HAWAIIAN TELEPHONE COMPANY, NOW KNOWN AS GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED.
FOR : UTILITY PURPOSES.
DATED : JUNE 12, 1981.
RECORDED : SEPTEMBER 30, 1981, IN LIBER 15870, PAGE 753, IN THE BUREAU OF CONVEYANCES.
 6. PLANTING SCREEN EASEMENT P1, AS SHOWN ON THE CONDOMINIUM MAP (EASEMENT AFFECTING LOT 27A [APARTMENT A-2]).
 7. PLANTING SCREEN EASEMENT P2, AS SHOWN ON THE CONDOMINIUM MAP (EASEMENT AFFECTING LOT 27C [APARTMENT C-2]).
 8. PLANTING SCREEN EASEMENT P3, AS SHOWN ON THE CONDOMINIUM MAP (EASEMENT AFFECTING LOT 27G [APARTMENT G-2]).
 9. ROADWAY EASEMENT R2, AS SHOWN ON THE CONDOMINIUM MAP (EASEMENT AFFECTING LOT 27D [APARTMENT D-1]).
 10. UTILITY EASEMENT U-1 AFFECTING LOTS 27A [APARTMENT A-1 AND A-2], 27B (APARTMENT B-2), 27D [APARTMENTS D-1 AND D-2], 27E [APARTMENT E-1 AND E-2] 27F [APARTMENT F-2] AND 27G [APARTMENT G-1 AS SHOWN ON THE CONDOMINIUM MAP 2391.

11. EASEMENT B FOR ROADWAY AND UTILITY PURPOSES AFFECTING APARTMENT B-1 FOR USE BY APARTMENT B-2 AS SHOWN ON THE CONDOMINIUM MAP.
12. EASEMENT D FOR ROADWAY AND UTILITY PURPOSES AFFECTING APARTMENT D-1 FOR USE BY APARTMENT D-2 AS SHOWN ON THE CONDOMINIUM MAP.
13. EASEMENT E FOR ROADWAY AND UTILITY PURPOSES AFFECTING APARTMENT E-1 FOR USE BY APARTMENTS E-1 AND E-2 AS SHOWN ON THE CONDOMINIUM MAP.
14. EASEMENT F FOR ROADWAY AND UTILITY PURPOSES AFFECTING APARTMENT F-1 FOR USE BY APARTMENTS F-1 AND F-2 AS SHOWN ON THE CONDOMINIUM MAP.
15. EASEMENT F1 FOR ROADWAY AND UTILITY PURPOSES AFFECTING APARTMENT F-1 FOR USE BY APARTMENTS G-1 AND G-2 AS SHOWN ON THE CONDOMINIUM MAP.
16. EASEMENT G FOR ROADWAY AND UTILITY PURPOSES AFFECTING APARTMENT G-2 FOR USE BY APARTMENT G-1 AND G-2 AS SHOWN ON THE CONDOMINIUM MAP.
17. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF,
DATED : APRIL 11, 1995.
AMOUNT : \$325,000.00
MORTGAGOR : SHUNJI KUMAMOTO, HUSBAND OF NORIKO KUMAMOTO.
GUARANTOR : LOREN C. DIVERS.
MORTGAGEE : BERT DAWBARN, HUSBAND OF HAVEN IWALANI DAWBARN, AS TO \$150,000.00; DANE S. KIRKPATRICK, TRUSTEE OF THE DANE KIRKPATRICK REVOCABLE LIVING TRUST AGREEMENT DATED FEBRUARY 20, 1990, AS TO \$100,000.00; AND ISAAC SHAPIRO, UNMARRIED, AS TO AN UNDIVIDED \$75,000.00.
RECORDED : APRIL 13, 1995, AS INSTRUMENT NO. 95-049408, IN THE BUREAU OF CONVEYANCES.
(AFFECT APARTMENTS A-1, A-2, C-1, C-2, D-1, D-2, F-1, F-2, G-1 AND G-2)

LOAN NO. : NONE

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS CONTAINED THEREIN ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:

P. O. BOX 670
HANALEI, KAUAI, HI 96714

SAID UNDIVIDED 46.1538% INTEREST OF BERT DAWBARN, HUSBAND OF HAVEN IWALANI DAWBARN, WAS ASSIGNED TO GREGORY T. KIRKPATRICK, UNMARRIED, BY INSTRUMENT DATED AUGUST 1, 1996, RECORDED AUGUST 7, 1996, AS INSTRUMENT NO. 96-113405, IN SAID BUREAU.

SAID UNDIVIDED 23.0769% INTEREST OF ISAAC SHAPIRU WAS ASSIGNED TO ISAAC SHAPIRU, TRUSTEE FOR THE ISAAC SHAPIRU LIVING TRUST DATED OCTOBER 20, 1996, BY INSTRUMENT DATED MARCH 4, 1997, RECORDED MARCH 11, 1997, AS INSTRUMENT NO. 97-031985, IN SAID BUREAU.

18. MATTERS AS SHOWN ON CONDOMINIUM MAP NO. 2391, FILED IN THE BUREAU OF CONVEYANCES.
19. COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, AGREEMENTS, OBLIGATIONS, PROVISIONS AND EASEMENTS AS SET FORTH IN THE DECLARATION OF CONDOMINIUM PROPERTY REGIME,
DATED : MARCH 27, 1996.
RECORDED : APRIL 23, 1996, AS INSTRUMENT NO. 96-055539, IN THE BUREAU OF CONVEYANCES.

SAID DECLARATION WAS AMENDED BY INSTRUMENT DATED MAY 24, 1996, RECORDED MAY 29, 1996, AS INSTRUMENT NO. 96-074818, IN SAID BUREAU.

SAID DECLARATION WAS AMENDED BY INSTRUMENT DATED MARCH 26, 1997, RECORDED APRIL 30, 1997, AS INSTRUMENT NO. 97-55428, IN SAID BUREAU.

20. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF KEALA PLANTATION ESTATES,
DATED : MARCH 27, 1996.
RECORDED : APRIL 23, 1996, AS INSTRUMENT NO. 96-055541, IN THE BUREAU OF CONVEYANCES.
21. EASEMENT "1" (10 FEET WIDE) FOR NO VEHICULAR ACCESS PLANTING SCREEN PURPOSES, MORE FULLY DESCRIBED IN INSTRUMENT DATED MAY 24, 1996, RECORDED MAY 29, 1996, AS INSTRUMENT NO. 96-074818, IN SAID BUREAU. (AS TO PARCEL FIRST (LOT 27A))
22. EASEMENT "2" (10 FEET WIDE) FOR NO VEHICULAR ACCESS PLANTING SCREEN PURPOSES, MORE FULLY DESCRIBED IN INSTRUMENT DATED MAY 24, 1996, RECORDED MAY 29, 1996, AS INSTRUMENT NO. 96-074818, IN SAID BUREAU. (AS TO PARCEL THIRD (LOT 27C))

23. EASEMENT "3" (10 FEET WIDE) FOR NO VEHICULAR ACCESS PLANTING SCREEN PURPOSES, MORE FULLY DESCRIBED IN INSTRUMENT DATED MAY 24, 1996, RECORDED MAY 29, 1996, AS INSTRUMENT NO. 96-074818, IN SAID BUREAU. (AS TO PARCEL SEVENTH (LOT 27G))
24. EASEMENT "4" (18 FEET WIDE) FOR ACCESS AND UTILITY PURPOSES, MORE FULLY DESCRIBED IN INSTRUMENT DATED MAY 24, 1996, RECORDED MAY 29, 1996, AS INSTRUMENT NO. 96-074818, IN SAID BUREAU. (AS TO PARCEL FOURTH (LOT 27D))
25. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF, DATED : JULY 15, 1996.
AMOUNT : \$130,000.00
MORTGAGOR : SHUNJI KUMAMOTO, HUSBAND OF NORIKO KUMAMOTO.
GUARANTOR : LOREN C. DIVERS.
MORTGAGEE : DANE S. KIRKPATRICK, TRUSTEE OF THE DANE KIRKPATRICK REVOCABLE LIVING TRUST, AS AMENDED, AS TO \$45,000.00; DONNA L. KIRKPATRICK, TRUSTEE OF THE DONNA KIRKPATRICK REVOCABLE LIVING TRUST, AS AMENDED, AS TO \$45,000.00; AND SUSAN MOLETE FINK, UNMARRIED, AS TO \$40,000.00.
RECORDED : JULY 23, 1996, AS INSTRUMENT NO. 96-104653, IN THE BUREAU OF CONVEYANCES.
(AS TO APARTMENT B-1)

LOAN NO. : NONE

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS CONTAINED THEREIN ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:

C/O GRUNEWALD EQUITY FUNDING
P. O. BOX 670
HANAIEI, HI 96714

26. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED
HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF,
DATED : JULY 23, 1996.
AMOUNT : \$53,000.00
MORTGAGOR : SHUNJI KUMAMOTO, HUSBAND OF NORIKO KUMAMOTO.
GUARANTOR : LOREN C. DIVERS, TRUSTEE.
MORTGAGEE : WALTER F. W. TANG, HUSBAND OF CHAI HO TANG AND
ELAINE F. F. NGAI, WIFE OF LEROY S. H. NGAI.
RECORDED : JULY 30, 1996, AS INSTRUMENT NO. 96-108307, IN
THE BUREAU OF CONVEYANCES.
(AS TO APARTMENT B-1)

LOAN NO. : NONE

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION
RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS
ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY
BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS
CONTAINED THEREIN ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:

C/O 1041 MAUNAKEA STREET, 2ND FLOOR
HONOLULU, HI 96817

27. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED
HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF,
DATED : AUGUST 5, 1996.
AMOUNT : \$115,000.00
MORTGAGOR : SHUNJI KUMAMOTO, HUSBAND OF NORIKO KUMAMOTO.
GUARANTOR : LOREN C. DIVERS.
MORTGAGEE : CONNIE KEHAUNANI KISSINGER, TRUSTEE OF THE
CONNIE K. KISSINGER REVOCABLE TRUST, AS TO
\$20,000.00; GERA KORTE, SINGLE, AS TO
\$25,000.00; BERT DAWBARN, HUSBAND OF HAVEN
IWALANI DAWBARN; AS TO \$50,000.00; AND CHESTER
MJOLSNESS, HUSBAND OF BERYL MJOLSNESS, AS TO
\$20,000.00.
RECORDED : AUGUST 21, 1996, AS INSTRUMENT NO. 96-119914,
IN THE BUREAU OF CONVEYANCES.
(AS TO APARTMENT B-2)

LOAN NO. : NONE

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS CONTAINED THEREIN ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:

C/O GRUNEWALD EQUITY FUNDING
P. O. BOX 670
HANAIEI, HAWAII 96714

28. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF, DATED : SEPTEMBER 26, 1996.
AMOUNT : \$130,000.00
MORTGAGOR : SHUNJI KUMAMOTO, HUSBAND OF NORIKO KUMAMOTO.
GUARANTOR : LOREN C. DIVERS.
MORTGAGEE : RANDALL W. YATES AND JOANNA M. YATES, HUSBAND AND WIFE, AS TO \$50,000.00; MICHAEL C. MCDONNELL, HUSBAND OF JANET K. MCDONNELL, AS TO \$50,000.00; AND WALTER S. LEWIS AND GLENDA C. LEWIS, HUSBAND AND WIFE, AS TO \$30,000.00.
RECORDED : OCTOBER 1, 1996, AS INSTRUMENT NO. 96-140747, IN THE BUREAU OF CONVEYANCES.
(AS TO APARTMENT D-1)

LOAN NO. : NONE

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS CONTAINED THEREIN ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:

C/O GRUNEWALD EQUITY FUNDING
P. O. BOX 670
HANAIEI, HAWAII 96714

29. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED
HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF,
DATED : OCTOBER 18, 1996.
AMOUNT : \$115,000.00
MORTGAGOR : SHUNJI KUMAMOTO, HUSBAND OF NORIKO KUMAMOTO.
GUARANTOR : LOREN C. DIVERS.
MORTGAGEE : ESTHER L. SAHL, UNMARRIED, AS TO \$60,000.00;
AND DONNA L. KIRKPATRICK, TRUSTEE OF THE DONNA
KIRKPATRICK REVOCABLE RECORDED LIVING TRUST,
AS AMENDED, A TO \$55,000.00.
RECORDED : OCTOBER 23, 1996, AS INSTRUMENT NO. 96-151827,
IN THE BUREAU OF CONVEYANCES.
(AS TO APARTMENT D-2)

LOAN NO. : NONE

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION
RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS
ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY
BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS
CONTAINED THEREIN ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:

C/O GRUNEWALD EQUITY FUNDING
P. O. BOX 670
HANAIEI, HAWAII 96714

30. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED
HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF,
DATED : JANUARY 14, 1997.
AMOUNT : \$130,000.00
MORTGAGOR : SHUNJI KUMAMOTO, HUSBAND OF NORIKO KUMAMOTO.
GUARANTOR : LOREN C. DIVERS.
MORTGAGEE : KARIN WATSON, WIFE OF THOMAS WATSON, AS TO
\$50,000.00; RAY FORTUNE, TRUSTEE OF THE
UNRECORDED FORTUNE FAMILY SURVIVOR'S TRUST, AS
TO \$20,000.00; GERA KORTE, UNMARRIED, AS TO
\$40,000.00.
RECORDED : JANUARY 17, 1997, AS INSTRUMENT NO. 97-008706,
IN THE BUREAU OF CONVEYANCES.
(AS TO APARTMENT E-1)

LOAN NO. : NONE

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS CONTAINED THEREIN ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:

P. O. BOX 670
HANAIEI, HAWAII 96714

31. A MORTGAGE, TO SECURE AN INDEBTEDNESS OF THE AMOUNT STATED HEREIN AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS THEREOF, DATED : MARCH 11, 1997.
AMOUNT : \$115,000.00
MORTGAGOR : SHUNJI KUMAMOTO, HUSBAND OF NORIKO KUMAMOTO.
GUARANTOR : LOREN C. DIVERS.
MORTGAGEE : RAY FORTUNE, TRUSTEE OF THE UNRECORDED FORTUNE FAMILY TRUST, AS TO \$20,000.00; T D FEED LOT, INC. AN OREGON CORPORATION, AS TO \$30,000.00; CHESTER MJOLSNESS, UNMARRIED, AS TO \$20,000.00; JOHN N. BRUIN AND SHARON S. BRUIN, TRUSTEES OF THE UNRECORDED BRUIN TRUST DATED FEBRUARY 24, 1993, AS TO \$25,000.00; AND GEORGE T. KIRKPATRICK, UNMARRIED, AS TO \$20,000.00.
RECORDED : MARCH 18, 1997, AS INSTRUMENT NO. 97-035093, IN THE BUREAU OF CONVEYANCES.
(AS TO APARTMENT E-2)

LOAN NO. : NONE

SAID MORTGAGE, AMONG OTHER PROVISIONS, CONTAINS A PROVISION RE: THE SALE OR TRANSFER OF ALL OR ANY PORTION OF LANDS ENCUMBERED BY SAID MORTGAGE, THAT ALL SUMS SECURED THEREBY MAY BECOME IMMEDIATELY DUE AND PAYABLE UNLESS THE PROVISIONS CONTAINED THEREIN ARE SATISFIED.

ADDRESS OF THE MORTGAGEE AS PER DOCUMENT:

P. O. BOX 670
HANAIEI, HAWAII 96714

32. ANY AND ALL EASEMENTS ENCUMBERING THE APARTMENT HEREIN MENTIONED, AND/OR THE COMMON INTEREST APPURTENANT THERETO, AS CREATED BY OR MENTIONED IN SAID DECLARATION, AND/OR IN SAID APARTMENT DEED, AND/OR AS DELINEATED ON SAID CONDOMINIUM MAP.

S C H E D U L E "C"

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FIRST: APARTMENT NO. "SEE EXHIBIT "B" ATTACHED HERETO" OF THAT CERTAIN CONDOMINIUM PROJECT KNOWN AS "KEALA PLANTATION ESTATES", AS SHOWN ON CONDOMINIUM MAP NO. 2391 AND DESCRIBED IN THE DECLARATION OF HORIZONTAL PROPERTY REGIME DATED MARCH 27, 1996, RECORDED APRIL 23, 1996, AS INSTRUMENT NO. 96-055539, IN THE BUREAU OF CONVEYANCES, AS AMENDED.

TOGETHER WITH APPURTENANT EASEMENTS AS FOLLOWS:

- (A) NON-EXCLUSIVE EASEMENT IN THE COMMON ELEMENTS DESIGNED FOR SUCH PURPOSES FOR INGRESS TO, EGRESS FROM, UTILITY SERVICES FOR AND SUPPORT OF SAID APARTMENT; IN THE OTHER COMMON ELEMENTS FOR USE ACCORDING TO THEIR RESPECTIVE PURPOSES.
- (B) EXCLUSIVE EASEMENTS TO USE OTHER LIMITED COMMON ELEMENTS APPURTENANT THERETO DESIGNED FOR ITS EXCLUSIVE USE BY THE DECLARATION.

SECOND: AN UNDIVIDED "SEE EXHIBIT "B" ATTACHED HERETO" PER CENT INTEREST IN ALL COMMON ELEMENTS OF THE PROJECT, AND IN THE LAND ON WHICH SAID PROJECT IS LOCATED, AS ESTABLISHED FOR SAID APARTMENT BY THE DECLARATION, OR SUCH OTHER PERCENTAGE INTEREST AS HEREINAFTER ESTABLISHED FOR SAID APARTMENT BY ANY AMENDMENT OF THE DECLARATION, AS TENANT IN COMMON WITH THE OTHER OWNERS AND TENANTS THEREOF.

THIRD: LIMITED COMMON ELEMENT FOR APARTMENT "SEE EXHIBIT "B" ATTACHED HERETO" OF THE HEREIN DESCRIBED PREMISES.

BEING ALL THE REAL PROPERTY CONVEYED TO SHUNJI KUMAMOTO, HUSBAND OF NORIKO KUMAMOTO, AS TENANT IN SEVERALTY, BY QUITCLAIM APARTMENT DEED DATED ---, RECORDED JULY 23, 1996, AS INSTRUMENT NO. 96-104652, IN THE BUREAU OF CONVEYANCES.

THE LANDS UPON WHICH SAID CONDOMINIUM PROJECT IS LOCATED:

PARCEL FIRST:

THAT CERTAIN PARCEL OF LAND, BEING **LOT 27A**, BEING A PORTION OF LOT 27, PORTION OF ROYAL PATENT 1670, LAND COMMISSION AWARD 387, PART A, SECTION 2 TO THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS (A.B.C.F.M.) (CERTIFICATE OF BOUNDARIES NO. 79), LAND SITUATED ON THE EASTERLY SIDE OF MAMALAHOA HIGHWAY AT HALEKII, SOUTH KONA, ISLAND OF HAWAII, HAWAII, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THIS PARCEL OF LAND ON THE EASTERLY SIDE OF MAMALAHOA HIGHWAY, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU OHAU" BEING 2,283.02 FEET NORTH AND 11,354.05 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 256° 44' 00" 184.02 FEET ALONG LOT 1, BEING A PORTION OF R. P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);
2. 8° 59' 00" 138.05 FEET ALONG LOT 27B OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27'
3. 97° 42' 30" 20.99 FEET ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
THENCE ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO THE RIGHT WITH A RADIUS OF 75.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:
4. 114° 49' 46" 44.16 FEET;
THENCE ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO THE LEFT WITH A RADIUS OF 75.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:
5. 114° 49' 46" 44.16 FEET;

6. 97° 42' 30" 44.26 FEET ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
- THENCE ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO THE RIGHT WITH A RADIUS OF 20.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING;
7. 143° 49' 15" 28.83 FEET;
8. 189° 56' 00" 8.51 FEET ALONG THE EASTERLY SIDE OF MAMALAHOA HIGHWAY;
- THENCE ALONG THE EASTERLY SIDE OF MAMALAHOA HIGHWAY ON A CURVE TO THE LEFT WITH A RADIUS OF 1,462.69 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:
9. 189° 36' 10" 16.88 FEET TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 15,042 SQUARE FEET, MORE OR LESS, AS PER SURVEY OF NORMAN M. SAITO, LICENSED PROFESSIONAL LAND SURVEYOR, CERTIFICATE NUMBER 803-S DATED MARCH 1, 1996.

PARCEL SECOND:

THAT CERTAIN PARCEL OF LAND, BEING **LOT 27B**, BEING A PORTION OF LOT 27, PORTION OF ROYAL PATENT 1670, LAND COMMISSION AWARD 387, PART A, SECTION 2 TO THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS (A.B.C.F.M.) (CERTIFICATE OF BOUNDARIES NO. 79), LAND SITUATED APPROXIMATELY 200 FEET EAST OF MAMALAHOA HIGHWAY AT HALEKII, SOUTH KONA, ISLAND OF HAWAII, HAWAII, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THIS PARCEL OF LAND, BEING ALSO THE NORTHEAST CORNER OF LOT 27A OF THIS SUBDIVISION, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU OHAU" BEING 2,325.25 FEET NORTH AND 11,533.15 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 256° 44' 00" 106.59 FEET ALONG LOT 1, BEING A PORTION OF R. P. 1670, L.C. AW. 287, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);
2. 11° 02' 45" 179.61 FEET ALONG LOTS 27D AND 27C OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
3. 101° 53' 30" 42.96 FEET ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
4. 97° 42' 30" 49.30 FEET ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
5. 188° 59' 00" 138.05 FEET ALONG LOT 27B OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 15,010 SQUARE FEET, MORE OR LESS, AS PER SURVEY OF NORMAN M. SAITO, LICENSED PROFESSIONAL LAND SURVEYOR CERTIFICATE NUMBER 803-S DATED MARCH 1, 1996.

PARCEL THIRD:

THAT CERTAIN PARCEL OF LAND, BEING **LOT 27C**, BEING A PORTION OF LOT 27, PORTION OF ROYAL PATENT 1670, LAND COMMISSION AWARD 387, PART A, SECTION 2 TO THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS (A.B.C.F.M.) (CERTIFICATE OF BOUNDARIES NO. 79), LAND SITUATED APPROXIMATELY 300 FEET EAST OF MAMALAHOA HIGHWAY AT HALEKII, SOUTH KONA, ISLAND OF HAWAII, HAWAII, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THIS PARCEL OF LAND, BEING ALSO THE SOUTHWEST CORNER OF LOT 27D OF THIS SUBDIVISION, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU OHAU" BEING 2,182.23 FEET NORTH AND 11,724.43 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

- THENCE ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO LEFT WITH A RADIUS OF 25.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:
1. 75° 33' 27" 38.24 FEET;
- THENCE ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO RIGHT WITH A RADIUS OF 20.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:
2. 57° 28' 38" 21.08 FEET;
 3. 89° 17' 00" 15.00 FEET ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
 4. 103° 13' 30" 53.55 FEET ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
 5. 191° 02' 45" 109.63 FEET ALONG LOT 27B OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
 6. 267° 30' 00" 150.27 FEET ALONG LOT 27D OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
 7. 25° 02' 00" 116.27 FEET ALONG LOT 27D OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 15,024 SQUARE FEET, MORE OR LESS, AS PER SURVEY OF NORMAN M. SAITO, LICENSED PROFESSIONAL LAND SURVEYOR, CERTIFICATE NUMBER 803-S DATED MARCH 1, 1996.

PARCEL FOURTH:

THAT CERTAIN PARCEL OF LAND, BEING LOT 27D, BEING A PORTION OF LOT 27, PORTION OF ROYAL PATENT 1670, LAND COMMISSION AWARD 387, PART A, SECTION 2 TO THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS (A.B.C.F.M.) (CERTIFICATE OF BOUNDARIES NO. 79), LAND SITUATED APPROXIMATELY 300 FEET EAST OF MAMALAHOA HIGHWAY AT HALEKII, SOUTH KONA, ISLAND OF HAWAII, HAWAII, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THIS PARCEL OF LAND, BEING ALSO THE SOUTHEAST CORNER OF LOT 27C OF THIS SUBDIVISION, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU OHAU" BEING 2,182.23 FEET NORTH AND 11,724.43 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 205° 02' 00" 116.27 FEET ALONG LOT 27C OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
2. 87° 30' 00" 150.27 FEET ALONG LOT 27C OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
3. 191° 02' 45" 69.98 FEET ALONG LOT 27B OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
4. 256° 44' 00" 96.95 FEET ALONG LOT 1, BEING A PORTION OF R.P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);
5. 264° 05' 30" 107.86 FEET ALONG LOT 25, BEING A PORTION OF R.P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);
6. 25° 16' 35" 100.63 FEET ALONG LOT 27E OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
7. 25° 02' 00" 143.35 FEET ALONG LOTS 27F AND 27G OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;

THENCE ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO THE LEFT WITH A RADIUS OF 25.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

8. 152° 21' 49" 22.64 FEET TO THE POINT OF BEGINNING AND CONTAINING AN AREA 17,523 SQUARE FEET, MORE OR LESS, AS PER SURVEY OF NORMAN M. SAITO, LICENSED PROFESSIONAL LAND SURVEYOR, CERTIFICATE NUMBER 803-S DATED MARCH 1, 1996.

PARCEL FIFTH:

THAT CERTAIN PARCEL OF LAND, BEING LOT 27E, BEING A PORTION OF LOT 27, PORTION OF ROYAL PATENT 1670, LAND COMMISSION AWARD 387, PART A, SECTION 2 TO THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS (A.B.C.F.M.) (CERTIFICATE OF BOUNDARIES NO. 79), LAND SITUATED APPROXIMATELY 400 FEET EAST OF MAMALAOA HIGHWAY AT HALEKII, SOUTH KONA, ISLAND OF HAWAII, HAWAII, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THIS PARCEL OF LAND, BEING ALSO THE NORTHEAST CORNER OF LOT 27D OF THIS SUBDIVISION, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU OHAU" BEING 2,393.06 FEET NORTH AND 11,838.55 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 264° 05' 30" 190.49 FEET ALONG LOT 25, BEING A PORTION OF R.P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);

THENCE ALONG LOT 14, BEING A PORTION OF R.P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79) ON A CURVE TO THE LEFT WITH A RADIUS OF 915.37 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

2. 32° 13' 36.5" 100.13 FEET;

3. 81° 45' 40" 180.94 FEET ALONG LOT 27F OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
4. 205° 16' 35" 100.63 FEET ALONG LOT 27D OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 15,002 SQUARE FEET.

TOGETHER, WITH EASEMENT "4" (18 FEET WIDE) FOR ACCESS AND UTILITY PURPOSES, AS PER SURVEY OF NORMAN M. SAITO, LICENSED PROFESSIONAL LAND SURVEYOR, CERTIFICATE NUMBER 803-S DATED MARCH 1, 1996, AND MORE FULLY DESCRIBED IN INSTRUMENT DATED MAY 24, 1996, RECORDED MAY 29, 1996, AS INSTRUMENT NO. 96-074818, IN SAID BUREAU.

PARCEL SIXTH:

THAT CERTAIN PARCEL OF LAND, BEING **LOT 27F**, BEING A PORTION OF LOT 27, PORTION OF ROYAL PATENT 1670, LAND COMMISSION AWARD 387, PART A, SECTION 2 TO THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS (A.B.C.F.M.) (CERTIFICATE OF BOUNDARIES NO. 79), LAND SITUATED APPROXIMATELY 350 FEET EAST OF MAMALAHOA HIGHWAY AT HALEKII, SOUTH KONA, ISLAND OF HAWAII, HAWAII, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THIS PARCEL OF LAND, BEING ALSO THE NORTHWEST CORNER OF LOT 27G OF THIS SUBDIVISION, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU OHAU" BEING 2,225.60 FEET NORTH AND 11,764.55 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 205° 02' 00" 73.35 FEET ALONG LOT 27D OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
2. 261° 45' 40" 180.94 FEET ALONG LOT 27E OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;

- THENCE ALONG LOT 14, BEING A PORTION OF R.P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79) ON A CURVE TO THE LEFT WITH A RADIUS OF 915.37 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:
3. 28° 13' 45" 27.56 FEET;
 4. 27° 22' 00" 104.55 FEET ALONG LOT 14, BEING A PORTION OF R.P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);
 5. 99° 25' 35" 151.05 FEET ALONG LOT 27G OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 15,007 SQUARE FEET, MORE OR LESS, AS PER SURVEY OF NORMAN M. SAITO, LICENSED PROFESSIONAL LAND SURVEYOR, CERTIFICATE NUMBER 803-S DATED MARCH 1, 1996.

TOGETHER WITH EASEMENT "4" (18 FEET WIDE) FOR ACCESS AND UTILITY PURPOSES, AS PER SURVEY OF NORMAN M. SAITO, LICENSED PROFESSIONAL LAND SURVEYOR, CERTIFICATE NUMBER 803-S DATED MARCH 1, 1996, AND MORE FULLY DESCRIBED IN INSTRUMENT DATED MAY 24, 1996, RECORDED MAY 29, 1996, AS INSTRUMENT NO. 96-074818, IN SAID BUREAU.

PARCEL SEVENTH:

THAT CERTAIN PARCEL OF LAND, BEING **LOT 27G**, BEING A PORTION OF LOT 27, PORTION OF ROYAL PATENT 1670, LAND COMMISSION AWARD 387, PART A, SECTION 2 TO THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS (A.B.C.F.M.) (CERTIFICATE OF BOUNDARIES NO. 79), LAND SITUATED APPROXIMATELY 350 FEET EAST OF MAMALAHOA HIGHWAY AT HALEKII, SOUTH KONA, ISLAND OF HAWAII, HAWAII, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THIS PARCEL OF LAND, BEING ALSO THE SOUTHWEST CORNER OF LOT 27F OF THIS SUBDIVISION, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU OHAU" BEING 2,225.60 FEET NORTH AND 11,764.55 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 279° 25' 35" 151.05 FEET ALONG LOT 27F OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
2. 27° 22' 00" 114.30 FEET ALONG LOT 14, BEING A PORTION OF R. P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);
3. 105° 44' 00" 139.12 FEET ALONG LOT 16, BEING A PORTION OF R. P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);
4. 89° 17' 00" 16.87 FEET ALONG LOT 16, BEING A PORTION OF R. P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);

THENCE ALONG LOT 27H OF THIS SUBDIVISION, BEING ALSO THE REMAINDER OF LOT 27 ON A CURVE TO LEFT WITH A RADIUS OF 25.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

5. 224° 17' 00" 35.36 FEET;
6. 205° 02' 00" 70.00 FEET ALONG LOT 27D, BEING ALSO ALONG THE REMAINDER OF LOT 27 TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 15,002 SQUARE FEET, MORE OR LESS, AS PER SURVEY OF NORMAN M. SAITO, LICENSED PROFESSIONAL LAND SURVEYOR, CERTIFICATE NUMBER 803-S DATED MARCH 1, 1996.

TOGETHER WITH AN EASEMENT FOR ROADWAY AND UTILITY ACCESS PURPOSES OVER, UNDER, ACROSS AND THROUGH LOT 27H, CONTAINING 13,534 SQUARE FEET ("ROADWAY R1" AS SHOWN ON THE CONDOMINIUM MAP), AND MORE FULLY DESCRIBED AS FOLLOWS:

THAT CERTAIN PARCEL OF LAND, BEING LOT 27H, BEING A PORTION OF LOT 27, PORTION OF ROYAL PATENT 1670, LAND COMMISSION AWARD 387, PART A, SECTION 2 TO THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS (A.B.C.F.M.) (CERTIFICATE OF BOUNDARIES NO. 79), LAND SITUATED ON THE EASTERLY SIDE OF MAMALAHOA HIGHWAY AT HALEKII, SOUTH KONA, ISLAND OF HAWAII, HAWAII, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THIS PARCEL OF LAND ON THE EASTERLY SIDE OF MAMALAHOA HIGHWAY, THE COORDINATES OF SAID POINT OF BEGINNING REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU OHAU" BEING 2,188.23 FEET NORTH AND 11,337.55 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

1. 189° 56' 00" 70.83 FEET ALONG THE EASTERLY SIDE OF MAMALAHOA HIGHWAY;

THENCE ALONG LOT 27A OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO THE LEFT WITH A RADIUS OF 20.00 FEET, THE CHORD AZIMUTH AND DISTANCE:

2. 323° 49' 15" 28.83 FEET;

3. 227° 42' 30" 44.26 FEET ALONG LOT 27A OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;

THENCE ALONG LOT 27A OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO THE RIGHT WITH A RADIUS OF 75.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

4. 294° 49' 46" 44.16 FEET;

THENCE ALONG LOT 27A OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO THE RIGHT WITH A RADIUS OF 75.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

5. 294° 49' 46" 44.16 FEET;
6. 277° 42' 30" 70.29 FEET ALONG LOTS 27A AND 27B OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
7. 281° 53' 30" 42.96 FEET ALONG LOT 27B OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
8. 283° 13' 30" 53.55 FEET ALONG LOT 27C OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;
9. 269° 17' 00" 15.00 FEET ALONG LOT 27C OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27;

THENCE ALONG THE LOT 27C OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO THE LEFT WITH A RADIUS OF 20.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:

10. 237° 28' 38" 21.08 FEET;
THENCE ALONG THE LOT 27C, 27D AND 27G OF THIS SUBDIVISION, BEING ALSO ALONG THE REMAINDER OF LOT 27 ON A CURVE TO THE RIGHT WITH A RADIUS OF 25.00 FEET, THE CHORD AZIMUTH AND DISTANCE BEING:
11. 327° 28' 38" 42.49 FEET;
12. 89° 17' 00" 58.37 FEET ALONG LOT 16, BEING A PORTION OF R.P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);
13. 103° 13' 30" 98.40 FEET ALONG LOT 16, BEING A PORTION OF R.P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79);

14. 97° 42' 30" 220.53 FEET ALONG LOT 16, BEING A PORTION OF R.P. 1670, L.C. AW. 387, PART A, SECT. 2 TO THE A.B.C.F.M. (CERTIFICATE OF BOUNDARIES NO. 79) TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 13,537 SQUARE FEET, MORE OR LESS, AS PER SURVEY OF NORMAN M. SAITO, LICENSED CERTIFICATE NUMBER 803-S DATED MARCH 1, 1996.

E X H I B I T "B"

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<u>APARTMENT NO.</u>	<u>LAND AREA</u>	<u>PERCENTAGE INTEREST</u>
A-1	7,804 SQUARE FEET	7.14286%
A-2	7,241 SQUARE FEET	7.14286%
B-1	7,790 SQUARE FEET	7.14286%
B-2	7,225 SQUARE FEET	7.14286%
C-1	7,636 SQUARE FEET	7.14286%
C-2	7,387 SQUARE FEET	7.14286%
D-1	7,496 SQUARE FEET	7.14286%
D-2	7,521 SQUARE FEET	7.14286%
E-1	7,715 SQUARE FEET	7.14286%
E-2	7,287 SQUARE FEET	7.14286%
F-1	7,760 SQUARE FEET	7.14286%
F-2	7,247 SQUARE FEET	7.14286%
G-1	7,718 SQUARE FEET	7.14286%
G-2	7,285 SQUARE FEET	7.14286%

E X H I B I T "I"

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PARCEL FIRST: LOT 27-A

TAX MAP KEY: (3) 8-1-025-001, ISLAND AND COUNTY OF HAWAII.
AREA ASSESSED: 15,045 SQUARE FEET. TAXES FOR THE FISCAL YEAR
1996-1997, IN THE ORIGINAL AMOUNT OF \$893.35, ARE AS FOLLOWS:

1ST INSTALLMENT	\$446.68	(DELINQUENT)
2ND INSTALLMENT	\$446.67	(DELINQUENT)

ASSESSED VALUES: FISCAL YEAR 1996-1997

LAND:	\$105,100.00
EXEMPTION:	\$ -----
IMPROVEMENTS:	\$ -----
EXEMPTION:	\$ -----
TOTAL VALUE:	\$105,100.00
NET VALUE:	\$105,100.00

PARCEL SECOND: LOT 27-B

TAX MAP KEY: (3) 8-1-025-002, ISLAND AND COUNTY OF HAWAII.
AREA ASSESSED: 15,013 SQUARE FEET. TAXES FOR THE FISCAL YEAR
1996-1997, IN THE ORIGINAL AMOUNT OF \$892.50, ARE AS FOLLOWS:

1ST INSTALLMENT	\$446.25	(PAID)
2ND INSTALLMENT	\$446.25	(DELINQUENT)

ASSESSED VALUES: FISCAL YEAR 1996-1997

LAND:	\$105,100.00
EXEMPTION:	\$ -----
IMPROVEMENTS:	\$ -----
EXEMPTION:	\$ -----
TOTAL VALUE:	\$105,100.00
NET VALUE:	\$105,100.00

PARCEL THIRD: LOT 27-C

TAX MAP KEY: (3) 8-1-025-003, ISLAND AND COUNTY OF HAWAII.
AREA ASSESSED: 15,023 SQUARE FEET. TAXES FOR THE FISCAL YEAR
1996-1997, IN THE ORIGINAL AMOUNT OF \$892.50, ARE AS FOLLOWS:

1ST INSTALLMENT	\$446.25	(DELINQUENT)
2ND INSTALLMENT	\$446.25	(DELINQUENT)

ASSESSED VALUES: FISCAL YEAR 1996-1997

LAND:	\$105,000.00
EXEMPTION:	\$ -----
IMPROVEMENTS:	\$ -----
EXEMPTION:	\$ -----
TOTAL VALUE:	\$105,000.00
NET VALUE:	\$105,000.00

PARCEL FOURTH: LOT 27-D

TAX MAP KEY: (3) 8-1-025-004, ISLAND AND COUNTY OF HAWAII.
AREA ASSESSED: 17,527 SQUARE FEET. TAXES FOR THE FISCAL YEAR
1996-1997, IN THE ORIGINAL AMOUNT OF \$921.25, ARE AS FOLLOWS:

1ST INSTALLMENT	\$461.13	(PAID)
2ND INSTALLMENT	\$461.12	(DELINQUENT)

ASSESSED VALUES: FISCAL YEAR 1996-1997

LAND:	\$108,500.00
EXEMPTION:	\$ -----
IMPROVEMENTS:	\$ -----
EXEMPTION:	\$ -----
TOTAL VALUE:	\$108,500.00
NET VALUE:	\$108,500.00

PARCEL FIFTH: LOT 27-E

TAX MAP KEY: (3) 8-1-025-005, ISLAND AND COUNTY OF HAWAII.
AREA ASSESSED: 15,002 SQUARE FEET. TAXES FOR THE FISCAL YEAR
1996-1997, IN THE ORIGINAL AMOUNT OF \$892.50, ARE AS FOLLOWS:

1ST INSTALLMENT	\$446.25	(PAID)
2ND INSTALLMENT	\$446.25	(PAID)

ASSESSED VALUES: FISCAL YEAR 1996-1997

LAND:	\$105,000.00
EXEMPTION:	\$ -----
IMPROVEMENTS:	\$ -----
EXEMPTION:	\$ -----
TOTAL VALUE:	\$105,000.00
NET VALUE:	\$105,000.00

PARCEL SIXTH: LOT 27-F

TAX MAP KEY: (3) 8-1-025-006, ISLAND AND COUNTY OF HAWAII.
AREA ASSESSED: 15,007 SQUARE FEET. TAXES FOR THE FISCAL YEAR
1996-1997, IN THE ORIGINAL AMOUNT OF \$892.50, ARE AS FOLLOWS:

1ST INSTALLMENT	\$446.25	(DELINQUENT)
2ND INSTALLMENT	\$446.25	(DELINQUENT)

ASSESSED VALUES: FISCAL YEAR 1996-1997

LAND:	\$105,000.00
EXEMPTION:	\$ -----
IMPROVEMENTS:	\$ -----
EXEMPTION:	\$ -----
TOTAL VALUE:	\$105,000.00
NET VALUE:	\$105,000.00

PARCEL SEVENTH: LOT 27-G

TAX MAP KEY: (3) 8-1-025-007, ISLAND AND COUNTY OF HAWAII.
AREA ASSESSED: 15,003 SQUARE FEET. TAXES FOR THE FISCAL YEAR
1996-1997, IN THE ORIGINAL AMOUNT OF \$892.50, ARE AS FOLLOWS:

1ST INSTALLMENT	\$446.25	(DELINQUENT)
2ND INSTALLMENT	\$446.25	(DELINQUENT)

ASSESSED VALUES: FISCAL YEAR 1996-1997

LAND:	\$105,000.00
EXEMPTION:	\$ -----
IMPROVEMENTS:	\$ -----
EXEMPTION:	\$ -----
TOTAL VALUE:	\$105,000.00
NET VALUE:	\$105,000.00

THE BUYER(S) SET FORTH BELOW HAVE BEEN
CHECKED AND CLEARED FOR LIENS:

AS OF: APRIL 30, 1997 @ 7:30 A.M.

LOREN C. DIVERS, TRUSTEE

THE VESTEE(S) AS TO THE TENANCY
SET FORTH IN THIS REPORT HAVE BEEN
CHECKED FOR LIENS:

AS OF: APRIL 30, 1997 @ 7:30 A.M.

SHUNJI KUMAMOTO

EXHIBIT "C"

Summary of Sales Contract

The 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 Sales Contract says:

(a) A buyer must obtain his own financing. An application for a mortgage loan within 10 days after notification by Seller and if approval is not concluded within 30 days after submission of the application then Seller has the option to terminate the contract. Buyer acknowledges that this Sales Contract is contingent on any financing after the issuance of the final public report.

(b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That interest on deposits shall belong to the Seller unless Buyer arranges with Escrow to establish a separate savings account and to pay \$25.00 to Escrow for the establishment and maintenance of such account, then such interest shall accrue to the benefit of the Buyer.

(d) That the unit will be subject to various legal documents, including Declaration, By Laws, Final Public Report including Encumbrances and Disclosure Statement attached thereto, Building/House Rules, Escrow agreement, Apartment Deed, Certificate of Architect and Condominium Map and any other documents which the buyer is given a copy of and for which he has received for the same.

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

(f) If Buyer defaults, Seller shall give written notice to Buyer by certified mail and if such default is not cured within 10 days after receipt of notice, Seller may terminate the Sales Contract and retain the Buyer's deposits as liquidated damages. Seller may in addition pursue any other remedy including specific performance and all costs by reason of such default shall be borne by Buyer.

(g) If Buyer has paid all payments required under the Sales Contract, Buyer shall be entitled to specific performance.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT "D"

Summary of Escrow Agreement

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

(a) Developer will let purchasers know when payments are due.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement states the following conditions under which a refund will be made to a purchaser. Developer and Purchaser make a written request to Escrow: (a) To return to purchaser the funds; (b) To notify Developer's exercise of any option to rescind the sales contract or (c) That the conditions provided for a refund under Sections 514A-62 or 514A-63 of the Condominium Act have been met.

(d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract, that is, the Purchaser's funds shall be retained by the Seller as liquidated damages.

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

Note: Section 514A-63, Hawaii Revised Statutes provides for Rescission Rights to a purchaser under a binding contract if there is a material change in the project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use.

EXHIBIT "E"

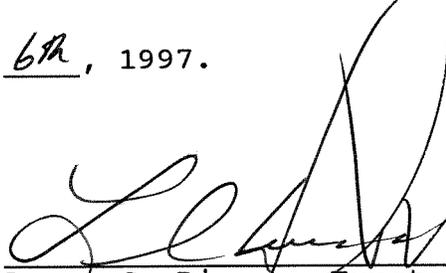
KEALA PLANTATION ESTATES

REGISTRATION NO. 3739

DISCLOSURE STATEMENT AS OF MAY 6, 1997

1. Name of Project: KEALA PLANTATION ESTATES
2. Address: 81-6656 Mamalahoa Highway, Kealakekua, Hawaii
3. Name of Developer: LOREN C. DIVERS, TRUSTEE of the Loren c. Divers Profit Sharing Trust
4. Address of Developer: 2345 Ala Wai Boulevard, #2413, Honolulu, Hawaii 96815-2709
5. Telephone Number: (808) 9221347
6. Project Manager or Agent: Loren C. Divers, Trustee of the above trust
7. Address: 2345 Ala Wai Boulevard, #2413, Honolulu, Hawaii, 96815-2709
8. Maintenance Fees: The fees are as set forth in Exhibit E-1. Each apartment owner to take out his or her own insurance for their respective apartment and their appurtenant limited common element and shall add the name of the Association as an additional insured. Developers disclose that no reserve study was done in accordance with Chapter 514A-83.6, HRS and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.
9. Commencement of Maintenance Fees: At such time that the sale of the first unit occurs or when the budget and amount to be paid is determined, whichever occurs later.
10. Warranties: The Project is a fee simple condominium project and as to the four units (B-1, B-2, D-1 and D-2) that are completed there is a one year building warranty and the manufacturer's warranties for the appliances. As to the other 10 units there are no warranties.
11. Project: The Project consists of 14 condominium apartments, the land areas of which are to be utilized for residential and other uses permitted under the zoning ordinances for the County of Hawaii.

DATED: Honolulu, Hawaii, May 6th, 1997.

A handwritten signature in black ink, appearing to read "Loren C. Divers". The signature is written in a cursive style with a large, sweeping initial "L".

Loren C. Divers, Trustee of the
Loren C. Divers Profit Sharing
Retirement Trust

EXHIBIT E-1

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment

Monthly Fee x 12 months = Yearly Total

A-1	\$13.28	x	12	=	\$ 159.39
A-2	13.28	x	12	=	159.29
B-1	13.28	x	12	=	159.29
B-2	13.28	x	12	=	159.29
C-1	13.28	x	12	=	159.29
C-2	13.28	x	12	=	159.29
D-1	13.28	x	12	=	159.29
D-2	13.28	x	12	=	159.29
E-1	13.28	x	12	=	159.29
E-2	13.28	x	12	=	159.29
F-1	13.28	x	12	=	159.29
F-2	13.28	x	12	=	159.29
G-1	13.28	x	12	=	159.29
G-2	13.28	x	12	=	159.29
TOTAL	\$185.96	x	12	=	\$2,231.47

condo\kpe.ds1

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only

common elements and apartments

Elevator

Gas

common elements only

common elements and apartments

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

Grounds

Management

Supplies

\$5.00 x 12 = \$60.00

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

Liability

166.67 x 12 = 200.04

Reserves(*) Driveway

(\$4,000.00/20 years)

14.29 x 12 = 200.00

Taxes and Government Assessments

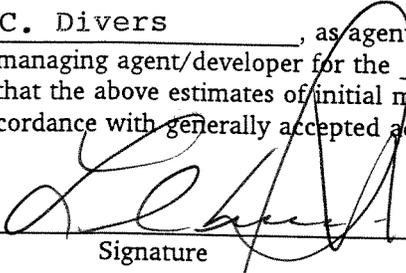
Audit Fees

Other

TOTAL

\$185.96 x 12 = \$2,231.47

I, Loren C. Divers, as agent for/and/or employed by _____, the condominium managing agent/developer for the KEALA PLANTATION ESTATES 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.



Signature

5/6/97

Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. See paragraph 8 of Exhibit E.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "F"

BUILDING AND HOUSE RULES KEALA PLANTATION ESTATES

The purpose of these Building and House Rules ("Rules") is to provide for the design review, development standards, environmental matters, notice of completion of improvements and the use and enjoyment to protect all owners and occupants in having the building and construction of units follow certain development standards and improvements and to reduce the annoyance and nuisance caused by improper conduct and improper use of the condominium, hereinafter referred to as "Project", and to provide for the maximum enjoyment of the premises. All owners and occupants, their agents, employees and invitees shall be bound by the Rules and standards of reasonable conduct whether covered by these Rules or not.

1. Definitions. As used herein:

a. The "Area" refers to the land set aside for the use of each owner as a limited common element.

b. The "Apartment" refers to the existing building built on the land designated as the limited common element for the owner and any subsequent improvements built within the Area.

c. The "Consultant" refers to an architect or engineer that is designated to review plans and proposals for construction of structures within the Project.

2. Design Review.

a. The Declarant shall act as or select a Consultant to review plans and proposals for construction of structures within the Area of an Apartment. The Consultant may charge a reasonable fee for the purpose of review and comments and to determine whether there is compliance with the requirements of this Project.

b. Anyone desiring to build a structure within their Area shall submit plans and drawings. The plans and drawings should meet the requirements of a Condominium Map. The plan should show a site plan indicating where the dwelling and improvements will be located in the unit's limited common element land area. There should be a floor plan indicating the living/dining room, bedrooms, kitchen, bathrooms, lanai, etc. and the total net living area. The plan should show the elevations of the dwelling or improvement. The plan shall be coordinated with other dwellings in the project and follow the Declarant's design constraints as well as the color finish of the structure. The project's name, Tax Map Key, and the architect's or engineer's stamp should be stamped on the plans.

c. In passing upon such plans and specifications the Consultant shall take into consideration: the size, configuration, location and natural features of the Apartment and Area in question, the location of the proposed improvements within the Area and the effect it will have on other existing or planned improvements of other units in the Project. The Consultant shall use reasonable judgment in passing upon all such plans and specifications and may, if necessary consult with the Declarant for the purpose of determining whether plans and specifications should be denied, approved or approved with modifications, but shall not be liable to any person for its actions in connection with the submitted plans and specifications unless it can be shown that the Consultant acted with the actual intent to commit a wrongful act.

d. Any owner desiring to make an addition to the existing buildings and/or construct any new building will have to comply with the building and zoning ordinances as the same may be changed from time to time. The requirements of the Declaration of Condominium Property Regime, By Laws and these House Rules have to be observed in the addition or construction of any improvements.

e. The architect or engineer's certificate should be executed reflecting the submission to the County of Hawaii reflecting the "as built" condition of the improvements.

3. Development Standards

a. Every structure shall observe a 10 foot setback from the boundary line of the Area of an Apartment.

b. If an owner desires to have a fence located at the perimeter boundary, it may be of local rocks or plants that are trimmed and maintained as a hedge as is approved by the Consultant.

c. In any grading and/or excavation of the limited common element land Area the grade of the Land Area shall not be altered in such a manner as to affect the drainage of any adjoining Apartment Unit.

d. The water, electricity and telephone lines will be drawn from the Roadway Easement A, Roadway Easement B and/or Utility Easement E to each Apartment at their own cost and expense. If any water, electricity and telephone lines are located within the first apartment's limited common element land area and services a second apartment, the second apartment shall have a permanent easement in its favor over the first apartment's limited common element land area. Provided however

that the maintenance of such lines will be the responsibility of the second apartment for whose benefit such lines exist.

4. Environmental Matters

a. No noxious or offensive activity shall be carried out on any unit, nor shall anything be done or placed on any unit which is or may become an environmental hazard, including synthetic chemical pesticides, herbicides, or other toxic chemical substances.

b. Any planting or vegetation which cannot be effectively limited from encroaching upon or infesting neighboring property shall be deemed a noxious activity and each owner shall take positive steps to eliminate such vegetation or planting from his unit.

c. No unsightly structure or condition which may substantially diminish the value or quiet enjoyment of each unit shall be caused or permitted on any unit without the approval of the Declarant.

d. No sound shall be permitted to emit or emanate from any unit which is unreasonably loud or annoying or which violate any applicable governmental rule, law or ordinance.

4. Notice of Completions After completion of any improvements, the owner shall proceed to do the following:

a. Publish a Notice of Completion in a newspaper of general circulation in the State of Hawaii for two (2) consecutive weeks at least seven (7) days apart and have it filed with the Clerk of the Third Circuit Court.

b. The owner should have prepared at his own cost an amendment to the Declaration reflecting the change in description of the apartment and an amendment to the Condominium Map.

c. The amendment to the Declaration should then be filed for record in the Office of the Registrar of Conveyances, State of Hawaii.

5. Use and Restrictions

a. The residential and other restrictions for the use of the Apartment Unit as well as the Area will have to be observed for any securing of building permits.

b. Each unit shall place his own garbage, trash and

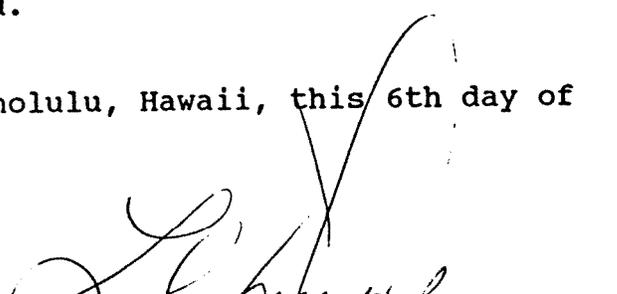
rubbish in covered receptacles or in plastic or fastened bags. Each owner shall exercise reasonable care to avoid exposure of waste materials to flies, roaches, rodents and other insects or materials.

c. All refuse collected for this Project will be located at such area as is designated by the County of Hawaii and there is no assurance that refuse collection will be at each Area. If the County of Hawaii does not provide refuse collection then each owner will dispose of its own refuse.

d. Signs, signals and lettering may be inscribed or exposed on any part of a building or in the limited common elements of the project that meets the requirements of the ordinances of the County of Hawaii and approved as to standards set by the Board of Directors of the Association from time to time.

e. Each owner will be responsible for the landscaping and upkeep of its own Area and shall not permit its Area to be overgrown with weeds and/or place and/or store used vehicles, equipment, appliance and/or materials to make the Area become unsightly like a junkyard.

Executed at Honolulu, Hawaii, this 6th day of
May, 1997.



Loren C. Divers, Trustee for the
Loren C. Divers Profit Sharing
Retirement Trust