

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Albert K. Duarte, Trustee under unrecorded Revocable Trust of Albert K. Duarte dated June 1, 2000, Sandra S. Duarte, Trustee under unrecorded Revocable Trust of Sandra S. Duarte dated June 1, 2000, Kent G. Onaka, Rachelle K. Onaka, Gary K. Duarte and Lori Duarte
Business Address P.O. Box 133, Holualoa, HI 96725

Project Name(*): KAULANAMAUNA
Address: Lot 7, Waiono Meadows, Holualoa 1st and 2nd, North Kona, Hawaii

Registration No. 4003
Effective date: May 18, 2007
Expiration date: June 18, 2008

Preparation of this Report

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports
[] This report must be read together with

X SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[X] Final Public Report dated: October 7, 1998
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports.
[X] Must be read together with the Final Public Report dated October 7, 1998
[X] This report reactivates the Final public report(s) which expired on November 7, 1999

(*) Exactly as named in the Declaration

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:

The Developer has changed (see page 5 of this public report for current information).
 The Escrow Agent for the project has been changed (see page 5 of this public report for current information).
 The Attorney for the Developer has been changed (see page 5 of this public report for current information).
 The encumbrances have changed. See Exhibit "F".
 The pages contained in this public report replace the pages bearing the same number in the Final Pubic Report dated October 7, 1998

THE DEVELOPER'S FINAL PUBLIC REPORT EXPIRED ON NOVEMBER 7, 1999. PURSUANT TO SECTION 16-107-19, HAWAII ADMINISTRATIVE RULES, SALES CONTRACTS EXECUTED DURING THE PERIOD THAT THE PUBLIC REPORT WAS NOT IN EFFECT MAY BE RESCINDED AT THE OPTION OF THE PURCHASER AND ALL MONIES REFUNDED TO THE PURCHASER. THE PURCHASER'S RIGHT TO RESCIND UNDER THIS RULE SHALL BE VOID THIRTY (30) DAYS AFTER RECEIPT OF WRITTEN NOTIFICATION OF THESE RIGHTS FROM THE DEVELOPER OR HIS REAL ESTATE AGENT.

SPECIAL ATTENTION

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This is a **CONDOMINIUM PROJECT**, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated as a **LIMITED COMMON ELEMENT** and does not represent a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

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

1. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, **THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE.** The purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.

Units 1, 2 and 3 are greenhouse structures, each of which may be defined as an "apartment unit" under the Condominium Property Act.

2. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may no be available for interior roads and driveways.

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

Developer: Albert K. Duarte, Trustee under unrecorded Revocable Trust of Albert K. Duarte dated June 1, 2000, Sandra S. Duarte, Trustee under unrecorded Revocable Trust of Sandra S. Duarte dated June 1, 2000, Kent G. Onaka, Rachelle K. Onaka, Gary K. Duarte and Lori Duarte

Name*

P.O. Box 133

Holualoa, HI 96725

Business Address

Phone: (808) 324-1494

(Business)

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A

Real Estate Broker:

FOURMAX, INC., dba RE/MAX Brokers

Name

75-5995 Kuakini Hwy., Suite P

Kailua-Kona, HI 96740

Business Address

Phone: (808) 327-3288

(Business)

Escrow:

TITLE GUARANTY ESCROW SERVICES, INC.

Name

75-170 Hualalai Road, Ste. C-210

Kailua-Kona, HI 96740

Business Address

Phone: (808) 329-6666

(Business)

General Contractor*:

THOMAS DUARTE CONTRACTING

Name

P. O. Box 411

Holualoa, HI 96725

Business Address

Phone: (808) 324-1771

(Business)

Condominium Managing Agent*:

Project is to be self-managed by the Association of

Condominium Owners

Name

Business Address

Phone: _____

(Business)

Attorney for Developer:

WALLACE H. GALLUP, JR.

Name

75-5591 Palani Rd., Suite 3007

Kailua-Kona, HI 96740

Business Address

Phone: (808) 329-5014

(Business)

- For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company, (LLC)

Fee Owner: Albert K. Duarte, Trustee under unrecorded Revocable Trust of Albert K. Duarte dated June 1, 2000, Sandra S. Duarte, Trustee under unrecorded Revocable Trust of Sandra S. Duarte dated June 1, 2000, Kent G. Onaka, Rachelle K. Onaka, Gary K. Duarte and Lori Duarte
 Name
P.O. Box 133, Holualoa, HI 96725
 Address

Lessor: N/A
 Name
 Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 3 Floors Per Building 1

Exhibit A contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other _____

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted by Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotal	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Agricultural	_____	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other: <u>Greenhouses</u>	<u>3</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

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 “C”.

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is 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 B.

as follows:

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 “F” describes the encumbrances against the title contained in the title report dated February 12, 2007, issued by Title Guaranty of Hawaii, 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.

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

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

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

Effect on Buyer's Interest and Deposit if Developer Defaults
or Lien is Foreclosed Prior to Conveyance

Type of Lien

Note: At the time of the first conveyance of each apartment, the blanket lien(s) shall be released of record from the apartment being conveyed and its appurtenant common interest.

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: NONE

2. Appliances: NONE

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 – NOT APPLICABLE

[X] Specimen Sales Contract (Hawaii Association of Realtor’s form of Deposit, Receipt, Offer and Acceptance (DROA) contract will be used as time of sale)

Exhibit “D” contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated March 28, 2007

Exhibit “E” 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 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 See Disclosure – page 20a
Declaration of Covenants, Conditions and Restrictions, recorded in the Bureau of Convevances of the State of Hawaii in Liber 20769 at Page 554.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 16-107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 4003 filed with the Real Estate Commission on August 6, 1998

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. Additional Information Not Covered Above

Construction of Farm Dwelling and other Improvements

The improvements presently located on each of the limited common element land areas (units) are comprised of a small greenhouse structure (one for each unit). As noted in Exhibit "A" of this Public Report, as well as in Section II of the Declaration, the owner of a condominium unit is permitted to construct additional improvements on said unit's limited common element land area as are allowed by applicable law. In the event that the owner of a unit constructs a residential dwelling or any other improvement(s), it will not be necessary to obtain a Supplementary Public Report for the Project; PROVIDED, HOWEVER, that the Declaration and Condominium Map are appropriately amended to reflect said addition(s), and that the copies of said amended documents are provided to prospective purchasers.

As of the date of the issuance of this public report only Unit 2 remains to be sold by the Developer and the Developer hereby discloses that while Unit 1 has the first right to build a Farm Dwelling on the limited common element land area that is appurtenant to Unit 1 and while Unit 3 has applied for and obtained the Additional Farm Dwelling Agreement that is listed as item #11 on Exhibit F to this public report which would allow the owner of Unit 3 to build a Farm Dwelling on the limited common element land area that is appurtenant to Unit 3, there is no Additional Farm Dwelling Agreement that has been applied for or obtained which would allow the owner of Unit 2 to build a Farm Dwelling on the limited common element appurtenant to Unit 2 and there is no certainty whatsoever that the owner will be able to obtain an Additional Farm Dwelling Agreement in the future that would allow a Farm Dwelling to be build on the limited common element land area that is appurtenant to Unit 2.

In light of the foregoing, if a prospective purchaser of Unit 2 in this project is doing so with the expectation that they will be able to build a Farm Dwelling on the limited common element land area that is appurtenant to Unit 2 after having purchased Unit 2, the prospective purchaser should thoroughly investigate the status of State and County law that then governs the issuance of Additional Farm Dwelling Agreements as may be applicable to the project land specifically to satisfy themselves as to whether they would upon purchase of Unit 2 be able to obtain an Additional Farm Dwelling Agreement or other required State and/or County permission to build a Farm Dwelling on the limited common element land area that is appurtenant to Unit 2 and to determine the risk that might then exist relative to any possible change in the applicable laws after the close of any such purchase but prior to the purchaser actually applying for and obtaining an Additional Farm Dwelling Agreement or other required State and/or County permission that would prohibit them from building a legal Farm Dwelling on Unit 2.

Prospective purchasers are hereby warned that State and County laws that govern the use of agricultural zoned land such as the project land are in a significant state of flux and may change at any time on a State and/or County level and the purchaser assumes the risk of any such change in law that might prohibit the purchaser from constructing a Farm Dwelling on the limited common element land area that is appurtenant to Unit 2.

Disclosure re: Licenses status of Developer/Owner

Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer Sandra S. Duarte, RB 16821, is a current and active Hawaii-licensed real estate broker. Further that Sandra S. Duarte is the broker-in-charge for FOURMAX, Inc. Dba RE/MAX Brokers, the project broker. Pursuant to Section 16-99-11(c), HAR, "(n)o licensee shall advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'.

Mailboxes

Mailboxes have not been provided for the units, as there is no mail delivery to this area. Residents of the area customarily maintain a post office box at the local post office.

Access to Project Subject to Realignment:

The project land is connected to Mamalahoa Highway, a public roadway, by way of having a perpetual non-exclusive easement over Roadway Lot 11, as shown on the Condominium Map. The original owner of the land of which the project land is a part reserved the right to realign this access and utility easement that serves the project land, which rights are still in existence (see Item #4 of Exhibit F to this public report) and while the Developer does not believe it is likely that those realignment rights will ever be exercised, it is still possible that the land owner that holds those rights might chose to exercise those rights and if the roadway and utility easement were moved in a southerly direction along the northerly boundary of the project land any such realignment would result in the reduction of the limited common element land area that is appurtenant to Unit 1 and/or Unit 2 depending on the extent of any such realignment.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

Albert K. Duarte, Trustee under unrecorded Revocable Trust of Albert K. Duarte dated June 1, 2006, Sandra S. Duarte, Trustee under unrecorded Revocable Trust of Sandra S. Duarte dated June 1, 2000, Kent G. Onaka, Rachelle K. Onaka, Gary K. Duarte and Lori Duarte
Printed Name(s) of Developer

By: <u>Albert K. Duarte</u> Duly Authorized Signatory*	<u>3/29/07</u> Date
By: <u>Sandra S. Duarte</u> Duly Authorized Signatory*	<u>3/29/07</u> Date
By: <u>[Signature]</u> Duly Authorized Signatory*	<u>3.29.07</u> Date
By: <u>Rachelle K. Onaka</u> Duly Authorized Signatory*	<u>3/29/07</u> Date
By: <u>Gary K. Duarte</u> Duly Authorized Signatory*	<u>3/29/07</u> Date
By: <u>[Signature]</u> Duly Authorized Signatory*	<u>3/29/07</u> Date

Distribution:

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

**Must be signed for: (i) a corporation by an officer; (ii) a partnership or Limited Liability Partnership (LLP) by the general partner; (iii) a Limited Liability Company (LLC) by the manager or member; and (iv) an individual by the individual.*

EXHIBIT "E"

SUMMARY OF ESCROW AGREEMENT

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

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) Except under certain circumstances as set forth in the Escrow Agreement and the Sales Contract all deposits toward the purchase price shall be the property of the Developer.

(d) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Escrow Agreement and the Sales Contract.

(e) If the purchaser fails to make a required payment to Escrow on or before the due date thereof or if the purchaser fails to perform in any matter that is being handled by Escrow, Escrow shall promptly notify Seller of any such failure on the part of the purchaser. If Seller subsequently certifies in writing to Escrow that Seller has terminated the sales contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to the purchaser, Escrow shall thereafter treat all funds of the purchaser paid on account of such purchaser's sales contract as funds of Seller and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds to Seller, less any escrow cancellation fee. Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. Purchasers and prospective purchasers should carefully read the signed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes due and owing, reference is made to the Director of Finance, County of Hawaii for information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Grant in favor of PALANI RANCH COMPANY, INC., a Hawaii corporation, "Palani Ranch", and JAMES MALLABY GREENWELL, husband of Martha Lowrey Greenwell, LEONARD RADCLIFFE GREENWELL, husband of Patricia Gilman Greenwell, and ROBERT FRANCIS GREENWELL, husband of Alice Bevins Greenwell, "Greenwells", dated January 31, 1969, recorded in Liber 6424 at Page 249; granting an easement for cattle crossing purposes upon, over, through and across those two cattle crossing routes heretofore and currently used by Palani Ranch and Greenwells, said easement areas to be of sufficient width, along each route, to reasonably permit cattle to be driven across and along the same, together with the right of ingress to and egress from the easement areas over the land adjacent thereto, as necessary for the use by Palani Ranch and the Greenwells of said easement.
4. A nonexclusive 80-foot wide right-of-way and easement in favor of (3) 7-6-001-002, for road and utility purposes on a course which follows the alignment of the existing unimproved jeep road, said easement to be substituted within three (3) years from the date hereof, as granted in deed dated March 18, 1980, recorded in Liber 14588 at Page 768; subject to the terms and conditions set forth therein.

LETTER AGREEMENT dated January, 6, 1983; re: extension of said three-year period for an additional two years until March 18, 1985, mentioned in and appurtenant to the following nine extension instruments.

NOTICE OF EXTENSION OF TIME TO DESIGNATE SUBSTITUTE EASEMENT dated May 29, 1984, recorded in Liber 17936 at Page 466; re: extension of said period to March 18, 1985.

EXTENSION OF TIME TO DESIGNATE SUBSTITUTE EASEMENT dated June 5, 1986, recorded in Liber 19663 at Page 502; re: extension of said period to March 31, 1987.

THIRD EXTENSION OF TIME TO DESIGNATE SUBSTITUTE EASEMENT dated March 31, 1987, recorded in Liber 20702 at Page 367; re: extension of said period to March 31, 1988.

FOURTH EXTENSION OF TIME TO DESIGNATE SUBSTITUTE EASEMENT dated March 31, 1988, recorded in Liber 21800 at Page 168; re: extension of said period to March 31, 1989.

FIFTH EXTENSION OF TIME TO DESIGNATE SUBSTITUTE EASEMENT dated March 31, 1989, recorded as Document No. 91-043841; re: extension of said period to March 31, 1992.

SIXTH EXTENSION OF TIME TO DESIGNATE SUBSTITUTE EASEMENT dated March 31, 1992, recorded as Document No. 93-011198; re: extension of said period to March 31, 1993.

SEVENTH EXTENSION OF TIME TO DESIGNATE SUBSTITUTE EASEMENT dated March 4, 1993, recorded as Document No. 93-057300; re: extension of said period to March 31, 1994.

EIGHTH EXTENSION OF TIME TO DESIGNATE SUBSTITUTE EASEMENT dated April 25, 1994, recorded as Document No. 94-077180; re: extension of said period to March 31, 1995.

NINTH EXTENSION OF TIME TO DESIGNATE SUBSTITUTE EASEMENT dated February 28, 1995, recorded as Document No. 95-060330; re: period for designating the substitute easement shall be postponed subject to call by either party delivering to the other party a written request (the "Designation Request") that the easement be designated within a period of one year. Delivery of the Designation Request shall automatically establish a new deadline (one year after the date of delivery) for completing the designation of the substitute easement in compliance with the designation of easement provision.

5. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION

DATED : March 23, 1987

RECORDED : Liber 20769 Page 554

0540306CCR Said Declaration was amended by instrument dated May 15, 1997, recorded as Document No. 97-064866.

6. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

7. The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED

DATED : June 13, 1997

RECORDED : Document No. 97-077194

8. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "KAULANAMAUNA" CONDOMINIUM PROJECT

DATED : June 1, 1998

RECORDED : Document No. 98-102212

MAP : 2773 and any amendments thereto

9. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : June 1, 1998

RECORDED : Document No. 98-102213

10. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION REGARDING REQUESTED DESIGNATION OF SUBSTITUTE EASEMENT

DATED : January 19, 1999

RECORDED : Document No. 99-011218

Said Declaration was supplemented by instrument dated September 14, 2000, recorded as Document No. 2000-130915.

11. The terms and provisions contained in the following:

INSTRUMENT : ADDITIONAL FARM DWELLING AGREEMENT

DATED : December 9, 2003

RECORDED : Document No. 2004-018449

PARTIES : ALBERT K. DUARTE, SANDRA S. DUARTE, GARY DUARTE,
TIMOTHY JONES, MICHAEL ABE, KENT ONAKA and
RACHELLE ONAKA "First Party" and the COUNTY OF HAWAII
"Second Party"

END EXHIBIT "F"

DISCLOSURE ABSTRACT

KAULANAMAUNA Condominium Project

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

Developer

Albert K. Duarte, Trustee under unrecorded Revocable Trust of Albert K. Duarte
dated June 1, 2000
Sandra S. Duarte, Trustee under unrecorded Revocable Trust of Sandra S. Duarte
dated June 1, 2000
Kent G. Onaka
Rachelle K. Onaka
Gary K. Duarte
Lori Duarte
P.O. Box 133
Holualoa, HI 96725
Phone (808) 324-1494

Project Manager

Project is to be self-managed

Estimated Maintenance Fee Assessments and Disbursements

MAINTENANCE FEES: The regular maintenance and repair of each condominium unit, including all utility charges except for water, is the sole responsibility of each respective unit owner. The only common expense requiring monthly assessments (i.e. maintenance fees) is said water service, as all units are presently served by a common water meter. Pursuant to Section XII(d) of the Declaration, the amount of water expenses paid by each unit will be dependent upon each unit's respective water usage. Developer estimates the costs of these services to be approximately \$300.00 per year per unit (\$25.00 per month per unit). Said Estimates were prepared in accordance with generally accepted accounting principals. Developer discloses that no reserve study was done in accordance with Chapter 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Note: If, in the future, separate water meters are secured for each condominium unit, there will cease to be any shared expenses, and therefore, no maintenance fees.

Exhibit "G"

INDIVIDUAL INSURANCE: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the improvements portion of the Project. Developer anticipates that the Association will elect to obtain separate policies for each individual condominium unit pursuant to Section XIV(c) of the Declaration. As such, the premiums on said policies will be the individual responsibility of each unit owner rather than common expenses of the Project. Purchasers should be aware that premiums for said fire insurance vary widely depending upon the extent of the improvements on the property, the coverage desired, and the insurance company used. Developer's best estimate regarding the cost of said coverage is approximately \$500.00 to \$3,000 per year per unit. Said estimates were prepared in accordance with generally accepted accounting principles.

Use of Condominium Units

The units comprising the Project may be occupied and/or used only for those purposes permitted by applicable land use laws and zoning ordinances. There is no commercial development in the Project.

Warranties

Purchasers should be aware that the "condominium units" of the Project are comprised of existing greenhouse structures. Said structures were constructed May, 1998. NO WARRANTIES FOR FITNESS OF USE OR MERCHANT ABILITY OR ANY OTHER KIND ARE MADE AS TO THE INDIVIDUAL CONDOMINIUM UNITS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE UNIT THEY DESIRE TO BUY. THE UNITS ARE SOLD "AS IS".

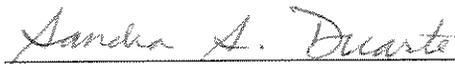
Code Violations

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

Dated: March 29, 2007



ALBERT K. DUARTE, Trustee aforesaid



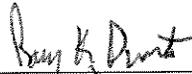
SANDRA S. DUARTE, Trustee aforesaid



KENT G. ONAKA



RACHELLE K. ONAKA



GARY K. DUARTE



LORI DUARTE