CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Greg S. Cameron and Mona M. Cameron
Address 27-602 Kalaoa Camp Road, Papaikou, Hawaii 96781

Project Name(*): KALAOA CONDOMINIUM
Address: 27-602 Kalaoa Camp Road, Papaikou, Hawaii 96781

Registration No. 4008 (conversion)

Effective date: September 15, 1998
Expiration date: October 15, 1999

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.

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

_____ SUPPLEMENTARY: (pink) — This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____
And [ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] 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.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

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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 dashed lines on the Condominium map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

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

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

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EXHIBIT A: Buildings and Apartments
EXHIBIT B: Common Elements, Limited Common Elements and Common Interest
EXHIBIT C: Encumbrances Against Title
EXHIBIT D: Estimate of Initial Maintenance Fees and Disbursements
EXHIBIT E: Special Use Restrictions
EXHIBIT F: Summary of Sales Contract
EXHIBIT G: Summary of Condominium Escrow Agreement

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 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 mariner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Greg S. Cameron and Mona M. Cameron
Name
27-602 Kalaoa Camp Road
Business Address
Papaikou, Hawaii 96781

Phone: (808)964-5815
(Business)

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

Real Estate Broker: None. Apartments are not presently for sale. See p. 20.
Name
Business Address

Phone:
(Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
450 Kilauea Avenue
Business Address
Hilo, Hawaii 96720

Phone: (808)935-6638
(Business)

General Contractor: None. Project is completed.
Name
Business Address

Phone:
(Business)

Condominium Managing Agent: None. Project will be self-managed by Association.
Name
Business Address

Phone:
(Business)

Attorney for Developer: Stephen J. Menezes
Name
100 Pauahi Street, Suite 204
Business Address
Hilo, Hawaii 96720

Phone: (808)961-0055
(Business)

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment owners. 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
[X] Recorded - Bureau of Conveyances: Document No. 98-069728
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]:

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
[X] Recorded - Bureau of Conveyances Condo Map No. 2732
[ ] 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]:

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
[X] Recorded - Bureau of Conveyances: Document No. 98-069729
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 [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	100%
Bylaws	65%	100%
House Rules	—	N/A

* 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.

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

Developer may amend the Declaration so long as Developer owns all of the apartments in the Project. Refer to paragraph 19 of the Declaration for additional information.

Developer may amend the Bylaws so long as Developer owns all of the apartments in the Project. Refer to Article VII, Section 1 of the Bylaws for additional information.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

For Sub-leaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] individual Apartments in Fee Simple; Common Interest in the Underling Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

Other:

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, tide 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: 27-602 Kalaoa Camp Road, Papaikou, HI 96781 Tax Map Key (TMK): (3)2-7-8:40

[ ] Address [ ] TMK is expected to change because _____

Land Area: 1.608 [ ] square feet [X] acre Zoning: A-20a

Fee Owner: Greg S. Cameron & Mona M. Cameron
Name
27-602 Kalaoa Camp Road
Address
Papaikou, Hawaii 96781

Lessor: _____
Name
_____
Address
_____

C. Buildings and Other Improvements

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

2. Number of Buildings: 2 Floors Per Building 1

[X] Exhibit "A" contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [X] Wood

[ ] Other

4. Uses Permitted by Zoning:

		No. of Apts.	Use Permitted By Zoning				No. of Apts.	Use Permitted By Zoning	
[X]	Residential	1	[X]Yes	[ ]No	[ ]	Ohana		[ ]Yes	[ ]No
[ ]	Commercial		[ ]Yes	[ ]No	[ ]	Industrial		[ ]Yes	[ ]No
[ ]	Mix Res/Comm		[ ]Yes	[ ]No	[X]	Agricultural	1	[X]Yes	[ ]No
[ ]	Hotel		[ ]Yes	[ ]No	[ ]	Recreational		[ ]Yes	[ ]No
[ ]	Timeshare		[ ]Yes	[ ]No	[ ]	Other:		[ ]Yes	[ ]No

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

[X] 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:

[X] Pets: Not more than two pets (dogs, cats or other common pets) allowed.

[ ] Number of Occupants: _____

[X] Other: See, Exhibit "E"

[ ] 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)
A	1	3/2	1,488	466	carport/storage
				424	covered decks
B	1			240	storage

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment: See, Exhibit "A".

Permitted Alterations to Apartments: See, Exhibit "A".

7. Parking Stalls.

Total Parking Stalls: 2

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each unit)							
Guest							
Unassigned							
Extra for Purchase							
Other: Apt A only	2						2
Total Covered & Open:	2		0		0		2

Each apartment will have the exclusive use of at least 2 parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit "A" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] 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

[X] 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. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot		X	

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

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

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

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

1. Common Elements: Common Elements are those parts of the condominium project 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:

[X] described in Exhibit "B".

[ ] 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.

[X] The limited common elements and the apartments which use them, as described in the Declaration, are:

[X] described in Exhibit "B"

[ ] 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:

[X] 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.

[X] Exhibit "C" describes the encumbrances against the title contained in the title report dated 6/16/98

and 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.

[ ] 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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage, dated June 24, 1997, recorded as Document No. 97-086539	Buyer may lose right to purchase apartment, but will be entitled to a refund of deposit, *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: None.

2. Appliances: None.

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

Construction of project is fully completed: Building 1 (Apartment A) completed in 1997;
Building 2 (Apartment B) completed in 1996.

H. Project Phases:

The developer [ ] has [X] 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
[X] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] 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 "D" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change). NOTE: Developers disclose that no reserve study was done in accordance with Chapter 514-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

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:

[X] None
[ ] Gas
[ ] Water
[ ] Other _____

[ ] Electricity (_____ Common Elements only _____ Common Elements & Apartments)
(_____ Common Elements only _____ Common Elements & Apartments)
[ ] Sewer
[ ] Television Cable

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

[X] Specimen Sales Contract
Exhibit "F" contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated April 30, 1998
Exhibit "G" 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 Project 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 Cashiers Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. 0. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4008 filed with the Real Estate Commission on August 11, 1998.

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

[ ] YELLOW paper stock [X] WHITE paper stock [ ] PINK paper stock

C. Additional Information Not Covered Above

Disclosure re: Selection of Real Estate Broker

This public report shall not bind a purchaser to the sale of any apartment until (1) the Developer first submit to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent, and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, and (2) gives a copy of said disclosure abstract to the purchaser together with a copy of the Public Report.

If the Developer(s), as the owners, choose to represent themselves in the sale of an apartment, said abstract need not be given to the purchaser, as all necessary disclosure are covered in this report.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Residential Dwelling within State Land Use Agricultural District

Purchasers should be aware that the State Land Use Commission issued a Declaratory Ruling in December, 1994, regarding the construction of residential dwellings on properties located within the State Land Use Agricultural District. In response to said ruling, the Hawaii County Planning Department is requiring applicants for building permits on such lands to acknowledge receipt of a "Farm Dwelling Notice". This Farm Dwelling Notice reads as follows:

FARM DWELLING NOTICE

To: Applicant for Buildings Permits on Land in State Land Use Agricultural District.

This is to inform you that Chapter 205, Hawaii Revised Statutes, does not authorize residential dwellings as a permissible use in an agricultural use district, unless the dwelling is related to an agricultural activity or is a "farm dwelling".

Farm Dwelling is defined in Chapter 2-5-4.5(a)(4) as a "single family dwelling located on and used in connection with a farm, including clusters of single-family dwellings permitted within agricultural parks developed by the State, or where agricultural activity provides income to the family occupying the dwelling".

Penalty for violation of Section 205-4.5, Hawaii Revised Statutes, is a fine of not more than $5,000. If any person who is cited for a violation of the law fails to remove the violation within six months of such citation and the violation continues, such person is subject to a citation for a new and separate violation. There shall be a fine of not more than $5,000 for any additional violation.

I acknowledge that I have read the above and have been given a copy

_____

Signature of Applicant

_____

Signature of Witness

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 developers knowledge, information and belief, true, correct and complete.

GREG S. CAMERON and MONA M. CAMERON
Printed Name of Developer

By: Greg S. Cameron
Duly Authorized Signatory

September 9, 1998
Date

GREG S. CAMERON, Co-Developer
Printed Name & Title of Person Signing Above

By: Mona M. Cameron
Duly Authorized Signatory

September 9, 1998
Date

MONA M. CAMERON, Co-Developer
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, State of Hawaii
Planning Department, State of Hawaii

KALAOA CONDOMINIUM

Exhibit "A"

Buildings and Apartments

Following is a description of the buildings and apartments at Kalaoa Condominium and an explanation of the boundaries of each apartment and permitted alterations:

1. Description of Buildings. The Project consists of two (2) buildings designated as Building 1 and Building 2. Both buildings are one-story in height. Neither building contains a basement. Building 1 is of wood frame construction with plywood siding. Building 2 is of wood frame post and beam construction without siding. Building 1 has a post and pier foundation except the portion for use as a carport which has a concrete foundation. Building 2 has a post and pier foundation. Both buildings have corrugated metal roofs. Building 1 contains a carport with two covered parking stalls. Building 2 does not contain a carport.

2. Apartments. Two separate freehold estates are hereby created and designated (the "apartments"), as shown on the Condominium Map. Specifically the two estates so created and designated are referred to as Apartment A and Apartment B. Apartment A is comprised of all of Building 1 and all other improvements physically located on the land area appurtenant to Apartment A. Apartment B is comprised of all of Building 2 and all other improvements physically located on the land area appurtenant to Apartment B. The apartments are described as follows:

(2.01) Apartment A is located in Building 1. The apartment's enclosed living area contains seven rooms: three bedrooms, two bathrooms, a laundry room, and a kitchen/living/dining room. The enclosed living area totals approximately 1,488 square feet. A covered two car carport and storage area of approximately 466 square feet and covered decks of approximately 424 square feet are a part of the apartment. In addition, the apartment consists of any and all other future improvements which may be constructed by the owner of the apartment on the land area appurtenant to the apartment as permitted in this Declaration.

(2.02) Apartment B, which is intended to be used for storage purposes, is located in Building 2. The apartment's floor area is approximately 240 square feet. The apartment has no interior partitions or exterior siding. In addition, the apartment consists of any and all other future improvements which may be constructed by the owner of the apartment on the land area appurtenant to the apartment as permitted in the Declaration.

(2.03) The owner of each apartment is entitled, if permitted by law, to construct any building or structure on the land area appurtenant to the apartment, provided that the building or structure meets with all applicable building, electrical, plumbing and housing codes and all applicable land use and zoning laws and ordinances in effect at the time of construction. All costs and expenses of any such future construction shall be borne by the owner of the apartment.

(2.04) The common element to which each apartment has immediate access is the land area appurtenant to each apartment, which is a limited common element,

(2.05) Each apartment shall be deemed to include all ducts, electrical equipment, wiring, pipes and other appurtenant transmission facilities (the "utility facilities") for services such as power, light, water, gas, wastewater disposal, telephone and radio and television signal distribution located within the apartment.

3. Alteration of Apartments. Each apartment owner shall have the right, at such owner's sole discretion and without the consent or permission of any other apartment owner or the Association, to renovate, remodel, make additions to, enlarge, remove, replace or restore such owner's apartment or any portion thereof, and to make improvements upon the land area appurtenant to the apartment (collectively "alterations"), provided that all alterations shall be at the expense of the apartment owner and shall be performed in accordance with all applicable building, electrical, plumbing and housing codes and all applicable land use and zoning laws and ordinances. If required by a governmental permitting agency, all apartment owners shall give their written consent to an application by one apartment owner for a permit or other approval needed for the construction of alteration by the apartment owner. Such permits and approvals include without limitation a building permit, ohana dwelling permit and farm dwelling agreement. Any apartment owner making an alteration pursuant to Paragraph 17 of the Declaration shall have the right, without the consent or permission of any other apartment owner or the Association, to amend the Declaration and the Condominium Map to reflect the alteration. Every apartment owner and their mortgagees, by acquiring an interest in an apartment, shall be deemed to have granted an irrevocable power of attorney to any apartment owner who makes an alteration pursuant to Paragraph 17 of the Declaration solely for the purpose of executing and recording an amendment to the Declaration and the Condominium Map describing the alteration.

THIS DOCUMENTS CONTAINS A SUMMARY DESCRIPTION OF THE BUILDINGS AND APARTMENT FOR KALAOA CONDOMINIUM. BUYER SHOULD THOROUGHLY REVIEW ALL PROJECT DOCUMENTS IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF THE MATTERS CONTAINED IN THIS SUMMARY DESCRIPTION.

KALAOA CONDOMINIUM

Exhibit "B"

Common Elements, Limited Common Elements
and Common Interest

1. Common Elements. One freehold estate is hereby designated in all of the remaining portions and appurtenances of the Project (the "common elements"), including specifically, but not limited to:

(1.01) The land in fee simple and all easements appurtenant thereto.

(1.02) Except as otherwise provided in the Declaration, all utility facilities, or such parts or portions of the utility facilities, located over, under and across the Project which serve more than one apartment.

(1.03) Any and all apparatus, facilities or other parts of the Project necessary to its existence, maintenance and safety.

2. Limited Common Elements. Certain parts of the common elements, (the "limited common elements"), are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(2.01) The land area upon and around which Apartment A is located, consisting of 0.500 acres, more or less, as shown and designated on the Condominium Map, is deemed a limited common element appurtenant to and reserved for the exclusive use of Apartment A; subject, however, to the easements referred to in paragraph 7 of the Declaration. All utility facilities, or such parts or portions thereof, located over, under and across the Project which serve only Apartment A are deemed limited common elements appurtenant to and reserved for the exclusive use of Apartment A.

(2.02) The land area upon and around which Apartment B is located, consisting of 1.108 acres, more or less, as shown and designated on the Condominium Map, is deemed a limited common element appurtenant to and reserved for the exclusive use of Apartment B; subject, however, to the easements referred to in paragraph 7 of the Declaration. All utility facilities, or such parts or portions thereof, located over, under and across the Project which serve only Apartment B are deemed limited common elements appurtenant to and reserved for the exclusive use of Apartment B.

All costs and expenses of every kind pertaining to the limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the apartment to which the limited common element is appurtenant.

NOTE: ALTHOUGH THE LAND AREA UPON AND AROUND EACH APARTMENT IS A LIMITED COMMON ELEMENT, SUCH LAND AREA IS NOT A SEPARATE LEGALLY SUBDIVIDED LOT.

3. Common Interest. Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the Project, as follows:

(3.01) Apartment A shall have appurtenant thereto an undivided thirty-one percent (31%) interest in all of the common elements of the Project.

(3.02) Apartment B shall have appurtenant thereto an undivided sixty-nine percent (69%) interest in all of the common elements of the Project.

Such interests are defined and referred to herein as the "common interest". Each apartment shall have the same proportionate share as its common interest in all common profits and expenses of the Project and for all other purposes, including voting.

THIS DOCUMENT CONTAINS A SUMMARY DESCRIPTION OF THE COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND COMMON INTEREST FOR KALAOA CONDOMINIUM. BUYER SHOULD THOROUGHLY REVIEW ALL PROJECT DOCUMENTS IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF THE MATTERS CONTAINED IN THIS SUMMARY DESCRIPTION.

End of Exhibit "B"

KALAOA CONDOMINIUM

Exhibit "C"

Encumbrances Against Title

Following is a list of the encumbrances against title of the Kalaoa Condominium as shown by the Status Title Report, issued by Title Guaranty of Hawaii Incorporated on June 16, 1998:

For Real Property Taxes that may be due and owing reference is made to the Office of the Tax Assessor, County of Hawaii.

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

2. MORTGAGE

MORTGAGOR	:	GREG S. CAMERON and MONA MISAE CAMERON, husband and wife
MORTGAGEE	:	BIG ISLAND EDUCATIONAL FEDERAL CREDIT UNION, a federally chartered credit union
DATED	:	June 24, 1997
RECORDED	:	Document No. 97-086539
AMOUNT	:	$90,000.00

3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in the following:

INSTRUMENT	:	DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "KALAOA CONDOMINIUM" CONDOMINIUM PROJECT
DATED	:	April 30, 1998
RECORDED	:	in the Bureau of Conveyances of the State of Hawaii as Document No. 98-069728
MAP	:	2732 and any amendments thereto

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in the following:

INSTRUMENT: BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF KALAOA CONDOMINIUM

DATED : April 30, 1998
RECORDED : in the Bureau of Conveyances of the State of Hawaii as Document No. 98-069729

End of Exhibit "C"

KALAOA CONDOMINIUM

Exhibit "D"

Estimate of Initial Maintenance Fees and Disbursements

The regular maintenance and repair of each apartment and the limited common elements appurtenant to each apartment is the sole responsibility of each respective apartment owner. There are no common elements which will require maintenance and repair by the Association, except the utility facilities, or such parts or portions of the utility facilities, which serve more than one apartment. The utility facilities which serve more than one apartment are not expected to require maintenance or repair on a regular basis. The payment of all utility services for each apartment is the sole responsibility of each respective apartment owner. As a result, Developer anticipates that there will be no annual assessments for maintenance fees. Instead, assessments for maintenance and repair will be made as needed.

Mandatory reserves assessment and collection in effect beginning 1994 budget year. Developers disclose that no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserves rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Section 514A-86, HRS, requires fire insurance to be purchased by the Association to cover the improvements of the Project. Developer anticipates that the Association will elect, pursuant to paragraph 14.04 of the Declaration, to permit individual apartment owners to obtain separate policies for their respective apartments, the premiums for which will be the sole responsibility of and be paid by each respective apartment owner.

We, Greg S. Cameron and Mona M. Cameron, Developers, hereby certify that the above estimate of initial maintenance fees and disbursements are true and accurate to the best of our knowledge.

Date: Papaikou, Hawaii, August 7, 1998.

Greg S. Cameron
GREG S. CAMERON

Mona M. Cameron
MONA M. CAMERON

KALAOA CONDOMINIUM

Exhibit "E"

Special Use Restrictions

The Declaration of Condominium Property Regime contains restrictions on the use and occupancy of the apartments. The restrictions are as follows:

1. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby and their mortgagees, if any, as expressed in an amendment to the Declaration duly recorded, shall not be separated from such apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument.

2. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by the Condominium Property Act.

3. The apartments and the land areas appurtenant to the apartments as limited common elements shall be used solely for such purposes permitted by applicable land use and zoning laws and ordinances; provided, however, that no apartment or land area shall be used for any purpose that is restricted or prohibited under the provisions of the Declaration or the Bylaws, regardless of whether such use would be permitted by applicable land use and zoning laws and ordinances.

4. The apartments or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purposes or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise.

5. The owner of each apartment upon acquiring title thereto automatically shall become a member of the Association and shall remain a member thereof until such time as such person's ownership of such apartment ceases for any reason, at which time such person's membership in the Association

automatically shall cease; provided, however, that if and to the extent a lease of any apartment registered under Chapter 501 or recorded under Chapter 502 of the Hawaii Revised Statutes (filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii or recorded in the Bureau of Conveyances of the State of Hawaii) so provides, the lessee of such apartment shall be deemed to be the owner thereof.

The Bylaws contain restrictions on the use and occupancy of the apartments and common elements of the project. The restrictions are as follows:

1. All apartments of the project shall be used only for such purposes stated in the Declaration.

2. All common elements of the project shall be used only for their respective purposes as designed.

3. No apartment owner or occupant shall erect, place, store or maintain on the grounds or other common elements any structure, signs, furniture or other objects of any kind or otherwise obstruct transit through such common elements; provided that the foregoing shall not apply to limited common elements.

4. Every apartment owner and occupant shall at all times keep such owner's apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association.

5. No apartment owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of such owner's apartment or the project.

6. All apartment owners and occupants shall exercise reasonable care to minimize excessive noise when using machinery, equipment, radios, televisions and other sound-producing devices.

7. No apartment owner or occupant shall park, place, store or maintain on the limited common element land area appurtenant to such owner's or occupant's apartment any inoperative vehicle, trailer, boat, machinery or equipment.

8. No apartment owner or occupant shall keep, raise or maintain any swine or roosters, whether in the apartment or on the limited common element land area appurtenant to such owner's or occupant's apartment.

9. An apartment owner or occupant may keep not more than one grazing animal, whether in such owner's or occupant's apartment or on the limited common element land area appurtenant to such owner's or occupant's apartment.

10. An apartment owner or occupant may keep not more than two pets (dogs, cats or other common pets), whether in such owner's or occupant's apartment or on the limited common element land area appurtenant to such owner's or occupant's apartment.

(a) An apartment owner who is keeping a pet as of the effective date of an amendment to these Bylaws which prohibits pets, may, upon the death of the pet, replace the pet with another pet and continue to do so for as long as the apartment owner continues to reside in the owner's apartment or another apartment subject to these Bylaws.

(b) Provided that an apartment owner has agreed in writing to allow a tenant to keep a pet in the owner's apartment, a tenant may keep a pet or pets of the same type which may be kept by apartment owners.

(c) Pets which may be kept in an apartment shall not include animals described as pests under §150A-2, Hawaii Revised Statutes, or animals prohibited from importation under §§141-2, 150A-5 or 150A-6, Hawaii Revised Statutes.

11. Nothing shall be allowed, done or kept in any apartments or common elements of the project which would cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

THIS DOCUMENT DESCRIBES THE RESTRICTIONS CONTAINED IN THE DECLARATION OF CONDOMINIUM PROPERTY REGIME AND THE BYLAWS REGARDING THE USE AND OCCUPANCY OF THE APARTMENTS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OF THE PROJECT, IN ADDITION TO RESTRICTIONS ON USE AND OCCUPANCY, THE PROJECT DOCUMENTS CONTAIN OTHER RESTRICTIONS APPLICABLE TO THE APARTMENTS, COMMON ELEMENTS, AND LIMITED COMMON ELEMENTS, SUCH AS RESTRICTIONS CONCERNING ALTERATION OF THE APARTMENTS. BUYER SHOULD THOROUGHLY REVIEW ALL PROJECT DOCUMENTS IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF ALL OF THE RESTRICTIONS APPLICABLE TO THE APARTMENTS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

End of Exhibit "E"

KALAOA CONDOMINIUM

Exhibit "F"

Summary of Sales Contract

Following is a summary of the pertinent provisions of the Deposit, Receipt and Sales Contract for Kalaoa Condominium:

Payment Terms. Initial deposit is required. Balance of purchase price payable in cash or loan proceeds at closing.

Property Description. An apartment at Kalaoa Condominium, together with built-in furniture and built-in and existing appliances, if any; subject to the Declaration, Bylaws and encumbrances noted in the deed.

Financing Commitment. Buyer must present evidence of ability to finance purchase, through a loan or by cash, within time periods specified in contract.

Escrow Agreement. Seller has escrow agreement with Title Guaranty Escrow Services, Inc. Buyer should review terms of the agreement.

Conveyance Document. Upon payment of full purchase price, Buyer will be conveyed apartment by way of Apartment Deed.

Closing Costs. Buyer responsible for closing costs, including but not limited to preparation of deed, conveyance tax, recording fees, escrow fees and financing fees.

Delivery of Possession. Possession of apartment delivered to Buyer upon closing.

Managing Agent. Kalaoa Condominium will be self-managed by the association of apartment owners.

Modification of Documents. Seller may modify or amend the Declaration, Bylaws and other project documents for the reasons permitted or required in the project documents or by law.

Assignment. Seller's consent required for Buyer to assign contract.

Subordination. Seller may subordinate Buyer's interest in contract to interest of lender, if any.

Warranties. None.

Buyer's Representations. Buyer acknowledges purpose of condominium map, responsibility for use and rental of own apartment, responsibility for determining economic benefits and tax consequences of purchase, agreement not to enter into rental pool, agreement to execute documents regarding non-violation of securities laws, agreement to injunction and other relief if Buyer found in violation of any securities laws and agreement to accept liquidated damages if Seller found in violation of any disclosure laws. Buyer's agreement to accept liquidated damages for Seller's violation of any disclosure laws is Buyer's sole remedy to the exclusion of any other remedy that Buyer may have for such violation. The amount of liquidated damages is equal to the purchase price of the apartment and closing costs actually paid, together with interest at the rate of 12% per annum from the final closing until the date of repayment.

Buyer's Rights Upon Delivery of Final Public Report. Buyer may cancel contract during thirty day period following delivery of Final Public Report.

Buyer's Rights Upon Notice of A Material Change. Buyer may rescind contract during thirty day period following receipt of written notice of disclosure of material change.

Seller's Remedies. If Buyer defaults on the contract, Seller may cancel contract and retain up to $10,000.00 of Buyer's deposit as liquidated damages or pursue other remedies.

Buyer's and Seller's Option to Cancel. Buyer or Seller may cancel contract at any time until it becomes binding as provided in contract or by law.

Time is of the Essence. Closing date may be extended for thirty day for reasons beyond control of Buyer or Seller. Any other extension requires written agreement between the parties.

THIS DOCUMENT CONTAINS A SUMMARY OF THE PERTINENT PROVISIONS OF THE DEPOSIT RECEIPT AND SALES CONTRACT FOR KALAOA CONDOMINIUM. BUYER SHOULD THOROUGHLY REVIEW THE CONTRACT IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF THE RIGHTS AND OBLIGATIONS OF THE PARTIES TO THE CONTRACT.

End of Exhibit "F"

KALAOA CONDOMINIUM

Exhibit "G"

Summary of Condominium Escrow Agreement

Following is a summary of the pertinent provisions of the Condominium Escrow Agreement for Kalaoa Condominium:

Parties. Title Guaranty Escrow Services, Inc. ("Escrow") and Greg S. Cameron and Mona M. Cameron, husband and wife ("Developer").

Recitals. Purpose of agreement is to provide escrow services in connection with the sale of apartments, including but not limited to receiving and holding documents and holding and disbursing funds received from buyers of apartments.

Sales Contracts. Sales contracts and initial deposit for sale of apartments are to be deposited in escrow.

Receipt of Funds. All funds received by Developer from buyers of apartments are to be held and disbursed by Escrow. Interest earned on deposited fund accrues to Developer unless separate account is opened for buyer.

Disbursement of Funds. No funds are to be disbursed by Escrow unless the Final Public Report on the project has been issued and received by buyer and Developer has complied with other statutory requirements.

Return of Funds. Escrow will return funds to buyer, without interest, if:

(a) Developer and buyer request Escrow to do so in writing,

(b) Developer notifies escrow of Developer's exercise of an option to cancel or rescind the sales contract pursuant to any right to cancellation or rescission int the sales contract or otherwise available to Developer,

(c) with respect to a buyer whose funds were obtained prior to the issuance of the Final Public Report for the project, buyer exercises buyer's right to cancel the sales contract pursuant to §514A-62, Hawaii Revised Statutes (unless Buyer has waived or is deemed to have waived Buyer's right to cancel the sales contract), or

(d) buyer exercises buyer's right to rescind the sale pursuant to §514A-63, Hawaii Revised Statutes (unless Buyer has waived or is deemed to have waived Buyer's right to rescind the sale).

Escrow will also return funds to buyer, without interest, if Buyer is purchasing the apartment pursuant to the owner-occupant provisions of Part VI of Chapter 514A, Hawaii Revised Statutes, and:

(i) buyer was placed on Developer's reservation list of owner-occupant applicants but no sales contract is offered to buyer,

(ii) buyer is unable to obtain adequate financing or a commitment for adequate financing for the purchase of buyer's reserved unit within the time period specified in Part VI of Chapter 514A, Hawaii Revised Statutes,

(iii) buyer desires to cancel the sales contract on account of hardship circumstances, or

(iv) buyer indicates an intent not to become an owner-occupant of buyer's reserved unit.

Escrow may charge an escrow cancellation fee of not less than $25.00 in the event a sales contract is canceled or rescinded pursuant to any of the preceding subparagraphs (a) through (d) and (ii) through (iv). No escrow cancellation fee will be charged in the event a sales contract is not offered to buyer.

Closing. Escrow will arrange for and supervise the execution of all documents and other matters required for closing and will handle the closing of the transaction. Escrow will have the appropriate documents recorded and return recorded copies to the parties.

Buyer's Default. Escrow will notify buyer of the amount and date of payments required under the sales contract. If buyer defaults, Escrow will hold all payments made by buyer for the account of the Developer.

Protection of Escrow. Escrow is not required to determine any dispute or difference between the parties or any conflicting demand made by the parties. Escrow may file an interpleader action for the purpose of resolving any dispute over funds that Escrow is holding.

Statutory Provisions. The escrow agreement is supplementary and subject to the provisions of Chapter 514A, Hawaii Revised Statutes.

Compensation of Escrow. Escrow will be compensated in accordance with its scheduled rates.

THIS DOCUMENT CONTAINS A SUMMARY OF THE PERTINENT PROVISIONS OF THE CONDOMINIUM ESCROW AGREEMENT FOR KALAOA CONDOMINIUM. BUYER SHOULD THOROUGHLY REVIEW THE AGREEMENT IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF THE RIGHTS AND OBLIGATIONS OF THE PARTIES TO THE AGREEMENT.

End of Exhibit "G"