

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer MICHAEL J. HAMMER

Address P. O. Box 482 Kealakekua, HI 96750

Project Name (*): "COCO FARMS" Project Address: Waipunaula and Kalamakumu, South Kona, County and State of Hawaii

Registration No. 4459 (Partial Conversion) Effective date: October 20, 2000 Expiration date: November 20, 2001

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes. 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 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 Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, **not** a subdivision. There are County and State 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 BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO 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 and State agencies to determine whether the Purchaser may build a residential dwelling unit, or other type of structure, on the property.

1. There are presently no residential structures on the property. All units are agricultural buildings, which may be defined as an "apartment" under the condominium property act.
2. This public report does **not** constitute an approval of the project by the Real Estate Commission or any other government agency, nor does it warrant that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.
3. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and is **not** a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.
4. 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 affirmed its position 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 205-4.5(a)(4) as "a single family dwelling located on and used in connection with a farm, including clusters of single-family farm 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 \$5,000.00. 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 \$5,000.00 for any additional violation.

The foregoing provisions of law are applicable to all units of this project.

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

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/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 the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a 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 sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: MICHAEL J. HAMMER Phone: (808) 328-7378
Name (Business)

P. O. Box 482, Kealahou, HI 96750
Business Address

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

N/A

Real Estate Broker: None selected, see page 20 Phone: _____
Name (Business)

Business Address

Escrow: FIRST HAWAII TITLE CORPORATION Phone: (808) 329-8227
Name (Business)

75-5722 Kuakini Hwy., Ste 210
Kailua-Kona, HI 96740
Business Address

General Contractor: WILLIAM DEBERNARDI (Unit 2 & 3) Phone: (808) 328-2373
Name (Business)

P. O. Box 291
Captain Cook, HI 96704
Business Address

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

Attorney for Developer: WALLACE H. GALLUP, JR. Phone: (808) 329-5014
Name (Business)

75-5591 Palani Road, Suite 3007
Kailua-Kona, Hawaii 96740
Business Address

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances Document No. 2000-068578
Book _____ Page _____

Filed - Land Court Document Number _____

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

Amendment to Declaration of Condominium Property Regime of Coco Farms and Condominium Map No. 3100, dated September 25, 2000 recorded in the Bureau of Conveyances as Document No. 2000-142543.

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo. Map No. 3100
 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]:

Amendment to Declaration of Condominium Property Regime of Coco Farms and Condominium Map No. 3100, dated September 25, 2000 recorded in the Bureau of Conveyances as Document No. 2000-142543 which referenced an amended Condominium Map which was being filed concurrently therewith.

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances Document No. 2000-068579
Book _____ Page _____

Filed - Land Court Document No. _____

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

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

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

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

Any time prior to the first recording in the Bureau of Conveyances of the State of Hawaii of a conveyance or transfer (other than for security) of a unit and its appurtenances to a party not a signatory to the Declaration, the Developer may amend the Declaration, the Bylaws and/or the Condominium File Plan in any manner without approval or consent of any unit purchaser.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple:** Individual apartments and the common elements, which includes the underlying land, will be in fee simple.
- Leasehold or Sub-leasehold:** Individual apartments and the common elements, which includes 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 sub-lessor and fee owner is:
 - Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or 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 provisions.

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

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

B. Underlying Land:

Address: Waipunaula and Kalamakumu Tax Map Key: (3) 8-2-3-36
South Kona, County and State of Hawaii (TMK)

Address TMK is expected to change because N/A

Land Area 8.202 square feet acre(s) Zoning: Agricultural - 5 acre (A-5a)

Fee Owner: MICHAEL J. HAMMER
Name

P. O. Box 482, Kealahou, HI 96750
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: 6 with 1 to be demolished Floors Per Building 1

Exhibit " A " contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Metal, Shade Cloth and Other related building materials

4. Permitted Uses by Zoning:

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

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

Yes No

NOTE: The subject property is within the State Land Use Agricultural District and is zoned Agricultural by the County of Hawaii. "Farm Dwellings" and other structures appropriate to agricultural usage are permitted, subject to certain guidelines. See the disclosures on Page 2 (Special Attention), Page 20 (Residential Dwellings within State Land Use Agricultural District) of this Public Report.

5. Special Use Restrictions:

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

Pets See Sect. 12.13 of the Bylaws

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area(sf)+</u>	<u>Net Other Area(sf)</u>	<u>(Identify)</u>
<u>Unit 1</u>	<u>1</u>	<u>1/2</u>	<u>603</u>	<u>286/680/276</u>	<u>Exterior Living Areas/Lanais/Carport</u>
<u>Unit 2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>12</u>	<u>Shed</u>
<u>Unit 3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>12</u>	<u>Shed</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Apartments 3

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

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

Boundaries of Each Apartment: Each unit includes, but is not limited to, the footing and slab on which it is constructed, the carport, garage, deck and lanai areas, if any, the exterior walls and roof, all interior walls, floors, ceilings, columns and partitions, and the finished surfaces thereof, the doors and door frames, windows and window frames, the air space within the perimeter of the units, and all fixtures originally installed in the unit. Each unit shall not include any pipes, shafts, wires, conduits or other utility service lines running through such unit which are utilized for or serve more than one unit, the same being deemed common elements.

Permitted Alterations to Apartments:

SEE EXHIBIT "B"

7. Parking Stalls:

Total Parking Stalls: 6

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>2 (Unit11)</u>	<u>2*</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>6</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unassigned Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>6</u>	<u> </u>	<u>0</u>	<u> </u>	<u>0</u>	<u> </u>	<u>6</u>

* Units 2 & 3 each have ample area within their respective Limited Common Area for 2 or more parking spaces.

Commercial parking garage permitted in condominium project.

Exhibit contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities.

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute

Other: _____

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

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below. Violations will be cured by

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

(For conversions of residential apartments in existence for at least five years):

N/A

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

Variance No. 423 was approved on December 24, 1990 allowing the creation of a 2 lot subdivision without meeting the minimum water requirements of the County of Hawaii Department of Water Supply. The parcel of land on which this project is being created is one of the 2 lots resulting from that subdivision. See Planning Department letter dated September 13, 2000 attached hereto as Exhibit J for more details.

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

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

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

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

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

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

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

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

described in Exhibit "C" .

as follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

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

described in Exhibit "D".

as follows:

Note: Land area appurtenant to each unit is not a legally subdivided lot.

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. 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 "E".

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 May 19, 2000 and issued by Chicago Title Insurance Company.

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. Buyer's interest will be affected only if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	Effect on Buyer's Interest and Deposit If Developer Defaults or Lien is <u>Foreclosed Prior to Conveyance</u>
Mortgages (2)	Buyer's interest will be canceled and full deposit a returned to Buyer, 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 Estimated Completion Date:

Unit 1 was completed on or about September 15, 1999. Units 2 and 3 were completed on or about June 15, 2000.

Unit 1 was built by the Developer Michael J. Hammer as an "owner-builder" and received final inspection approval on September 15, 1999. The Developer has no present intention to sell Unit 1. Units 2 and 3 were built by the licensed general contractor listed on page 5 of this public report . Building permits were obtained for the units but a notice of substantial completion was not filed when the units were substantially completed. Developer will guarantee purchasers that the units are free of all claims, including, but not limited to, any mechanics' and materialmen's liens.

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 the Developer or the Developer's affiliate.
 self-managed by the Association of Apartment Owners other _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

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

*NOTE: Developer has not conducted a reserve study in accordance with §514A-83.6, HRS. and the replacement reserve rules, Subchapter 6, title 16, Chapter 107, Hawaii Administrative Rules, as amended.

C. Utility Charges for Apartments:

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

- None Electricity (___ Common Elements only ___ Common Elements & Apartments)
 Gas (___ Common Elements only ___ Common Elements & Apartments)
 Water Sewer Television Cable
 Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[] Notice to Owner Occupants

[X] Specimen Sales Contract

Exhibit "H" contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated May 12, 2000.

Exhibit "I" contains a summary of the pertinent provisions of the escrow contract.

[X] Other Specimen Deed

B. Buyer's Right to Cancel Sales Contract:

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

Preliminary Report: Sales made by the developer are not binding on the prospective buyers. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

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

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 elements; or (2) the amenities available for buyer's use; **AND**

B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu, Hawaii 96809, at a nominal cost.

This Public Report is Registration No. 4459 filed with the Real Estate Commission on July 7, 2000.

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

1) Disclosure re: Selection of Real Estate Broker: This public report shall not bind a purchaser to the sale of any one or more of the units until (1) the Developer first submits 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.

3) Disclosure re: Replacement Reserves Study: Mandatory reserves assessments and collection in effect beginning 1994 budget year. The Developers have not had a reserves study done in accordance with Hawaii Revised Statutes Section 514A-83.6 and Hawaii Administrative Rules, Chapter 107, as amended, in that there are no common elements in this project which are going to be maintained by the Association, as reflected in Exhibit "G".

4) Residential Dwellings 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: Applicants for Building 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 205-4.5(a)(4) as "a single family dwelling located on and used in connection with a farm, including clusters of single-family farm 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 \$5,000.00. 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 \$5,000.00 for any additional violation.

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

Signature of Applicant

Signature of Witness

5) Restrictions on use of Hazardous Materials: There are restrictions on the generation, use, transportation, storage, or disposal of hazardous materials on the project, except in compliance with all hazardous materials laws. See section H of the Declaration for more information.

6) Outstanding Building Permits: The County of Hawaii Planning Department has reported in a letter dated September 13, 2000, a copy of which is attached to this public report as Exhibit "J" that two building permits to build two separate dwellings have been issued but not yet been closed (BP #985337 and BP #986037). The Developer has advised the Commission that these building permits were never used by the Developer and that the Developer only pulled them so that they might be available for the building of the two additional farm dwellings that will be allowed under the two Farm Dwelling Agreements that the Developer has obtained for the property on which this project has been created and which have been recorded at the Bureau of Conveyances as reflected as items No. 29 and 30 on Exhibit "F" attached to this public report. Prospective purchasers can not rely, however, on these building permits being in effect at the time that they purchase a unit in the project or that they will be or even can be assigned to the purchaser for the purchaser's use. Also, Exhibit "J" reflects that a building permit (BP #995556) was issued to build a 28' x 24' plant shed which permit has not yet been closed. The Developer has advised the Commission that the plant shed that BP #995556 relates to was actually a pre-existing shed that had been on the property before the Developer purchased the property and that while he had intended to make improvements to the pre-existing plant shed has since changed his mind and now intends to demolish the structure.

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

MICHAEL J. HAMMER
Printed Name of Developer

Michael J. Hammer by [Signature] 7/5/2000

MICHAEL J. HAMMER
by Wallace H. Gallup, Jr., as
His attorney in fact
Developer

Date

Distribution:

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

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The project consists of three (3) apartments ("unit") with one (1) unit consisting of two (2) buildings which are connected and serve as a single-family dwelling used in conjunction with a third building serving as a detached carport and a fourth building serving as a plant shed; and the other two (2) units being separate shade cloth structures (buildings), all as shown on the Condominium Map, as amended. Unit 1 is constructed principally of wood and related building materials. Unit 2 and Unit 3 are constructed principally of wood, shade cloth and related building materials. None of the units have a basement.

DESCRIPTION OF UNITS

Unit 1. Unit 1, located as shown on the Condominium Map, consists of four buildings, two of which are intended to serve as a single-family dwelling with one of the buildings containing an enclosed main living area with a net interior living area of approximately 401 square feet, an exterior roofed kitchen area of approximately 108 square feet, an exterior roofed bathroom area of approximately 108 square feet, a lanai on the westerly side of the main living area with an approximate area of 360 square feet, a lanai on the easterly side of the main living area with an approximate area of 216 square feet, and the other building, which is attached to the first building by an open walkway, contains an enclosed bedroom with a net interior living area of approximately 202 square feet, an exterior roofed bathroom area of approximately 70 square feet, and a lanai with an approximate area of 104 square feet. The third building is a carport with an approximate floor area of 276 square feet. The fourth building (which the Declarant intends to demolish) consists of a plant shed containing a floor area of approximately 672 square feet.

Unit 2. Unit 2, located as shown on the Condominium Map, contains one (1) room and has a net floor area of approximately 12 square feet.

Unit 3. Unit 3, located as shown on the Condominium Map, contains one (1) room and has a net interior floor area of approximately 12 square feet.

NOTE: The approximate net floor areas of each unit as set forth above are measured from the interior surface of the unit perimeter walls or corner support walls or posts, as the case may be, and includes all of the walls and partitions within its perimeter walls or corner support walls or posts, as the case may be, if any, whether loan-bearing, or non-loan bearing. THE FLOOR AREAS SHOWN ARE APPROXIMATE ONLY. THE DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR UNIT.

END EXHIBIT "A"

EXHIBIT "B"

ALTERATION OF PROJECT

Paragraph L of the Declaration provides as follows:

1. **By Unit Owner.** Notwithstanding anything to the contrary in this Declaration, each unit owner shall have the right at such owner's sole option at any time and from time to time, as hereinafter set forth, without the consent and/or approval of the owner of the other unit or any other persons or entity, to construct, improve, renovate, remodel, make additions to, enlarge, remove, replace, alter or restore the unit or the improvements to or in such owner's unit or portions thereof or upon the yard appurtenant to such owner's unit (collectively, the foregoing are referred to in this subsection L.1 as "alterations"). Each unit owner shall have the right without the consent or joinder of any other person to amend this Declaration and the Condominium Map to accomplish any such alterations, including, without limitation, applying for, processing and receiving all necessary governmental and quasi-governmental permits and approvals for such alterations. If required by the Act, promptly upon completion of such alterations the owner of the altered unit shall duly file such amendment to this Declaration in the Bureau of Conveyances, together with a complete set of the floor plans of such unit as so altered, certified by a registered architect or professional engineer to fully and accurately depict the altered portions of the property as built. If required by the Act, the Board shall be deemed to approve of all such alterations. All existing unit owners and all future unit owners and their mortgagees, by accepting an interest in a unit, consent to all such alterations and agree to give and shall be deemed to have given the owner of the altered unit a power of attorney to execute an amendment to the Declaration for the purpose of describing the alterations to such unit in the Declaration and for the purpose of applying for, processing and receiving all necessary governmental and quasi-governmental permits and approvals for such alterations so that the owner of the altered unit shall hereafter have a power of attorney from all the other unit owners to execute such amendment to the Declaration and to apply, process and receive such permits and approvals. This power of attorney shall be deemed coupled with each owner's interest in his unit (including his common interest) and shall be irrevocable.

2. **Restrictions on Alterations.** Any alterations to a unit pursuant to this paragraph L shall be subject to the following conditions:

(a) All building plans for any such alterations and subsequent use of the unit shall conform with State and County land use, building and zoning laws and other applicable City and County ordinances and regulations;

(b) Such alterations may decrease or increase the size of the affected unit and/or consist of entirely new and separate structures, provided that no alteration shall extend or place the unit outside of the limits of the yard (limited common elements) appurtenant to such unit. All improvements (exclusive of fences, walls and/or driveways) constructed after the date of this Declaration shall maintain a minimum setback of **twenty (20) feet** from all property lines (including all individual limited common element land area perimeter boundaries), or such greater distance as may be required by applicable zoning ordinances.

(c) All such alterations shall be at the sole expense of the unit owner making the change and shall be completed within one year of the commencement thereof and in a manner that will not unreasonably interfere with the other unit owner's use of his unit or yard.

(d) The owner of the altered unit shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the unit affected by such alteration for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easements and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the project, nor shall it unreasonably interfere with the other unit owner's use or enjoyment of his unit or yard or any easement for access purposes to the owner's unit or yard. **Notwithstanding the foregoing, all utility wires shall be placed underground.**

(e) Each and every conveyance, lease and mortgage or other lien made or created on any unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a unit shall reserve to all unit owners the rights set forth in this paragraph.

END EXHIBIT "B"

EXHIBIT "C"

COMMON ELEMENTS

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

1. The land described in Exhibit "A", in fee simple.
2. All sewer lines, drainage facilities, ducts, electrical equipment, wiring, pipes and other central and appurtenant facilities and installations for common services, if any, including power, light, water, gas, telephone, irrigation, sewage and television cable.
3. Any and all elements and facilities in common use or necessary to the existence, upkeep and safety of the Project.

END EXHIBIT "C"

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Certain parts of the common elements, referred to as the "limited common elements", are designated and set aside for the exclusive use of certain units, and such units shall have appurtenant easements for the exclusive use of such limited common elements. The limited common elements are described in the Declaration as follows:

PRIVATE LAND AREA OR YARD. Certain land (or "yard") area of the project, located as shown on the condominium map and designated thereon as limited common element, together with all improvements thereon, is appurtenant to and for the exclusive use of each unit as designated on the condominium map.

<u>Unit No.</u>	<u>Yard No.</u>	<u>Area (approx. Land area)</u>
1	1	1.057 acres as shown on the Condominium Map.
2	2	1.057 acres as shown on the Condominium Map.
3	3	5.561 acres as shown on the Condominium Map.

NOTE: The boundaries of the yard area appurtenant to each unit, as shown on the Condominium Map **do not** represent County-approved subdivided lots. Such boundaries serve only to delineate the limited common element yard area appurtenant to each unit.

Water System: There is an existing water system serving the Project, consisting of a waterline, 2 tanks and a water pump(s) which system is attached to the County water meter which serves the Project. Each owner is entitled to use an equal share of the water which available through the existing County water meter. Each unit owner may attach a separate waterline to the existing water system to serve the owner's unit provided that the owner installs a private water meter at the point where the separate waterline is attached to the existing water system. The County water meter and the existing water system shall be considered to be common elements. The private water meter for each unit and the waterline which lies between it and the unit it serves shall be considered to be a limited common element appurtenant to the unit which it serves.

Sewage System and Sewerlines: Each unit is or shall be served by a separate sewage disposal system as required by law which system shall be considered to be a limited common element which appurtenant to the unit to which it is attached.

END EXHIBIT "D"

EXHIBIT "E"

COMMON INTEREST

<u>Unit No.</u>	<u>Undivided Common Interest</u>
1	one-third
2	one-third
3	one-third

END EXHIBIT "E"

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. For information regarding real property taxes as may be due and owing, reference is made to the Director of Finance, County of Hawaii.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Claims arising out of customary or traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes as provided for in the Hawaii Constitution or the Hawaii Revised Statutes, as amended.
4. Easement 1, Part 3, containing an area of 1,352 square feet more or less, for access and utility purposes.
5. Easement 2, Part 4, containing an area of 11,409 square feet more or less, for access and utility purposes.
6. Easement 3, 25-feet wide containing an area of 2,386 square feet more or less, for access and utility purposes.
7. Easement 3, Part 3, containing and area of 470 square feet more or less, for access and utility purposes.
8. Easement 4, Part 3, containing and area of 1,315 square feet more or less, for access and utility purposes.
9. Easement 5, 13.50 feet wide, containing and area of 4,344 square feet more or less, for access and utility purposes.
10. Easement 7, 13.50 feet wide, containing and area of 1,958 square feet more or less, for access and utility purposes.
11. Easement A-1, 10.00 feet wide, for access purposes.
12. Easement A-3, containing and area of 1,744 square feet more or less, for access and utility purposes.
13. Easement A-5, containing and area of 0.337 acres, more or less, for access and utility purposes.
14. Easement A-6, (27 feet wide), containing and area of 0.289 acres, more or less, for access and utility purposes.
15. Easement D-1, Part 2, containing and area of 1.893 acres, more or less, for drainage purposes.
16. Grant in favor of HAWAII ELECTRIC LIGHT COMPANY, INC., a Hawaii corporation, and HAWAIIAN TELEPHONE COMPANY, now known as GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED, dated September 11, 1987, in Book 21216, Page 722 for granting an easement over and across easement A-5 for utility and incidental purposes.
17. Elevation Agreement by and between DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAII, "DEPARTMENT", and WILLIAM GOINES, "OWNER", dated February 22, 1989, in Book 22942, Page 730.
18. Covenants, conditions, restrictions, reservations, agreements, obligations, exceptions and other provisions as contained in the Notice of Grant of Variance dated August 26, 1991, and recorded as Document No. 91-129189.
19. Grant of Easement and Bill of Sale in favor of WATER COMMISSION OF THE COUNTY OF HAWAII, a municipal corporation, dated August 24, 1994, and recorded as Document No. 94-177425 for the purpose of granting an easement over and across Easement 2, Part 4.
20. Grant of Easements in favor of AVRAM B. MEYERS and GALE D. MEYERS, husband and wife, dated April 14, 1994, and recorded as Document No. 94-048624 for the purpose of granting an easement over and across Easement 2, Part 4.

21. Grant of Easements in favor of RICHARD H. CORMACK and KAREN L. PETERSON, husband and wife, dated April 14, 1994, and recorded as Document No. 94-048625 for the purpose of granting an easement over and across Easement 2, Part 4.
22. Grant in favor of WILLIAM R. BENNINGTON, unmarried, and WILLIAM H. GOINES, married, dated April 14, 1994, and recorded as Document No. 94-048626 for the purpose of granting an easement over and across Easement 4, Part 3.
23. Roadway Maintenance Agreement by and between AVRAM B. MEYERS and GALE D. MEYERS, husband and wife, "Meyers", RICHARD H. CORMACK and KAREN L. PETERSON, husband and wife, "Cormack/Peterson", WILLIAM R. BENNINGTON, unmarried and WILLIAM H. GOINES, married, "Bennington/Goines", dated December 10, 1993, and recorded as Document No. 95-048629.
24. Grant in favor of HAWAII ELECTRIC LIGHT COMPANY, INC., a Hawaii corporation, GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED, a Hawaii corporation, dated November 30, 1994, and recorded as Document No. 95-089436 for the purpose of granting an easement over and across Easements 2, Part 4, Easement 4, Part 3, Easement 5 and Easement 7.
25. Easement 5, 13.50 feet wide, containing an area of 4,344 square feet, more or less, for access and utility purposes.
26. Easement 6, containing an area of 1,403 square feet, more or less, for access and utility purposes.
27. Grant of Easement in favor of WILLIAM R. BENNINGTON, unmarried, and WILLIAM H. GOINES, married, dated September 8, 1994, and recorded as Document No. 96-079599 for the purpose of granting an easement over and across Easements 5 and 6 for access and utility purposes.
28. Mortgage dated May 20, 1996 and recorded as Document No. 96-079602 with MICHAEL J. HAMMER, a single person, as Mortgagor, and WILLIAM H. GOINES, husband of Ingrid Vet Goines, as to an undivided fifty percent (50%) interest, and WILLIAM BENNINGTON, an unmarried person, as to an undivided fifty percent (50%) interest, as Tenants in Common, as Mortgagee, with principal sum being \$190,000.00, the present amount due being by contacting the owner of the debt.
29. The terms, provisions, covenants, easements and reservations as contained in the Additional Farm Dwelling Agreement dated March 3, 1998, and recorded as Document No. 98-102926.
30. The terms, provisions, covenants, easements and reservations as contained in the Additional Farm Dwelling Agreement dated April 3, 1998, and recorded as Document No. 98-102927.
31. Mortgage dated February 2, 2000, and recorded as Document No. 2000-018382 with MICHAEL J. HAMMER, a single person, as Mortgagor, and SAMPURAN KHALSA, married, as Mortgagee, with principal sum being \$5,000.00, the present amount due determined by contacting the owner of the debt.
32. Declaration of Condominium Property Regime of "COCO FARMS" dated May 5, 2000, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2000-068578, as amended by instrument dated September 25, 2000, recorded in said Bureau as Document No. 2000-142543.
33. By-Laws of the Association of Unit Owners of "COCO FARMS" dated May 12, 2000, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2000-068579.
34. Condominium Map No. 3100, as amended.

END OF EXHIBIT "F"

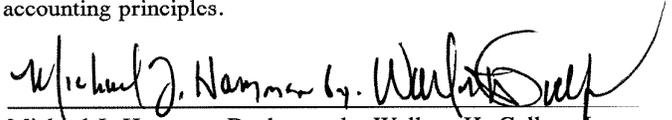
EXHIBIT "G"

ESTIMATED MAINTENANCE FEES

The regular maintenance and repair of each unit and appurtenant limited common elements shall be the sole responsibility of each respective unit owner. Section 514A-86, Hawaii Revised Statutes, requires that the association purchase fire insurance to cover the improvements portion of the project. The Declarant anticipates that the association will elect to require each owner to obtain separate fire insurance and liability policies for his respective unit pursuant to Article 7 of the Bylaws. As such, premiums for such policies will be the individual responsibility of each unit owner.

Expenses relating to maintenance, upgrade and/or repair of the land area designated as "Common Element" on the Condominium Map, shall be common expenses to be shared equally by all unit owners on an as needed basis. The Declarant does not anticipate that a monthly maintenance fee will be required for the maintenance and/or repair of the land area which is designated as "Common Element" on the Condominium Map but rather anticipates that a special assessment would be made at such time(s) in the future as the "Common Element" is in need of maintenance, upgrade and/or repair.

Declarant hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally acceptable accounting principles.


Michael J. Hammer, Declarant, by Wallace H. Gallup, Jr.
His attorney in fact

END EXHIBIT "G"

EXHIBIT "H"

SUMMARY OF
CONDOMINIUM DEPOSIT RECEIPT AND SALES CONTRACT

The Condominium Deposit Receipt and Sales Contract (the "Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy a unit in the Project. Among other things, the Sales Contract states:

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.
- (b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Sales Contract.
- (c) That the Developer makes no representations concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.
- (d) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
- (e) Requirements relating to the purchaser's financing of the purchase of a unit.
- (f) That the unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.
- (g) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.
- (h) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
- (i) That the purchaser will not receive interest on deposits made under the Sales Contract.
- (j) In the event of a default by the purchase under the Sales Contract, the Declarant may, in addition to other remedies, be entitled to all deposits paid by the purchaser as liquidated damages.

The Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Sales Contract on file with the Real Estate Commission.

END EXHIBIT "H"

EXHIBIT "I"

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) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract. Escrow agrees to make any refunds as soon as possible after the Purchaser and Seller notify escrow in writing that a refund should be made. No refund will be made to any Purchaser who asks for them unless escrow receives written approval from the Seller. The refunds will be made without any interest unless the Sales Contract contains different instructions.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. In particular, the Escrow Agreement that provides escrow may disburse the Purchaser's funds after: (i) the Real Estate Commission has issued a Final Public Report (the "Final Report") on the project; and (ii) the Purchaser has been given a copy of the Final Report together with a Receipt and Notice of Right to Cancel form which complies with section 514A-62 of the condominium law; and (iii) the Purchaser has signed the receipt and notice form and waived his right to cancel or thirty days have elapsed since the Purchaser received a copy of the Final Report and receipt and notice form; and (iv) the Seller notifies Escrow in writing that, since the things described in (i), (ii) and (iii) above have happened, neither the Purchaser nor the Seller may back out of the agreements they made in the Sales Contract. In the same written notice, the Seller shall notify Escrow either that the time in which the Seller or the Purchaser could back out of the agreements in the Sales Contract has passed, or that the Seller and the Purchaser have said that they will not back out of the agreements in the Sales Contract; and (v) the Seller's attorney advises Escrow that the Sales Contract has become effective and the requirements of Sections 514A-40 and 514A-63 of the condominium law have been met, as provided for in Section 514A-65 of the condominium law; and (vi) completion of the project improvements by the Seller such that none of the Purchaser's money shall be disbursed by Escrow to pay for construction costs.

The Escrow Agreement also establishes the procedure to be followed on the Purchaser's default and in the event of a default on the Purchaser's deposits which procedures, in effect, are as follows: Escrow will notify the Seller and the Purchaser promptly if the Purchaser fails to make a payment or is otherwise in default under the Sales Contract (to the knowledge of Escrow). The Seller will notify Escrow in writing if a Purchaser has defaulted or not done something that the Purchaser promised to do in the Sales Contract. The Seller will tell Escrow in the same letter that, because the Purchaser has defaulted, the Seller is canceling the Sales Contract and will give Escrow a copy of the letter that the Seller delivered in person or sent by registered or certified mail to the Purchaser, telling the Purchaser of the default and cancellation. The Seller will also give Escrow a copy of a receipt signed by the Purchaser or the registered or certified mail return receipt. Escrow will then send a letter to the Purchaser by registered or certified mail, informing the Purchaser that the Seller has canceled the Sales Contract because of the default. Escrow will wait for fifteen days after the date which shows on the return receipt as the date when the Purchaser got Escrow's letter or the date which shows the last time that the post office tried to deliver the letter. If Escrow does not hear from the Purchaser during that time, Escrow may deduct its cancellation fee from the Purchaser's funds and treat the Purchaser's funds which are left as belonging to the Seller. If the Purchaser tells Escrow that the Purchaser has not defaulted or tells Escrow not to do anything with the Purchaser's funds, then Escrow may file an interpleader action to have the disagreement settled by the Courts and deposit the Purchaser's funds with the Court or deliver the funds to the Seller.

The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

END EXHIBIT I