

KOHANAIKI LOT 27 CONDOMINIUM PROJECT  
REGISTRATION NO. 6181  
DISCLOSURE ABSTRACT AS OF JULY 14, 2010

1. Name and Address of Project:

Name: Kohanaiki Lot 27 Condominium Project  
Address: 73-4281 Huliko'a Street, North Kona, Hawaii

2. Name, Address and Telephone Number of Developer (or Developer's Agent):

Name: Kona Business Park Phase II LLC  
Address: 220 South King Street, Suite 960, Honolulu, Hawaii 96813  
Telephone Number: (808) 537-5976

3. Name, Address and Telephone Number of Managing Agent:

The Project is self-managed by the Association of Apartment Owners

4. Maintenance Fees:

Attached hereto as Exhibit "A" is a breakdown of the estimated annual maintenance fees and the estimated annual costs for the Project, which is hereby certified to be based on generally accepted accounting principles. The Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the project and even if the maintenance fees have been accurately estimated, the maintenance fees will tend to increase because of price increases and as the project ages. The estimated maintenance fees and estimated costs are based on the latest information available to the Developer and are subject to revision based on actual costs and new information that may become available. Maintenance fees can vary depending upon the services desired by the apartment owners. Each buyer should review the attached Exhibit "A" to see what services are included.

5. Warranties:

The Developer makes no warranties itself, express or implied, with respect to an apartment, the Project or consumer products or other things which may be installed or which are contained in an apartment or the Project, including, but not limited to, any implied warranties of merchantability, habitability, workmanlike construction or fitness for a particular purpose. However, the Developer will attempt to assign to each apartment owner any and all warranties given the Developer by the general contractor for the Project and by any subcontractors or materialmen, and the Developer will cooperate with each apartment owner during the effective period of any such warranties in asserting any claims or such warranties.

6. Number of Residential Apartments:

The Project consists of three (3) apartments. The Declaration provides that each unit shall at all times be occupied and used in accordance with applicable laws, the Declaration and the Bylaws, and for no other purpose. The use permitted by the current zoning of the property is industrial use. Accordingly, none of the apartments will be used for residential purposes.

7. Commercial or Non-Residential Development:

It is anticipated that all three of the apartments of the Project will be used for industrial or non-residential purposes.

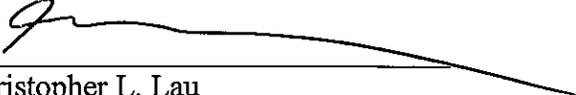
Dated: Honolulu, Hawaii, July 14, 2010.

KONA BUSINESS PARK PHASE II LLC,  
a Hawaii limited liability company

By its Manager:

TOWNE DEVELOPMENT OF HAWAII,  
INC., a Hawaii corporation

By:

  
\_\_\_\_\_  
Christopher L. Lau  
Its Vice President

## EXHIBIT A

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

The regular maintenance and repair of each unit and appurtenant limited common elements shall be the sole responsibility of each respective unit owner. Article 7 of the Bylaws requires that the Association shall purchase and maintain casualty and liability insurance covering the Project. The Developer anticipates that the cost of such policies will be the principal, if not the only common expense of the Project for which maintenance fees will be assessed. The Developer estimates that the annual premiums for such insurance policies will be approximately \$1,500.00. However, Article 7 of the Bylaws further provides that the Association may elect to satisfy the insurance requirements by obligating each unit owner, at such owner's sole expense, to procure and maintain separate policies covering his or her respective unit and appurtenant limited common elements, with such policies meeting each of the requirements set forth in Article 7.

There are currently no common elements which will require maintenance and repair by the Association. In the future, existing Easement "5" for access and utility purposes shown on the Condominium Map, and which serve all three (3) units as well as other property, will be the only common element of the Project to require maintenance and repair by the Association. Easement "5" is not expected to require maintenance or repair on a regular basis. The payment of all utility services to each unit is the sole responsibility of the unit owner. As a result, the Developer anticipates that there will be no annual assessments for maintenance fees. Instead, assessments for maintenance and repair of the common elements will be made as needed and assessments will be made directly to a the unit by the utility provider for payment by the unit owner.

There is no non-exempt Association property requiring the establishment of any replacement reserves pursuant to Hawaii Revised Statutes, Section 514A-83.6 or Subchapter 6 of Chapter 16-107 of the Hawaii Administrative Rules. Thus, it will not be necessary to assess any maintenance fees for the Project.