

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer NEIL PETAGNO, INC.  
Address 1001 Bishop Street, Suite 1060, Honolulu, Hawaii 96826

Project Name(\*): PUNAHOU SUNSET (formerly 1617 Clark)  
Address: 1617 Clark Street, Honolulu, Hawaii

Registration No. 1269 (Conversion) Effective date: September 8, 1995  
Expiration date: October 8, 1996

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 governmental 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 when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
- [ ] No prior reports have been issued
- [ ] Supersedes all prior public reports
- [ ] Must be read together with \_\_\_\_\_
- THIRD SUPPLEMENTARY:** (pink) Updates information contained in the
  - [ ] Prelim. Public Report dated \_\_\_\_\_
  - [ X ] Final Public Report dated August 5, 1980
  - [ X ] Supp. Public Report dated Nov.25/1991 & Feb.22/1993
- And  [ X ] 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

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required                     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 Commission.

Changes made are as follows:

1. This Project was formerly named "1617 Clark".
2. The new Developer is Neil Petagno, Inc., the Buyer under that certain Agreement of Sale dated July 24, 1995, recorded as Document No. 95-098273. The Developer does not have legal title to the property. NO SALE OF ANY APARTMENT SHALL CLOSE UNTIL AND UNLESS THE DEVELOPER OBTAINS LEGAL TITLE. The closing of a sale of an apartment may occur simultaneously with the release and/or satisfaction of the Agreement of Sale and transfer of title to the property to the Developer. Developer has until July 28, 1996 to satisfy the Agreement of Sale.
3. Seller filed a Variance Application on May 12, 1995 so that a total of thirty-three (33) parking stalls shall be legally permitted for the Project. Should such application be granted, each apartment will have an assigned parking stall; otherwise, seven units (201 to 204 & 301 to 303) will not have an assigned stall.
4. The Apartments in the Project are being offered for sale in fee simple only. Title to the land and apartments is now held by Clarence Furuya, Trustee.
5. The Fee Owner has entered into an Escrow Agreement with Long & Melone Escrow, Ltd..
6. The new Managing Agent for the Project is PWI Real Estate Inc.
7. The Declaration of Condominium Property Regime was materially amended on June 23, 1995 to include, among other things, the fee simple sale of apartments and setting aside an unimproved portion of the land for seven additional parking stalls as limited common elements, if approved by the County (see paragraph 3 above).

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## General Information on Condominiums

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

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

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

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

## Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Neil Petagno, Inc.  
Name  
1001 Bishop Street, Suite 1060  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 538-0033  
(Business)

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

Neil Petagno - President/Treasurer  
Pahl Newlon - Vice President/Secretary  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate  
Broker: Neil Petagno, Inc.  
Name  
1001 Bishop Street, Suite 1060  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 538-0033  
(Business)

Escrow:  
Name Long & Melone Escrow, Ltd.  
1001 Bishop St., Suite 2770  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 523-2358  
(Business)

General  
Contractor: N/A  
Name  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Phone: \_\_\_\_\_  
(Business)

Condominium  
Managing  
Agent: FWI Real Estate, Inc.  
Name  
95-390 Kuahelani Avenue  
Business Address  
Mililani, HI 96789

Phone: (808) 623-2899  
(Business)

Attorney for  
Developer: Jeffrey S. Grad  
Name  
841 Bishop Street, Suite 2001  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 521-4757  
(Business)



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

The House Rules for this condominium are:

Proposed       Adopted       Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75% *	<u>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	--	<u>Majority of Board of Directors</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.

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 Subleasehold: 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 Subleaseholds:

[ ] 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 Apartment in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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, 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: 1617 Clark Street Tax Map Key: (1) 2-8-12-25  
Honolulu, Hawaii (TMK)

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_

Land Area: 8,992 [ X ] square feet [ ] acre(s) Zoning: **A-3**

Fee Owner: Clarence Osamu Furuya, as Trustee  
Name

2875 South King Street  
Address

Honolulu, Hawaii 96826

Sublessor: \_\_\_\_\_  
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: 1 Floors Per Building Nine (9) plus  
Penthouse Level and  
 Exhibit \_\_\_\_\_ contains further explanations. basement

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other concrete block, cement, plaster, gypsum board, metal and glass

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>	No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>33</u>	<input checked="" 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 type="checkbox"/> Agricultural	_____	<input 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

5. Special Use Restrictions:

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

[ ] Pets: \_\_\_\_\_

[ X ] Number of Occupants: The maximum number of individuals permitted to reside in or occupy the one-bedroom Apartments shall be three (3) individuals

[ ] Other: \_\_\_\_\_

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators One Stairways One Trash Chutes -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>8</u>	<u>1/1</u>	<u>552</u>	<u>113</u>
<u>B</u>	<u>8</u>	<u>1/1</u>	<u>544</u>	<u>113</u>
<u>C</u>	<u>8</u>	<u>1/1</u>	<u>552</u>	<u>113</u>
<u>D</u>	<u>8</u>	<u>1/1</u>	<u>544</u>	<u>113</u>
<u>E</u>	<u>1</u>	<u>1/1</u>	<u>678</u>	<u>142</u>

SEE ATTACHED EXHIBIT "A" FOR MORE DETAILS

Total Apartments: 33

\*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 Apartment shall be deemed to include all walls and partitions which are not load bearing within its perimeter walls, the inner decorated and finished surfaces of all walls, floors, ceilings, windows and window frames, door and door frames, and all fixtures originally installed therein for its exclusive use, and the adjoining lanai (if any), as shown on the Condominium Map. The respective Apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each such Apartment, or any pipes, wires, conduits or other utility or service lines running through such Apartment which are utilized for or serve more than one Apartment or the common elements.

Permitted Alterations to Apartments:

See attached Exhibit "B"

7. Parking Stalls:

Total Parking Stalls: 26

	<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 units)	<u>22</u>	<u>      </u>	<u>4</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>26</u>
Guest Unassigned	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
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>26</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

Each apartment will have the exclusive use of at least one (1)\* parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

\* **Note:** See Exhibit "A" for further disclosure

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     Violations will be cured by \_\_\_\_\_  
are listed below.

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):

**This is not a conversion and is not applicable.**

11. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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

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

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

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

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

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

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

described in Exhibit     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.

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

[ X ] described in Exhibit D

[ ] 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 A.

[ ] 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 E describes the encumbrances against the title contained in the title report dated July 28, 1995 and issued by Long & Melone, Ltd..

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgages	Buyer's interest may be terminated by mortgagee but Seller shall be obligated to return Buyer's deposit.
Agreement of Sale	Buyer's interest may be terminated if Developer defaults under the Agreement of Sale or fails to close but Seller shall be obligated to return Buyer's payments (less escrow cancellation fee) in such event.

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:

The Developer advises that the Building was completed in 1959 and was renovated in 1992. All Apartments will be sold "as is" without any warranties whatsoever and without any warranties of merchantability or fitness for a particular purpose with respect to Purchaser's Apartment, appliances or anything installed therein, the common elements of the Project or any portions of the Project.

2. Appliances:

Purchaser shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances in the Apartments.

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

**The Building was completed in 1959 and renovated in 1992.**

**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 for future development (such as additions, mergers or phasing):



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 August 9, 1995

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 Property Act (Chapter 514A, HRS):

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

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

Final Report, 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 condominium 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 given an effective date by the Hawaii Real Estate Commission.
  - B) Declaration of Condominium Property Regime.
  - C) Bylaws of the Association of Apartment Owners.
  - D) House Rules.
  - E) Condominium Map.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Law (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 Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541 Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 1269 filed with the Real Estate Commission on March 14, 1980.

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**C. Additional Information Not Covered Above**

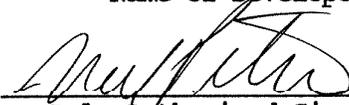
1. Pursuant to §§16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that the Developer, Neil P. Petagno, (RB-8687), is a current and active Hawaii-licensed real estate broker. Further, that Neil P. Petagno is the principal broker for Neil Petagno, Inc., project broker and pursuant to §16-99-11(c), HAR, "(n)o licensee shall advertise 'For Sale by Owner, . . .'"
2. This project involves the sale of tenant-occupied apartments. Purchasers should note that: (a) there are no warranties, (b) there is a thirty (30) day inspection period, and (c) there may be a delay in closing if Seller cannot remove the tenant. The Sales Contract should be read with care.

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.

NEIL PETAGNO, INC.

\_\_\_\_\_  
Name of Developer

By

  
\_\_\_\_\_  
Duly Authorized Signatory

August 9, 1995  
Date

Neil Petagno, President

\_\_\_\_\_  
print name & title of person signing above

Distribution:

Department of Finance, City and County of Honolulu  
Planning Department, City and County of Honolulu  
Federal Housing Administration

EXHIBIT "A"

DESCRIPTION OF APARTMENTS

<u>APT.#</u>	<u>TYPE</u>	<u># BEDRMS</u>	<u>NET APT. AREA(S)* (sq.ft.)</u>	<u>LANAI (sq.ft.)</u>	<u>GROSS APT. AREA(S)**</u>	<u>PARKING</u>	<u>COMMON INTEREST</u>
201	A	1	552	110	722	30 ●	3.01%
202	B	1	544	110	709	29 ●	2.99%
203	C	1	552	110	722	28 ●	3.01%
204	D	1	544	110	709	27 ●	2.99%
301	A	1	552	110	722	33 ●	3.01%
302	B	1	544	110	709	32 ●	2.99%
303	C	1	552	110	722	31 ●	3.01%
304	D	1	544	110	709	19C	2.99%
401	A	1	552	110	722	26	3.01%
402	B	1	544	110	709	7C	2.99%
403	C	1	552	110	722	6C	3.01%
404	D	1	544	110	709	20C	2.99%
501	A	1	552	110	722	22	3.01%
502	B	1	544	110	709	23	2.99%
503	C	1	552	110	722	24	3.01%
504	D	1	544	110	709	25	2.99%
601	A	1	552	110	722	16	3.01%
602	B	1	544	110	709	17	2.99%
603	C	1	552	110	722	18	3.01%
604	D	1	544	110	709	21	2.99%
701	A	1	552	110	722	13	3.01%
702	B	1	544	110	709	5	2.99%
703	C	1	552	110	722	14	3.01%
704	D	1	544	110	709	15	2.99%
801	A	1	552	110	722	9	3.01%
802	B	1	544	110	709	10	2.99%
803	C	1	552	110	722	11	3.01%
804	D	1	544	110	709	12	2.99%
901	A	1	552	110	722	2	3.01%
902	B	1	544	110	709	3	2.99%
903	C	1	552	110	722	4	3.01%
904	D	1	544	110	709	8	2.99%
PH 1	E	1	678	132	875	1	4.00%

100.00%

● These parking spaces are not "legal" parking spaces; however, they have been assigned to those apartments that do not otherwise have an appurtenant specific parking stall as a limited common element. Developer has filed a Variance Application so that a total of thirty-three (33) parking stalls shall be legally permitted for the Project.

\* The net living area of each Apartment is measured from the interior surfaces of the apartment perimeter walls.

\*\* The total gross area of each Apartment is measured from the exterior walls and the exterior faces of the lanai walls and the center line of the party wall.

Type A Apartments - One-Bedroom Apartments. Type A Apartments are located in the northeast corner of the building on the Second through Ninth Floors, numbered "01" preceded by the floor number on which the Apartment is located, and contain 3 rooms, consisting of the bedroom, bathroom, kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party wall and the corridor face of the corridor wall, each Type A Apartment has a gross area of approximately 722 square feet, consisting of the total of the following approximate areas: 609 square feet enclosed and 113 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type A Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 552 square feet and the net area of the lanai is approximately 110 square feet.

Type B Apartments - One-Bedroom Apartments. Type B Apartments are located in the southeast corner of the building on the Second through Ninth Floors, numbered "02", preceded by the floor number on which the Apartment is located, and contain 3 rooms, consisting of the bedroom, bathroom, kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party wall and the corridor face of the corridor wall, each Type B Apartment has a gross area of approximately 709 square feet, consisting of the total of the following approximate areas: 596 square feet enclosed and 113 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type B Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 544 square feet and the net area of the lanai is approximately 110 square feet.

Type C Apartments - One-Bedroom Apartments. Type C Apartments are located in the northwest corner of the building on the Second through Ninth Floors, numbered "03", preceded by the floor number on which the Apartment is located, and contain 3 rooms, consisting of the bedroom, bathroom, kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party wall and the corridor face of the corridor wall, each Type C Apartment has a gross area of approximately 722 square feet, consisting of the total of the following approximate areas: 609 square feet enclosed and 113 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type C Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 552 square feet and the net area of the lanai is approximately 110 square feet.

Type D Apartments - One-Bedroom Apartments. Type D Apartments are located in the southwest corner of the building on the Second through Ninth Floors, numbered "04", preceded by the floor number on which the Apartment is located, and contain 3 rooms, consisting of the bedroom, bathroom, kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party wall and the corridor face of the corridor wall, each Type D Apartment has a gross area of approximately 709 square feet, consisting of the total of the following approximate areas: 596 square feet enclosed and 113 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type D Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 544 square feet and the net area of the lanai is approximately 110 square feet.

Type E Apartment - One-Bedroom Apartment. The Type E Apartment is located on the Penthouse level and is numbered "PH 1" and contains 3 rooms, consisting of the bedroom, bathroom and kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls, the Type E Apartment has a gross area of approximately 875 square feet, consisting of the total of the following approximate areas: 733 square feet enclosed and 142 square feet of lanai. Notwithstanding the foregoing, the "net living area" of the Type E Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 678 square feet and the net area of the lanai is approximately 132 square feet.

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS

1. The Declaration states:

"The owner of an Apartment shall not, without the prior written consent of the Board and Fee Owner, make any structural alterations in or additions to the Apartment or make any alterations in or additions to the exterior of the Apartment (including, without limitation, awnings, jalousies or screens) or to any other portion or portions of the common elements, except as permitted in the Bylaws."

2. The Declaration further states:

Merger of Apartments. The owner of any two or more adjacent Apartments separated by a common element which is a wall may (i) alter or remove all or portions of the intervening wall, if the structural integrity of the building is not thereby affected and if the finish of the common element then remaining is then restored to a condition substantially comparable to that of the common element prior to such alterations; and (ii) make any alteration or additions within the portion of the hallway constituting a limited common element appurtenant to such Apartment, including the installation of a door or doors to such opening or openings in the intervening common element. Alterations or additions within an Apartment, within the above-specified adjacent Apartments, or within the aforesaid portion of the hallway constituting a limited common element appurtenant to such adjacent Apartments shall require only the written approval thereof, including the Apartment Owner's plans therefor, by the holders of first mortgage liens affecting such Apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board of Directors (which approval shall not unreasonably or arbitrarily withheld or delayed), and by all other Apartment Owners thereby directly affected (as determined in a reasonable manner by the Board of Directors), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floors plans of the Project as so altered; provided, however, if the alterations or additions are substantial in nature as reasonably determined by the Board of Directors, the Board of Directors may require that the Owner of the Apartment provide evidence satisfactory to the Board of Directors of sufficient financing to complete such alterations or additions or, in lieu thereof, require that the Owner obtain a performance and lien payment bond, naming as obligees the Fee Owner and the Board of Directors and the Association and collectively all Apartment Owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction. Prior to the termination of the common ownership of any such adjacent apartments, if the intervening

wall shall have been altered or removed pursuant to the foregoing provisions and/or any entry to hallways sealed, the Owner of such Apartments shall be obligated to restore such intervening wall and/or hallway entries to substantially the same condition in which the same existed prior to such alteration or removal."

EXHIBIT "C"

COMMON ELEMENTS

The Declaration provides that one estate shall be designated in all portions of the Project, other than the Apartments, and all other common elements mentioned in the Act, which are actually included in the Project, herein called "common elements", including specifically but not limited to:

- a. Said land in fee simple;
- b. All foundations, floor slabs (if any), columns, girders, beams, supports, unfinished perimeter and loadbearing walls, chases, entries, stairways and roof;
- c. All yards, grounds, landscaping, walls and recreational facilities (if any);
- d. All parking areas, and spaces, driveways and walkways;
- e. The elevator(s) (if any) and all ducts, electrical equipment, central water heating system (if any), wiring, pipes and any other central and appurtenant transmission facilities and installations, on, over, under and across the Project which serve more than one Apartment for services such as power, light, water, gas, refuse, disposal, heating, cooling, sewer, telephone, radio and television signal distribution;
- f. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Certain parts of the common elements hereinafter called "limited common elements" are designated and 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 Declaration provides that the limited common elements so set aside and reserved are as follows:

a. The parking spaces which are numbered and shown on the Condominium Map are each designated as limited common elements. Each Apartment shall have appurtenant to it for its exclusive use the parking space (if any) designated as appurtenant to such Apartment. Parking space(s) may be transferred from Apartment to Apartment in the Project as hereinafter more particularly set forth or as otherwise permitted by law.

b. Each of Parking Stall Nos. 27, 28, 29, 30, 31, 32 and 33 (shown on the prior Condominium Map as "common area") are designated on the present Condominium Map as limited common elements and may be used for parking purposes by the owners of Apartments to which a parking space is not otherwise appurtenant as listed below; provided, however, if the City and County of Honolulu or other governmental authority prevents the usage of such areas for parking purposes, the designation of such area as a limited common element shall lapse and be of no further force or effect.

c. All other common elements of the Project which are rationally related to less than all of the Apartments shall be limited to the use of such Apartment(s).

d. Each Apartment shall have for its exclusive use one mailbox located in the basement of the Building, which mailbox is identified by the same number as the Apartment to which it is appurtenant.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Restrictive covenant contained in Deed dated July 30, 1920, recorded in the Bureau of Conveyances of the State of Hawaii in Book 564, Page 189.
4. Limitation of abutters rights into and from Lunalilo Freeway, as set forth in Deed dated September 14, 1954, recorded as aforesaid in Book 2872, page 237.
5. Restrictions, covenants and conditions contained in Deed dated April 23, 1974, recorded as aforesaid in Book 9882, Page 366.
6. Declaration of Condominium Property Regime dated December 27, 1979, recorded in Book 14435, Page 401, as amended (Project covered by Condominium Map No. 681). By-Laws dated December 27, 1979, recorded in Book 14435, Page 425.
7. The terms and provisions of that certain unrecorded Declaration of Trust dated July 25, 1983, by Clarence Furuya, as amended.
8. Mortgage, Security Agreement and Financing Statement dated June 20, 1994, recorded as aforesaid as Document No. 94-108081.
9. Agreement of Sale dated July 24, 1995, recorded as aforesaid as Document No. 95-1098273.

EXHIBIT "F"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT

1. Description of the Property to be Conveyed: Fee simple interest in the Apartment, together with the furnishings and appliances.
2. Purchase Price and Terms. The purchase price set forth on page 1 of the Sales Contract is to be paid as follows:
  - a. An initial deposit and a subsequent deposit;
  - b. The balance of the purchase price is to be paid to escrow by purchaser on the Closing Date.
3. Financing of Purchase. If Purchaser desires financing, a loan application must be made and prequalification received within fifteen (15) days and if Purchaser's application is not approved within fifteen (15) days after the Seller has accepted the Sales Contract, then either Seller or Purchaser may cancel the Sales Contract. Upon such cancellation, Purchaser's deposits will be refunded by escrow without interest.
4. Closing Costs. In addition to the purchase price, the Purchaser is required to pay at closing (aa) Purchaser's notary fees; (bb) all of the cost of title reports and all premiums for title insurance requested by Purchaser; (cc) any fees or charges pertaining to Purchaser's use of the Apartment, including telephone installation and cable television connections; (dd) all of Escrow's fees; (ee) hurricane relief fund computed on the mortgage loan amount; and (ff) any other closing costs not mentioned above which are customarily paid or incurred in connection with the purchase and sale of Hawaii Residential real estate. In addition to the foregoing, the Purchaser may be required to prepay insurance premiums for as much as one year in advance, prepay maintenance fees for as much as two months in advance, pay a start-up fee equal to two months' maintenance fees and prepay real property taxes for the remainder of the tax year.
5. Closing. Seller has agreed to cause the Apartment to be sold to the Purchaser within the time period set forth on page 1 of the Sales Contract, which is expected to occur no earlier than seventy-five (75) days after Seller's acceptance of the Sales Contract nor more than one hundred thirty-five (135) days after Seller's acceptance of the Sales Contract. The Seller has the right to extend the Scheduled Closing Date for a reasonable period, if necessary, to remove any existing tenants. If Purchaser fails to close as required, then after fifteen (15) days following Seller's notice of Purchaser's default, if Purchaser has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by Purchaser will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Purchaser shall be borne by the Purchaser.

6. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Purchaser if (a) Purchaser fails to qualify for a permanent loan (paragraph 8(b)); or (b) Purchaser defaults under the Sales Contract (paragraph 13(b)). If Seller cancels the Sales Contract, Escrow will return to Purchaser all of Purchaser's funds earlier deposited in the escrow, without interest.

7. No Present Transfer and Subordination to Construction Loan. The Sales Contract will be subject to an existing loan, and any security interest obtained by Lender is prior and senior to any rights arising under the Sales Contract. The same protection will be given to any lender who repays such existing loan, as is expected. Seller may assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan and if the Lender (or its successor) acquires the Seller's interest in the Sales Contract, then the Purchaser is obligated to perform the Sales Contract, and to attorn to and recognize the Lender as the seller under the Sales Contract (see paragraph 6 of the Sales Contract).

8. Rights of Purchaser to Cancel the Sales Contract. The Purchaser has the right to cancel the Sales Contract under the following conditions:

a. At any time within thirty (30) days following the date the Final Public Report is delivered to Purchaser. If Purchaser so cancels, Purchaser will be entitled to receive refund of any deposits, less any escrow cancellation fees and other costs up to \$250. If Purchaser does not act within the thirty (30) day period, or if the Apartment is conveyed to the Purchaser, Purchaser will be deemed to have executed the receipt for the Final Public Report and to have waived his right to cancel.

b. The Purchaser may also cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Purchaser's Apartment or the amenities available for the Purchaser's use (paragraph 9(b)).

c. Purchaser fails to qualify for permanent financing (paragraph 8(c)).

9. Receipt of Project Documents. Paragraph 3 of the Sales Contract provides that the Purchaser acknowledges that he or she has examined (and agrees to be bound) by the following:

- (a) Escrow Agreement;
- (b) The Declaration of Condominium Property Regime, By-Laws of the Association of Apartment Owners;

- (c) The Apartment Deed;
- (d) House Rules; and
- (e) The Supplementary Final Public Report.

10. Disclaimer of Warranties.

(a) (i) At closing, Seller will disclaim any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the apartments or their contents. Seller will not be liable for any construction or other defects, including any latent or hidden defects in the Project, the apartments or their contents. This means that Buyer will not have the right to file any lawsuit for damages against Seller for any defects.

(ii) Existing Tenant. The Apartment may presently be occupied by a tenant until the Scheduled Closing Date. Although Seller will utilize its best efforts to terminate such tenancy prior to closing and cause the tenant to maintain and repair the Apartment, such are risks of the purchase of the Apartment. In the event that the tenant has not vacated the apartment by the Scheduled Closing Date, then Seller reserves the right to extend the Scheduled Closing Date for a reasonable period of time to remove the tenant.

(b) Inspection. Buyer shall have a period of thirty (30) days following the date of Seller's execution of the Sales Contract to inspect the Apartment and the Project. If Buyer is not satisfied with the physical condition of the Project or the Apartment, then Buyer may elect within such thirty (30) day period to cancel this Agreement upon giving written notice to Seller, and upon such cancellation, Seller shall direct Escrow to refund the Buyer all sums paid hereunder by Buyer, without interest.

EXHIBIT "G"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Long & Melone Escrow, Ltd..

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase an Apartment shall be turned over to the Escrow Agent.

2. Refunds. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

Upon such refund, Escrow Agent shall be entitled to a reasonable fee not less than \$25 or a fee commensurate with the work done by Escrow prior to cancellation.

3. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 5 of the Escrow Agreement until all of the following have occurred:

(a) the Real Estate Commission has issued a final public report (the "Final Report") on the Project;

(b) Seller or Seller's attorney has given a written opinion to Escrow stating that all of the requirements of Sections 514A-39, 514A-62 and 514A-63 of the Hawaii Revised Statutes, then applicable to the Project, have been satisfied and if the project is a conversion project, that the requirement of Section 514A-38 have been met.

(c) Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract;

4. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and must certify that Seller has cancelled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "H"

AMENDED DISCLOSURE ABSTRACT  
(pursuant to Section 514A-61,  
Hawaii Revised Statutes)

1. (a) PROJECT: PUNAHOU SUNSET  
1617 Clark Street  
Honolulu, Hawaii
- (b) DEVELOPER: Neil Petagno, Inc.  
1001 Bishop Street, Suite 1060  
Honolulu, Hawaii 96813  
Telephone: (808) 538-0033
- (c) MANAGING  
AGENT: PWI Real Estate, Inc.
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
3. DESCRIPTION OF ALL WARRANTIES COVERING THE UNITS AND COMMON ELEMENTS:  
  
The Developer is not making any warranties relating to the materials and workmanship of the Project or the common elements.
4. USE OF UNITS. The PUNAHOU SUNSET Condominium Project consists of thirty-three (33) unit(s) which will be used for residential purposes by the respective owners thereof, their tenants, families and domestic servants and social guests, and for no other purpose.

EXHIBIT "1"

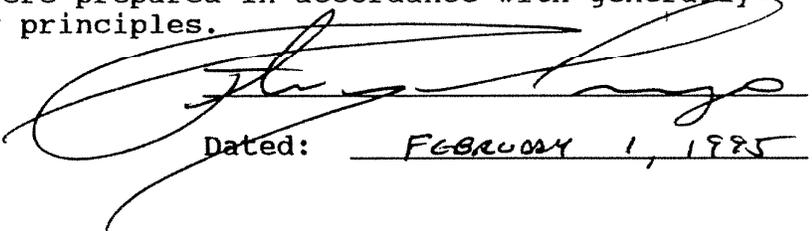
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

	<u>Monthly</u> x 12 months = <u>Yearly Total</u>
Utilities and Service	
Electricity	\$ 200.00 x 12 = \$ 2,400.00
(X) common elements only	
Elevator	\$ 425.00 x 12 = \$ 5,100.00
Refuse Collection	\$ 300.00 x 12 = \$ 3,600.00
Water and Sewer	\$ 900.00 x 12 = \$ 10,800.00
Maintenance, Repairs and Supplies	
Supplies	\$ 200.00 x 12 = \$ 2,400.00
Building	\$ 400.00 x 12 = \$ 4,800.00
Grounds	\$ 400.00 x 12 = \$ 4,800.00
Management	
Management Fee	\$ 500.00 x 12 = \$ 6,000.00
Administrative	\$ 100.00 x 12 = \$ 1,200.00
Insurance	\$1,000.00 x 12 = \$ 12,000.00
Reserves	\$1,500.00 x 12 = \$ 18,000.00
Taxes and Government Assessments	\$ 20.00 x 12 = \$ 240.00
Accountant/Legal	\$ 400.00 x 12 = \$ 4,800.00
Miscellaneous	\$ 90.00 x 12 = \$ 1,080.00
-----	
TOTAL	\$6,435.00 X 12 = \$ 77,220.00

ESTMATE OF INITIAL MAINTENANCE FEES

	<u>Monthly</u> x Total Units = Fees Paid
<u>UNIT TYPE</u>	<u>Estimated Monthly Maintenance Fee</u>
A; C	\$ 194.00 x 16 = \$ 3,104.00
B; D	\$ 192.00 x 16 = \$ 3,072.00
E (PH)	\$ 259.00 x 1 = \$ 259.00
-----	
TOTAL MONTHLY FEES	\$ 6,435.00

I, Peter M. Wargo, PB, as agent and employed by PWI Real Estate, Inc., the condominium managing agent ~~on the developer~~, for the condominium project PUNAHOU SUNSET, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
Dated: FEBRUARY 1, 1985