

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Akira Kurisu
Address 824 Wilshire Blvd., Suite 400, Los Angeles, CA 90017

Project Name(*): Sunset Paumalu Estates
Address: 59-005B Holawa St., Haleiwa, HI 96712

Registration No. 1442

Effective date: February 20, 1997

Expiration date: March 20, 1998

Preparation of this Report:

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

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

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

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

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

Type of Report:

 PRELIMINARY: 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.
(yellow)

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

XX SUPPLEMENTARY: This report updates information contained in the:
(pink)
[X] Preliminary Public Report dated: September 4, 1981
[X] Final Public Report dated: December 28, 1981
[] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports.
[X] Must be read together with the Public Reports described above
[X] This report reactivates the Final Public Report
public report(s) which expired on January 28, 1983

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

See page 2A attached hereto.

The public report format currently in use by the Real Estate Commission ("Commission") is different from that upon which the Preliminary and Final Public reports for this project were issued. Although this Supplementary report must be read with the earlier reports, if a prospective purchaser desires to compare the previous reports to the Supplementary, information contained on a specific page of the Supplementary report will not coincide to the same page number in the Preliminary and Final public reports. Therefore, it is suggested that the table of contents be referred to when making comparisons between reports. Although the Sunset Paumalu Estates condominium project consists of ten units, this Supplementary report is to be used in connection with the sale of Unit G only.

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SPECIAL ATTENTION

This is CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The 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.

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

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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Supplementary Public Report
Sunset Paumalu Estates

Summary of Changes from Earlier Public Reports

The Sunset Paumalu Estates condominium project (the "Project") was created in 1981 by the Declaration of Horizontal Property Regime of Sunset Paumalu Estates dated October 8, 1981, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15955, Page 1 (the "Declaration"). Prior to 1995, all of the apartments in the Project were sold. In 1995, the Declaration was amended to include a new Unit G in the Project, which is a non-residential shed to be constructed principally of wood, consisting of a single room without a basement and containing approximately 64 square feet ("Unit G"). The Developer has obtained a building permit to construct Unit G, however, Unit G has not been and will not be constructed by the Developer.

Unit G is located on Lot G, which is shown on the amended Condominium Map and is a limited common element reserved for the use of Unit G. The amendment of the Declaration also included certain rights of the owner of Unit G to improve, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in Unit G or portions thereof or to make improvements upon Lot G. Finally, the amendment also effected a change in the common interest of several apartments in the Project, as a result of the inclusion of Unit G.

The Declaration provides that the owner of Unit K in the Project shall be the owner of Unit G. As of the date of this Public Report, the Developer (Akira Kurisu) is the owner of Unit K and Unit G, and desires to sell Unit G. **THIS PUBLIC REPORT COVERS ONLY UNIT G.**

PROSPECTIVE BUYERS OF UNIT G ARE ENCOURAGED TO READ CAREFULLY AND UNDERSTAND THE MATTERS COVERED IN THIS PUBLIC REPORT, INCLUDING NOT ONLY THE CONTENT OF STATEMENTS, BUT ALSO THE DOCUMENTS AND SOURCES OF INFORMATION TO WHICH REFERENCE IS MADE. PROSPECTIVE BUYERS ARE ALSO ENCOURAGED TO VISIT THE PROJECT AND INSPECT UNIT G AND THE COMMON ELEMENTS OF THE PROJECT AND TO OBTAIN ANSWERS TO ANY QUESTIONS THAT BUYERS MAY HAVE ABOUT THE PROJECT AND ITS OPERATION. THE PROJECT MANAGING AGENT MAY HAVE DOCUMENTS OR OTHER INFORMATION IN WHICH PROSPECTIVE BUYERS WOULD BE INTERESTED, INCLUDING MINUTES OF ASSOCIATION AND BOARD MEETINGS. PROSPECTIVE BUYERS SHOULD LOOK AT THE PROJECT AS ONE HAVING A NUMBER OF YEARS OF OPERATION SINCE IT WAS CONSTRUCTED. PROSPECTIVE BUYERS MAY INQUIRE OF THE ASSOCIATION AS TO THE BUYERS' SPECIFIC QUESTIONS RELATED TO THE ASSOCIATION. THE DEVELOPER ENCOURAGES ALL SUCH APPROPRIATE INQUIRIES AND REFERS PROSPECTIVE BUYERS TO THE ASSOCIATION MANAGING AGENT. HOWEVER, THE DEVELOPER WILL NOT BE RESPONSIBLE FOR INFORMATION PROVIDED TO PROSPECTIVE BUYERS BY ANY ASSOCIATION REPRESENTATIVES.

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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 the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Akira Kurisu Phone: (213) 489-5345
Name (Business)
824 Wilshire Blvd., #400
Business Address
Los Angeles, CA 90017

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

Real Estate Broker: Team Real Estate, Inc. Phone: (808) 637-3507
Name (Business)
66-134 Kamehameha Hwy.
Business Address
Haleiwa, HI 96712

Escrow: Old Republic Escrow Corporation Phone: (808) 566-0100
Name (Business)
55 Merchant St., #1600
Business Address
Honolulu, HI 96813

General Contractor: N/A Phone: _____
Name (Business)
Business Address

Condominium Managing Agent: Team Real Estate, Inc. Phone: (808) 647-3507
Name (Business)
66-134 Kamehameha Hwy.
Business Address
Haleiwa, HI 96712

Attorney for Developer: Love Yamamoto & Motooka Phone: (808) 531-1384
Name Suite 2350, Pacific Tower (Business)
1001 Bishop Street
Business Address
Honolulu, HI 96813

**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. _____
Book 15955 Page 1
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment of Declaration of Horizontal Property Regime and Condominium Map No. 826 of Sunset Paumalu Estates dated October 20, 1995, recorded as Document No. 95-145744 and Correction Amendment of Declaration of Horizontal Property Regime of Sunset Paumalu Estates dated May 17, 1996, recorded as Document No. 96-072172. Declaration further amended and recorded January 29, 1997 as Document No. 97-013435.

- 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. 826
 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 of Declaration of Horizontal Property Regime and Condominium Map No. 826 of Sunset Paumalu Estates dated October 20, 1995, recorded as Document No. 95-145744 and Correction Amendment of Declaration of Horizontal Property Regime of Sunset Paumalu Estates dated May 17, 1996, recorded as Document No. 96-072172. Condominium Map further amended and recorded Jan. 29, 1997 as Document No. 97-013435.

- 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. _____
Book 15955 Page 1 (attached to Declaration)
 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]: First Amendment of the By-Laws of the Association of Apartment Owners of Sunset Paumalu Estates dated October 20, 1995, recorded as Document No. 95-142761.

- 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>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>65%</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:

Developer has reserved for itself and any subsequent owner of Unit G, the right to improve, remodel, make additions to, enlarge, remove, replace or restore the improvements upon Lot G, in accordance with paragraph 21 of the Declaration.

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: 59-005B Holawa Street Tax Map Key (TMK): (1) 5-9-01:23
Haleiwa, HI 96712

Address TMK is expected to change because _____

Land Area: 54,165 square feet acre(s) Zoning: R-6

Fee Owner: Akira Kurisu
 Name
824 Wilshire Blvd., #400
 Address
Los Angeles, CA 90017

Lessor: N/A
 Name

 Address

C. **Buildings and Other Improvements:**

see Exhibit A

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

2. Number of Buildings: 1 Floors Per Building 1

Exhibit A contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other _____

4. **Uses Permitted by Zoning:**

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
<input checked="" type="checkbox"/> Residential	<u>1</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 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: _____
- Number of Occupants: _____
- Other: See Exhibit A
- 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 G</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>64</u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Total Number of Apartments: 1

**Units A through K covered in the Final Public Report were sold prior to 1995.

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

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

Boundaries of Each Apartment: see Exhibit B

Permitted Alterations to Apartments: see Exhibit B

7. Parking Stalls:

Total Parking Stalls: _____

	<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)	_____	_____	_____	_____	_____	_____	_____
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	_____	_____	_____	_____	_____	_____	_____

Each apartment will have the exclusive use of at least 1* parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

*Unit C has ample residential area within its Limited Common Elements for parking purposes.

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities: see Final Public Report

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: _____

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

There are no violations. Violations will not be cured.

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

(Date)

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

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

11. Conformance to Present Zoning Code

a. 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 D .

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 use them, as described in the Declaration, are:

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:

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 10-22-96
and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

[X] There are no blanket liens affecting title to ^{Unit G.} ~~the individual apartments.~~

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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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. See Exhibit G

2. Appliances: None. See Exhibit G

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

Unit G, shed, was completed in 1995.

H. Project Phases:

The developer has 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:

- [X] 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 H contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

- 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 [X] Electricity (X Common Elements only Common Elements & Apartments)
[] Gas (Common Elements only Common Elements & Apartments)
[X] Water (pool) [] 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
- Specimen Sales Contract
Exhibit I contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated 9-17-96
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any, as amended.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, 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. 1442 filed with the Real Estate Commission on June 29, 1981.

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

YELLOW paper stock WHITE paper stock PINK paper stock

C. **Additional Information Not Covered Above**

None

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.

Name of Developer

By: _____
Duly Authorized Signatory

Oct. 4, 1996
Date

Akira Kurisu

Akira Kurisu
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
to
Supplementary Condominium Public Report
Sunset Paumalu Estates

BUILDINGS AND OTHER IMPROVEMENTS; SPECIAL USE RESTRICTIONS

The Project has been a condominium since August 1981. Unit G is not newly constructed as of the date of this Public Report, nor is it being converted to a condominium at this time. Unit G is a non-residential shed to be constructed principally of wood, consisting of a single room without a basement and containing approximately 64 square feet. The Developer has obtained a building permit to construct Unit G, however, Unit G has not been and will not be constructed by the Developer.

The following provisions in the By-Laws and House Rules, as indicated, contain restrictions on the use of the apartments, including Unit G, and the common elements of the Project:

I. BY-LAWS

Article VI, Section 1 of the By-Laws contains a variety of restrictions affecting the use of the apartments and common elements, including, without limitation, restrictions as to uses which will jeopardize the safety of the Project, or which will interfere with or unreasonably disturb the rights of other owners, or which will increase the rate of fire insurance of the Project or will reduce the value of the Project; and structural or exterior alterations or additions.

II. HOUSE RULES

Sections I through III of the House Rules lists restrictions affecting the apartments, including, without limitation, restrictions regarding occupancy, leasing and noise.

Sections IV through VIII lists restrictions affecting the common and limited common elements of the Project, including, without limitation, restrictions as to fire control, garbage collection, entry access/keys, common areas and building modifications.

Section IX contains parking regulations and Section X contains swimming pool regulations.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF CERTAIN USE PROVISIONS STATED IN THE BY-LAWS AND HOUSE RULES. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE USE RELATED PROVISIONS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT B
to
Supplementary Condominium Public Report
Sunset Paumalu Estates

APARTMENT MEASUREMENTS, BOUNDARIES AND ALTERATIONS

Unit G will contain approximately 64 square feet, as measured from the interior surfaces of its perimeter walls.

All apartments, including Unit G, shall be deemed to include all items which are lying within the exterior faces of all exterior walls, the centerline of the interior party walls, windows and roofs, including, but not limited to, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, the patio or patios, including the lanai or lanais, adjoining and connected thereto; and all fixtures originally installed therein.

Paragraph 21 of the Declaration contains certain rights of the owner of Unit G to improve, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in Unit G or portions thereof or to make improvements upon Lot G. Such rights include, but are not limited to, the replacement of Unit G with a two-story building, the first floor consisting of a foyer, stairwell, garage, living room, dining room, two lanais, toilet, kitchen, breakfast room, laundry room, pantry and garage with two storage closets, and a second floor consisting of a stairwell, hallway, open bedroom, two bathrooms of which one has a dressing area, and three other bedrooms, one of which has wardrobe closets, all in conformity with the Design Standard attached as Exhibit "D" to the Declaration. **ALL SUCH CONSTRUCTION SHALL BE DONE AT THE PURCHASER'S EXPENSE AND NOT THE DEVELOPER'S.**

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF CERTAIN PROVISIONS STATED IN THE DECLARATION REGARDING UNIT G. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE APPLICABLE PROVISIONS CONTAINED IN THE DECLARATION.

EXHIBIT C
to
Supplementary Condominium Public Report
Sunset Paumalu Estates

PARKING

There are no parking stalls appurtenant to Unit G. However, if the purchaser replaces or rebuilds Unit G in accordance with the provisions of the Declaration, it may include a garage as shown in Exhibit "D" to the Declaration.

Section IX of the House Rules contains specific provisions concerning vehicles and parking, which owners should thoroughly understand. The provisions cover restrictions relating to, without limitation, repairs, maintenance and noise.

EXHIBIT D
to
Supplementary Condominium Public Report
Sunset Paumalu Estates

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Paragraph 5 of the Declaration provides that the common elements include the land in fee simple; all roadways, walkways, yards, grounds, landscaping and fencing for use by more than one apartment; all central and appurtenant installations for common services, including power, light, water, gas, sewer, telephone, television antenna, and trash disposal; all tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use; the workshop attached to Building EF containing an area of 340 square feet, which is deemed a common element for the use of the groundkeeper; the swimming pool on Lot EF; and all other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

Paragraph 6 of the Declaration provides that Lot G shall be a limited common element reserved for the use of Unit G.

EXHIBIT E
to
Supplementary Condominium Public Report
Sunset Paumalu Estates

COMMON INTEREST

Design Type	Common Interest	Total Common Interest
"A" & "AR"	6/63	12/63
"B" & "BR"	6/63	12/63
"C"	6/63	6/63
"D"	6/63	6/63
"E"	1/9	1/9
"F"	1/9	1/9
"G"	6/63	6/63
"K"	1/9	1/9

Unit G is a design type "G", and its common interest is therefore 6/63.

EXHIBIT F
to
Supplementary Condominium Public Report
Sunset Paumalu Estates

ENCUMBRANCES AGAINST TITLE

1. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the land.
2. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in the Declaration of Horizontal Property Regime of Sunset Paumalu Estates, and the By-Laws attached thereto dated October 8, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15955 at Page 1, as amended by instruments dated October 20, 1995, recorded as Document Nos. 95-142761 and 95-145744, and dated May 17, 1996, recorded as Document No. 96-072172, as the same may be further amended from time to time in accordance with law. (Project covered by Condominium Map No. 826 and all amendments thereto.)
3. Grant in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company, Incorporated dated December 31, 1981, recorded in Liber 16091 at Page 406; granting a perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain and operate poles and wire lines, guy wires and anchors and/or underground power lines, etc., over, under, upon, across and through the land.
4. For real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.

EXHIBIT G
to
Supplementary Condominium Public Report
Sunset Paumalu Estates

CONSTRUCTION WARRANTIES

Unit G is being sold without any warranties. Paragraphs 1 and 3 of Addendum "A" to the Deposit Receipt, Offer and Acceptance used in connection with the Project provide in part as follows:

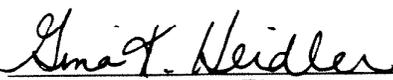
"BUYER ACKNOWLEDGES THAT THE APARTMENT IS A NON-RESIDENTIAL SHED TO BE CONSTRUCTED PRINCIPALLY OF WOOD AND CONSISTING OF A SINGLE ROOM WITHOUT A BASEMENT AND CONTAINING APPROXIMATELY 64 SQUARE FEET. SELLER HAS OBTAINED A BUILDING PERMIT TO CONSTRUCT THE APARTMENT, HOWEVER, THE APARTMENT HAS NOT BEEN AND WILL NOT BE CONSTRUCTED BY SELLER. THE APARTMENT IS LOCATED ON LOT G, WHICH IS SHOWN ON THE AMENDED CONDOMINIUM MAP AND IS A LIMITED COMMON ELEMENT RESERVED FOR THE USE OF THE APARTMENT. THE OWNER OF THE APARTMENT HAS THE RIGHT TO IMPROVE, REMODEL, MAKE ADDITIONS TO, ENLARGE, REMOVE, REPLACE OR RESTORE THE IMPROVEMENTS TO OR IN UNIT G OR PORTIONS THEREOF OR TO MAKE IMPROVEMENTS UPON LOT G, IN THE MANNER SET FORTH IN THE DECLARATION. ALL SUCH CONSTRUCTION SHALL BE DONE BY BUYER AT BUYER'S EXPENSE."

"The Apartment is being sold in "AS IS" condition with "ALL FAULTS". The existence of any defect in the Project, the Apartment or anything installed or contained therein shall not excuse Buyer's obligation to perform all of Buyer's obligations under this DROA. Buyer agrees to indemnify Seller for damages or losses, including interest and reasonable attorneys' fees, resulting from Buyer's refusal to accept the Apartment from Seller."

**AOAO Sunset Paumalu Estates
1996 Budgeted Annual Common Expense**

	<i>Monthly</i>	<i>Annual</i>
<u>Utilities and Services</u>		
Electric (common elements only)	\$150.00	\$1,800.00
Water (Pool Only)	\$38.00	\$456.00
<u>Maintenance, Repairs, and Supplies</u>		
Automatic Gate	\$55.00	\$660.00
Landscape and Grounds	\$400.00	\$4,800.00
Pest Control	\$40.00	\$480.00
Pool	\$150.00	\$1,800.00
Misc. Repairs	\$100.00	\$1,200.00
<u>Management</u>		
Management Fee	\$416.67	\$5,000.04
Office and Administration	\$20.00	\$240.00
<u>Insurance</u>	\$365.75	\$4,389.00
<u>Reserves</u>	\$169.58	\$2,035.00
<u>Reserve Projects - Walls and Utilities</u>	\$100.00	\$1,200.00
<u>Taxes and Government Assessments</u>	\$5.00	\$60.00
<u>Professional Services - Legal</u>	\$41.67	\$500.00
<u>Audit and Tax Preparation</u>	\$33.33	\$400.00
<u>Income</u>		
Rental of Workshop	(\$170.00)	(\$2,040.00)
Interest	(\$15.00)	(\$180.00)
<u>TOTAL</u>	\$1,900.00	\$22,800.04

I, Gina Heidler (R), employed by Team Real Estate, Inc. the condominium managing agent, for the condominium project AOAO Sunset Paumalu, hereby certify that the above estimates of the maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



 Gina K. Heidler, (R)
 Principal Broker

May 16, 1996

 Date

EXHIBIT H
 to
 Supplementary Condominium Public Report
 Sunset Paumalu Estates

Current Maintenance Fees

As of May 16, 1996

Apartment		Monthly Fee	'Annual
A, AR, B, BR, C, D AND G	(9.5238%)	\$180.95	\$2,171.40
E,F, AND K	(11.1111%)	\$211.11	\$2,533.32

EXHIBIT I
to
Supplementary Condominium Public Report
Sunset Paumalu Estates

SUMMARY OF PERTINENT SALES CONTRACT PROVISIONS

The Developer has filed a specimen Deposit Receipt, Offer and Acceptance and Addendum "A" with the Commission together with this Public Report. The pertinent provisions are summarized below (all capitalized terms are defined in said Contract):

Paragraph 1 provides in part as follows:

"BUYER ACKNOWLEDGES THAT THE APARTMENT IS A NON-RESIDENTIAL SHED TO BE CONSTRUCTED PRINCIPALLY OF WOOD AND CONSISTING OF A SINGLE ROOM WITHOUT A BASEMENT AND CONTAINING APPROXIMATELY 64 SQUARE FEET. SELLER HAS OBTAINED A BUILDING PERMIT TO CONSTRUCT THE APARTMENT, HOWEVER, THE APARTMENT HAS NOT BEEN AND WILL NOT BE CONSTRUCTED BY SELLER. THE APARTMENT IS LOCATED ON LOT G, WHICH IS SHOWN ON THE AMENDED CONDOMINIUM MAP AND IS A LIMITED COMMON ELEMENT RESERVED FOR THE USE OF THE APARTMENT. THE OWNER OF THE APARTMENT HAS THE RIGHT TO IMPROVE, REMODEL, MAKE ADDITIONS TO, ENLARGE, REMOVE, REPLACE OR RESTORE THE IMPROVEMENTS TO OR IN UNIT G OR PORTIONS THEREOF OR TO MAKE IMPROVEMENTS UPON LOT G, IN THE MANNER SET FORTH IN THE DECLARATION. ALL SUCH CONSTRUCTION SHALL BE DONE BY BUYER AT BUYER'S EXPENSE."

Paragraph 2 provides as follows:

"Buyer does hereby acknowledge and agree that Buyer will examine (or waive such examination), and will approve prior to closing, the form of the Apartment Deed, the Declaration, the By-Laws, the House Rules, the Condominium Escrow Agreement, all Public Reports issued for the Project, and all amendments to such documents, true copies of these documents being on file in the office of the Commission, together with the current Association budget, the approved minutes of the last annual meeting of the Association, the Association's current financial statement, the approved minutes of the last three (3) Board of Directors' meetings, all approved minutes issued between the date this DROA is signed and the Closing Date (if any), and a copy of all pending litigation complaints (if any) filed by or against the Association and/or its directors that are currently unresolved. The foregoing documents will be sent to Buyer or will be made available for Buyer's examination prior to closing, and the foregoing acknowledgment and agreement by Buyer will be contained in the Apartment Deed."

Paragraph 3 provides as follows:

"The Apartment is being sold in "AS IS" condition with "ALL FAULTS". The existence of any defect in the Project, the Apartment or anything installed or contained therein shall not excuse Buyer's obligation to perform all of Buyer's obligations under this DROA. Buyer agrees to indemnify Seller for damages or losses, including interest and reasonable attorneys' fees, resulting from Buyer's refusal to accept the Apartment from Seller."

Paragraph 4 provides in part as follows:

"Buyer understands and agrees that from the closing date Buyer will be responsible for paying the monthly maintenance fees assessed against the Apartment even though it has not been constructed. Buyer approves and ratifies the Association's employment of the managing agent, and all other contracts for the management, operation and maintenance of the Project entered into by the Association or the managing agent. The Supplementary Public Report includes the monthly maintenance fees for the Apartment, which budget was prepared in accordance with generally accepted accounting principles. Buyer acknowledges and agrees that such amounts are only estimates and are not intended to be and do not constitute any representation or warranty by Seller, including but not limited to any representation or warranty as to the accuracy of such amounts."

Paragraph 5 provides in part as follows:

"Except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration, if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) the Apartment or appurtenant limited common elements, or (2) those amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale made under this DROA and to receive a prompt and full refund of any monies paid."

THIS EXHIBIT CONTAINS ONLY A SUMMARY OF CERTAIN PERTINENT PROVISIONS CONTAINED IN THE DEPOSIT RECEIPT, OFFER AND ACCEPTANCE AND ADDENDUM "A" DESCRIBED HEREIN. BUYERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS IN THEIR ENTIRETY CONTAINED THEREIN.

EXHIBIT J
to
Supplementary Condominium Public Report
Sunset Paumalu Estates

SUMMARY OF PERTINENT ESCROW AGREEMENT PROVISIONS

The Condominium Escrow Agreement dated September 17, 1996 (the "Escrow Agreement"), executed by and between Old Republic Title and Escrow of Hawaii, as Escrow, and Akira Kurisu, as Developer, provides that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one 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 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 Supplementary Public Report, the purchaser has exercised the purchaser's right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

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

No disbursement of purchasers' funds held in escrow shall be made unless and until the apartment deed relating to the disbursements has been recorded.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE CONDOMINIUM ESCROW AGREEMENT. PROSPECTIVE BUYERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS CONTAINED IN THE AGREEMENT.