



**REAL ESTATE COMMISSION
STATE OF HAWAII**
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

POHĀ KEA POINT, PHASE III, INCREMENT 4
Located off of Lilipuna Road
Kaneohe, Hawaii

Registration No. 1778

Issued: February 23, 1989
Expires: March 23, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 25, 19 89 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

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 when complete information is filed.
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
[X] Supersedes all prior public reports
[] Must be read together with _____
- SUPPLEMENTARY:** Updates information contained in the
(pink)
[] Prelim. Public Report dated _____
[] Final Public Report dated _____
[] Supp. Public Report dated _____
- And [] Supersedes all prior public reports
[] Must be read together with _____
- [] This report reactivates the _____
public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[] Required [X] Not Required -- disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

A Preliminary Public Report was issued on this project on August 14, 1986 and it was extended to September 14, 1988. Said report shows the designation of this project as Phase IV-A, Increment 1. The Developer has changed the designation of this project to Phase III, Increment 4. This report reflects such change.

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* * * * *
*                                     SPECIAL ATTENTION                                     *
*                                     *                                                         *
* The developer has disclosed the following:                                             *
*                                     *                                                         *
* a.  There is a reversionary clause for this project in which the                       *
*     underlying land and all its improvements will revert to the                         *
*     landowner at the termination of the lease. (Refer to page 9).                     *
*                                     *                                                         *
* b.  This project is part of a "phased" development and may be merged                 *
*     with other increments. This may affect the project's administration              *
*     and the sharing of common expenses, the common interest appurtenant             *
*     to each unit before the merger is not anticipated to be affected.               *
*     (Refer to page 18).                                                             *
*                                     *                                                         *
* c.  The project is part of the PuuAalii Community Association in which               *
*     all purchasers of this project and all other phases and increments              *
*     are automatically members of this Community Association. (Refer to               *
*     page 18).                                                                       *
*                                     *                                                         *
* The prospective purchaser is cautioned to carefully review the documents             *
* for further information with regard to the foregoing.                               *
*                                     *                                                         *
* * * * *

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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 they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the 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.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) 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. The 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.

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all 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 vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages
in text of report)

Interest to be Conveyed to Buyer:

The leasehold interest in an apartment and an undivided interest in the project's common elements.

Type of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings
- 5. Apartment Description - See Exhibit "A" attached.

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
6 basic model types, 20 diff.	<u>31</u>	<u>2&3 bdrm. 1-1/2 & 2 bath</u>	<u>from 833 sf to 1093 sf</u>	<u>from 86 sf to 165 sf</u>
<u>SEE EXHIBIT "A" FOR DETAILS</u>	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 31

*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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>62</u>
Guest Stalls	<u>8</u>
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>70</u>

7. Recreational amenities:

PuuAalii Community facilities in Phases I and II, consisting of a swimming pool, tennis courts, spa, recreational center, meeting rooms, will be available for use by Pohā Kea Point apartment owners.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Swire Properties (Hawaii) Ltd. Phone: 235-0950
Name (Business)
46-005 Kawa Street, Suite 206
Business Address
Kaneohe, Hawaii 96744

Names of officers or general partners of developers who are corporations or partnerships:
F. Alan Fosler - President
David S. Bixby, R.K.R. Fullerton, Stephen L. Owens - Vice-Presidents
R.K.R. Fullerton - Assist. Sec/Treas.

Real Estate Sales Agent: PuuAlii Realty, Ltd. Phone: 247-8776
Name (Business)
46-005 Kawa Street, Suite 206
Business Address
Kaneohe, Hawaii 96744

Escrow: Security Title Corporation Phone: 521-9511
Name (Business)
1001 Bishop Street, 1200 Pacific Tower
Business Address
Honolulu, Hawaii 96813

Managing Agent: Certified Management Phone: 836-0911
Name (Business)
3179 Koapaka Street, 2nd Floor
Business Address
Honolulu, Hawaii 96819

Attorney for Developer: James A. Stubenberg
Name
1001 Bishop Street, 1250 Pauahi Tower
Business Address
Honolulu, Hawaii 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 Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Horizontal 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 – Book _____ Page _____
 Filed – Land Court – Document Number 1560283

Amendment date(s) and recording/filing information:

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

The Condominium Map for this condominium project is:

Proposed
 Recorded – Bureau of Conveyance Condo Map No. _____
 Filed – Land Court Condo Map No. 672

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

Proposed
 Recorded – Bureau of Conveyances – Book _____ Page _____
 Filed – Land Court – Document Number 1560284

Amendment date(s) and recording/filing information:

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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 apartment owners who 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>Board of Directors</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

The Developer may amend the Declaration by filing an "as built" verified statement, so long as this statement is only a verified statement of a registered architect or professional engineer and will state that the final plans that were filed represent the layout, location, apartment numbers and dimensions of the apartments as built, or so long as the plans involve only immaterial changes to the layout, location, apartment numbers, or the dimensions of the apartments as built.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to 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.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the underlying land will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (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.

Lease Term Expires: December 31, 2042

Rent Renegotiation Date(s): 30 years after issuance of an Apartment Lease

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit "B" contains a schedule of the lease rent for each apartment per Month Year.

Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The 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; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

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:

For Subleaseholds:

Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is Cancelled 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 cancelled or foreclosed.

B. Underlying Land:

Address: Off of Lilipuna Road Tax Map Key: 1st 4-6-1-2 por.
Kaneohe, Hawaii (TMK)

Address TMK is expected to change because _____

Land Area: 3.400 square feet acre(s) Zoning: PD-H Ordinance 4421

Fee Owner: Trustees of the Estate of Bernice Pauahi Bishop

name
567 South King Street, Suite 200
address
Honolulu, Hawaii 96813

Sublessor: T.F. McCormack Trust
name
1580 Makaloa Street, Suite 1040
address
Honolulu, Hawaii 96814

C. Buildings and Other Improvements:

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

2. Buildings: 1 Floors Per Building: 7

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>31</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	_____		_____

5. Special Use Restrictions:

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

Dogs, cats or other conventional household pets in reasonable
 Pets: number may be kept by an apartment owner or occupant.

Number of Occupants:
 No time-sharing plan permitted, including "vacation" license,
 Other: "travel club membership" or "time interval ownership".

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 31

Elevators 0 Stairways 0 Trash Chutes 0

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
6 basic model types, 20 diff.	<u>31</u>	<u>2&3 bdrm.</u> <u>1-1/2 & 2 bath</u>	<u>from 833 sf</u> <u>to 1093 sf</u>	<u>from 86 sf</u> <u>to 165 sf</u>
<u>SEE EXHIBIT "A" FOR DETAILS</u>				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*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 floor area may have been used.

Boundaries of Each Apartment:

Spaces within the perimeter walls, floors and ceilings of each of the thirty-one (31) apartment units of the Project. Each apartment includes all the walls and partitions which are not loadbearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the fixtures originally installed in the apartments. These spaces, together with lanais and garden lanais, are referred to as "apartments" and are designated on the Condominium Map.

Permitted Alterations to Apartments:

Any alterations to the interior of an apartment may be made except the type of alterations which would jeopardize the soundness or safety of the common elements, reduce the apartments' value or impair any easement. Any alteration which would affect the exterior appearance of the Project must be approved by the Board of Directors. If the Board determines that the common elements will be affected by a proposed alteration, then the consent of at least seventy-five percent (75%) of the apartment owners in the Project is needed.

7. Parking Stalls:

Total Parking Stalls: 70

	<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 individual units)	<u>31</u>	<u>31</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>62</u>
Guest Unassigned	<u> </u>	<u>8</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>8</u>
Extra Available 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> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>70</u>

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

- [] Commercial parking garage permitted in condominium project.
- [x] Exhibit "C" 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
- [] Recreation Area
- [] Tennis Court
- [] Storage Area
- [] Laundry Area
- [] Trash Chute
- [x] Other: 2 swimming pools, 1 wading pool, tennis courts, bar-be-que area, meeting rooms and spa which are located in PuuAlii, Phases I and II. These facilities are available for use by the owners of apartments located in Phase III. Upon completion of apartments in Phase III, the Developer at some point in time will construct recreational facilities within this Phase.

9. Present Condition of Improvements

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

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

Not applicable.

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

Not applicable.

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

PD-H Ordinance No. 4421

b. Conforming/Non-Conforming Uses, Structures, Lot Not applicable.

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	_____	_____	_____
Structures	_____	_____	_____
Lot	_____	_____	_____

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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit "D" describes the common elements.

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

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit "E"

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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit "C" describes the common interests for each apartment.

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit "F" describes the encumbrances against the title contained in the title report dated September 7, 1988.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Bank of Hawaii mortgage	Buyer entitled to return of deposits.

F. 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 managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial 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 managing agent for this condominium is:

[x] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

[] other _____

G. 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, your apartment may be liened and 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 to each apartment.

Exhibit "G" contains a schedule of maintenance fees and maintenance fee disbursements.

H. 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:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. 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 warrants and will repair and remedy any STRUCTURAL, MECHANICAL and/or ELECTRICAL defect(s) in the apartment for a period of 365 days after the closing date of purchase, including materials and labor. The apartment purchaser must notify the Developer in writing of any defect(s) in a timely manner as soon as practicable after discovery. The Developer will not be responsible for any damage, defects, failures, or personal injuries resulting from the abuse, misuse, alterations, tampering, neglect or removal of any appliance, structure or other component of the apartment.

2. Appliances:

The Developer warrants that the appliances contained in each apartment as part of the purchase are in good working condition.

J. Status of Construction and Estimated Completion Date:

The project has been completed.

K. Project Phases:

The developer has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

A merger will occur when Increments 4 and 5 of Phase III have been completely constructed. At this time, the owners of the apartments in each increment will have the rights to use all the common elements of both increments subject to the same limitations that are imposed on an owner of an apartment in each increment.

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

Escrow Agreement dated June 6, 1986

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The Developer has placed on record a Declaration of Covenants, Conditions and Restrictions for PuuAlii affecting previously developed property. Pohā Kea Point is the continuation of the PuuAlii master project. Prior to issuance of the Final Public Report, the Developer placed on record Supplemental Declaration No. 3 for PuuAlii, as amended, annexing the Project to Phases I and II of PuuAlii and subjecting the Project to said Declaration of Covenants, Conditions and Restrictions.

Prospective purchaser are advised to carefully examine the form of Declaration of Horizontal Property Regime, Declaration As To Merger of Increments In A Condominium Project, Amendment to Declaration As To Merger of Increments In A Condominium Project, Declaration of Covenants, Conditions and Restrictions for PuuAlii, Supplemental Declaration No. 3 for PuuAlii and the Amendment to Supplemental Declaration No. 3, copies of which are filed with the Real Estate Commission, so that they may familiarize themselves with this Project, how this increment will be merged into future increments, and what restrictions and obligations will apply to all purchasers in each increment.

NOTE: The Developer shall provide a copy of the Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, Declaration As To Merger of Increments In A Condominium Project, Amendment to Declaration As To Merger of Increments In A Condominium Project, Declaration of Covenants, Conditions and Restrictions for PuuAlii, Supplemental Declaration No. 3 for PuuAlii and the Amendment to Supplemental Declaration No. 3 for PuuAlii to each purchaser and each purchaser shall sign a receipt of such documents.

Among other things, the Declaration As To Merger explains that (1) it is the intention of the Trustees of the Estate of Bernice Pauahi Bishop and Developer to merge this Project with other increments so that upon completion of all increments, the entire property shall be controlled and administered as a single condominium project; and (2) that while the merger will affect the administration and use of increments and the sharing of common expenses, the ownership of apartments and their appurtenant common interests in each respective increment will not be affected.

The Declaration of Covenants, Conditions and Restrictions provides, among other things, for mandatory membership of each purchaser in the PuuAlii Community Association, a nonprofit corporation created primarily to provide for the management, maintenance, protection, preservation, architectural control, all landscaping, roadways, pathways and recreational facilities within any land annexed to PuuAlii.

By virtue of the Declaration of Covenants, Conditions and Restrictions, the PuuAlii Community Association has the exclusive right and duty to repair, maintain, restore and rebuild all of the common elements of the project except the building in which the apartments are contained. The Association of Apartment Owners has the exclusive right and duty to repair, maintain, and restore the common elements of the building in which the apartments are contained in accordance with the Declaration of Horizontal Property Regime.

The PuuAlii Community Association is not a condominium association and does not consider itself to be subject to the provisions and/or limitations of Chapter 514A, Hawaii Revised Statutes (Condominium Property Regime Law).

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer 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:

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

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. 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.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other Declaration of Covenants, Conditions and Restrictions

If these documents are not in final form, the buyer should ask to see the most recent draft.

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 Law (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 1778 filed with the Real Estate Commission on July 18, 1986.

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

Supplementary Public Reports expire on the expiration date given on the front of the report.



GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT "A"

APARTMENT DESCRIPTION/TYPE

<u>Apt.</u> <u>Type</u>	<u>Qty.</u>	<u>BR/Bath</u>	<u>Net</u> <u>Living Area</u>	<u>Lanai/</u> <u>Garden Lanai</u>
2FS	2	2/2	883	146
2FSR	2	2/2	883	146
2F	2	2/2	871	146
2FR	1	2/2	871	146
2FRE	1	2/2	871	146
2G	1	2/2	960	86/494
2GR	1	2/2	960	86/494
3F	3	3/2	1093	165
3F(H)	2	3/2	1093	165
3FR	2	3/2	1093	165
3FR(H)	1	3/2	1093	165
3FRE	2	3/2	1093	165
2LA	2	2/1-1/2	1001	123
2LAR	2	2/1-1/2	1001	123
2LAM	1	2/1-1/2	1001	148
2PE	1	2/2	896	129
2PRE	1	2/2	896	129
3P	2	3/2	1008	146
3PR	1	3/2	1008	146
3PRE	1	3/2	1008	146

EXHIBIT "B"

APARTMENT LEASE RENT

ANNUAL

<u>Basic Model Type</u>	<u>First 10-yr. Period</u>	<u>Second 10-yr. Period</u>	<u>Third 10-yr. Period</u>
2G	\$588	\$ 976	\$1708
2L	640	1120	1960
3P	652	1140	1994
3F	708	1240	2170
2P	574	1004	1758
2F	558	976	1708

EXHIBIT "C"

COMMON INTEREST AND PARKING ASSIGNMENTS

<u>Apt. No.</u>	<u>Parking Stall Nos.</u>	<u>% Common Interest</u>
3301	380-C 379-O	2.9744%
3302	367-C 368-O	2.9744%
3311	371-C 372-O	2.9260%
3312	375-C 376-O	3.1961%
3313	373-C 374-O	3.1961%
3314	369-C 370-O	3.2672%
3315	363-C 364-O	3.1961%
3316	361-C 362-O	3.1961%
3317	365-C 366-O	2.9260%
3321	377-C 378-O	2.9260%
3322	359-C 360-O	2.9260%
3331	271-C 358-O	3.2814%
3332	270-C 276-O	3.5773%
3333	272-C 357-O	3.5773%
3334	273-C 356-O	3.5773%
3335	274-C 355-O	3.5773%

<u>Apt. No.</u>	<u>Parking Stall Nos.</u>	<u>% Common Interest</u>
3341	282-C 349-O	2.8919%
3342	283-C 346-O	2.8919%
3343	285-C 344-O	2.8919%
3344	284-C 345-O	2.8919%
3351	269-C 275-O	2.9147%
3352	280-C 351-O	3.5773%
3353	281-C 350-O	3.5773%
3354	286-C 343-O	3.5773%
3355	287-C 342-O	3.5773%
3361	277-C 354-O	3.2814%
3362	278-C 353-O	3.2814%
3363	279-C 352-O	3.5773%
3364	288-C 391-O	3.5773%
3365	289-C 292-O	3.2814%
3366	290-C 293-O	2.9147%

Guest Parking Stall Nos.: 347-O, 348-O, 339-O, 340-O, 341-O,
23-O, 24-O, 25-O

"C" = Covered stall
"O" = Open stall

EXHIBIT "D"

COMMON ELEMENTS

Common elements include the following:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter and load bearing walls, roofs, stairs, stairways, bridges, rails, fire escapes, and walkways around and between the buildings;
- (c) All yards, grounds, landscaping, roads, curbs, trash enclosures and like facilities;
- (d) All storage areas for the benefit of maintenance personnel, maintenance sheds, fire hoses, and alarm boxes, if any;
- (e) All driveways and parking areas including eight (8) guest automobile parking stalls as designated on Exhibit "C" hereof and as shown on the Condominium Map;
- (f) All ducts, sewer lines, electrical equipment, pipes, wiring, compressors, tanks, motors, fans, and other central and appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, air conditioning, refuse, sewer, telephone and radio and television signal distribution; and
- (g) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

Additional common elements or areas subject to common expenses may be designated upon the approval of ninety percent (90%) of the apartment owners and the filing of an amendment hereto.

By virtue of the Declaration of Covenants, Conditions and Restrictions, the PuuAlii Community Association has the exclusive right and duty to repair, maintain, restore and rebuild all of the common elements of the project except the building in which the apartments are contained. The Association of Apartment Owners has the exclusive right and duty to repair, maintain, and restore the common elements of the building in which the apartments are contained in accordance with the Declaration of Horizontal Property Regime.

EXHIBIT "E"

LIMITED COMMON ELEMENTS

The limited common elements set aside and reserved for the exclusive use of certain apartments are as follows:

(a) The automobile parking stalls for each apartment, as shown on Exhibit "C" hereof, and any storage area within the parking stalls shall be appurtenant to and for the exclusive use of such apartment. The parking stall numbers for the parking stall or stalls appurtenant to each apartment are as set forth in Exhibit "C" and as shown on the Condominium Map.

(b) Any walkway, stairway, or corridor which connects the apartment or apartments adjoining it to the exterior of the project shall be appurtenant to and for the exclusive use of the apartment and said adjoining apartment or apartments.

(c) The mailbox assigned to each apartment.

(d) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

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

2. The terms and provisions of that certain Lease No. 24,620 dated June 7, 1976, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 768125, made by and between TRUSTEES OF THE ESTATE OF BERNICE PAUahi BISHOP, as Lessor(s), to THOMAS FRANCIS McCORMACK, husband of Hilda Frances McCormack, as Lessee(s), for a term commencing from the first day of January, 1976. (Also effects other property.) As amended by instrument dated June 3, 1977, filed in said Office of the Assistant Registrar as Document No. 838309, as further amended by instrument dated March 6, 1978, filed in said Office of the Assistant Registrar as Document No. 872979; as further amended by instrument dated August 12, 1980, filed in said Office of the Assistant Registrar as Document No. 1036133; as further amended by instrument dated March 24, 1983, filed in said Office of the Assistant Registrar as Document No. 1175048; as further amended by instrument dated January 22, 1986, filed in said Office of the Assistant Registrar as Document No. 1352189.

Said Lease is now held by MIEKO TOTOKI, GALEN C. K. LEONG and BRIAN L. SAKAMAKI, as successor trustees of the T. F. McCormack Trust, established by an unrecorded Trust Agreement dated October 24, 1978, made by Thomas Francis McCormack, as the Settlor, as amended by an unrecorded Amendment of Trust Agreement dated June 10, 1982, said trustees having all powers set forth in said Trust Agreement, including full power to sell, convey, exchange, mortgage, lease, assign or otherwise deal with and dispose of all lands of the trust estate, as Lessee(s), by Assignment of Lease dated December 3, 1984, filed in said Office of the Assistant Registrar as Document No. 1272570. Consent thereto filed as Document No. 1272571.

3. The terms and provisions of that certain Bishop Estate Lease No. 24,620A dated June 7, 1976, filed in said Office of the Assistant Registrar as Document No. 768126, made by and between TRUSTEES OF THE ESTATE OF BERNICE PAUahi BISHOP, "Owners," and THOMAS FRANCIS McCORMACK, husband of Hilda Frances McCormack, "Tenant," holder of the master lease dated June 7, 1976, filed in

said Office of the Assistant Registrar as Document No. 768125, as Lessor(s), to SWIRE-McCORMACK LTD., a Hawaii corporation, as Lessee(s), for a term of 61 years commencing from the first day of January, 1976; (also affects other property) as amended by instrument dated June 6, 1977, filed in said Office of the Assistant Registrar as Document No. 838310; as further amended by instrument dated March 6, 1978, filed in said Office of the Assistant Registrar as Document No. 872980. Consent thereto filed as Document No. 872981. As further amended by instrument dated August 12, 1980, filed in said Office of the Assistant Registrar as Document No. 1035134. Consent thereto filed as Document No. 1035135. As further amended by instrument dated December 9, 1982, filed in said Office of the Assistant Registrar as Document No. 1175049; as further amended by instrument dated January 3, 1986, filed in said Office of the Assistant Registrar as Document No. 1352190. Consent thereto filed as Document No. 1352191.

By instrument dated December 3, 1984, filed in said Office of the Assistant Registrar as Document No. 1274508, THOMAS FRANCIS McCORMACK, husband of Hilda Frances McCormack, assigned all of his right, title and interest under the foregoing Lease, to THOMAS FRANCIS McCORMACK, as Trustee of the T. F. McCORMACK TRUST, established by an unrecorded Amendment of Trust Agreement dated June 10, 1982, said Trustee having all power to sell, convey, exchange, mortgage, lease, assign or otherwise deal with and dispose of all lands of the trust estate. (Also affects other property.) Consent thereto filed as Document No. 1274509.

Said Lease is subject to a mortgage in favor of the Bank of Hawaii dated January 13, 1978, Land Court Document No. 861372 and Additional Charge Mortgage, also in favor of the Bank of Hawaii dated May 13, 1987, Land Court Document No. 1479587.

4. The terms and provisions of that certain Agency Agreement and Power of Attorney dated January 10, 1985, filed in said Office of the Assistant Registrar as Document No. 1279349, made by and between THOMAS FRANCIS McCORMACK, as Trustee of the T. F. McCormack Trust and TFM CORP., a Hawaii corporation. (Also affects other property.)
5. Easements 664 and 665, both as shown on Map 212, affecting Lot 1754. Subject to additional easements as shown on a condominium map.

6. Conditions and agreements contained in that certain "AGREEMENT FOR ISSUANCE OF SPECIAL USE PERMIT UNDER SECTION 21-2.71, REVISED ORDINANCES OF HONOLULU, 1978, AS AMENDED," dated June 16, 1984, filed in said Office of the Assistant Registrar as Document No. 1318276, SWIRE PROPERTIES (HAWAII) LTD., a Hawaii corporation, as Sublessee and Developer, and THOMAS FRANCIS McCORMACK, husband of Hilda Frances McCormack, as Master Lessee(s) and THE TRUSTEES OF THE ESTATE OF BERNICE PAUHI BISHOP, Owners, collectively referred to as "Declarant."
7. Declaration of Covenants, Conditions and Restrictions for PuuAlii, dated May 12, 1977, filed in said Office as Document No. 838312, as supplemented by Supplemental Declaration No. 1 dated August 12, 1980, filed in said Office as Document No. 1030939 and Supplemental Declaration No. 2 dated October 8, 1985, filed in said Office as Document No. 1327730, and as further supplemented by Supplemental Declaration No. 3 dated May 27, 1987, filed in said Office as Document No. 1476479, said Supplemental Declaration No. 3 was amended by instrument dated May 12, 1988, and filed in said Office as Document No. 1555482.
8. Declaration as to Merger of Increments in a Condominium Project dated August 30, 1985, filed in said Office as Document No. 1327731, as amended by instrument dated May 12, 1988, filed in said Office as Document No. 1555481.
9. For real property taxes due and payable, reference is made to Director of Finance, City and County of Honolulu.

FOR INFORMATION ONLY:

Death of Thomas Francis McCormack on February 18, 1986, and the appointment of Mieko Totoki, Brian L. Sakamaki and Galen C. K. Leong as successor trustees of the T. F. McCormack Trust as set forth by Land Court Order No. 77630, filed March 24, 1986. Also, change of name for Swire-McCormack, Ltd. to Swire Properties (Hawaii) Ltd. by Certificate of Amendment as set forth by Land Court Order No. 62216, dated March 8, 1982.

The property is also subject to the condominium documents referred to on page 7 of this Public Report.

EXHIBIT "G"

ASSOCIATION OF APARTMENT OWNERS OF
POHA KEA POINT, PHASE III, INCREMENT 4

PRELIMINARY ESTIMATED MONTHLY CASH OPERATING BUDGET
FOR PERIOD JANUARY 1, 1989 THROUGH DECEMBER 31, 1989

<u>RECEIPTS</u>	<u>MONTHLY BUDGET</u>	<u>ANNUAL BUDGET</u>
4010 Maintenance Fees	1,049	12,588
4300 PuuAlii Community Assn Dues Collection	3,658	43,896
TOTAL CASH RECEIPTS:	<u>\$4,707</u>	<u>\$56,484</u>

<u>DISBURSEMENTS</u>	<u>MONTHLY BUDGET</u>	<u>ANNUAL BUDGET</u>
6020 Office and Admin Expenses	35	420
6030 Management Fee	124	1,488
6040 Audit and Tax Preparation	40	480
6180 General Maintenance	100	1,200
6260 SMP/Fire Insurance	350	4,200
6290 Transfer to Reserves	400	4,800
6310 PuuAlii Community Assn Dues Transmittal	3,658	43,896
TOTAL DISBURSEMENTS:	<u>\$4,707</u>	<u>\$56,484</u>

PRELIMINARY ESTIMATED MONTHLY MAINTENANCE FEES AND MEMBERSHIP DUES

<u>UNIT TYPE</u>	<u>% COMMON INTEREST</u>	<u>NO. OF UNITS</u>	<u>MAINTENANCE FEE</u>	<u>MEMBERSHIP DUES</u>	<u>TOTAL PAYMENT</u>
2F, 2FR, 2FRE	2.8919%	4	30.34	130.00	160.34
2PE, 2PRE	2.9147%	2	30.58	130.00	160.58
2FS, 2FSR	2.9260%	4	30.69	130.00	160.69
2G, 2GR	2.9744%	2	31.20	130.00	161.20
2LA, 2LAR	3.1961%	4	33.53	130.00	163.53
2LAM	3.2672%	1	34.27	130.00	164.27
3P, 3PR, 3PRE	3.2814%	4	34.42	130.00	164.42
3F, 3FR, 3FRE	3.5773%	10	37.53	130.00	167.53
		<u>31</u>			

The above breakdown of the annual fee (pro-rated on a monthly basis) and the estimated costs for each apartment is for twelve (12) months commencing January 1, 1989. While not guaranteed, the information contained herein is based on current data available to us which we believe to be authoritative.

As managing agent for the condominium, we certify that the estimated maintenance fee assessments and disbursements have been prepared in accordance with generally accepted account principles and converted to cash basis for this presentation.

CERTIFIED MANAGEMENT

By Chuck Whalen
 Chuck Whalen, CPM
 December 1, 1988

EXHIBIT "H"

SUMMARY OF SALES CONTRACT

1. Seller has entered into an Escrow Agreement dated June 6, 1986, with Security Title Corporation.

2. Seller may terminate Sales Contract and refund to Buyer all money Buyer has paid without interest, if Seller determines that Buyer's ability to make payments or if the financial ability of buyer has decreased at the time the credit report is updated.

3. Risk of loss to the apartment and percentage interest in the common elements will be borne by Seller until the date of final closing at which time risk of loss will be borne by Buyer.

4. The contract will not be assignable without the written consent of Seller and any attempt to assign without this consent will be null and void.

5. Seller reserves the right to modify the Declaration, By-Laws, House Rules, Escrow Agreement and Apartment Lease, provided that these modifications do not increase the Buyer's share of common expenses, reduce the obligations of Seller for common expenses on unsold apartments, reduce the size of the apartments, increase the cost of the apartments, or impair or modify any obligations given or undertaken by Seller. Seller also reserves the right to make minor changes that may improve the apartment.

6. Seller anticipates BUT DOES NOT WARRANT that the construction contract with the general contractor shall contain a warranty clause.

SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OR MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

7. Seller may appoint the initial management agent for the Project.

8. Seller reserves the right to exercise all of the power of the Association until the election of the Board of Directors and officers of the Association of Apartment Owners and may vote and exercise all the powers of the Board and officers of the Association including voting of owners of apartments remaining unsold.

9. Buyer may have the right to cancel the Sales Contract and obtain a refund of all money paid by Buyer if the Final Public Report is not issued within one (1) year from the date of the issuance of the Preliminary Public Report, or there are any changes in the condominium building plans after the execution of this contract and before the issuance of a Final Public Report, or the Final Public Report differs in any material respect from the Preliminary Report.

10. If the Buyer defaults when a payment is required, the Seller will notify the Buyer by registered mail of such default. If the default is not cured within ten (10) days after mailing the notice, the Sales Contract may be terminated by Seller with written notice to Buyer. If this occurs, the money paid by the Buyer will belong to the Seller as liquidated damages.

11. Seller agrees that it will erect the building containing the apartment within the period of two (2) years from the date of this Preliminary Report.

12. The Project will be subject to ongoing construction and sales activities which may result in certain annoyances to Buyer.

13. Seller has no program to offer a rental service of any kind to the owners of apartments in the project.

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

1. Seller will require all payments due to be made to Escrow.

2. All money received by Escrow will be deposited in an interest-bearing account in a federally insured bank or savings and loan institution. All interest earned in the account will be credited to the account of the Seller.

3. If the Buyer under a reservation as an owner-occupant is not offered an apartment or if the Buyer refuses to enter into a sales contract, Escrow will promptly refund the deposit made by Buyer without interest. If Buyer enters into Sales Contract but rescinds the Sales Contract because of hardship or because the buyer no longer intends to be an owner-occupant, Seller will cancel Sales Contract and Escrow will promptly returns all money to Buyer without interest and less the cancellation fee.

4. Escrow will disburse Buyer's funds until Seller has notified Escrow that Buyer's Sales Contract has become effective and a Final Public Report has been issued by the Real Estate Commission and Escrow has received a copy of Buyer's receipt for the Final Public Report.

5. Escrow will from time to time make disbursements from the escrow fund to pay for construction costs, to other persons for architectural, engineering, financing, advertising, legal fees and other expenses, but not for selling expenses or brokerage fees relating to the sales of any apartment.

6. If Buyer is in default under the Sales Contract, Escrow will promptly give to Buyer notice of the default.

7. Escrow is relieved from all liability for acting in accordance with the terms of the Escrow Agreement.

8. Escrow will be paid ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$150.00) per apartment at the closing of Escrow. One-half (1/2) of this fee will be paid by the Buyer and one-half (1/2) will be paid by the Seller. Escrow will also provide joint protection title policies at the Buyer's

expense for each sales contract closed at a premium not exceeding ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$150.00) for both policies.

9. Escrow will collect FIFTY AND NO/100 DOLLARS (\$50.00) if a Sales Contract is cancelled before the Buyer has received a commitment for financing. Escrow will collect ONE HUNDRED AND NO/100 DOLLARS (\$100.00) if a Sales Contract is cancelled after Buyer has received a commitment for financing or after Buyer's receipt of the Final Public Report.