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

CONDOMINIUM PUBLIC REPORT

PUOWAINA TERRACE
PUOWAINA DRIVE, HONOLULU, HAWAII

Registration No. 2447

Issued: July 19, 1991
Expires: August 19, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of June 27, 19 91, 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:** *(yellow)* The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.

X **FINAL:** *(white)* The developer has legally created a condominium and has filed complete information with the Commission.
- [X] No prior reports have been issued
- [ ] Supersedes all prior public reports
- [ ] Must be read together with _____

____ **SUPPLEMENTARY:** *(pink)* Updates information contained in the
- [ ] 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.

[X] No prior reports have been issued by the Commission.

[ ] Changes made are as follows:

SPECIAL ATTENTION

1. The prospective purchaser is cautioned to carefully review the documents referenced herein which are on file with the Real Estate Commission.

2. This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit as shown on the condominium map is designated as a limited common element and does not represent a legally subdivided lot. The dotted lines on the condominium map merely represent the approximate location of the limited common element assigned to each unit.

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	7
D. House Rules	8
E. Changes to Condominium Documents	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements	15
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20

EXHIBIT A: BOUNDARIES OF EACH APARTMENT
EXHIBIT B: PERMITTED ALTERATIONS TO APARTMENTS
EXHIBIT C: COMMON ELEMENTS
EXHIBIT D: LIMITED COMMON ELEMENTS
EXHIBIT E: COMMON INTERESTS AND LIMITED COMMON ELEMENTS
EXHIBIT F: ENCUMBRANCES AGAINST TITLE
EXHIBIT G: DISCLOSURE ABSTRACT
EXHIBIT H: SUMMARY OF SALES AGREEMENT
EXHIBIT I: SUMMARY OF ESCROW AGREEMENT
EXHIBIT J:

GENERAL INFORMATION ON CONDOMINIUMS

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

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

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.

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

Interest to be Conveyed to Buyer:

[X] Fee simple interest in an apartment and an undivided feehold interest in the common elements.
[ ] Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
[ ] Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. [X] New Building(s) [ ] Conversion
   [ ] Both New Building(s) and Conversion

2. [X] Residential [ ] Commercial [ ] Ohana
   [ ] Mixed Residential and Commercial [ ] Agricultural
   [ ] Other _____

3. [ ] High Rise (5 stories or more) [X] Low Rise

4. [X] Single or [ ] Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Deck Area ~~Lanai/Patio (sf)~~	Net Balcony Area (
1986	1	3/2 1/2	1,915	143	80
1986-A	1	3/2 1/2	1,915	143	80

Total Apartments: 2

**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:

	Number of Stalls
Assigned Stalls (Individual Units)	
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other: *Each apartment will include a two-car garage.	4*
Total Parking Stalls	4*

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Armstrong Limited
Name
Phone: 848-2484 (Business)
80 Sand Island Access Road, Suite 209
Business Address
Honolulu, Hawaii 96819

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

Robert H. Armstrong - President/Treasurer/Secretary
Kelly R. Armstrong - Vice President

Real Estate Broker: Locations Inc.
Name
Phone: 522-7272 (Business)
320 Ward Avenue, Suite 101
Business Address
Honolulu, Hawaii 96814

Escrow: Founders Title & Escrow of Hawaii
Name
Phone: 531-0226 (Business)
900 Fort Street, Suite 1000
Business Address
Honolulu, Hawaii 96813

General Contractor: Armstrong Builders, Ltd.
Name
Phone: 848-2484 (Business)
80 Sand Island Access Road, Suite 209
Business Address
Honolulu, Hawaii 96819

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

Attorney for Developer: Goodsill Anderson Quinn & Stifel (Gail O. Ayabe)
Name
Phone: 547-5600 (Business)
130 Merchant Street, 16th Floor
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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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
[X] Recorded - Bureau of Conveyances - Document No. 91-64538
Book _____ Page _____
[ ] Filed - Land Court - Document No. _____

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
[X] Recorded - Bureau of Conveyance Condo Map No. 1497
[ ] Filed - Land Court Condo Map No. _____

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
[X] Recorded - Bureau of Conveyances - Document No. 91-64539
Book _____ Page _____
[ ] Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

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.

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 [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%*
Bylaws	65%	65%*
House Rules	—	---

*The Developer's written consent also is required to amend any provision that gives the Developer any right or authority.

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

2. Developer:

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

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

The Developer may amend the Declaration, By-Laws and Condominium Map (a) at any time prior to the recording of the first apartment conveyance to a party not signatory to the Declaration; (b) to make any amendments required by law, by the Real Estate Commission of the State of Hawaii, by any title insurer issuing title insurance on the Project or any of the apartments, by any institutional lender lending funds on the security of the Project or any of the apartments, or by any governmental agency of any other jurisdiction; (c) to record the "as built" verified statement required by Section 514A-12, HRS.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

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 regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[ ] Individual Apartments in Fee Simple Common Interest in the 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 regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[ ] Other:

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: 1986 & 1986-A Puowaina Drive
Honolulu, Hawaii

Tax Map Key: 2-2-013-001
(TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 8,444 [X] square feet [ ] acre(s) Zoning: R-5

Fee Owner: Armstrong Limited
Name

80 Sand Island Access Road, Suite 209
Address

Honolulu, Hawaii 96819

Sublessor: _____
Name

_____
Address

_____

C **Buildings and Other Improvements:**

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

2. Buildings: 1 Floors Per Building 2

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other gypsum board, glass and other allied construction materials.

4. Permitted Uses by Zoning:

	No. of Apts.	Use Determined By Zoning		No. of Apts.	Use Determined By Zoning
[ ] Commercial			[ ] Industrial		
[x] Residential	2	yes	[ ] Agricultural		
[ ] Timeshare/Hotel			[ ] Recreational		
[ ] Other:					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?
[x] Yes [ ] No

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:

[x] Pets: No animals allowed, except that dogs, cats and other household pets in reasonable number and size (as determined by the Board of Directors) may be kept in the apartment.

[ ] Number of Occupants:

[ ] Other:

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 2 in each apartment Trash Chutes 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Deck Area ~~Lanai/Patio (sf)~~	Net Balcon Area
1986	1	3/2 1/2	1,915	143	80
1986-A	1	3/2 1/2	1,915	143	80

Total Apartments: 2

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 A

Permitted Alterations to Apartments:

SEE EXHIBIT B

7. Parking Stalls:

Total Parking Stalls: 4*

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)							
Guest							
Unassigned							
Extra Available for Purchase							
Other:	4*						4*
Total Covered & Open	4*						

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.

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

*Each apartment will include a two-car garage.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Storage Area

[ ] Recreation Area

[ ] Laundry Area

[ ] Tennis Court

[ ] Trash Chute

[ ] Other: _____

9. Present Condition of Improvements NOT APPLICABLE
(For conversions of residential apartments in existence for at least five years):

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

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

10. Conformance to Present Zoning Code

a. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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.

   [X] Exhibit C describes the common elements.

   [ ] As follows:

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

   [ ] There are no limited common elements in this project.

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

   [X] described in Exhibit D and 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.

   [X] Exhibit E 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 March 25, 1991 and issued by Title Guaranty of Hawaii, Incorporated.

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.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgage lien(s) of Developer's lender(s)	Buyer's interest is specifically made subject and subordinate to such liens. If Developer's interest is foreclosed, Buyer's deposit may or may not be returned, the contract may or may not be cancelled, and Buyer may or may not lose all rights to acquire the apartment.

NOTE: The Developer has notified the Commission that at the time of the first conveyance of each apartment, each of Developer's lender(s)' lien(s) will be paid and satisfied of record, or the apartment being conveyed and its common interest shall be released therefrom.

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:

[ ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[X] self-managed by the Association of Apartment Owners.

[ ] 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/(DISCLOSURE ABSTRACT) 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:

[X] Not applicable

[ ] Electricity

[ ] Television Cable

[ ] Gas

[ ] Water & Sewer

[ ] 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:

SEE SECTION 3 of EXHIBIT G (THE DISCLOSURE ABSTRACT)

2. Appliances:

SEE SECTION 3 of EXHIBIT G (THE DISCLOSURE ABSTRACT)

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

Construction of the Project commenced in January 1991 and the Developer estimates that construction of the Project will be completed in June 1991.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

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

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated May 3, 1991

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

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Disclosure regarding use of a material house bond by the developer and restrictions on the developer's use of a buyer's funds.

Armstrong Limited ("Developer") submitted and filed with the Real Estate Commission, State of Hawaii ("Commission") a performance bond issued by Honsador, Inc., a material house, non-licensed surety ("Surety") in the amount of $486,815.00 which is one hundred per cent of the Developer's estimated cost of construction of the apartments as reflected in that construction contract executed by Developer and Armstrong Builders, Ltd. dated March 7, 1991. A copy of the bond and the construction contract was included in the filing submitted to Commission. Before signing the sales contract, a prospective buyer may review this bond and the entire filing by the Developer at the Commission's offices.

GECC Financial Corporation ("GECC"), which is the interim construction lender for this project, issued a letter dated June 27, 1991, stating, in part, that GECC reviewed the performance bond issued by Surety and approved the loan using Surety to bond the project.

The Developer submitted an escrow agreement and amended escrow agreement that was signed by the Developer and Founders Title & Escrow of Hawaii ("Escrow"). A summary of that escrow agreement, as amended, is attached to this public report as Exhibit I. Section 8 of the escrow agreement, as amended, provides, in pertinent part, that a buyer's funds shall not be disbursed by Escrow to pay for construction costs until the time of both the completion of the apartment to be conveyed and the closing of the sale. In addition, Section 8 provides, in pertinent part, that where closing is to occur prior to the expiration of the forty-five (45) day period commencing after publication of the notice of completion, Escrow shall not release any of buyer's funds unless Escrow receives satisfactory evidence that the Developer has provided (1) the buyer with an owner's title insurance policy with appropriate mechanics' lien endorsement protecting the buyer against all current and future mechanics' and materialmens' liens and (2) the Commission with a release by Developer's general contractor of the general contractor's lien rights.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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 Condominium 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 _____

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, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2447 filed with the Real Estate Commission on May 21, 1991.

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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.

PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

CONDOMINIUM PUBLIC REPORT ON
PUOWAINA TERRACE

EXHIBIT A

BOUNDARIES OF EACH APARTMENT

Each apartment shall be deemed to include:

(a) the perimeter walls, foundations, columns, girders, beams, floor slabs, footings, supports, stairways, roofs, skylights, ceilings and floors located at the perimeter of or surrounding such apartment, which are utilized for or serve only such apartment;

(b) the walls and partitions within the apartment;

(c) the windows, window frames, louvers, shutters (if any), doors and door frames along the perimeter of the apartment;

(d) the deck therein as shown on the Condominium Map, to the exterior surface of any railings, walls or other exterior boundaries of such deck, and including the foundations, columns, girders, beams, floor slabs, footings, supports, floors and railings of such deck;

(e) the balcony therein as shown on the Condominium Map, to the exterior surface or any railings, walls or other exterior boundaries of such balcony, and including the foundations, columns, girders, beams, floor slabs, footings, supports, floors and railings of such balcony;

(f) the garage therein as shown on the Condominium Map;

(g) all mechanical, electrical, heating, incinerating and refrigeration equipment originally installed and utilized for or serving only such apartment;

(h) any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such apartment, which are utilized for or serve only such apartment; and

(i) all of the fixtures and appliances originally installed therein.

The respective apartments shall not be deemed to include any perimeter walls, foundations, columns, girders, beams, floor slabs, footings, supports, and roofs which are utilized for or serve more than one apartment, or any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within an apartment which are utilized for or serve more than one apartment.

CONDOMINIUM PUBLIC REPORT ON
PUOWAINA TERRACE

EXHIBIT B

PERMITTED ALTERATIONS TO APARTMENTS

Except as otherwise provided in the Declaration, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with all of the requirements of Paragraph 6 of Section I of the Declaration, and promptly upon completion of such restoration, replacement or construction, the Association shall duly file of record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any other provision in the Declaration to the contrary, the owner of an apartment, may make any alterations or additions within an apartment, at such owner's expense, if such alterations or additions are not visible from the exterior of the apartments and if the structural integrity of the building is not thereby affected. The alterations or additions permitted by the immediately preceding proviso shall require only the written approval thereof, including approval of the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartment (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, and by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered.

Notwithstanding any other provision in the Declaration to the contrary, prior to (a) the time that all apartments in the Project have been sold and recorded and (b) the filing by the Developer of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of said Condominium Property Act (but in no event later than December 31, 2001), the Developer shall have the right to make alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; or to make other alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which make minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 3 of Section S of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of apartments in the Project, and the recording in the Bureau of Conveyances of the State of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatory to the Declaration.

CONDOMINIUM PUBLIC REPORT ON
PUOWAINA TERRACE

EXHIBIT C

COMMON ELEMENTS

The common elements consist of all portions of the Project other than the apartments, including specifically, but not limited to:

(a) Said Land in fee simple;

(b) All perimeter walls, foundations, columns, girders, beams, floor slabs, footings, supports, roofs or other external fascia of the building which are utilized for or serve more than one apartment;

(c) All porches, walkways, retaining walls, fences, gates (if any), driveways, yards, grounds, landscaping, refuse areas, and mailboxes;

(d) All pipes, cables, conduits, ducts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas (if any), sewer, water, telephone and television signal distribution (if any); and

(e) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

CONDOMINIUM PUBLIC REPORT ON
PUOWAINA TERRACE

EXHIBIT D

LIMITED COMMON ELEMENTS

(a) The land appurtenant to and under Apartment 1986, designated as L-1 on the Condominium Map, together with all porches, walkways, retaining walls, fences, gates (if any), driveways, yards, grounds, landscaping, and refuse areas located thereon, shall be a limited common element appurtenant to and reserved for the exclusive use of Apartment 1986;

(b) The land appurtenant to and under Apartment 1986-A, designated as L-2 on the Condominium Map, together with all porches, walkways, retaining walls, fences, gates (if any), driveways, yards, grounds, landscaping, and refuse areas located thereon, shall be a limited common element appurtenant to and reserved for the exclusive use of Apartment 1986-A;

(c) Any walkway, entrance, exit, or steps which would normally be used only for the purposes of ingress to and egress from a specific apartment or apartments shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment or apartments;

(d) Each apartment shall have a mailbox appurtenant to it and reserved for its exclusive use.

CONDOMINIUM PUBLIC REPORT ON
PUOWAINA TERRACE

EXHIBIT E

COMMON INTERESTS AND LIMITED COMMON ELEMENTS

Apt. No.	Limited Common Element No.	Common Interest
1986	L-1	50%
1986-A	L-2	50%

CONDOMINIUM PUBLIC REPORT ON
PUOWAINA TERRACE

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor of the City and County of Honolulu.

2. Reservations set forth in Land Patent Grant Number 13,610 dated May 1, 1959, to-wit:

   "RESERVING to the Territory of Hawaii, its successors and assigns, in perpetuity, all rights to ground but not to surface waters which are or may be appurtenant to the hereinabove described land or the ownership thereof.

   RESERVING ALSO to the Territory of Hawaii, its successors and assigns, in perpetuity, all minerals, mineral substances, oils and natural gases of every sort and description that may be upon the surface or in or under the land hereinabove described, together with the right to enter upon said land for purposes of mining, drilling or otherwise capturing, collecting or extracting the same and of transporting such raw or processed materials off said land."

3. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime of Puowaina Terrace dated May 14, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-64538, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium File Plan No. 1497 filed in said Bureau).

4. By-Laws of the Association of Apartment Owners of the Condominium Project known as "Puowaina Terrace" dated May 14, 1991, recorded in said Bureau as Document No. 91-64539, as the same may hereafter be amended.

5. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : ARMSTRONG LIMITED, a Hawaii corporation

MORTGAGEE : GECC FINANCIAL CORPORATION, a Hawaii corporation

DATED : March 23, 1990
RECORDED : Document No. 90-041289
AMOUNT : $750,000.00

6. ASSIGNMENT OF SALES CONTRACT dated March 23, 1990, recorded as Document No. 90-041291, ARMSTRONG LIMITED, a Hawaii corporation, assigned to GECC FINANCIAL CORPORATION, a Hawaii corporation, all the right, title and interest in, to and under any sales contract or contracts, whether now or hereafter executed, covering all or any portion of the property described herein, as security for the payment of that certain promissory note of even date herewith in the principal sum of $750,000.00.

CONDOMINIUM PUBLIC REPORT ON

PUOWAINA TERRACE

EXHIBIT G

DISCLOSURE ABSTRACT

1. (a) PROJECT: Puowaina Terrace
Puowaina Drive, Honolulu, Hawaii

(b) DEVELOPER: Armstrong Limited
80 Sand Island Access Road, Suite 209
Honolulu, Hawaii 96819
Telephone: (808) 848-2484

2. USE OF APARTMENTS:

(a) Number of Apartments in Project for Residential Use: 2

(b) Proposed Number of Apartments in Project for Hotel Use: -0-

(c) Extent of Commercial or Other Nonresidential Development in Project: None

3. WARRANTIES:

Developer will provide a two-year limited warranty in the form attached as Exhibit B to the specimen Reservation and Sales Agreement submitted to the Real Estate Commission and available in the Sales Office of the Developer. The warranty will be for a period of two (2) years from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period less than two (2) years from the "date of completion" of the Apartment, as that term "date of completion" is defined in Section 507-43 of the Hawaii Revised Statutes.

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Disclosure Abstract as Exhibit "A" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by Armstrong Limited, a Hawaii corporation, for the one-year period commencing May 1991, and certified to have been based on

generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Abstract does not include the Buyer's obligation for the payment of real property taxes, and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

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* NOTE:  THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF *
* MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE  *
* VERY DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH   *
* MAINTENANCE CHARGES HAVE BEEN ACCURATELY ESTIMATED,     *
* SUCH CHARGES WILL TEND TO INCREASE IN AN INFLATIONARY   *
* ECONOMY AND AS THE IMPROVEMENTS AGE.  MAINTENANCE       *
* CHARGES CAN VARY DEPENDING ON SERVICES DESIRED BY       *
* APARTMENT OWNERS.  THE BUYER SHOULD EXAMINE THE MAINTE- *
* NANCE CHARGE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED *
* IN THE SCHEDULE.                                        *
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5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer will assume all the actual common expenses of the Project (and therefore an apartment owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states that after a date certain, the respective apartment owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his apartment; provided, however, that such amended Disclosure Abstract shall be filed at least 30 days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the apartment owners whose maintenance expenses were assumed by the Developer.

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the President of Armstrong Limited, a Hawaii corporation, the Developer of the Puowaina Terrace condominium project (the "Project").

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, as set forth in Exhibit "A" attached hereto and hereby incorporated herein by reference, are reasonable estimates for the one-year period commencing May 1991, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 7th day of May, 1991.

ROBERT H. ARMSTRONG

Subscribed and sworn to before me this 7th day of May, 1991.

Notary Public, State of Hawaii

My commission expires: 2-8-94

EXHIBIT "A"

PUOWAINA TERRACE

Estimated Annual Common Expenses

	MONTHLY	ANNUAL
Insurance	$ 50.00	$ 600.00
Reserves	100.00	1,200.00
TOTAL DISBURSEMENTS	$150.00	$1,800.00

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

The estimated monthly maintenance charge for each apartment in the Project is $75.00 per month.

CONDOMINIUM PUBLIC REPORT ON
PUOWAINA TERRACE

EXHIBIT H

SUMMARY OF SALES AGREEMENT

A specimen Reservation and Sales Agreement (the "Sales Agreement") has been submitted to the Real Estate Commission and is available in the Sales Office of the Seller. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE RESERVATION AND SALES AGREEMENT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of their provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. Seller will provide a two-year limited warranty in the form attached as Exhibit B to the Sales Agreement. The warranty will be for a period of two (2) years from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period less than two (2) years from the "date of completion" of the Apartment, as that term "date of completion" is defined in Section 507-43 of the Hawaii Revised Statutes.

2. Seller may (but does not have to) cancel the Sales Agreement (a) if the buyer's mortgage loan application is rejected or not approved within 60 days after application, or (b) if the buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the buyer's ability to make the cash payments.

3. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, HOW BUYER DOES IT WILL BE UP TO BUYER. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

4. Buyer will pay for the following closing costs: all of the Escrow fee, all notary fees, all appraisal fees, all recording costs, all charges for buyer's credit report, all costs of preparing any mortgages and promissory notes, and all title insurance costs. Buyer will also pay all mortgage costs. Buyer will also pay a

nonrefundable start-up fee which will be held and used by Seller as a working capital fund for the benefit of all the apartment owners. Buyer agrees that Seller does not have to pay any start-up fee for any apartment in the Project even if it is owned by Seller. Proration of maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date.

5. The buyer agrees that buyer may not transfer the Sales Agreement or any of buyer's rights under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

6. Seller has given or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual apartments. All of the rights and interests which Seller gives to the lender or lenders will have priority over the buyers' rights and interests under the Sales Agreements. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed apartment deeds to the buyers. If Seller's lender or lenders ask the buyers to do so, the buyers will sign other documents to confirm the promises and agreements mentioned above.

7. Seller and Founders Title & Escrow of Hawaii ("Escrow") have signed an Escrow Agreement and an Amendment to Escrow Agreement (collectively "Escrow Agreement"), which is summarized in Exhibit I hereof. The buyer agrees that buyer's funds paid pursuant to the Sales Agreement may be disbursed by Escrow as provided in the Escrow Agreement prior to Closing and the recordation of the buyer's apartment deed. The buyer authorizes and instructs Escrow to comply with, and to disburse all deposited funds in accordance with, the terms of the Escrow Agreement. Without limitation to the generality of the foregoing, but except as otherwise provided by the terms of the Escrow Agreement, the buyer understands and agrees that Seller shall have the right to use, and Escrow may disburse to Seller prior to Closing, all or any portion of the buyer's funds to pay for costs of

construction of improvements in the Project and for other costs of the Project.

NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

CONDOMINIUM PUBLIC REPORT ON
PUOWAINA TERRACE

EXHIBIT I

SUMMARY OF ESCROW AGREEMENT

Copies of the Escrow Agreement between the Seller and Founders Title & Escrow of Hawaii have been submitted to the Real Estate Commission and are available for inspection in the Sales Office of the Seller. The Escrow Agreement, among other things, covers in more detail the following items:

1. All monies received by Escrow under the Escrow Agreement will be deposited within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sums in a special account or accounts with a federally insured bank or savings and loan association in Honolulu, Hawaii, chosen by Seller and authorized to do business in the State of Hawaii under an escrow arrangement. The accounts must provide for interest at the prevailing interest rate, and all interest paid on the accounts will belong to Seller.

2. Disbursements from the buyer's escrow fund shall be made by Escrow in accordance with the respective sales contracts upon the direction of Seller.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.