

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer GENTRY PROPERTIES
Address 560 N. Nimitz Hwy., #213, Honolulu, Hawaii
Project Name(*): UKE'E INDUSTRIAL COURT
Address: 94-529 Ukee St. (Bldg. I), 94-503 Ukee St., (Bldg. III), 94-515 Ukee St. (Bldg. II)
Registration No. 2867 (CONVERSION) Effective date: June 9, 1993
Expiration date: July 9, 1994

Preparation of this Report:

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

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

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

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

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

Type of Report:

- X 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 by the developer when complete information is filed.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with
SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[] Final Public Report dated:
[] Supplementary Public Report dated:
And [] Supersedes all prior public reports
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

TABLE OF CONTENTS

| | page |
|--|------|
| Preparation of this Report | 1 |
| Expiration Date of Reports | 1 |
| Type of Report | 1 |
| Disclosure Abstract | 2 |
| Summary of Changes from Earlier Public Reports | 2 |
| Table of Contents | 3 |
| General Information on Condominiums | 4 |
| Operation of the Condominium Project | 4 |
| | |
| I. PERSONS CONNECTED WITH THE PROJECT | 5 |
| Developer Attorney for Developer General Contractor | |
| Real Estate Broker Escrow Company Condominium Managing Agent | |
| | |
| II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS | |
| A. Declaration | 6 |
| B. Condominium Map (File Plan) | 6 |
| C. Bylaws | 6 |
| D. House Rules | 7 |
| E. Changes to Condominium Documents | 7 |
| | |
| III. THE CONDOMINIUM PROJECT | |
| A. Interest to be Conveyed to Buyer | 8 |
| B. Underlying Land | 9 |
| C. Buildings and Other Improvements | 10 |
| D. Common Elements, Limited Common Elements, Common Interest | 13 |
| E. Encumbrances Against Title | 14 |
| F. Construction Warranties | 15 |
| G. Status of Construction | 16 |
| H. Project Phases | 16 |
| | |
| IV. CONDOMINIUM MANAGEMENT | |
| A. Management of the Common Elements | 17 |
| B. Estimate of Initial Maintenance Fees | 17 |
| C. Utility Charges for Apartments | 17 |
| | |
| V. MISCELLANEOUS | |
| A. Sales Documents Filed with the Real Estate Commission | 18 |
| B. Buyer's Right to Cancel Sales Contract | 18 |
| C. Additional Information Not Covered Above | 20 |
| D. Signature of Developer | 21 |
| | |
| EXHIBIT A: PARKING STALL ASSIGNMENTS | |
| EXHIBIT B: ENCUMBRANCES AGAINST TITLE | |
| EXHIBIT C: ESTIMATE OF INITIAL MAINTENANCE FEES | |
| EXHIBIT D: SUMMARY OF SALES CONTRACT | |
| EXHIBIT E: SUMMARY OF ESCROW AGREEMENT | |
| EXHIBIT F: | |
| EXHIBIT G: | |
| EXHIBIT H: | |
| EXHIBIT I: | |

General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: GENTRY PROPERTIES Phone: (808) 599-5558
Name (Business)
94-539 Puahi Street
Business Address
Waipahu, Hawaii 96797

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

GENTRY-PACIFIC, LTD., General Partner
THOMAS H. GENTRY - President
HARVEY J. MIGDAL - Senior Vice President
NORMAN H. GENTRY, RANDOLPH K. OUYE, MARK GENTRY - Vice Presidents
LINDA NAKATA - Treasurer DAWN SUYENAGA - Secretary

Real Estate Broker: KONA REEF SHARE, LTD. dba Gentry Commercial Realty Phone: (808) 599-5558
Name (Business)
560 N. Nimitz Hwy. #213
Business Address
Honolulu, Hawaii 96817

Escrow: SECURITY TITLE CORPORATION Phone: (808) 521-9511
Name (Business)
1200 Pacific Tower, 1001 Bishop St.
Business Address
Honolulu, Hawaii 96813

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

Condominium Managing Agent: _____ Phone: _____
Name (Business)
Business Address

Attorney for Developer: DAWN SUYENAGA Phone: (808) 599-8200
Name (Business)
560 N. Nimitz Hwy., #212
Business Address
Honolulu, Hawaii 96817

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

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

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

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

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

| | <u>Minimum Set by Law</u> | <u>This Condominium</u> |
|--------------------------------|-------------------------------|-------------------------|
| Declaration (and Condo Map) | 75%* | <u>75%</u> |
| Bylaws | 65% | <u>65%</u> |
| House Rules | --- | <u>51%</u> |

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

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

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules: The Developer has reserved the right to make any changes to said documents, and any other documents affecting this Project, as may be required by law, any title insurance company, or as Developer decides is necessary, all without the consent or approval of the Purchaser, provided that the changes do not substantially impair the prospective use and enjoyment of the apartments; materially alter the arrangement of the rooms or reduce the usable space within the apartment; render unenforceable the Purchaser's mortgage loan commitment; increase Purchaser's share of common expenses or reduce the obligations of the Seller for common expenses on unsold apartments. Developer also reserves the right to consent to amendments to the Declaration, Condominium Map, By-Laws and House Rules for as long as the Developer owns a unit in the Project, which consent will not unreasonably be withheld by the Developer.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 - Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

| | | |
|----------|---|-----------------------------|
| Address: | 94-529 Ukee Street (Bldg. I, Lot 8636) | 9-4-99-7 (Lot 8636) |
| | 94-515 Ukee Street (Bldg. II, Lot 8637) | 9-4-99-9 (Lot 8637) |
| | <u>94-503 Ukee Street (Bldg. III, Lot 8638)</u> | <u>9-4-99-11 (Lot 8638)</u> |
| | | Tax Map Key: |
| | | (TMK) |

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

Land Area: 32,329 (Lot 8636) [XX] square feet [] acre(s) Zoning: 1-2
64,782 (Lot 8637)
31,079 (Lot 8638)
128,190 Total square feet

Lessor
 (Fee Owner): GENTRY PROPERTIES
 Name 560 N. Nimitz Hwy., #213
 Address Honolulu, Hawaii 96817

Sublessor:
 Name _____
 Address _____

C. Buildings and Other Improvements:

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

2. Number of Buildings: 3 Floors Per Building 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

| | No. of <u>Apts.</u> | Use Permitted <u>By Zoning</u> | | No. of <u>Apts.</u> | Use Determined <u>By Zoning</u> |
|---------------------------------------|------------------------|--|--|------------------------|---|
| <input type="checkbox"/> Residential | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Ohana | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Commercial | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Industrial | <u>39</u> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Mix Res/Comm | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Agricultural | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Hotel | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Recreational | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Timeshare | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Other: _____ | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

5. Special Use Restrictions:

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

[X] Pets: Except for physically impaired persons, no pets unless approved by the Board of Directors.

[] Number of Occupants: _____

[X] Other: Restrictions imposed by I-2 zoning code, DCCR for Gentry-Waipio Industrial Area; Plants placed in containers to prevent dripping of water or soil onto common elements.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: _____ Trash Chutes: None

| Apt. Type | Quantity | BR/Bath | Net Living Area (sf)* | Lanai/Patio (sf) |
|-------------------------|----------|---------|-----------------------|------------------|
| 1 | 4 | _____ | 1,383 | _____ |
| 2 | 3 | _____ | 1,627 | _____ |
| 3 | 27 | _____ | 1,580 | _____ |
| 4 | 1 | _____ | 743 | _____ |
| 5 | 1 | _____ | 2,228 | _____ |
| 6 | 1 | _____ | 1,583 | _____ |
| Total Apartments: _____ | | 39 | | |
| 7 | 1 | | 1,373 | |
| 8 | 1 | | 2,108 | |

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

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

Boundaries of Each Apartment: Each apartment includes the walls and partitions which are not load bearing within its perimeter or party walls; glass windows or panels; doors (except for exterior surface of any door located on perimeter) and any fixtures and appliances originally installed. The apartment does NOT include undecorated or unfinished surfaces of perimeter or party walls or interior load-bearing walls, floors, ceilings' or any pipes, wires or other utility lines running through the apartment and utilized for more than one apartment.

Permitted Alterations to Apartments: Additions, alterations or improvements solely within an apartment or within a limited common element appurtenant to and for the exclusive use of the apartment may be made by the apartment owner with only the approval of the Board of Directors of the Association of Apartment Owners and any other apartment owner directly affected.

7. Parking Stalls:

Total Parking Stalls: 100

| | <u>Regular</u> | | <u>Compact</u> | | <u>Tandem</u> | | <u>TOTAL</u> |
|--------------------------------|----------------|-------------|----------------|-------------|----------------|-------------|--------------|
| | <u>covered</u> | <u>open</u> | <u>covered</u> | <u>open</u> | <u>covered</u> | <u>open</u> | |
| Assigned (for each unit) | | <u>83</u> | | | | | <u>83</u> |
| Guest | | <u>17</u> | | | | | <u>17</u> |
| Unassigned | | | | | | | |
| Extra for Purchase | | | | | | | |
| Other: | | | | | | | |
| Total Covered & Open | <u>100</u> | | | | | | |

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

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute

Other: _____

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

There are no violations. Violations will not be cured.

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

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

| | <u>Conforming</u> | <u>Non-Conforming</u> | <u>Illegal</u> |
|------------|-------------------|-----------------------|----------------|
| Uses | 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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit _____.

as follows:

- (a) The land ;
- (b) All structural components, such as foundations, girders, beams, supports, unfinished perimeter walls and load bearing walls (except for the inner finished surfaces within each apartment) and the roofs of the buildings;
- (c) All planting areas, walkways, railings, fences, trash collection areas and parking areas, including driveways and access lanes and loading zones;
- (d) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central appurtenant transmission facilities and installations over, under or across the Project which serve more than one apartment for services such as power, light, gas, hot water, cold water, sewage, telephone, radio and television signal distribution, if any;
- (e) Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents and other such installations and apparatus;
- (f) Visitor parking stall Nos. 2, 3, 4, 13, 14, 39, 40, 49, 50, 51, 54, 55, 65, 66, 89, 90 and 100 ; and
- (g) All other parts of the Project necessary or convenient to its existence, maintenance and safety or normally in common use.

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

There are no limited common elements in this project.

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

described in Exhibit A. (Parking stall assignment)

as follows:

- (a) Each apartment shall have for its exclusive use at least one parking stall ;
- (b) The concrete entrance landing located in front of the Apartment;
- (c) The signage located adjacent to the entry of the apartment identifying the number of the apartment;
- (d) The planter box located directly in front of the apartment; and
- (e) All other common elements of the Project which are rationally related to less than all of such apartments shall be limited to the use of such apartments.

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit _____.

as follows:

| <u>Apt. Type</u> | <u>Percentage Common Interest</u> |
|------------------|---|
| 1 | 2.25% |
| 2 | 2.65% |
| 3 | 2.59% |
| 4 | 1.21% |
| 5 | 3.64% |
| 6 | 2.59% |
| 7 | 2.24% |
| 8 | 3.44% |

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit B describes the encumbrances against the title contained in the title report dated April 16, 1993 and issued by Security Title Corporation.

Blanket Liens:

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

- There are no blanket liens affecting title to the individual apartments.
- There are blanket liens which may affect title to the individual apartments.

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

| <u>Type of Lien</u> | <u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u> |
|---------------------|---|
| Mortgage | Lender has priority over Purchaser's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should the lender terminate Purchaser's sales contract, Purchaser shall be entitled to a refund of all deposits <u>less</u> a nominal cancellation fee. |

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

Developer warrants the roof of each of the buildings until December 31, 1994 against leaking (except to the extent any leakage is caused by events beyond its control such as fire or windstorm); Developer further warrants the pavement in the common parking areas until December 31, 1994. Except for these limited warranties, THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, THE PROJECT, THE APARTMENT OR CONSUMER PRODUCTS OR OTHER THINGS CONTAINED IN THE APARTMENT, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION. **The buildings of the Project were constructed in 1980 and have been used as industrial rentals since that date. Developer is selling the Apartments in "as is" condition, and the Apartment may contain tenant improvements that may not comply with building code regulations.**

2. Appliances: No appliances are included with apartments.

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

N/A. Project consists of existing buildings constructed in 1980.

H. **Project Phases:**

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer the Developer or the Developer's affiliate.
 - self-managed by the Association of Apartment Owners other _____
- Managing Agent has not been selected.

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, 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.

Exhibit C contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- None Electricity Gas Water
- (common elements only)
- Sewer Television Cable Other Refuse collection;

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

[] Notice to Owner Occupants

[xx] Specimen Sales Contract

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

[xx] Escrow Agreement dated April 15, 1993

Exhibit E contains a summary of the pertinent provisions of the escrow agreement.

[] Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); **AND**

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

B) The buyer has not waived the right to rescind.

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other Gentry Waipio Industrial Area Declaration of Covenants, Conditions and Restrictions dated January 10, 1979, recorded as Land Court Document No. 919493.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2867 filed with the Real Estate Commission on May 11, 1993.

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

yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

Uke'e Industrial Court is part of the Gentry Business Park and the Project is subject to the Declaration of Covenants, Conditions and Restrictions, recorded as Land Court Document No. 919493 (CCRs).

Among other things, the CCRs provide:

- (a) The use of the property is restricted to the uses enumerated in the CCRs and other uses as permitted under applicable zoning ordinances; provided that the Declarant (Gentry Waipio, a Joint Venture) specifically consents to such use in writing;
- (b) Establishes development standards, including setbacks, site coverage, signs, parking, landscaping, loading areas, storage areas, refuse collection areas, telephone and electric service, no access from major streets, design committee approval of improvements, alterations and repairs, development and construction requirements;
- (c) Establishes a Design Committee with rights, powers and duties and procedures to obtain design approval;
- (d) Establishes design criteria for improvements, alterations and repairs.

All owners in the Project are required to be a member of the Gentry-Waipio Industrial Area Association of Owners and each member is subject to the Rules and Regulations of the Association and assessments imposed by the Association.

Purchasers and prospective purchasers should reach with care the CCRs hereinabove described which is on file with the Commission or at the offices of the Developer.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

GENTRY PROPERTIES

Name of Developer

Gentry-Pacific, Ltd., Its General Partner

By: *HJ Migdal*
Fully Authorized Signatory

May 11, 1993
Date

HARVEY J. MIGDAL, Senior Vice President

print name & title of person signing above

Distribution:

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

EXHIBIT "A"

PARKING STALL ASSIGNMENTS

| <u>Apt. No.</u> | <u>Parking Stall</u> |
|-----------------|----------------------|
| 101 | 1, 5, 6 |
| 102 | 7, 8 |
| 103 | 9, 10 |
| 104 | 11, 12 |
| 105 | 15, 16 |
| 106 | 17, 18 |
| 107 | 19, 20 |
| 108 | 21, 22 |
| 109 | 23, 24 |
| 110 | 25, 26 |
| 201 | 47, 48, 52 |
| 202 | 45, 46 |
| 203 | 43, 44 |
| 204 | 41, 42 |
| 205 | 37, 38 |
| 206 | 35, 36 |
| 207 | 33, 34 |
| 208 | 31, 32 |
| 209 | 29, 30 |
| 210 | 27, 28 |
| 301 | 53, 56, 57 |
| 302 | 58, 59 |
| 303 | 60, 61 |
| 304 | 62, 63 |
| 305 | 64, 67 |
| 306 | 68, 69 |
| 307 | 70, 71 |
| 308 | 72, 73 |
| 309 | 74, 75 |
| 310 | 76, 77 |
| 401 | 96, 97, 98, 99 |
| 402 | 94, 95 |
| 403 | 92, 93 |
| 404 | 88, 91 |
| 405 | 86, 87 |
| 406 | 84, 85 |

| <u>Apt. No.</u> | <u>Parking Stall</u> |
|-----------------|----------------------|
| 407 | 82, 83 |
| 408 | 80, 81 |
| 409 | 78, 79 |

The parking stalls numbered 2, * 3, 4, 13, 14, 39, 40, 49, 50, 51, * 54, * 55, 65, 66, 89, 90 and 100 have also been designated as visitor parking stalls.

*Handicapped Parking

END OF EXHIBIT "A"

EXHIBIT "B"

1. Real property taxes as may be due and owing. Reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

As to Lot 8636:

3. Mortgage and Security Agreement dated August 27, 1980, recorded in said Office of the Assistant Registrar as Document No. 1028535, which mortgage was assigned by that certain Assignment of Mortgage and Security Agreement to Cigna Mortgage Securities, Inc., a Delaware corporation, dated April 15, 1988 and recorded in said Office of the Assistant Registrar as Document No. 1553629, and is subject to that certain Loan Assumption Agreement dated September 20, 1991, filed in said Office of the Assistant Registrar as Document No. 1852537. [*Developer intends to record a document to release these encumbrances prior to conveyance of apartment to purchaser.*]
4. Assignment of Leases made to Connecticut General Life Insurance Company, a Connecticut corporation, dated August 27, 1980 and recorded in said Office of the Assistant Registrar as Document No. 1028536. [*Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.*]
5. Financing Statement made by Gentry Properties, a Hawaii limited partnership, in favor of Connecticut General Life Insurance Company, a Connecticut corporation, and recorded in the Bureau of Conveyances of the State of Hawaii on February 14, 1991 as Document No. 91-020273. [*Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.*]

As to Lot 8637:

6. Mortgage and Security Agreement dated August 27, 1980, recorded in said Office of the Assistant Registrar as Document No. 1028538, which mortgage was assigned by that certain Assignment of Mortgage and Security Agreement to Cigna Mortgage Securities, Inc., a Delaware corporation, dated April 15, 1988 and recorded in said Office of the Assistant Registrar as Document No. 1553629, and is subject to that certain Loan Assumption Agreement dated September 20, 1991, filed in said Office of the Assistant Registrar as Document No. 1852537. [*Developer intends to record a document to release these encumbrances prior to conveyance of apartment to purchaser.*]
7. Assignment of Leases made to Connecticut General Life Insurance Company, a Connecticut corporation, dated August 27, 1980 and recorded in said Office of the Assistant Registrar as Document No. 1028539. [*Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.*]

8. Financing Statement made by Gentry Properties, a Hawaii limited partnership, in favor of Connecticut General Life Insurance Company, a Connecticut corporation, and recorded in the Bureau of Conveyances of the State of Hawaii on February 14, 1991 as Document No. 91-020274. [*Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.*]

As to Lot 8638:

11. Mortgage and Security Agreement dated August 27, 1980, recorded in said Office of the Assistant Registrar as Document No. 1028541, which mortgage was assigned by that certain Assignment of Mortgage and Security Agreement to Cigna Mortgage Securities, Inc., a Delaware corporation, dated April 15, 1988 and recorded in said Office of the Assistant Registrar as Document No. 1553629, and is subject to that certain Loan Assumption Agreement dated September 20, 1991, filed in said Office of the Assistant Registrar as Document No. 1852537. [*Developer intends to record a document to release these encumbrances prior to conveyance of apartment to purchaser.*]
12. Assignment of Leases made to Connecticut General Life Insurance Company, a Connecticut corporation, dated August 27, 1980 and recorded in said Office of the Assistant Registrar as Document No. 1028542. [*Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.*]
13. Financing Statement made by Gentry Properties, a Hawaii limited partnership, in favor of Connecticut General Life Insurance Company, a Connecticut corporation, and recorded in the Bureau of Conveyances of the State of Hawaii on February 14, 1991 as Document No. 91-020275. [*Developer intends to record a document to release this encumbrance prior to conveyance of apartment to purchaser.*]

As to ALL Lots:

14. The terms and provisions of that certain Unilateral Agreement and Declaration for Conditional Zoning dated August 26, 1977, filed in said Office of the Assistant Registrar as Document No. 832326.
15. The restrictions, covenants and conditions contained in the Declaration of Covenants, Conditions and Restrictions for the Gentry-Waipio Industrial Area dated January 10, 1979, filed in said Office of the Assistant Registrar as Document No. 919493.
16. Any and all unrecorded Leases, Subleases and Tenancy Agreements, demising all or a portion of the lands herein described, and any encumbrances appurtenant thereto.

END OF EXHIBIT "B"

EXHIBIT "C"
UKEE INDUSTRIAL COURT

ESTIMATE OF INITIAL MAINTENANCE FEES

| <u>Apartment Model</u> | <u>Percentage Interest</u> | <u>Monthly Fee</u> | x 12 | <u>Yearly Total</u> |
|------------------------|----------------------------|--------------------|------|---------------------|
| 1 | 2.25 % | \$162.10 | | \$1,945.20 |
| 2 | 2.65 | 191.00 | | 2,292.00 |
| 3 | 2.59 | 186.60 | | 2,239.20 |
| 4 | 1.21 | 87.20 | | 1,046.40 |
| 5 | 3.64 | 262.25 | | 3,147.00 |
| 6 | 2.59 | 186.60 | | 2,239.20 |
| 7 | 2.24 | 161.40 | | 1,936.80 |
| 8 | 3.44 | 247.85 | | 2,974.20 |

The foregoing maintenance fees do not include the dues payable to the Gentry Waipio Industrial Area Association. Industrial Area dues are based on lot size and are currently \$.0036 per square foot, per month.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

UKE'E INDUSTRIAL COURT

(39 Units)

Estimated Common Expenses

| | <u>Monthly</u> | <u>Annual</u> |
|--|-----------------|------------------|
| <u>Utilities and Services</u> | | |
| Electricity (common elements only) | \$ 300 | \$ 3,600 |
| Water and sewer | 300 | 3,600 |
| Refuse Collection | 1,570 | 18,840 |
| <u>Maintenance, Repairs and Supplies</u> | | |
| Building | 100 | 1,200 |
| Grounds | 475 | 5,700. |
| <u>Management</u> | | |
| Management Fee | 800 | 9,600. |
| <u>Insurance</u> | | |
| All Risk Property | 1,000 | 12,000 |
| Common Area Liability | 165 | 1,980 |
| Directors & Officers | 200 | 2,400 |
| <u>Taxes and Government Assessments</u> | | |
| | 20 | 240 |
| <u>Audit and Tax Preparation</u> | | |
| | 150 | 1,800 |
| <u>Reserves</u> | | |
| | 2,000 | 24,000 |
| <u>Other</u> | | |
| | 125 | 1,500 |
| TOTAL DISBURSEMENTS | \$ <u>7,205</u> | \$ <u>86,460</u> |

EXHIBIT "D"

SUMMARY OF SALES CONTRACT

The Sales Contract contains the price and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

1. What the obligations are of the buyer if the buyer wants a mortgage loan to cover part of the purchase price.
2. That buyer's money will be held in escrow, under the terms of the Escrow Agreement.
3. That a buyer will not receive interest on deposits made under the Sales Contract.
4. That the apartment will be subject to various other legal documents which the buyer should examine.
5. That the Project will be subject to ongoing sales activities.
6. That under certain circumstances where the apartment is ready for occupancy and the buyer has not completed his financing arrangements for the purchase of the apartment, buyer will be responsible for all of the Seller's expenses as a result of buyer's delay.
7. That in the event of default under the sales contract:

By Buyer:

- a. Seller may cancel the sales contract and retain Buyer's initial deposit;
- b. Seller may file a lawsuit for damages;
- c. Seller may file a lawsuit for "specific performance";
- d. Buyer shall be responsible for expenses incurred.

By Seller:

- a. Buyer may file a lawsuit for "specific performance";
- b. Buyer may cancel the sales contract and Seller will return all deposits, without interest;
- c. Buyer's remedies are limited to those specified in the sales contract; rights to any other remedies are waived.

END OF EXHIBIT "D"

EXHIBIT "E"

SUMMARY OF ESCROW AGREEMENT

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

1. Escrow will let buyers know when payments are due
2. The Escrow Agreement says that interest on buyer's deposits will accrue in favor of the Developer and not the buyer unless the Sales Contract specifically provides that interest be credited to the buyer.
3. Escrow will arrange for buyers to sign all necessary documents.
4. The Escrow Agreement says under what conditions a refund will be made to a buyer.
5. The Escrow Agreement says what will happen to a buyer's funds upon a default under the Sales Contract.
6. The Escrow Agreement contains various other provisions and establishes certain charges with which the buyer should be come acquainted.

END OF EXHIBIT "E"