

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:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

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

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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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 a 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 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: David Albert Dolgin and John Richard Floyd Phone: 523-7021
Name (Business)
c/o Elisha Ekimoto & Harada
707 Richards St. PH-1, Honolulu, Hawaii 96813
Business Address

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

Real Estate Broker: Central Pacific Realty, Inc. Phone: 944-8868
Name (Business)
2122 Young Street
Business Address
Honolulu, HI 96826

Escrow: Old Republic Title & Escrow of Hawaii, Inc. Phone: 735-7805
Name (Business)
4211 Waiialae Avenue, Suite 208
Business Address
Honolulu, HI 96816

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

Condominium Managing Agent: Self-managed by the Association of Apartment Owners
Name (Business)
by its President, Arleen A. Tarnay
Business Address

Attorney for Developer: Richard S. Ekimoto, Esq. Phone: 523-7021
Name (Business)
Elisha Ekimoto & Harada
Company Name
707 Richards St. PH-1
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. 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. 1216497

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

Amendments to the Declaration of Horizontal Property Regime of The Association of Apartment Owners of 2961 Kalawao Place, filed at the Office of the Assistant Registrar, Land Court, State of Hawaii as Document No. 2175482 on August 26, 1994 and Document No. 2181452 on September 20, 1994.

- 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. 508

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

Amendments to the Declaration of Horizontal Property Regime of The Association of Apartment Owners of 2961 Kalawao Place, filed at the Office of the Assistant Registrar, Land Court, State of Hawaii as Document No. 2175482 on August 26, 1994 and Document No. 2181452 on September 20, 1994.

- 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. 1216498

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

Amendment to the By-Laws of the Association of Apartment Owners of 2961 Kalawao Place, filed at the Office of the Assistant Registrar, Land Court, State of Hawaii as Document No. 2175483 on August 26, 1994

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>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

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

2. **Developer:**

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

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- 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 advise 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: 2961 C & D Kalawao Place Tax Map Key: 1-2-0-60-4
Honolulu, Hawaii 96822 (TMK)

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

Land Area: 19,329 [X] square feet [] acre(s) Zoning: R-7.5

Lessor

(Fee Owner): DAVID ALBERT DOLGIN, husband of Terdtiwa Sandau-Dolgin, CHARLES WILLIAM TARNAY,

Trustee of the Charles W. Tarnay Revocable Living Trust dated January 8, 1991 and ARLEEN

ATSUKO TARNAY, Trustee of the Arleen A. Tarnay Revocable Living Trust dated January 8, 1991

Name

c/o Elisha Ekimoto & Harada

Address

707 Richard St. PH-1, Honolulu, Hawaii 96813

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: 2 Floors Per Building Home 1 - 1 story; Home 2 - 2 story

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Determined</u>		<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

Pets: See Exhibit A

Number of Occupants: _____

Other: Each home shall be used as a single family residence only and for no other purpose.

There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1</u>	<u>1</u>	<u>3/2</u>	<u>1177 sf</u>	<u>363 sf</u>
<u>2</u>	<u>1</u>	<u>3/3</u>	<u>1096 sf</u>	<u>115 sf</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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 B

Permitted Alterations to Apartments:

See Exhibit C

7. Parking Stalls:

Total Parking Stalls: 4

	<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	<u>2</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>2</u>	<u>4</u>
Guest	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Unassigned	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Extra for Purchase	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Other:	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Total Covered & Open	<u>2</u>	<u></u>	<u></u>	<u></u>	<u>2</u>	<u></u>	<u></u>

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

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming Pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute

Other: _____

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

There are no violations. Violations will not be cured.

Violations and cost to cure 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):

The Buildings on the property all appear to be in good condition and the structural components and mechanical and electrical installations are serviceable and suitable for their intended uses.

No representation as to the expected useful life of the buildings or their components is made.

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 does not now conform to present zoning requirements.

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

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

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

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

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

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

described in Exhibit D .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit 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 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. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit F.

as follows:

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

Exhibit G describes the encumbrances against the title contained in the title report dated September 21, 1994 and issued by Old Republic Title and Escrow of Hawaii, Inc.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgages	Buyer's interest will be terminated and Buyer's deposit will be refunded, less escrow cancellation fees.

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:**

No warranties.

2. **Appliances:**

No warranties.

G. Status of Construction and Estimated Completion Date:

Home One (2961 C) was constructed in 1956 and Home Two (2961 D) was constructed in 1963.

H. Project Phases:

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

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

None.

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 condominium is:

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

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, 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 H contains a schedule of maintenance fees and maintenance fee disbursements.

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
 Sewer Television Cable Other _____

I. MISCELLANEOUS

A. Sales Documents Filed with the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit I contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 1, 1994
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sale 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 _____

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. 3195 filed with the Real Estate Commission on October 28, 1994.

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C. **Additional Information Not Covered Above**

- 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.

DAVID ALBERT DOLGIN and JOHN RICHARD FLOYD

Name of Developer

By: David Albert Dolgin 09/30/94
Duly Authorized Signatory Date

By: John Richard Floyd 09/30/94
Duly Authorized Signatory Date

DAVID ALBERT DOLGIN and JOHN RICHARD FLOYD

print name & title of person signing above

Distribution:

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

EXHIBIT "A"

RESTRICTION CONCERNING PETS

No livestock, poultry, rabbits, or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs, cats, and other household pets in reasonable number may be kept by occupants in their respective Homes but shall not be kept, bred, or used therein for any commercial purpose, nor allowed on any Common Element except in transit when carried or on a leash, provided that any such pet causing a nuisance or unreasonable disturbance to any occupant of the Project shall be promptly and permanently removed therefrom upon notice to do so by either or both of the Board of Directors or the Managing Agent (if any).

EXHIBIT "B"

BOUNDARIES OF EACH APARTMENT

Two (2) separate and distinct freehold estates consisting of the walls, roofs, slabs, footings, foundations and entire structure of each of the aforesaid two (2) separate residential dwellings, including the spaces contained therein, which dwellings are designated on the Condominium File Plan as "Home Number One" whose street address is 2961 C Kalawao Place and "Home Number Two" whose street address is 2961 D Kalawao Place and are referred to herein as "Homes".

The Homes shall be separate structures principally of wood construction. Home Number One is a single-story structure containing three bedrooms, two bathrooms, one kitchen and an enclosed lanai. Home Number Two is a two-story structure containing three bedrooms, three bathrooms, one kitchen and a lanai. Home Number One contains a living area of approximately 1,177 sq. ft. plus an enclosed lanai of approximately 363 sq. ft. for a total area of approximately 1,540 sq. ft. Home Number Two contains a living area of approximately 1,096 sq. ft. plus a lanai of approximately 115 sq. ft. for a total area of approximately 1,211 sq. ft. Each of the Homes is constructed on a concrete slab without a basement and shall have immediate access to the adjacent walkways leading to appurtenant carport and/or driveway, if any, all as more particularly located and shown on the floor plans attached to the Condominium File Plan. Each Home shall also include all pipes, wires, conduits and other utility and service lines which are utilized exclusively by and serve only said Home.

EXHIBIT "C"

PERMITTED ALTERATIONS TO APARTMENTS

No owner shall do any work which could jeopardize the soundness or safety of the Project, reduce the value thereof or impair any easement or hereditament, nor may any Owner add any material structure or excavate any additional basement or cellar, without in every such case the unanimous consent of all of the Owners being first obtained. All other additions to or alterations of either Home or its appurtenant limited Common Elements by the Owner of such Home shall be permitted without restriction, provided that the Owner making such additions or alterations strictly complies with all applicable laws, ordinances and regulations of any governmental entity, and also obtains any necessary building permits at that Owner's sole expense.

No Owner or occupant shall erect or place upon Common Elements or the Project any building or structure, including fences and walls, make any additions or alterations to any Common Elements, place or maintain thereon any signs, posters or bills whatsoever, or decorate or landscape any Common Element, except in accordance with Section M of the Declaration.

Nothing shall be allowed, done or kept in any Home or Common Element which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

EXHIBIT "D"

COMMON ELEMENTS

The Common Elements shall consist of all portions of the Project except the Homes described in Exhibit "B" and shall specifically include the steps between the lower and upper portions of the Project as shown on the Condominium File Plan, and the accompanying railing, and all pipes, wires, conduits and other utility and service lines which are utilized for or serve more than one Home.

EXHIBIT "E"

LIMITED COMMON ELEMENTS

Certain parts of the Common Elements are hereby set aside and reserved for the exclusive use of each Home and shall constitute "Limited Common Elements" appurtenant thereto. Each Home shall have an exclusive easement for the use of the Limited Common Elements appurtenant thereto except as otherwise provided herein. The cost of maintenance, repair and upkeep of each Limited Common Element shall be assessed to the Owner of the Home to which such Limited Common Element is appurtenant. Notwithstanding the foregoing, the cost of repairing or reconstructing the Limited Common Elements located immediately southeast of Home Number Two, the steep embankment to the southeast of Home Number One, the CMU steps and attached railing and the retaining wall along the northwestern Project boundary, shall be equally divided between the Owners of Home Number One and Home Number Two in the event of sudden damage attributable to natural forces, such as earthquake, heavy rain, flooding, etc. The Limited Common Elements so set aside and reserved include all portions of the Common Elements so designated on the Condominium File Plan, as follows:

(a) Certain of the Project grounds shall be deemed to be Limited Common Elements appurtenant to Home Number One, as follows:

1. The covered parking space immediately adjacent to Home Number One shall be appurtenant to Home Number One.

2. The yard area adjacent to Home Number One, and bounded to the northwest by the driveway, to the southwest by the concrete gutter, to the southeast by an imaginary line upon the ground which is directly parallel to the northwest edge of the raised deck of Home Number Two and extended directly northeast and southwest to the Project boundary, and bounded to the northeast by the CMU steps, all as shown on the Condominium File Plan, shall constitute a Limited Common Element appurtenant to Home Number One.

Note: Yard area herein described is not a legally subdivided lot.

3. Sewer lines serving Home Number One only.

(b) Certain of the Project grounds shall be deemed to be Limited Common Elements appurtenant to Home Number Two, as follows:

1. That portion of the driveway which is bounded to the northeast and the northwest by the retaining wall, to the southeast by the northwesterly side of Home Number One and its imaginary northwest extension to the boundary wall, and bounded on the southwest by the imaginary northwest extension of the northeast boundary of the covered parking space appurtenant to Home Number One, all as shown on the Condominium File Plan, shall constitute a Limited Common Element appurtenant to Home Number Two.

2. The land extending to the northeast and southwest Project boundaries, bordered on the northwest side of Home Number Two by an imaginary line upon the ground which is directly parallel to the northwest edge of the raised deck of Home Number Two and extended directly northeast and southwest to the Project boundary and bordered on the southeast side of Home Number Two by the drainage ditch, all as shown on the Condominium File Plan, shall constitute a Limited Common Element appurtenant to Home Number Two.

Note: Land area herein described is not a legally subdivided lot.

3. The CMU steps and attached railing shall be a Limited Common Element appurtenant to Home Number Two.

4. One mailbox shall be appurtenant to each Home as designated on said Condominium File Plan by the same number as the Home.

5. A stairway shall be appurtenant to each Home as designated on the Condominium File Plan by the same number as the Home.

6. All pipes, wires, conduits, sewer lines and other utility and service lines not contained within a Home but used exclusively by and servicing only such Home, shall be appurtenant to and for the exclusive use of that Home.

EXHIBIT "F"

COMMON INTEREST

Each Home shall have appurtenant thereto a fifty percent (50%) interest in the Common Elements for all purposes, including voting.

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

HOME 1:

1. REAL PROPERTY TAXES County of Honolulu
TAX MAP KEY (1) 2-9-60-4 CPR 1

2. Perpetual covenants as contained in that certain Deed dated April 25, 1945 and filed as Document No. 78509.

3. EASEMENT "F"
For: Drainage purposes
As shown on Map 10
As set forth by Land Court Order No. 13934, filed August 5, 1955.

4. Condominium Map No. 508 filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii.

5. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Horizontal Property Regime dated November 3, 1983, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii as Document No. 1216497. Said Declaration was amended by instruments dated August 11, 1994 and filed as Document No. 2175482, and September 13, 1994 and filed as Document No. 2181452 in said Land Court.

6. By-Laws of the Association of Apartment Owners of 2961 KALAWAO PLACE dated November 3, 1983, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii as Document No. 1216498. Said By-Laws were amended by instrument dated August 11, 1994 and recorded as Document No. 2175483 in said Land Court.

7. GRANT OF EASEMENT
Dated: July 27, 1994
Document No.: 2169076
In favor of: HAWAIIAN ELECTRIC COMPANY, INC., and GTE
HAWAIIAN TELEPHONE COMPANY INCORPORATED
Granting: An easement for utility purposes

8. Terms, provisions and conditions as contained in the original Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.
9. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the law and/or in the original Apartment Deed, and/or as delineated on said Condominium Map.
10. **MORTGAGE**
Dated: September 21, 1992
Filed: September 23, 1992
Document No.: 1955185
Mortgagor: CHARLES WILLIAM TARNAY and ARLEEN ATSUKO TARNAY, husband and wife
Mortgagee: NORTH AMERICAN MORTGAGE COMPANY, a Delaware corporation

ASSIGNMENT thereof by instrument:
Dated: September 14, 1993
Document No.: 2086318
Assignor: NORTH AMERICAN MORTGAGE COMPANY, a Delaware corporation, successor by merger to IMCO REALTY SERVICES, INC., a Delaware corporation, as general partner of and nominee on behalf of IMCO REALTY SERVICES - A CALIFORNIA LIMITED PARTNERSHIP.
Assignee: GE CAPITAL MORTGAGE SERVICES INC., a NJ corporation.
11. Terms, provisions, conditions, covenants and reservations as contained in that certain Charles W. Tarnay Revocable Living Trust dated January 8, 1991, herein referred to, and the effect of any failure to comply with such terms, provisions and conditions.
12. Terms, provisions, conditions, covenants and reservations as contained in that certain Arleen A. Tarnay Revocable Living Trust dated January 8, 1991, herein referred to, and the effect of any failure to comply with such terms, provisions and conditions.
13. The requirement that this Company be furnished with a Statement of Trust Certification that the trust agreement(s) referred to herein have not been revoked or otherwise terminated.

HOME 2:

1. REAL PROPERTY TAXES County of Honolulu
TAX MAP KEY (1) 2-9-60-4 CPR 2
2. Perpetual covenants as contained in that certain Deed dated April 25, 1945 and filed as Document No. 78509.
3. EASEMENT "F"
For: Drainage purposes
As shown on Map 10
As set forth by Land Court Order No. 13934, filed August 5, 1955.
4. Condominium Map No. 508 filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii.
5. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Horizontal Property Regime dated November 3, 1983, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii as Document No. 1216497. Said Declaration was amended by instruments dated August 11, 1994 and filed as Document No. 2175482, and September 13, 1994 and filed as Document No. 2181452 in said Land Court.
6. By-Laws of the Association of Apartment Owners of 2961 KALAWAO PLACE dated November 3, 1983, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii as Document No. 1216498. Said By-Laws were amended by instrument dated August 11, 1994 and recorded as Document No. 2175483 in said Land Court.
7. Terms, provisions and conditions as contained in the original Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.
8. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the law and/or in the original Apartment Deed, and/or as delineated on said Condominium Map.
9. MORTGAGE
Dated: May 7, 1993
Filed: May 14, 1993
Document No.: 2024072

Mortgagor: DAVID ALBERT DOLGIN, husband of Terdwitwa Dolgin.
Mortgagee: ALL PACIFIC MORTGAGE COMPANY, which is organized
and existing under the laws of the State of California.

ASSIGNMENT thereof by instrument:

Dated: September 16, 1993

Document No.: 2070543

Assignor: ALL PACIFIC MORTGAGE COMPANY, a California
corporation.

Assignee: BANCOSTON MORTGAGE CORPORATION, a Florida
corporation.

10. GRANT OF EASEMENT

Dated: July 27, 1994

Document No.: 2169076

In favor of: HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii
corporation, and GTE HAWAIIAN TELEPHONE COMPANY
INCORPORATED, a Hawaii corporation

Granting: "a perpetual right and easement to construct, reconstruct,
operate, maintain, repair and remove poles, wires, guy wires,
anchors and/or underground power lines and such other
appliances and equipment as maybe necessary for the
transmission and distribution of electricity...", as more fully set
forth in said Document No. 2169076.

EXHIBIT "H"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
Home 1	\$86.25	\$1,035
Home 2	\$86.25	\$1,035

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

Estimate of Initial Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning	N/A	
Electricity	N/A	
[] common elements only		
[] common elements and apartments		
Elevator	N/A	
Gas	N/A	
Refuse Collection	N/A	
Telephone	N/A	
Water and Sewer	\$160	\$1,920

Maintenance, Repairs and Supplies

Building	N/A	
Grounds	N/A	

Management

Management Fee	N/A	
Payroll and Payroll Taxes	N/A	
Office Expenses	N/A	

Insurance \$ 150

Reserves(*)

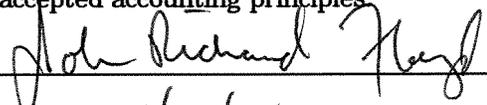
Taxes and Government Assessments N/A

Audit Fees

Other

TOTAL \$2,070

I, JOHN RICHARD FLOYD, the developer for the condominium project 2961 KALAWAO PLACE, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


Date: 9/30/94

(*) Mandatory reserves in effect January 1, 1993.

EXHIBIT "I"

SUMMARY OF SALES CONTRACT: The specimen Sales Contract contains, among other things, the following provisions:

1. **WARRANTIES.** SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE HOMES, COMMON ELEMENTS, APPLIANCES, FURNISHINGS, OR ANYTHING INSTALLED IN OR UPON THE HOMES OR THE PROJECT OR USED IN CONNECTION WITH THE HOMES OR THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION, OR FITNESS FOR A PARTICULAR PURPOSE OR USE EXCEPT THAT SELLER WARRANTS THAT, AT CLOSING, ALL MAJOR APPLIANCES AND FIXTURES INCLUDED IN THE SALE WILL BE IN WORKING ORDER CONSISTENT WITH THEIR AGE. THERE IS NO CONTINUING WARRANTY AFTER CLOSING.

2. **TIME IS OF THE ESSENCE; PARTY'S REMEDIES; COSTS AND ATTORNEYS' FEES.** There is no automatic right to extend. If, for reasons beyond Buyer's or Seller's control, a party cannot perform the obligation to close by the scheduled Closing Date, then such party may extend the Scheduled Closing Date up to 15 days by delivery of written notice to Escrow and the other party to the Sales Contract prior to the Scheduled Closing Date. Thereafter, time shall be of the essence and if a party fails to perform by the extended Scheduled Closing Date, such party shall be considered in default. The extended Scheduled Closing Date may not be further extended unless both Buyer and Seller so agree in writing. This provision relates only to the extension of the Scheduled Closing Date.

In the event, Buyer fails to perform Buyer's obligations under the Sales Contract, Seller may (i) bring an action for damage for breach of contract, or (ii) seek specific performance of the Sales contract, and (iii) Seller shall be responsible for any costs incurred in accordance with the Sales Contract. In the event Seller fails to perform Seller's obligations under the Sales Contract, Buyer may (i) bring an action for damages for breach of contract, (ii) seek specific performance of the Sales Contract, and (iii) Seller shall be responsible for any costs incurred in accordance with the Sales Contract. The foregoing shall not exclude any other remedies available under the Sales Contract to either Seller or Buyer on account of the other party's default. In the event of default by a party and/or a legal action or arbitration, the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees. All expenses incurred by Escrow shall be deducted from any deposited funds prior to any disbursement to the prevailing party.

3. **CONTINGENCIES.** Buyer's obligation to buy and Seller's obligation to sell the Property may be subject in the Sales Contract to satisfaction of one or more conditions (each called a "Contingency"). As used in the Sales Contract, the term "Benefited Party" shall mean (i) Buyer, as to each Contingency which must be satisfied before Buyer is required to close on the purchase of the Property from Seller; and (ii) Seller, as to each Contingency which must be satisfied before Seller is required to close on the sale of the Property to Buyer. If a Contingency is not satisfied within the specified time period for meeting such Contingency ("Contingency Period"), the Benefited Party may elect (i) to terminate the Sales Contract and the Termination Provision described below shall apply; or (ii) to waive the Contingency. If the Benefited Party wishes to terminate the Sales Contract because a Contingency for that party's benefit has not been satisfied, the Benefited Party must deliver to Escrow a written notice terminating the Sales Contract prior to the expiration of the Contingency Period or such other termination period which may be set forth in a specific Contingency in the Sales Contract. If the Benefited Party fails to deliver the written notice to Escrow within such time period, the Contingency shall be deemed to be waived. Each party must act upon each Contingency according to the strict deadlines described herein.

4. **TERMINATION PROVISION.** If a Benefited Party elects to terminate the Sales Contract because a Contingency has not be satisfied, then: (i) Buyer or Seller shall promptly execute all cancellation documents requested by Escrow; and (ii) Escrow shall return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither Buyer nor Seller shall have any further rights or obligation under the Sales Contract. Any termination shall be in writing and delivered to Escrow to be effective.

NOTE: Until the Final Public Report is issued an effective date by the Real Estate Commission, Buyer may rescind the Sales Contract.

EXHIBIT "J"

SUMMARY OF ESCROW AGREEMENT: An escrow agreement (hereinafter called the "Escrow Agreement") detailing the manner in which purchasers' funds are to be handled, has been executed and a copy thereof has been filed with the Commission. The Escrow Agent is OLD REPUBLIC TITLE & ESCROW OF HAWAII, a Hawaii corporation (hereinafter referred to as "Escrow"). The Escrow Agreement, among other things, contains the following provisions:

Sales Contract Deposited In Escrow. The Developer shall deliver an executed copy of the Sales Contract for sale of a unit to Escrow. The Sales Contract shall require that all payments to be made thereunder shall be made to Escrow and shall be accompanied by the initial deposit required thereunder.

Receipt Of Funds By Escrow. Developer shall pay over to Escrow all payments made by purchasers under the Sales Contract. This includes any loan payments from purchasers' lenders. In accordance with written instructions to Escrow, Escrow may deposit all funds received in accounts at any insured bank or savings and loan institution in Hawaii. No interest or dividends earned on such funds will be paid to or allocated toward either party unless Escrow is instructed otherwise in writing. The parties shall pay all charges and escrow fees as are incurred in connection with the escrow whether or not the escrow closes. In the event of cancellation, Escrow will require compatible cancellation instructions by all parties.

Time Is Of The Essence. Time is of the essence under the Sales Contract. Any party not being in default shall have all remedies available in law or in equity against any other party for such other party's default. If Escrow is not in condition to close as and when provided, or at the time of any extensions made pursuant to the Sales Contract, any party may, in writing, demand the delivery of any money, property or documents. Escrow shall mail a copy of such demand to the other party. Unless Escrow shall consider itself unable to comply with the demand, or the other party shall object to the demand in writing within 15 days of the mailing by Escrow, Escrow shall comply with the demand, provided however, as a condition to compliance with such demand, Escrow, at its sole discretion, may require the parties or either of them to indemnify and hold Escrow harmless from and against any and all claims, damages, losses, expenses, reasonable attorneys' fees or liabilities relating, directly or indirectly, to the requested action.

Resolution Of Disputes. If any dispute arises between the parties and/or Escrow or any demand is received by Escrow or Escrow is uncertain as to its duties hereunder, Escrow may at its sole election and without liability to it: (1) await, without taking any actions, the determination of such dispute by the parties; or (2) file a suit in interpleader or institute other action in any court of competent jurisdiction for the purpose of having the respective rights and duties of Escrow and the parties adjudicated. The parties shall be liable to Escrow for all costs and expenses, including reasonable attorneys' fees, incurred by Escrow in connection with any dispute or legal action.