

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Affordable Dreams, Inc., a Hawaii Corporation
Address P. O. Box 38, Maunaloa, Hawaii 96770

Project Name(*): Kilohana Kai Subdivision Condominium Project
Address Halapue Place, Halapue, Molokai

Registration No. 3270

Effective date: June 9, 1995

Expiration date: July 9, 1996

Preparation of this Report:

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

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

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

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

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

Type of Report:

PRELIMINARY: (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.

X FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[X] No prior reports have been issued.
[] 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:

SPECIAL NOTICE

1. This Public Report does not constitute an approval of the project by the Real Estate Commission, or any other government agency, nor that all County Codes, Ordinances and subdivision requirements have been complied with.
2. This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit as shown on the Condominium Map is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dotted lines on the Condominium Map merely represent the location of the limited common element assigned to each unit.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THIS PUBLIC REPORT AND THE ATTACHED DOCUMENTS FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of 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: Affordable Dreams, Inc. Phone: (808) 553-9861
Name
P. O. Box 38
Business Address
Maunaloa, Hawaii 96770
(Business)

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

George C. Goll, President

Pamela S. Goll, Vice President, Secretary, Treasurer

James R. Berg, Special Vice President

Real Estate Broker: Allen R. Miller Realty Phone: (808) 591-0008
Name
350 Ward Avenue, #106-211
Business Address
Honolulu, Hawaii 96814
(Business)

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 244-7924
Name
2103 Wells, Suite C
Business Address
Wailuku, Hawaii 96793
(Business)

General Contractor: Construction Molokai Phone: (808) 553-9861
Name
P. O. Box 1268
Business Address
Kaunakakai, Hawaii 96748
(Business)

Condominium Managing Agent: Self managed by Association Phone: N/A
Name
of owners
Business Address
(Business)

Attorney for Developer: William C. Byrns, Esq. Phone: (808) 523-9000
Name
1099 Alakea St., 16th Fl.
Business Address
Honolulu, Hawaii 96813
(Business)

**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. 95-005168
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]:

The First Amendment to the Declaration of Kilohana Kai Subdivision Condominium Project was recorded on May 25, 1995, as Document No. 95-069950.

- 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. 2183
 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]:

N/A

- 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. 95-005169
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]:

N/A

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

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

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

2. **Developer:**

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

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

See Exhibit "A" attached hereto and made a part hereof.

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: Ualapue Place, Ualapue, Tax Map Key: (2) 5-6-2:7
Molokai, Hawaii (TMK)

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

Land Area: 3.604 [] square feet [X] acre(s) Zoning: Interim

Fee Owner : Affordable Dreams, Inc.
Name
P. O. Box 38
Address
Maunaloa, Hawaii 96770

Sublessor: N/A
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: 22 Floors Per Building 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
<input checked="" type="checkbox"/> Residential	<u>22</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:

- Each apartment may have no more than one (1) dog and one (1) cat which shall
- [X] Pets: be kept inside the apartment at all times.
- [] Number of Occupants: _____
- [] Other: _____
- [] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net	
			Living Area (sf)*	Lanai/Patio (sf)
"02"	11	2/1	684 sf	-
"03"	11	3/2	936 sf	-
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 22

*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:

The perimeter of each of the Units shall be established by the exterior face of the perimeter walls and the exterior face of any glass windows, doors, panels or railings along the perimeter. Each of the Units shall include all walls, partitions, floors, ceilings and other improvements within said perimeter; any garage, deck, lanai, veranda, any entry area shown on the proposed Condominium Map; all built-in appliances and fixtures and all furnishings and appliances originally installed; and all air space encompassed within said perimeter, excluding therefrom, however, all elements herein established as common elements.

Permitted Alterations to Apartments:

See Exhibit "B" attached hereto and made a part hereof.

7. Parking Stalls:

Total Parking Stalls: 44 Each apartment's limited common elements will contain area for parking.

	<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>2</u>	_____	_____	_____	_____	<u>44</u>
Guest Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	_____	_____	_____	_____	_____	_____	_____

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):

N/A

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	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: See attached pg. 13A

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

The common elements will include all portions of the Land and improvements (other than the Units) including the Land and all common elements mentioned in the Act which are actually constructed on the Land herein described. The common elements shall include, but are not limited to:

1. The Land in fee simple.
2. The cul-de-sac designated as 'Uala Pu'e Place as shown on the Condominium Map as long as 'Uala Pu'e Place remains a private road (if 'Uala Pu'e Place is dedicated to a governmental entity such as the County of Maui or the State of Hawaii, 'Uala Pu'e Place shall immediately cease to be a common element of the Project).
3. Easements "1" - "5", as shown on the Condominium Map.
4. All yards, grounds, landscaping, refuse facilities, building walkways, sidewalks, pathways and driveways within the Project.
5. All ducts, electrical equipment, wiring and other appurtenant installations, including power, light, water, sewer, gas, telephone, air conditioning and like utilities; all pipes, plumbing, wires, conduits or other utility or service lines, which run through one Unit but which are utilized by or serve more than one Unit.
6. The wall bordering Kamehameha V Highway.
7. All other portions of the Land and improvements not specifically heretofore designated as Units, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Project.

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 _____.

as follows:

See attached page 14A.

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:

Each "02" apartment has an undivided interest of 3.838%, with the exception of apartment no. 1A which has an undivided interest of 3.848%.

Each "03" apartment has an undivided interest of 5.252%.

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 C describes the encumbrances against the title contained in the title report dated 11/14/94 and issued by Long & Melone Escrow, Ltd.

Developer represents that subsequent to the issuance of such title report no further encumbrances have been placed on the property except for the civil action described on page 20 of this Public Report; and the various easements described in the specimen form of Apartment Deed filed with this Public Report.

Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of each Unit, and each Unit shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne immediately by the Unit to which it is appurtenant. The Limited Common Elements so set aside and reserved are as follows:

1. The site of each Unit, described on the Condominium Map as a "Unit Yard," consisting of the land beneath the Unit and adjacent thereto, as shown and delineated on the Condominium Map, including without limitation all parking areas and driveway approaches located thereon. For example, the Unit Yard appurtenant to Unit 1A consists of 6,004 sq. ft., the Unit Yard appurtenant to Unit 1B consists of 6,000 sq. ft., etc.
2. The septic tank and leach field servicing each Unit, as shown and delineated on the Condominium Map.
3. All ducts, electrical equipment, wiring and other appurtenant installations, including power, light, water, sewer, gas, telephone, air conditioning and like utilities; all pipes, plumbing, wires, conduits or other utility or service lines, which serve only one Unit.

The Limited Common Elements do not include any portion of Easements "1" - "5" as shown on the Condominium Map, which are common elements of the Project.

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>
Mortgage	To be released before the Developer conveys the apartment to a buyer. The buyer's interest will be affected if the Developer defaults under the Mortgage and the lien is foreclosed prior to conveying the apartment to buyer.

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:

See attached page 15A

2. Appliances:

See attached page 15A

DEVELOPER'S DISCLAIMER OF WARRANTIES. Developer anticipates **BUT DOES NOT WARRANT** that the construction contract with the general contractor for the Project shall contain a warranty clause similar to Section 13.2.2 of AIA Document A201 which generally provides as follows:

If, within one year after the date of substantial completion of the work, any of the work is found to be defective or not in accordance with the contract documents, the contractor shall correct it promptly after receipt of a written notice from Developer to do so unless Developer has previously given the contractor a written acceptance of such condition. Developer shall give such notice promptly after discovery of the condition.

Developer makes no warranties itself but Developer hereby agrees that if buyer shall give Developer written notice of any such condition promptly after discovery thereof, and during the unexpired term of such contractor's warranty, Developer shall forward such notice together with the written notice to the contractor to correct such condition. Developer shall also attempt to assign to buyer the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishing, fixtures or appliances in the Apartment. buyer acknowledges and agrees that Developer is only passing through to buyer any such contractor's, manufacturer's, or dealer's warranties, and that Developer is not adopting any such warranties or acting as cowarrantor. **DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE.**

G. Status of Construction and Estimated Completion Date:

Site work has commenced on the Project, including the grading of 'Uala Pu'e Place and installation of the utilities. Developer anticipates, but does not warrant that the Project will be completed four years after issuance of this Final Condominium Public Report.

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
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- 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 D 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
- Sewer
- Television Cable
- Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit E contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated January 5, 1995
Exhibit F 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, as amended.
- 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. 3270 filed with the Real Estate Commission on January 12,
1995.

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

(a) The owners of certain land located adjacent to the Project have filed Civil No. 95-0078(3) in the Circuit Court of the Second Circuit, State of Hawaii, seeking relief which would result in a widening of Keola Lane, which is located adjacent to the eastern boundary of the Project. Keola Lane is shown on tax maps as being 10 feet wide, and the plaintiffs in the lawsuit are asking that the Court provide them with a 22-foot wide access. If the plaintiffs are successful in the lawsuit and Keola Lane is widened each of the Unit Yards appurtenant to the Apartments located along the portion of Keola Lane used by plaintiffs (that is, Apartments 5B, 6A, 6B, 7B, 8B, 9B, 10B and 11B) which are limited common elements appurtenant to the respective Apartments will be decreased as a result of such widening by as much as 12 feet. In such event, the Apartments' respective common interests and common interest percentages will not be affected. Notwithstanding such decrease in the areas of certain Unit Yards described above, no Purchasers shall have any recourse against Developer, its officers, directors, shareholders, agents or attorneys; each Purchaser, by completing its purchase of an Apartment, shall be deemed to have waived any and all claims against Developer, its officers, directors, shareholders, agents or attorneys with respect to the widening of Keola Lane or the reduction of the Unit Yards pursuant to the lawsuit or any settlement thereof by Developer. In addition, no Purchaser shall have any right to receive a refund of any portion of its purchase price based upon or resulting from a reduction in his Unit Yard.

EXHIBIT "A" - DEVELOPER'S RESERVED RIGHTS

E. Changes to Condominium Documents

The Developer reserves the right for itself and its agents, to do the following without the consent of any Unit purchaser or any other person or entity and without any amendment to this Declaration:

1. Developer shall have the right to maintain development facilities and conduct sales of Units until deeds are issued to Unit purchasers with respect to all Units in the Project. Such right shall include, but not be limited to, maintaining model Units, operating a sales and construction office, conducting advertising, placing signs, using parking spaces and erecting lighting in connection with such sales; provided, however, that in exercising such right, the Developer shall not materially interfere with the rights of any Unit owner to the use of, or access to, his Unit or any of the common elements appurtenant thereto.

2. The Developer shall have the right to enter upon the Land and the Project and carry on such construction and demolition activities as may be necessary in connection with such alteration, modifications and restorations, including, but not limited to, parking and storage of construction equipment and materials, provided that the Developer shall not materially interfere with the rights of any Unit owner to the use of, or access to, his or her Unit or any of the common elements appurtenant thereto.

3. Until any conveyance instrument covering a Unit has been recorded in the Bureau Developer shall have the right (but not the obligation) to subdivide the Land into various lots, as required by the County of Maui in connection with the Chapter 201E, HRS, application covering the Project; provided, however, that such subdivision shall not materially alter the location of the Units or the size or location of the Units' limited common elements, as shown on the Condominium Map. Developer anticipates but does not warrant that the subdivision shall consist of 12 lots, with one lot consisting of 'Uala Pu'e Place and the other 11 lots each containing 2 Units. For example, it is anticipated that lot no. 1 will contain Units 1A and 1B, lot no. 2 will contain Units 2A and 2B, etc. Developer reserves the right to (i) amend or modify the description of the land attached hereto as Exhibit "A" and also attached to and other documents as necessary or appropriate, to reflect the subdivision, (ii) amend or modify the Condominium Map, as necessary or appropriate, and (iii) take any or other necessary or appropriate action in connection with such subdivision.

4. Developer shall have the right to grant to any utility company or public or governmental authority or other person or entity rights-of-way and other easements, including without limitation Easements "1" - "5" as described in paragraph 5.3 (and the right to modify or amend any existing rights-of-way and easements), which are for the benefit of the Project (or any Unit or Units) or which do not materially interfere with the use or materially impair the value of, any Unit, over, across, under and through the common elements and limited common elements for access and for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer and/or septic system, drainage and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof; provided the Association, through the Board, with the consent or agreement of any holder of any then existing easement affected thereby, is authorized to grant, convey, transfer, cancel, relocate and otherwise deal with any and all such public services and utilities easements now or hereafter located on or affecting the Project.

5. At any time prior to the first recording in the Bureau of a conveyance of a Unit, the Developer may amend this Declaration (including all exhibits) and the Bylaws in any manner, without the consent of any Unit owner.

6. At any time thereafter, the Developer may amend this Declaration (and when applicable, the Condominium Map) to file the "As-Built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is a verified statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts layout, location, Unit numbers, and the dimensions of an improvement or change in a Unit as-built; or (ii) so long as the plans filed therewith involve only immaterial changes to the layout, location, or dimensions of the Units as-built or any change in any Unit number.

EXHIBIT "B" - PERMITTED ALTERATIONS TO APARTMENTS

No Unit owner shall do, or suffer or permit to be done, any act or omission in any Unit, Unit Yard, limited common element or common element which would jeopardize the soundness or safety of the Project or reduce the value thereof, or impair any easement or hereditament or which would materially affect the use, enjoyment or value of the other Units, or which would be noxious or offensive or an interference with the peaceful possession and proper use of the other Units. No Unit owner may add any material structure or excavate any basement or cellar, without in every such case the consent of Units owner owning at least 80% of the common interests of the Project being first obtained; provided that non-material structural additions to the common elements, including, without limitation, the installation of solar energy devices as defined by Section 468B-1, H.R.S., as amended, or additions to or alterations of a Unit made completely within the exterior walls of such Unit or within a limited common element appurtenant to and for the exclusive use of the Unit shall require approval only by the Board, not by the Unit owners. "Non-material structural additions to the common elements", as used herein, shall mean a structural addition to the common elements which does not jeopardize the soundness or safety of the property, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any non-consenting owner of the use or enjoyment of any part of the Project, or directly affect any non-consenting owner. The other owners shall not unreasonably withhold or delay their consent and shall have the obligation to answer any written request by a Unit owner for consent to any structural alterations of his Unit within thirty (30) days after its receipt of such a request describing the proposed alteration in reasonable detail, and the Board's failure to do so shall constitute its consent to the proposed alteration. Notwithstanding any provision in this section or otherwise in this Declaration to the contrary, no "02" Unit may have at any time more than two bedrooms and no "03" Unit may have at any time more than three bedrooms; accordingly, no Unit owner may construct, reconfigure, or in any way alter its Unit to increase the number of bedrooms contained in such Unit or to create any room or addition that may be deemed or construed to be a bedroom.

EXHIBIT "C" - ENCUMBRANCES AGAINST TITLE

1. Title to all mineral and metallic mines reserved to the State of Hawaii.

2. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT
Mortgagor(s) : George C. Goll and Pamela S. Goll,
 husband and wife
Mortgagee(s) : GECC Financial Corporation, a
 Hawaii corporation
Dated : October 27, 1994
Recorded in the Bureau of Conveyances as Document No.
94-183557

3. For real property taxes that may be due and owing reference is made to the Department of Finance, County of Maui.

EXHIBIT D

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment

It is estimated that assuming the Association votes to have each apartment owner obtain its own insurance, the monthly maintenance fee for each apartment will be nominal, say \$5 per month.

Monthly Fee x 12 months = Yearly Total

\$5 x 12 = \$60

THE ESTIMATES FOR THE ASSESSMENTS AND DISBURSEMENTS, AS SET FORTH HEREIN, ARE ESTIMATES BASED UPON INFORMATION AVAILABLE TO THE DEVELOPER AT THIS TIME. THE ACTUAL ASSESSMENTS AND DISBURSEMENTS MAY BE HIGHER AND THE DEVELOPER'S ESTIMATES DO NOT CONSTITUTE A WARRANTY BY THE DEVELOPER REGARDING THE ACTUAL AMOUNTS OF ASSESSMENTS OR DISBURSEMENTS.

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

EXHIBIT "E" - SUMMARY OF SALES CONTRACT

The intended sales contract for the Project is entitled "Kilohana Kai Subdivision Condominium Project Sales Contract" (the "Sales Contract"). The Sales Contract contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized herein):

1. CLOSING; OCCUPANCY; RISK OR LOSS. Time is of the essence of this Sales Contract, and this sale will be closed, and each of Purchaser and Seller will perform all of its obligations hereunder through Escrow on or before the closing date set forth herein. Neither party may extend the closing date without the prior written consent of the other party. Seller agrees to give Purchaser occupancy upon transfer of title. Risk of loss shall pass to Purchaser upon transfer of title.

2. CUSTOMARY CLOSING COSTS. The customary closing costs will be borne by the parties as follows:

Expenses to be paid by Purchaser:

Continuation of Title Evidence
Title Insurance (Less Seller's Cost of Certificate of Title/Lien Letter)
Drafting of Mortgage and Note (if any)
Purchaser's Notary Fee
All Recording Fees except Documents to Clear Seller's Title
1/2 of the Escrow Fee

Expenses to be paid by Seller:

Certificate of Title/Lien Letter
Drafting of Apartment Deed
Drafting of Seller's Consents
Seller's Notary Fee
Seller's Consent Fee
Conveyance Tax
1/2 of the Escrow Fee

Purchaser shall bear all closing costs that are not specifically set forth above.

3. DEFAULT. In the event Purchaser fails to pay the balance of the purchase price or complete the purchase of the Apartment as herein provided, Seller may, at Seller's option, bring an action for breach of contract and retain the initial deposit and all additional deposits provided for herein as liquidated damages. Purchaser specifically agrees that the damages to be incurred by Seller as a result of a breach of this Sales Contract are uncertain and that the initial deposit and all additional deposits provided for in the Sales Contract are a reasonable estimate of such damages and are not a penalty. The

foregoing will not exclude any other remedies available to Seller at law and in equity. In the event Seller fails to perform his obligations as herein provided, Purchaser will, if it is not in default under this Sales Contract, have the remedies provided for at law and in equity. In the event of default or a lawsuit arising out of this Sales Contract including a suit by a broker for a commission, the prevailing party will be entitled to recover all costs incurred including reasonable attorney's fees. All expenses incurred by Escrow will be deducted from the deposits prior to any disbursement to the prevailing party.

4. CONSTRUCTION OF PROJECT. Seller agrees to construct the buildings and all other improvements of the Project, including the Apartment and appurtenances, and to complete construction of the Apartment and all common elements of the Project and have the Apartment ready for occupancy within a period of two years from the effective date of this Sales Contract; provided, however, that such two-year period shall be extended for any period during which construction of the Apartment and such common elements shall have been delayed by matters or conditions which would be legally supportable in the State of Hawaii as impossible of performance for reasons beyond the control of Seller. If Seller, for any reason, is unable to complete construction of the Apartment within the 2-year period, Purchaser's sole remedy shall be to terminate this Sales Contract and receive all deposits it has made hereunder.

5. SELLER'S DISCLAIMER OF WARRANTIES. Seller anticipates BUT DOES NOT WARRANT that the construction contract with the general contractor for the Project shall contain a warranty clause similar to Section 13.2.2 of AIA Document A201 which generally provides as follows:

If, within one year after the date of substantial completion of the work, any of the work is found to be defective or not in accordance with the contract documents, the contractor shall correct it promptly after receipt of a written notice from Seller to do so unless Seller has previously given the contractor a written acceptance of such condition. Seller shall give such notice promptly after discovery of the condition.

Seller makes no warranties itself but Seller hereby agrees that if Purchaser shall give Seller written notice of any such condition promptly after discovery thereof, and during the unexpired term of such contractor's warranty, Seller shall forward such notice together with the written notice to the contractor to correct such condition. Seller shall also attempt to assign to Purchaser the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishing,

fixtures or appliances in the Apartment. Purchaser acknowledges and agrees that Seller is only passing through to Purchaser any such contractor's, manufacturer's, or dealer's warranties, and that Seller is not adopting any such warranties or acting as cowarrantor. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE.

6. RESTRICTIONS ON PURCHASERS. This Project has been developed as an affordable housing project pursuant to Section 201E, Hawaii Revised Statutes, administered by the County of Maui. One of the guidelines imposed on the Project by the County of Maui is that each purchaser, including the Purchaser, cannot have owned or co-owned any real property in the State of Hawaii in the three-year period prior to the purchaser's acquisition of the Apartment. Accordingly, Purchaser hereby represents and affirms that it has not owned or co-owned any real property in the State of Hawaii in the three-year period prior to its execution of this Sales Contract. Purchaser agrees to indemnify, defend and hold harmless Seller from any loss or damages Seller may suffer if Purchaser's acquisition of the Apartment violates the guidelines established by the County of Maui.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE SALES CONTRACT. THE BUYER MUST REFER TO THE BUYER'S SALES CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE SALES CONTRACT, THE SALES CONTRACT WILL CONTROL, NOT THIS SUMMARY.

EXHIBIT "F" - SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC. ("Escrow"), and AFFORDABLE DREAMS, INC., a Hawaii corporation ("Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project.

3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Where sales contracts are entered into, Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Final Public Report and with notification by Seller that all of the requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under any sales contract.

4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive an amount to be determined by

Escrow for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional sum.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.