

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:

1. Paragraph D of the Deposit Receipt and Sales Agreement ("Sales Contract") has been amended to provide that the Developer will provide buyers with a closing credit, which closing credit may be used to pay for certain items, including closing costs or a reduction of the sales price.
2. Paragraph G.5 of the Sales Contract has been amended to provide that the Developer will initially be responsible for the payment of actual common expenses of the project.

The revised Sales Contract is attached hereto as Exhibit "A".

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. 3461 filed with the Real Estate Commission on December 11, 1995.

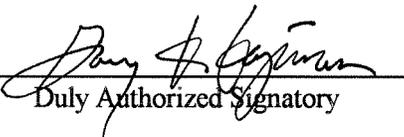
Reproduction of Report. When reproduced, this report must be on:

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- 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.

Kuakini Development Corp.

Name of Developer

By: 
Duly Authorized Signatory

4/29/96
Date

Gary K. Kajiwaru, President

print name & title of person signing above

Distribution:

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

**WESTVIEW PLAZA
CONDOMINIUM PROJECT**

DEPOSIT RECEIPT AND SALES AGREEMENT

KUAKINI DEVELOPMENT CORP., whose address is c/o Marcus & Associates, Inc., 1045 Mapunapuna Street, Honolulu, Hawaii 96819, hereby agree to sell and the Buyer identified in Paragraph B below agrees to buy the property identified in Paragraph A below upon the terms and conditions as set forth in this Deposit Receipt and Sales Agreement.

A. Description of Apartment Covered by this Agreement:

Project: WESTVIEW PLAZA

Apartment Number: _____ Common Interest: _____ %

Parking Stall No.: _____

Address: 1516 Ward Avenue, Honolulu, Hawaii 96822

Tax Map Key: 1st Division: 2-1-39-4

Condominium Registration Number: 3461 (conversion)

Appliances and/or furnishings: Refrigerator, range, range hood, garbage disposal, water heater, oven, drapes and carpeting throughout the living room area.

B. Information Concerning Buyer:

Full Name: _____

Social Security No.: _____

Full Name Spouse: _____

Social Security No.: _____

Residence Address: _____

Mailing Address: _____

Res. Telephone: _____ Bus. Telephone: _____

Buyer's Initials: _____

Seller's Initials: _____

Full Name: _____

Social Security No. _____

Full Name Spouse: _____

Social Security No. _____

Residence Address: _____

Mailing Address: _____

Res. Telephone: _____ Bus. Telephone: _____

(Corporation or Partnership only)

Full Name: _____

State of Organization: _____

Business Address: _____

Mailing Address: _____

Bus. Telephone: _____

Type of Ownership: (Check one)

- Severalty (One Buyer)
- Tenants in Common (Two or more persons; no rights of survivorship)
- Joint Tenants (Two or more persons with rights of survivorship)
- Tenants by the Entirety (Husband and wife with rights of survivorship)

Title shall vest exactly as follows: _____

Conveyance shall be by Apartment Deed conveying the Apartment and an undivided interest in all the common elements, including the land of the Project.

The information appearing in Paragraph B hereof will be used for preparing the Apartment Deed. Buyer affirms that this information is correct and complete, and agrees to inform Seller immediately if any of the information changes. If, as a result of incorrect information having been given, the Apartment Deed is prepared incorrectly and must be redrawn, Buyer agrees to pay all costs involved in the redrafting.

Buyer's Initials: _____

Seller's Initials: _____

C. Price and Method of Payment:

1. The total purchase price for the Apartment is _____ DOLLARS (\$ _____) and shall be paid to Seller by Buyer as follows:

- a. A deposit of \$ _____ upon execution of this Agreement;
- b. A final payment of \$ _____ on the Closing Date, representing the balance of the purchase price, by way of mortgage proceeds, cash from Buyer's funds, or both.

If Buyer has previously remitted a \$1,000.00 deposit upon execution of an Owner-Occupant Reservation Application, the \$1,000.00 deposit will be applied against the deposit required above and the purchase price.

D. Additional Sums Due at Closing:

The following amounts are due at Closing:

\$ _____, as a contribution for common expenses reserve (being a non-refundable "start-up" fee for the Association), provided that the minimum amount of such contribution shall be equal to two (2) months estimated assessments for common expenses.

Note: This amount, together with any other amounts required under Paragraph H below, is in addition to, and not a part of the total purchase price.

Seller shall pay a closing cost credit of _____ (\$ _____) ("Closing Cost Credit") at Closing. The Closing Cost Credit may be applied, at Buyer's discretion, to reducing the purchase price of the apartment, Buyer's financing discount points, interest rate buy downs, Buyer's non-recurring closing costs, Escrow fees as permitted by Buyer's mortgage lender or mortgage insurance premiums.

E. Payments to Escrow:

1. Buyer agrees that all payments to be made pursuant to this Agreement shall be placed on deposit with Escrow under the terms of the Escrow Agreement, and that all checks shall be made payable to Escrow. Buyer hereby authorizes, requests and instructs Escrow to comply with the terms of the Escrow Agreement and agrees that all monies deposited in Escrow by Buyer may be held together with other monies deposited with Escrow and may be disbursed by Escrow in accordance with the Escrow Agreement.

2. Buyer further agrees that all funds received by Escrow may be deposited in an interest bearing account or accounts in a federally insured bank or savings and loan institution, and that all interest earned from such account or accounts shall be credited to Seller's account. Buyer and Seller hereby jointly instruct Escrow, pursuant to the provisions of Sections 402-8 and 449-16.5, Hawaii Revised Statutes, as amended, to act accordingly.

Buyer's Initials: _____

Seller's Initials: _____

3. In the event any payment to be made by Buyer hereunder is not made when due, such late payment shall bear interest at the rate of one percent (1%) per month until paid.

F. Definitions:

When used in this Agreement, the terms listed below will have the following meanings:

"Agreement" means this Deposit Receipt and Sales Agreement.

"Apartment" means the condominium apartment described in Paragraph A together with its appurtenant Common Interest and the right to use the parking stall described in Paragraph A.

"Apartment Deed" means the legal document which Buyer and Seller will sign to transfer fee simple ownership of the Apartment at closing to Buyer. A specimen copy of the Apartment Deed has been supplied to Buyer; copies are also available for inspection from Seller at the Sales Office or from the Real Estate Commission.

"Association" means the Association of Apartment Owners of Westview Plaza, as established under the Declaration and By-Laws.

"Bureau of Conveyances" means the Bureau of Conveyances of the State of Hawaii.

"Buyer" means the party or parties identified in Paragraph B of this Agreement.

"By-Laws" means the By-Laws of the Association of Apartment Owners of Westview Plaza, adopted October 24, 1995, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-145786, as the same may be amended from time to time.

"Closing Date" means that date selected by Seller, as described in Paragraph H.7 of this Agreement, by which Buyer and Seller shall perform all their respective obligations to purchase and to sell the Apartment.

"Common Elements" means those portions of the Project, including without limitation the Land, designated as Common Elements in the Declaration.

"Common Interest" means the undivided percentage interest in all the Common Elements of the Project set forth in Paragraph A which is appurtenant to the Apartment.

"Condominium Documents" means the Declaration, By-Laws, Condominium Map, and any other documents relating to the Project required to be filed with the Real Estate Commission.

"Condominium Map" means Condominium Map No. 2306 filed in the Bureau of Conveyances of the State of Hawaii, as the same may be amended from time to time. A copy of the Condominium Map is available for inspection from Seller at the Sales Office or at the Real Estate Commission.

"Condominium Public Report" means any and all Public Reports covering the Project issued by the Real Estate Commission.

Buyer's Initials: _____

Seller's Initials: _____

"Declaration" means the Declaration of Condominium Property Regime for Westview Plaza dated October 24, 1995, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-145785, as the same may be amended from time to time.

"Escrow" means Long & Melone Escrow, Ltd., a Hawaii corporation, whose address is 1001 Bishop Street, Suite 2770, Honolulu, Hawaii 96813.

"Escrow Agreement" means the agreement between Seller and Escrow dated October 24, 1995. A copy of the Escrow Agreement is available for inspection from Seller at the Sales Office or at the Real Estate Commission.

"Final Public Report" means the Final Condominium Public Report on Westview Plaza with an issue date authorized by the Real Estate Commission.

"Land" means the land described in Exhibit "A" to the Declaration.

"Owner-Occupant Designated Apartment" means an apartment which is one of the fifty-six (56) apartments designated for sale to owner-occupants pursuant to Section 514A-104, Hawaii Revised Statutes.

"Owner-Occupant Reservation Agreement" means the agreement by which qualified buyers may have reserved the right to purchase an apartment in the Project pursuant to Section 514A-104, Hawaii Revised Statutes.

"Preclosing" means the execution and delivery of documents in Escrow prior to the actual Closing Date as set forth in Paragraph H.6.

"Project" means the condominium property regime known as "Westview Plaza" consisting of the Land and the improvements thereon as shown on the Condominium Map.

"Real Estate Commission" means the Office of the Real Estate Commission of the Department of Commerce and Consumer Affairs, State of Hawaii.

"Sales Office" means the office maintained by Seller on or off the Project site for the purpose of selling the apartments of the Project.

"Seller" means Kuakini Development Corp., a Hawaii corporation.

G. Agreements:

1. Agreement to Purchase. Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller the Apartment described in Paragraph A above, for the total purchase price to be paid by the method of payment described in Paragraph C above. The Agreement shall be subject to the terms and conditions set forth in Paragraph H. Additionally, Buyer agrees to pay the sums stated in Paragraph D above at Preclosing.

2. Rental of Apartment. Buyer acknowledges that Buyer has entered into this Agreement without any reference or representation by Seller or any sales person that the Seller, the Association, the Managing Agent of the Project or anyone else will provide, directly or indirectly, any services relating to the

Buyer's Initials: _____

Seller's Initials: _____

rental or sale or management of the Apartment. Buyer further acknowledges that Seller, any sales person or any other agent of Seller has not made any representation or promise regarding rental income from the Apartment or any economic or tax benefits that Buyer may derive from ownership of the Apartment. The rental or other disposition of the Apartment shall be the sole responsibility of the Buyer. The Buyer further agrees that Buyer will not enter into or participate in any rental pool for the renting of the Apartment and other apartments in the Project owned by other individuals. Buyer agrees that Seller may, as a condition to closing, require the Buyer and any licensed real estate salesperson participating in the sale to sign additional documents to satisfy Seller that no representations or promises contrary to the provisions of this section have been made up to and including the Closing Date.

If the Apartment is one of the apartments designated for sale to owner-occupants pursuant to Chapter 514A, Hawaii Revised Statutes, as amended (the "Act"), and Buyer has executed an affidavit stating Buyer's intent to become an owner-occupant of the Apartment, then Buyer further agrees that Buyer shall occupy the Apartment as Buyer's principal residence. Any such Buyer shall be required to reaffirm his or her intent to be an owner-occupant no earlier than the Buyer's receipt of the Final Public Report and no later than the Closing Date. Failure to sign the reaffirmation upon the reasonable request of Seller shall constitute a default under this Agreement by such Buyer and Seller shall have the remedies set forth in Paragraph H.12.

3. "As Is" Condition; Warranties. The Project is a conversion of an existing building constructed in 1973. Seller did not construct the building. The Apartment and the Common Elements are being sold and will be transferred in their current "AS IS" condition with "ALL FAULTS". This means that Seller will not correct any defects in the Apartment, the Project or anything installed or contained therein. Buyer acknowledges that Buyer has inspected the Apartment and the Project. Buyer also acknowledges that Buyer has received and read a copy of the Final Public Report for the Project and all the exhibits attached to it.

Seller is informed that the building of the project contains asbestos, including, but not limited to the acoustic insulation on the ceilings, the acoustic insulation on the underside of stainless steel sinks, and the vinyl floor tile and mastic. The asbestos containing materials are non-friable and in good condition and not deteriorated. Buyer should be aware that appropriate measures, including possibly the removal of the asbestos containing materials, should be undertaken before any remodeling or demolition work that may disturb the materials occurs. Buyer agrees to indemnify and hold Seller harmless from any claims, damages, actions, liability or costs relating to the presence of asbestos in the project.

It is expressly understood and agreed by and between Seller and Buyer that SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROJECT OR ANYTHING INSTALLED THEREIN, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT FOR A PARTICULAR USE OR PURPOSE OR FOR SUFFICIENCY OF DESIGN. SELLER WILL NOT BE LIABLE FOR ANY CONSTRUCTION OR OTHER DEFECTS, INCLUDING ANY LATENT OR HIDDEN DEFECTS IN THE PROJECT, THE APARTMENTS OR ANYTHING INSTALLED THEREIN. THIS MEANS THAT NO PERSON WILL HAVE THE RIGHT TO FILE ANY LAWSUIT FOR DAMAGES AGAINST SELLER FOR ANY DEFECTS IN THE PROJECT, THE APARTMENTS OR ANYTHING INSTALLED THEREIN.

Buyer's Initials: _____

Buyer's Initials: _____

Seller's Initials: _____

4. Project Documents. Buyer acknowledges that Buyer has reviewed and hereby approves the Declaration, By-Laws, Condominium Map, House Rules, form of Apartment Deed, Escrow Agreement and the Final Public Report for the Project. Buyer acknowledges that the Condominium Map is intended only to show the layout, location, apartment numbers and dimensions of the apartments and is not intended to be and does not constitute any other representation or warranty by Seller.

5. Estimated Monthly Maintenance Charges.

(a) Buyer has examined and approved the estimate of monthly maintenance charges and assessments for the Apartment as shown in the Condominium Public Report(s). Buyer is aware that such amounts are only estimates which are subject to change for various reasons, and Buyer hereby specifically accepts and approves any such changes. BUYER AGREES THAT SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY SELLER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

(b) Seller shall initially be responsible for paying the actual common expenses for the Project. Buyer will become obligated to pay monthly maintenance charges and assessments for the Apartment only after receiving a copy of a disclosure statement filed with the Real Estate Commission giving the date on which Buyer's obligation to pay maintenance charges and assessments for the Apartment shall commence. Receipt of a copy of the disclosure statement shall constitute notice to Buyer of Buyer's obligation to pay any and all maintenance charges and assessments for the Apartment from and after the date given therein.

6. Agency Disclosure. Buyer acknowledges that Marcus & Associates, Inc. and all of its salespersons and brokers have acted and will continue to act as agents for and solely on behalf of the Seller in connection with the sale of the Apartment herein. In the event that Buyer is represented by a real estate broker, such representation shall be evidenced by appending to this Agreement, as an exhibit, a cooperating brokerage agreement signed by Seller's broker and Buyer's broker and referring specifically to this Agreement.

H. Compliance With Terms and Conditions.

1. Financing.

(a) Buyer's Financial Data. Buyer represents that Buyer is financially capable of making, when due, all of the required payments set forth under Paragraph C above. Buyer represents that the personal financial data submitted in connection with this Agreement is true and substantially accurate. Failure on the part of Buyer to notify Seller to the contrary shall constitute a representation by Buyer that said financial data shall not have materially changed as of the Closing Date. Seller has the right to cancel this Agreement if any material discrepancies between the financial information furnished and the actual facts of the matter are discovered.

(b) Funds for Purchase.

(i) If Buyer wishes to finance the purchase of the Apartment, Buyer shall, within five (5) calendar days from the date of acceptance of this Agreement by Seller, apply to one or more established lending institutions for such loan. Buyer will, on request, promptly execute and deliver all documents

Buyer's Initials: _____

Seller's Initials: _____

and take all steps necessary to complete such loan. Buyer further agrees to use Buyer's best efforts to obtain the loan in good faith, to execute and deliver all necessary documents and disclose all information, and to pay any and all costs, charges, and expenses in connection with the loan. An executed copy of any loan commitment obtained by Buyer shall be delivered to Seller immediately upon receipt by Buyer. If Buyer fails to comply with any of the aforementioned requests, Seller may terminate this Agreement and cause Escrow to refund to Buyer all monies previously paid, without interest, less the cost of any credit reports and all other costs including escrow charges incurred by Seller. If the application for such loan is rejected by such lending institution at any time or not approved within fifty (50) days from the date of acceptance of this Agreement by Seller, Seller shall have the option to terminate this Agreement and upon such cancellation, Seller shall direct Escrow to refund to Buyer, without interest, all sums paid hereunder by Buyer, less any costs incurred by Seller, Escrow or any lending institution in processing this Agreement or the loan application. Seller shall give written notice of such termination to Buyer and a copy thereof shall be given to Escrow.

(ii) If Buyer's purchase of the Apartment is not being financed, Buyer shall submit to Seller, within ten (10) calendar days from the date of acceptance of this Agreement by Seller, such statements and documents as Seller may require to satisfy Seller that Buyer is financially capable of making, when due, all the required payments as set forth herein. If at any time Seller shall determine, in its sole opinion, that Buyer is incapable of making such payments, Seller shall have the option to terminate this Agreement and cause Escrow to refund to Buyer all monies previously paid, without interest, less the cost of any credit reports and all other costs including escrow charges incurred by Seller. Seller shall give written notice of such termination to Buyer and a copy thereof shall be given to Escrow. Buyer's misrepresentation of Buyer's financial capability to purchase the Apartment without financing shall entitle Seller to the remedies stated in paragraph H.12(a).

2. Credit Inquiries. Buyer agrees by executing this Agreement that Seller or a proposed mortgagee is authorized to make credit inquiries about the Buyer.

3. Taxes, Assessments and Other Charges. All taxes, assessments and charges of any kind assessable against the land or building or apartments shall be payable according to the terms of the Declaration and as provided by law, and will be prorated as of the Closing Date, as herein defined, whether or not Buyer takes actual occupancy. Except as may be otherwise provided in this Agreement, all closing costs in connection with Buyer's purchase of the Apartment shall be paid by Buyer, including, but not limited to, drafting of any mortgages and all costs related to obtaining same, all notary fees, all recording fees, the escrow fee, any proof of title and/or title insurance, the applicable conveyance taxes and fees for drafting of the Apartment Deed.

4. Seller's Right to Make Changes to Project and Project Documents. Buyer authorizes Seller to make, and Buyer hereby specifically approves, all changes to the Condominium Documents and the Project as may be required by law, any title insurance company, or institutional mortgage lender or governmental agency, and any changes in style and format of the documents; provided that such changes shall not (1) constitute a material change, (2) render unenforceable the Buyer's mortgage loan commitment, (3) increase the Buyer's percentage share of common expenses, or (4) increase the total purchase price. No taking by eminent

Buyer's Initials: _____

Seller's Initials: _____

domain (or transfer by Seller under threat of eminent domain) of an easement or other limited right or of a portion of the Common Elements which does not in any such case substantially interfere with or diminish the practical enjoyment and use by the Buyer of the Common Elements shall be deemed grounds for cancellation of this Agreement.

5. Seller's Exercise of Voting Rights, etc. Buyer understands and agrees that until such time as the Apartment Deed conveying title is delivered to Buyer and until the election of the Board of Directors and officers of the Association, Seller reserves the right to exercise all of the powers of the Association and of Buyer as a member thereof, including voting, and to exercise all of the powers of the Board of Directors and officers of the Association, and that prior and subsequent to such time Seller reserves the right to exercise all of such powers therein, including voting, as the owner of all apartments owned by Seller.

6. Preclosing. Seller may, at its option, preclose this sale by having all documents and funds necessary for closing executed and deposited with Escrow up to sixty (60) days prior to the Closing Date. Seller will exercise its option to preclose by giving written notice to Buyer. Within ten (10) days after the date such notice is mailed or otherwise delivered to Buyer, Buyer agrees to complete all actions, deposit all funds other than the proceeds of Buyer's first mortgage loan or the balance of the purchase price for a cash sale, and execute all documents required for closing. This Agreement shall constitute Seller's and Buyer's written grant of authority to Escrow to date all documents as of the date of the actual transfer of title.

7. Final Closing. Final closing shall occur on the Closing Date. The Closing Date shall be the date selected by Seller in Seller's sole discretion, and shall be the date by which Seller and Buyer shall be required to perform all of their respective obligations to purchase and sell the Apartment under this Agreement. Seller or Escrow shall notify Buyer of the Closing Date within a reasonable time prior to the scheduled Closing Date.

8. Possession.

(a) Buyer shall not be entitled to possession of the Apartment until the Closing Date; provided, however, that in the event Buyer is the tenant of the Apartment, Buyer shall be entitled to possession of the Apartment pursuant to the terms and provisions of Buyer's lease or rental agreement. Buyer will be notified in writing by the Seller of the Closing Date. Buyer must have made all the payments to Seller set forth above, prior to taking actual possession of the Apartment. Keys will not be issued to Buyer and Buyer shall not occupy, rent or lease the Apartment until this condition has been fulfilled.

(b) Buyer expressly understands and agrees that, unless Buyer is a tenant of the Apartment, Buyer shall in no event take possession of the Apartment prior to the Closing Date, and full compliance by the Buyer with all of the terms and conditions of this Agreement. Violation of this provision shall be deemed a material breach of contract and in addition to any other remedy of Seller for Buyer's breach of this Agreement, Buyer understands and agrees that Seller shall have the right to remove Buyer from the Apartment by any lawful means.

Buyer's Initials: _____

Seller's Initials: _____

(c) Notwithstanding anything stated in this Agreement to the contrary, Buyer acknowledges that the Apartment may be occupied by tenants and that Seller cannot ensure that the tenants will vacate the Apartment on or before the Closing Date. Buyer hereby expressly releases Seller from any responsibility to evict any tenant from the Apartment.

Buyer's Initials: _____

9. Managing Agent. Buyer agrees to the appointment of Marcus & Associates, Inc. as the initial managing agent for the Project.

10. Sales Activities. Buyer specifically acknowledges that:

(a) Sales activities, including the use of model apartment units, sign and extensive sales displays and activities will continue in the Project, and the parking spaces in the Project may be used for parking for prospective purchasers and other business invitees of Seller until the sale of the last unsold apartment in the Project.

(b) Seller also reserves the right for itself, its employees, agents, sales representatives, business invitees and prospective purchasers to utilize the Common Elements for ingress and egress to such parking spaces and model apartments and in order to show the Common Elements to prospective purchasers.

Buyer hereby accepts the foregoing conditions set forth in this paragraph as well as any inconvenience or annoyance which Buyer may experience as a result of such conditions and hereby expressly waives any rights, claims or actions which he might otherwise have against Seller or third parties as a result of such circumstances.

11. Assignment of Agreement.

(a) Buyer may not assign its rights under this Agreement without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. Under no circumstances may Buyer assign this Agreement after Preclosing or the Closing Date. Any assignment or attempted assignment without Seller's prior written consent shall constitute a default under this Agreement. Any Buyer assigning its rights under this Agreement shall not be released from any liability arising under this Agreement by virtue of any assignment validly consented to unless such release is expressly acknowledged and agreed to by Seller in writing.

(b) Seller may, at Seller's sole discretion, freely assign its rights and obligations under this Agreement.

12. Default.

(a) Seller's Remedies Upon Default by Buyer. If the Buyer shall default in making any payment when required, or fail to perform any other obligation required of the Buyer under this Agreement, the Seller, at its option, may terminate this Agreement by written notice to Buyer. In the event of such termination after the Effective Date, Seller may retain all amounts paid by Buyer hereunder as liquidated damages. The Seller and Buyer hereby acknowledge that they understand and have agreed that in such event the injury to Seller will be

Buyer's Initials: _____

Seller's Initials: _____

difficult and expensive to measure in view of: Seller's financial commitments with respect to the Project; the connection between the sale, cancellation or default with respect to one apartment and the sale, cancellation or default with respect to other apartments in the Project; and the nature of the real estate market in Hawaii. As a reasonable estimate of Seller's fair compensation for any damages resulting from such default, the parties agree that the sums theretofore paid by the Buyer under this Agreement shall belong to Seller as liquidated damages. Seller may, in addition to the aforesaid damages, pursue any other remedy, including specific performance, permitted by law or equity. All costs, including reasonable attorney's fees, incurred by reason of default by the Buyer shall be borne by the Buyer.

(b) Buyer's Remedies Upon Default by Seller. After the Effective Date, if the Seller shall default in selling the property to Buyer, and the remedy of specific performance is not available to Buyer for any reason, the parties agree that the Buyer, if not in default hereunder, shall be entitled to a rescission of this Agreement and refund of all deposits.

In the event that Buyer claims after the Closing Date that there has been any violation of federal or state securities laws or disclosure laws (including disclosures required by Hawaii Revised Statutes Chapter 514A pertaining to condominiums) or of the terms of this Agreement, Buyer agrees that Buyer's sole remedy shall be rescission of the Agreement and Buyer shall be entitled to recover the total purchase price and closing costs actually paid, together with interest at the rate specified in Hawaii Revised Statutes Section 514A-69 from the Closing Date until the date of repayment. Buyer agrees that any other expenses of the Buyer including, but not limited to condominium maintenance fees, real property taxes, principal and interest payments on mortgages and mortgage loan fees shall constitute the reasonable use value of the Apartment from the Closing Date until the date of repayment and shall not be recoverable from Seller.

13. Effect of Partial Invalidity of This Agreement. In the event that any provision of this Agreement is illegal, void or unenforceable for any reason, the remaining terms of this Agreement shall remain in full force and effect.

14. Time of the Essence. Time is of the essence of the obligations of Buyer under this Agreement. If the Buyer shall default in any payment when required, or fail to perform any other obligation required of the Buyer hereunder within ten (10) days after Seller notifies Buyer of such default, this Agreement may, at Seller's option, be terminated by written notice to Buyer. Seller shall notify the Buyer of such default.

15. Risk of Loss. Risk of loss to the Apartment and the Common Elements shall be borne by Seller until the Closing Date as defined herein; and thereafter, such risk of loss shall be borne by Buyer.

16. Death of Buyer. If any Buyer dies prior to the time Buyer has fully complied with all the terms of this Agreement, Seller at its option may terminate this Agreement and upon such termination, Seller shall cause Escrow to refund all payments previously made by Buyer, without interest, and less Escrow's cancellation fee, and Seller and Buyer (and Buyer's estate) shall have no other or further liability hereunder.

Buyer's Initials: _____

Seller's Initials: _____

17. Notices. Notices hereunder to Buyer may be delivered personally or sent by first class United States mail, postage prepaid, addressed to Buyer at the address set forth above, and shall be deemed to have been given when delivered personally (to any one of them if Buyer shall be more than one person) or two (2) days after deposited in the United States mail, as aforesaid.

Buyer hereby agrees to notify Seller of any change in Buyer's address as set forth above within ten (10) days after the change thereof; such notice shall be in writing and shall be delivered personally or sent by United States mail, addressed to Seller at the address set forth above or such other address as Seller shall give Buyer notice of from time to time.

18. Corporate or Partnership Information. At the request of the Seller or Escrow, Buyer shall promptly submit to the requesting party the following: (i) if Buyer is a corporation, the corporate resolutions authorizing the purchase of the Apartment by Buyer and designating the person or persons authorized to execute this Agreement, the Apartment Deed, loan documents (if any) and other closing documents on Buyer's behalf; (ii) if Buyer is a partnership, a certified copy of the partnership agreement, partnership certificate or other evidence of the partnership's authority to purchase the Apartment and showing the person or persons authorized to execute and deliver this Agreement, the Apartment Deed, the loan documents (if any) and other closing documents; (iii) evidence that Buyer is duly registered to do business in the State of Hawaii; and (iv) such other information which may reasonably be requested by Seller, Escrow or other parties designated by Seller.

19. Entire Agreement. This Agreement constitutes the entire contract between the parties hereto and supersedes and cancels all prior negotiations, representations, understandings and agreements, both written and oral, of the parties hereto, and their representatives. No variation of this Agreement shall be valid or enforceable unless approved by Seller in writing.

20. Governing Law. The laws of the State of Hawaii shall govern all matters with respect to this Agreement, including all matters related to the formation, construction, performance and enforcement of this Agreement. Buyer and Seller hereby agree that any litigation regarding this Agreement shall be brought only in the courts of the State of Hawaii, including the United States Federal District Court in Honolulu, and the Buyer and Seller agree to do nothing to defeat the jurisdiction of said courts or to otherwise seek a change of venue.

21. Captions. The captions of the paragraphs of this Agreement are for convenience only and do not modify, define, or limit in any way the terms and provisions hereof.

22. Gender; Successors and Assigns; Joint and Several Liability. The term "Buyer" herein or any pronoun used in place thereof shall mean and include the masculine and the feminine, the singular or the plural number, and jointly and severally individuals, firms, corporations or partnerships, and each of their respective heirs, personal representatives, successors and permitted assigns, according to the context thereof. This Agreement shall be equally binding and inure to the benefit of the legal representatives and successors in interest of the parties hereto. All obligations of Buyer hereunder where there be more than one (1) Buyer shall be joint and several.

Buyer's Initials: _____

Seller's Initials: _____

23. Survive Closing. All provisions of this Agreement shall survive the execution and recordation of the Apartment Deed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

KUAKINI DEVELOPMENT CORP.

By _____
Its "Seller"

Dated: _____

Dated: _____ "Buyer"

Receipt of Buyer's \$ _____
down payment is hereby acknowledged
this _____ day of _____
19____.

Sales Representative

Authorization for Disclosure of Financial Information

The undersigned hereby authorizes the release and disclosure of any and all financial information obtained by its permanent lender to Seller.

"Buyer"

"Buyer"

"Buyer"

"Buyer"

Date: _____

Buyer's Initials: _____

Seller's Initials: _____