

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Christine Myung Suk Shin Yin and Jodi Hyun Suk Shin
Address 971 Waiholo Street, Honolulu, Hawaii 96821

Project Name(*): 66-072 Waialua Beach Road
Address: 66-072 Waialua Beach Road, Haleiwa, Hawaii 96712

Registration No. 3639 Effective date: November 8, 1996
(Partial Conversion) Expiration date: December 8, 1997

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:

N/A PRELIMINARY: 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.
(yellow)

X FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 No prior reports have been issued.
 This report supersedes all prior public reports.
 This report must be read together with _____

N/A SUPPLEMENTARY: This report updates information contained in the:
(pink)
 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 are made as follows:

Special Notice:

This is a CONDOMINIUM PROJECT, not a subdivision. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property.

1. There are presently five (5) RESIDENTIAL STRUCTURES ON THE PROPERTY.
2. This public report does not constitute an approval of the project by the Real Estate Commission or any other government agency, nor does it warrant that all applicable county codes, ordinances, and subdivision requirements have necessarily been complied with.
3. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.
4. Facilities and improvements normally associated with county-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

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

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without 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 up 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: Christine Myung Suk Shin Yin and
Jodi Hyun Suk Shin Phone: (808) 377-1574
Name (Business)
971 Waiholo Street
Business Address
Honolulu, Hawaii 96821

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

N/A

Real Estate Broker: Creative Industries, Inc. Phone: (808) 377-1574
Name (Business)
4400-4 Kalaniana'ole, Suite 188
Business Address
Honolulu, Hawaii 96821

Escrow Company: Long & Melone Escrow, Ltd. Phone: (808) 523-2826
Name (Business)
1001 Bishop Street, Suite 2770
Business Address
Honolulu, Hawaii 96813

General Contractor: David Horne Development Corp. Phone: (808) 235-7722
Name (Business)
[for
Apartment E only] 45-188 Kaneohe Bay Drive
Business Address
Kaneohe, Hawaii 96744

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

Attorney for Developer: Marjorie C.Y. Au Phone: (808) 539-0400
Name (Business)
Ashford & Wriston, P.O. Box 131
Business Address
Honolulu, Hawaii 96810

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:

<input type="checkbox"/> Proposed	
<input checked="" type="checkbox"/> Recorded - Bureau of Conveyances:	Document No. <u>96-139595</u>
	Book _____ Page _____
<input checked="" type="checkbox"/> Filed - Land Court:	Document No. <u>2338541</u>

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

Amendment to Declaration of Condominium Property Regime "66-072 Waialua Beach Road" dated October 9, 1996 and recorded in said Bureau as Document No. 96-145197 and filed in said Office as Document No. 2340905.

- 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:

<input type="checkbox"/> Proposed	
<input checked="" type="checkbox"/> Recorded - Bureau of Conveyances Condo Map No. <u>2467</u>	
<input checked="" type="checkbox"/> Filed - Land Court Condo Map No. <u>1168</u>	

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:

<input type="checkbox"/> Proposed	
<input checked="" type="checkbox"/> Recorded - Bureau of Conveyances:	Document No. <u>96-139596</u>
	Book _____ Page _____
<input checked="" type="checkbox"/> Filed - Land Court:	Document No. <u>2338542</u>

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

N/A

[] Other:

IMPORTANT INFORMATION OF 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 lessees 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: 66-072 Waialua Beach Road Tax Map Key: (1)6-6-33-137
Haleiwa, Hawaii 96712 (TMK)

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

Land Area: 26,716 [✓] square feet [] acre(s) Zoning: R-5

Fee Owner: Christine Myung Suk Shin Yin Jodi Hyun Suk Shin
 Name
2038 Divisadero Street, Apt. 304 971 Waiholo Street
 Address
San Francisco, CA 94115 Honolulu, HI 96821

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: 5 Floors Per Building 1
 Exhibit _____ contains further explanations.
3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other The Apartments are constructed principally of wood, concrete and glass.
4. Permitted Uses by Zoning:

	<u>No. of Use Permitted Apts. By Zoning</u>		<u>No. of Use Determined Apts. By Zoning</u>
<input checked="" type="checkbox"/> Residential*	<u>5</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

* See paragraph 11.b and Exhibit F for information regarding non-conforming structures.

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

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

Pets: Article V § 2(i) of the Bylaws prohibits keeping, breeding or using pets for a commercial purpose and requires owners to indemnify the association for loss or liability related to pets.

Number of Occupants: _____

Other: Exhibit A contains further explanations.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio(sf)</u>
<u>A</u>	<u>1</u>	<u>2/1</u>	<u>927.5</u>	<u>---</u>
<u>B</u>	<u>1</u>	<u>2/1</u>	<u>1,166.75</u>	<u>---</u>
<u>C</u>	<u>1</u>	<u>3/1</u>	<u>800</u>	<u>---</u>
<u>D</u>	<u>1</u>	<u>3/1</u>	<u>1,413</u>	<u>145</u>
<u>E</u>	<u>1</u>	<u>2/2</u>	<u>1,036</u>	<u>190</u>

Total Apartments: 5

*Net Living Area is the floor area of the apartment 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 exterior surface of the building in which the apartment is located including any exterior fixtures installed in such apartment for its exclusive use.

Permitted Alterations to Apartment: Exhibit B contains an explanation as to permitted alterations.

7. Parking Stalls:

Total Parking Stalls: 10

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned <u>3</u> (Apt. A, <u>6</u> (Apt. A&C: 1) (for each B, C: 1 ea.) (Apt. D&E: 2) unit)						<u>1</u> (Apt. B)	<u>10</u>
Guest _____							<u>0</u>
Un- assigned _____							<u>0</u>
Extra for Purchase _____							<u>0</u>
Other: _____							<u>0</u>
Total Covered & Open:	<u>9</u>		<u>0</u>		<u>1</u>		

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

Commercial parking garage permitted in condominium project.

Exhibit C 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 ____.

See letter from Building Department attached as Exhibit D.

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):

As to Apartments A, B, C and D, the present condition of all structural components and mechanical and electrical installations appears to be good. See letter from Hideo Kobayashi, Registered Architect, attached as Exhibit E. The developer makes no representations with respect to the useful life of the above items. Apartment E is newly constructed.

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	_____✓_____	_____	_____
Structures	_____	_____✓_____ (See Exhibit D)	_____
Lot	_____✓_____	_____	_____

Exhibit F contains additional information on the non-conforming structure.

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 structure. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

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

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

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

described in Exhibit _____

as follows:

- (a) The land described herein in fee simple;
- (b) All pipes, wires, conduits or other utility or service lines running through one apartment or house site which are utilized for or serve more than one apartment or house site and any other appurtenant installations for common services; and
- (c) The driveway and easement area that provides access to Waialua Beach Road.

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 G

as follows:

Note: Land areas referenced herein are NOT legally subdivided lots.

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 apartment has an undivided 20% common interest.

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 H describes the encumbrances against the title contained in the title report dated October 9, 1996 and issued by Long & Melone, Ltd.

Blanket Liens:

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

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

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

Exhibit I lists the type of lien and the effect on Buyer's interest and deposit if Developer defaults or lien is foreclosed prior to conveyance.

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:

The apartments will be sold together with appliances and other personal property in an "AS IS" condition, without benefit of warranties. The buyers may have their architects, engineers and other professionals examine the apartments with sufficient thoroughness to enable the buyers to decide if they want to purchase the apartments. The purchase of the apartments by the buyers shall be deemed to include (1) a complete and comprehensive assumption of all liabilities arising with respect to the apartments from and after closing, including all claims based on faulty planning, design, engineering, construction, or defective materials or workmanship; and (ii) a **release and discharge** of the sellers, their respective heirs, assigns, devisees and personal representatives, from all claims, obligations and liabilities arising out of the condition of the apartments, and any disclosures made or not made with respect thereto. The buyers recognize that the foregoing itemization of potential claims or liabilities is not intended to be exclusive, or to limit the generality of the buyers' acceptance of the apartments in an "AS IS" condition, given the most expansive interpretation of those words.

2. Appliances:

The buyers will have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartments.

G. Status of Construction and Estimated Completion Date:

Apartment A was constructed in 1963.

Apartment B was constructed in 1935.

Apartment C was constructed in 1940.

Apartment D was constructed in 1945.

Apartment E was constructed and substantially completed in 1996. Apartment E is not ready for occupancy, but Developer does not intend to do any further construction. The purchaser of Apartment E will purchase the structure "AS IS" and will be responsible for any and all finish work necessary for occupancy.

H. Project Phases:

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

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 J 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 K contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated August 12, 1996
Exhibit L contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; AND
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); AND
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer, or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) The buyer has not waived the right to rescind.

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules. **(not applicable)**
- 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 Cashiers 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. 3639 filed with the Real Estate Commission on October 17, 1996.

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C. Additional Information Not Covered Above

None.

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.

Christine Myung Suk Shin Yin
Name of Developer

By: Aileen Chanoche Kong Shin October 16, 1996
Duly Authorized Signatory Date

Aileen Chanoche Kong Shin, attorney in fact for Christine Myung Suk Shin Yin
print name & title of person signing above

Jodi Hyun Suk Shin
Name of Developer

By: Jodi Hyun Suk Shin October 16, 1996
Duly Authorized Signatory Date

Jodi Hyun Suk Shin
print name & title of person signing above

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

EXHIBIT A

SPECIAL USE RESTRICTIONS

Paragraph H.1. of the Declaration states:

The apartments may be occupied and used as residential dwellings by the respective owners thereof, their tenants, families, domestic servants and guests, provided that the owners of the respective apartments shall have the absolute right to rent or lease such apartments for such durations of time as they shall deem appropriate, subject to all provisions of this Declaration and the Bylaws hereafter described; provided, however, that the initial term of any rental agreement or lease shall be at least thirty (30) days or such longer period as may be required under applicable law. All rental agreements and leases shall be in writing.

Article V, Section 2 of the Bylaws states:

Use of Project.

- (a) The apartments of the Project shall be used only for the purposes stated in the Declaration.
- (b) The common elements and the limited common elements of the Project shall be used only for the purposes for which they were designed.
- (c) An apartment owner or occupant shall not place, store or maintain in the driveways, grounds and other common elements of the Project of a similar nature, any objects of any kind. Such common elements shall not be obstructed at any time and shall be used for no other purpose than for normal transit through them.
- (d) Every apartment owner and occupant shall at all times keep such owner's apartment and all limited common elements appurtenant thereto in a strictly clean and sanitary condition and observe and perform all terms and conditions of the Declaration and these Bylaws, all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association applicable thereto.
- (e) No apartment owner or occupant shall make or suffer any strip or waste of such owner's apartment or alter any common elements and no owner or occupant shall make or suffer any unlawful or offensive use of an apartment or the Project.
- (f) No apartment shall use or operate any equipment, machine, vehicle or other item which generates an unreasonable amount of noise in the Project, except as may temporarily be necessary to make repairs to, to maintain or to construct additional apartments in the Project.
- (g) Each apartment owner or occupant shall exercise extreme care about making noises and in the use of musical instruments, radios, television sets and amplifiers that may disturb other occupants.
- (h) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements outside of the disposal facilities, if any, provided for such purpose.
- (i) Permission to keep any animal in any part of the Project is subject to the following conditions: (1) they shall not be kept, bred or used therein for any commercial purpose; and (2) their owners shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any such pet or pets in the Project. Pet owners shall be responsible for promptly cleaning up any waste or mess and keeping the Project free of fleas, ticks, and odors created by their pet or pets on the Project. Any pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board.

EXHIBIT B

PERMITTED ALTERATIONS

Paragraph V of the Declaration states:

Except for additions to or alterations of an apartment or limited common element by an owner, as set forth below, restoration or replacement of the Project or of any building or common elements, or the construction of any additional building, or the alteration of or addition to any structure which differs in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any apartment owners pursuant only to an amendment of this Declaration, approved by not less than seventy-five percent (75%) of the owners of the common interests and accompanied by the written consent of the holders of first mortgages on apartments to which at least fifty-one percent (51%) of the votes of apartments subject to such mortgages are allocated (if the lienholders require such consent) affecting any of the apartments, in accordance with complete plans and specifications therefor prepared by a licensed architect or engineer if so required by the Board, first approved by the Board. Promptly upon completion of any such restoration, replacement or construction, the Association shall duly file such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or engineer.

No apartment owner shall do any work which jeopardizes the soundness or safety of the Project, reduces the value thereof or impairs any easement or hereditament, without in every such case the consent of the owners of seventy-five percent (75%) of the common interests; provided, however, that additions to or alterations of an apartment made within such apartment or within a limited common element appurtenant to and for the exclusive use of such apartment shall be permitted to be done by the apartment owner, and upon completion of any addition or alteration which changes the floor plan of an apartment or limited common element, such owner shall cause a copy of the revised floor plan of the apartment or limited common element affected to be recorded, at the expense of the owner of such apartment, as an amendment of this Declaration and said Condominium Map. Non-material structural additions to the common elements shall be permitted to be done by an apartment owner with the consent of the Board, and upon completion of any work that changes the floor plan of an apartment or limited common element the Board shall cause a copy of such revision to be recorded, at the expense of the owner performing such work, as an amendment to the Declaration and said Condominium Map. The owners expressly acknowledge such rights of the owners and the Board and hereby consent to any amendment made necessary by the exercise of such rights in accordance with this section and such amendments may be accomplished and recorded with the signature of the owner performing the work or the Board, when such work is subject to Board approval. "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 property or directly affect any non-consenting owner.

All alterations or additions to the Project, the common elements, an apartment, or a limited common element shall be done in accordance with all applicable laws, ordinances, rules, regulations and codes ("Laws"). Any apartment owner who makes an alteration or addition to his or her apartment or the limited common element appurtenant thereto shall indemnify, defend and hold harmless the Association against any and all claims, liability, loss, cost, expense, injury or damages ("Claims") arising from such alteration or addition including without limitation Claims arising from failure to observe applicable Laws.

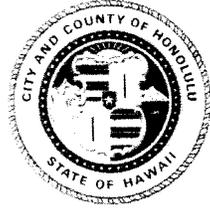
EXHIBIT C
PARKING STALLS

Each Apartment has two parking stalls for its exclusive use, as shown on the Condominium Map.

The parking stalls, some of which are located in covered carports that are part of the Apartment, are located as shown on the Condominium Map.

EXHIBIT D
BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813



JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI
DIRECTOR AND BUILDING SUPERINTENDENT
ISIDRO M. BAQUILAR
DEPUTY DIRECTOR AND BUILDING SUPERINTENDENT

Ex96-100

September 17, 1996

Mr. Clifford P. S. Shin
Creative Industries, Inc.
4400-4 Kalanianaʻole Highway, Suite 188
Honolulu, Hawaii 96821

Dear Mr. Shin:

Subject: Condominium Conversion Project
66-060 Waialua Beach Road
Tax Map Key: 6-6-33: 137

This is in response to your letter dated May 21, 1996 requesting verification that the five one-story single-family detached dwellings located at 66-060, 66-072, 66-072A, 66-080 and 66-080A Waialua Beach Road met all code requirements at the time of construction.

Investigation revealed that on May 18, 1995 a Site Development Plan (92/SD-004) to divide the lot into two separate lots was approved. The dwellings located at 66-060, 66-072 and 66-080 Waialua Beach Road are located on Lot A-1 and are considered to be nonconforming dwelling units with nonconforming parking spaces and driveways. The dwellings located at 66-080A and 66-072A Waialua Beach Road are located on Lot B-1 and are considered to be conforming with an existing driveway through Tax Map Key: 6-6-33: 136 by an easement created by subdivision No. 90-194. The dwelling located at 66-072A is presently under construction with building permit No. 376577 issued on September 12, 1995.

No variances or other special permits were granted to allow deviations from any applicable codes.

EXHIBIT D

Mr. Clifford P. S. Shin
September 17, 1996
Page 2

Since the three dwellings on Lot A-1 are considered to be nonconforming, if any dwelling is destroyed by any means to an extent of more than 50 percent of its replacement cost at time of destruction, it shall not be reconstructed except in conformity with the provisions of Section 3.120d of the Land Use Ordinance unless an existing use permit is obtained from the Department of Land Utilization prior to its destruction.

The Building Department cannot determine whether this project contains any other legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

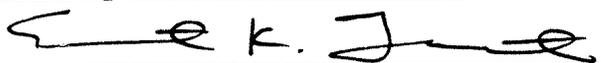
If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,



RANDALL K. FUJIKI
Director and
Building Superintendent

Subscribed and sworn to
before me this 19th day of
September, 1996.


Notary Public, First Judicial Circuit

State of Hawaii
My commission expires: June 21, 1999

EXHIBIT E

STATEMENT

To: Whom It May Concern

From: Hideo Kobayashi
Professional Architect, License No. A-1355
State of Hawaii

Subject: Inspection of buildings located at:

66-072 WAIALUA BEACH ROAD CONDOMINIUM PROJECT
66-072 Waialua Beach Road, Haleiwa, Hawaii
TMK: (1)6-6-33-137

I have inspected Units A, B, C and D of the subject property to ascertain the general condition of the buildings and have found the following:

1. The buildings generally are in good structural condition.
2. The mechanical and electrical installations material to the use and enjoyment of the project appears to meet code requirements and are in good working condition.



HIDEO KOBAYASHI

8-7-96

Date

EXHIBIT F

NON-CONFORMING STRUCTURE

Apartments A, B and C are considered to be non-conforming. If any of these Apartments is destroyed by any means to an extent of more than fifty percent (50%) of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with the provisions of Section 3.120d of the Land Use Ordinance of the City and County of Honolulu, as amended, unless an existing use permit is obtained from the Department of Land Utilization prior to its destruction. Section S of the Declaration therefore designates Apartment C as the Apartment that will be removed or will not be reconstructed in the event of such damage or destruction.

Section S of the Declaration states in part:

. . . if, in accordance with [this Section], the Project is to be reconstructed but the then applicable laws prohibit the reconstruction of the Project according to the original plans and specifications, the Project shall be reconstructed in as close approximation to the original plans and specifications as permitted by law. If the then applicable laws do not permit the reconstruction of all destroyed or damaged apartments, then (i) if such destroyed and damaged apartments include Apartment C, Apartment C shall be reconstructed as a structure that is permitted by law; or (2) if such apartments do not include Apartment C, Apartment C shall be removed and replaced with a structure that is permitted by law, to enable the owners of all damaged or destroyed apartments to reconstruct them in accordance with the original plans and specifications.

EXHIBIT G

LIMITED COMMON ELEMENTS

Subparagraph D.3 of the Declaration states:

3. Limited Common Elements. Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

- (a) Apartment A: The land over which Apartment A is constructed and the area surrounding Apartment A, as delineated on the Condominium Map by dashed lines and labelled "Yard A" and the parking areas located thereon and shown on the Condominium Map, are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (b) Apartment B: The land over which Apartment B is constructed and the area surrounding Apartment B, as delineated on the Condominium Map by dashed lines and labelled "Yard B" and the parking areas located thereon and shown on the Condominium Map, are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (c) Apartment C: The land over which Apartment C is constructed and the area surrounding Apartment C, as delineated on the Condominium Map by dashed lines and labelled "Yard C" and the parking areas located thereon and shown on the Condominium Map, are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (d) Apartment D: The land over which Apartment D is constructed and the area surrounding Apartment D, as delineated on the Condominium Map by dashed lines and labelled "Yard D" and the parking areas located thereon and shown on the Condominium Map, are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (e) Apartment E: The land over which Apartment E is constructed and the area surrounding Apartment E, as delineated on the Condominium Map by dashed lines and labelled "Yard E", the parking areas located thereon and the driveway area, as shown on the Condominium Map, are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (f) The right to use Easement B, located adjacent to the Project within Lot A-1, as shown on the Condominium Map, is a limited common element appurtenant to and for the use of Apartments D and E. Easement B is more fully described on Map 4; filed with Land Court Application No. 1585 of John F. Cazinha and Philomena F. Cazinha.
- (g) The septic tank/wastewater system serving Apartments D and E is a limited common element appurtenant to and for the exclusive use of Apartments D and E.

The limited common elements shall only be used for purposes permitted by applicable law.

EXHIBIT H

ENCUMBRANCES AGAINST TITLE

AS TO FIRST ONLY:

1. Easement A (10 feet wide), located along a portion of the Northwesterly boundary and shown on Map 1, filed with said Application No. 1585 for the purpose of power and pole line.

AS TO SECOND ONLY:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Reservation unto the State of Hawaii of all rights of vehicular access along a portion of the Boundary along Waialua Beach Road, as reserved in Deed recorded in Liber 2993, at Page 461.

AS TO FIRST AND SECOND:

1. Mortgage dated August 7, 1990, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-134273 and in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1759864 in favor of FINANCE FACTORS, LIMITED, a Hawaii corporation.
2. Terms and provisions of that certain Grant of Easement for Access Purposes made by and between Kenneth Randolph Sikes, husband of Bonnie Brumblay Sikes, as Grantor, and Creative Industries, Inc., a Hawaii corporation, Stanley P. J. Shin, Trustee under that certain Trust Agreement dated February 1, 1980, made by Clifford P. S. Shin, as Settlor, and Yamauchi Property Investments, Inc., a Hawaii corporation, as Grantee, as disclosed in Trustee's Deed dated August 27, 1990, filed as Land Court Document No. 1786092, and also recorded in said Bureau as Document No. 90-185429.
3. Mortgage, Security Agreement and Financing Statement dated May 25, 1994, recorded in said Bureau as Document No. 94-090771 and filed in said Office as Land Court Document No. 2150598, in favor of FIRST HAWAIIAN BANK, a Hawaii corporation.
4. Financing Statement recorded in said Bureau as Document No. 94-090773, in favor of FIRST HAWAIIAN BANK, a Hawaii corporation.
5. Mortgage, Security Agreement and Financing Statement dated October 18, 1994, recorded in said Bureau as Document No. 94-193771 and filed in said Office as Land Court Document No. 2198833, in favor of FINANCE FACTORS, LIMITED, a Hawaii corporation.
6. Assignment of Rents and Other Income, dated October 18, 1994, recorded in said Bureau as Document No. 94-193773, in favor of FINANCE FACTORS, LIMITED, a Hawaii corporation.
7. Financing Statement, recorded November 25, 1994 in said Bureau as Document No. 94-193775, in favor of FINANCE FACTORS, LIMITED, a Hawaii corporation.
8. Mortgage dated December 27, 1995, recorded in said Bureau as Document No. 95-168505 and filed in said Office as Land Court Document No. 2281530, in favor of FINANCE FACTORS, LIMITED, a Hawaii corporation.
9. Financing Statement, recorded December 28, 1995 in said Bureau as Document No. 95-168507, in favor of FINANCE FACTORS, LIMITED, a Hawaii corporation.

In addition, the property is subject to the condominium project documents noted on page 6 of this Public Report.

EXHIBIT I

Effect on Buyer's Interest and Deposit if
Developer Defaults or Lien is Foreclosed
Prior to Conveyance

Type of Lien

- | | |
|--|--|
| 1. Mortgage, Security Agreement and Financing Statement dated May 25, 1994, recorded as Document No. 94-090771 and filed as Land Court Document No. 2150598, in favor of First Hawaiian Bank, a Hawaii corporation. | If the lender forecloses on the mortgage or financing statement, a purchaser will receive a full refund of all deposits, less escrow cancellation fee. |
| 2. Financing Statement recorded as Document No. 94-090773, in favor of First Hawaiian Bank. | If the lender forecloses on the mortgage or financing statement, a purchaser will receive a full refund of all deposits, less escrow cancellation fee. |
| 3. Mortgage, Security Agreement and Financing Statement dated October 18, 1994, recorded as Document No. 94-193771 and filed as Land Court Document No. 2198833, in favor of Finance Factors, Limited, a Hawaii corporation. | If the lender forecloses on the mortgage or financing statement, a purchaser will receive a full refund of all deposits, less escrow cancellation fee. |
| 4. Assignment of Rents and Other Income, dated October 18, 1994, recorded as Document No. 94-193773, in favor of Finance Factors, Limited. | If the lender forecloses on the mortgage or financing statement, a purchaser will receive a full refund of all deposits, less escrow cancellation fee. |
| 5. Financing Statement, recorded November 25, 1994 as Document No. 94-193775, in favor of Finance Factors, Limited. | If the lender forecloses on the mortgage or financing statement, a purchaser will receive a full refund of all deposits, less escrow cancellation fee. |
| 6. Mortgage dated December 27, 1995, recorded as Document No. 95-168505 and filed as Land Court Document No. 2281530, in favor of Finance Factors, Limited. | If the lender forecloses on the mortgage or financing statement, a purchaser will receive a full refund of all deposits, less escrow cancellation fee. |
| 7. Financing Statement, recorded December 28, 1995 as Document No. 95-168507, in favor of Finance Factors, Limited. | If the lender forecloses on the mortgage or financing statement, a purchaser will receive a full refund of all deposits, less escrow cancellation fee. |

EXHIBIT J

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

All costs associated with the maintenance of each apartment and its respective limited common elements are the sole responsibility of each apartment owner.

Section 514A-86, Hawaii Revised Statutes, requires that the Association of Apartment Owners purchase and maintain fire insurance to cover the improvements of the project, and that fire insurance premiums shall be a common expense.

The developer anticipates that the Association will elect to require each owner to obtain separate fire and liability insurance for his or her apartment and name the Association as an additional insured. In such case, insurance premiums will be the individual responsibility of each apartment owner.

The developer estimates the annual premiums expense for each apartment to be approximately \$605.50 and certifies that this estimate was prepared based on generally accepted accounting principals.

EXHIBIT K

SUMMARY OF SALES CONTRACT

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

1. Whether a purchaser will be obtaining a mortgage loan to cover part of the purchase price.
2. That the apartment will be subject to various other legal documents which the purchaser should examine.
3. That certain expenses, such as property taxes and insurance premiums shall be prorated as of the date of closing.
4. That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
5. That the Seller may take any or all of the following actions if Buyer fails to pay the balance of the purchase price or complete the purchase.
 - a. Bring an action for damages for breach of contract.
 - b. Retain the initial deposit and all additional deposits as liquidated damages.
 - c. Hold Buyer responsible for any costs incurred in accordance with the sale contract.
6. The Sales Contract is not assignable without the Developer's consent.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT L

SUMMARY OF ESCROW AGREEMENT

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

1. Escrow will let purchasers know when payments are due.
2. Escrow will arrange for purchasers to sign all necessary documents.

3. The Escrow Agreement says under what conditions a refund will be made to the purchaser. Purchaser shall be entitled to a refund of his/her funds and Escrow shall pay said funds to purchaser, without interest and less Escrow's cancellation fee, if purchaser shall, in writing, request from Developer to return to purchaser the funds of such purchaser held in Escrow. Developer shall be entitled to a \$25.00 cancellation fee if all relative documents for the closing of the sale have been prepared and delivered to Escrow.

4. If a purchaser defaults under a Sales Contract, purchaser's funds will be held by Escrow as the funds of the Developer.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.