CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: ALLAN S. TAKASE, Trustee of the Allan S. Takase Revocable Living Trust, dated February 22, 1989, and JEAN H. TAKASE, Trustee of the Jean H. Takase Revocable Living Trust, dated February 22, 1989

Address: 287 Kanoelani Street, Hilo, Hawaii 96720

Project Name(*): PUNAHELE PROFESSIONAL BUILDING

Address: 82 Puuhonu Place, Hilo, Hawaii 96720

Registration No. 3726

Effective date: August 27, 1997

Expiration date: September 27, 1998

Preparation of this Report:

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

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

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

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

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

Type of Report:

___ **PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

_X_ **FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.

- [ ] No prior reports have been issued.
- [X] This report supersedes all prior public reports.
- [ ] This report must be read together with _____

___ **SUPPLEMENTARY:** (pink) This report updates information contained in the:

- [ ] Preliminary Public Report dated: _____
- [ ] Final Public Report dated: _____
- [ ] Supplementary Public Report dated: _____

And

- [ ] Supersedes all prior public reports
- [ ] Must be read together with _____
- [ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] 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.

[X] Changes made are as follows:

1) Due to subdivision of the Project Land described in the prior report, the Project Land description has been amended to remove that portion of the land subject to removal from the condominium project land, which was designated as the "Removable Property" on the unrecorded Condominium Map submitted with the prior report. Accordingly, Section P. of the Declaration, which reserved to Declarant the right to remove the Removable Property and the improvements thereon from the effect of the Declaration and the Act, has been deleted along with all references thereto, including, but not limited to, Section H. of this public report. The recorded Condominium Map does not include the subdivision map which was attached to the unrecorded Condominium Map submitted with the prior report. Tax Map Key Number references specify Lot 12-A-2 (the Project Land).

2) Project construction dates have been amended in Section G.

3) Exhibit "E" Encumbrances Against Title has been updated to conform to the preliminary title report issued after subdivision of the Project Land.

4) References to Developers' Revocable Living Trusts have been amended to delete "as amended" language.

5) Exhibit "G" to this report (Summary of Sales Contract) has been amended: 1) to reflect changes to the Specimen DROA at Section C.2.(b) to reference the Developer's reserved rights to amend the Project documents; and 2) to reference Section D. (Warranties and Representations) of the Specimen DROA.

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

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

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

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

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

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

Operation of the Condominium Project

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

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

Until there is 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: ALLAN S. TAKASE, Trustee
JEAN H. TAKASE, Trustee
Name
670 Ponahawai Street, Suite 200
Business Address
Hilo, Hawaii 96720
Phone: (808) 961-2881 (Business)

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

Real Estate Broker: Coldwell Banker Day-Lum Properties
Name
2 Kamehameha Avenue
Business Address
Hilo, Hawaii 96720
Phone: (808) 935-0399 (Business)

Jerry H. Hirata, Inc.
Name
2 Kamehameha Avenue
Business Address
Hilo, Hawaii 96720
Phone: (808) 935-6638 (Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
450 Kilauea Avenue
Business Address
Hilo, Hawaii 96720
Phone: (808) 935-6638 (Business)

General Contractor: Bruce Hansen/Concept Development
Name
235 Waianuenue Avenue
Business Address
Hilo, Hawaii 96720
Phone: (808) 935-0279 (Business)

Condominium Managing Agent: Coldwell Banker Day-Lum Properties
Name
2 Kamehameha Avenue
Business Address
Hilo, Hawaii 96720
Phone: (808) 935-4152 (Business)

Attorney for Developer: Cathy L. Takase
Name
209-6 Kawaihae Street
Business Address
Honolulu, Hawaii 96825
Phone: (808) 396-8089 (Business)

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances Document No. 97-104038
Book _____ Page _____

[ ] Filed - Land Court Document Number _____

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

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

The Condominium Map for this condominium project is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances Condo Map No. 2586

[ ] Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

[ ] Proposed

[X] Recorded - Bureau of Conveyances Document No. 97-104039
Book _____ Page _____

[ ] Filed - Land Court Document No. _____

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

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

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [x] Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	N/A

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

2. Developer:

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

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

A. Upon completion of the Project, the Developer may amend the Declaration and the Condominium Map (if necessary) to file the "as built" verified statement required by Section 514A-12 of the Condominium Property Act.

B. Until all of the apartments have been conveyed, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map to make such amendments as may be required by law, by the Real Estate Commission, by the title insurance company, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA and/or FHLMC), provided that no such amendments change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment.

C. Until the "as built" verified statement is filed, the Developer may amend the Declaration and the Condominium Map to (i) reflect alterations in any apartment which has not been sold; (ii) reflect any change in the number of apartments in the Project; and (iii) reflect minor changes in any apartment or in the common elements which do not affect the physical location, design or size of any apartment which has been sold. See Section L of the Declaration.

D. The Developer may amend the Declaration to convey or otherwise designate any parking stalls to be appurtenant to and for the exclusive use of any apartment in the Project.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] Fee Simple: Individual apartments and the common elements, which includes the underlying land, will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which includes the underlying land will be leasehold.

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

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

For Sub-leaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

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

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. **Underlying Land:**

Address: 82 Puuhonu Place Tax Map Key (TMK) : (3) 2-3-35-portion of 16 (Lot 12-A-2)
Hilo, Hawaii 96720

[ ] Address [X] TMK is expected to change because of subdivision of the parcel which included the Project Land

Land Area: 59,108 [X] square feet [ ] acre(s) Zoning: CN-10
(Neighborhood Commercial)

Fee Owner: Allan S. Takase, Trustee, and Jean H. Takase, Trustee
Name
670 Ponahawai Street, Suite 200
Address
Hilo, Hawaii 96720

Lessor: _____
Name
_____
Address
_____

C. Buildings and Other Improvements:

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

2. Number of Buildings: 1 Floors Per Building 2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [X] Concrete [ ] Hollow Tile [ ] Wood

   [X] Other Metal, glass, wood, and other customary building materials

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
[ ] Residential	_____	[ ] Yes [ ] No	[ ] Ohana	_____	[ ] Yes [ ] No
[X] Commercial	4*	[X] Yes [ ] No	[ ] Industrial	_____	[ ] Yes [ ] No
[ ] Mix Res/Comm	_____	[ ] Yes [ ] No	[ ] Agricultural	_____	[ ] Yes [ ] No
[ ] Hotel	_____	[ ] Yes [ ] No	[ ] Recreational	_____	[ ] Yes [ ] No
[ ] Timeshare	_____	[ ] Yes [ ] No	[ ] Other: ____	_____	[ ] Yes [ ] No

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

*The apartments are subject to division and/or consolidation by the Developer pursuant to Section L.3, and by an apartment owner pursuant to Section L.4 of the Declaration (see Exhibit B to this public report).

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:_____

[ ] Number of Occupants:_____

[X] Other: See Exhibit A

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 1 Stairways: 2 Trash Chutes:_____

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
1	1			7,749	Office
2	1			4,718	Office
3	1			7,749	Office
4	1			4,718	Office

Total Apartments 4**

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

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

** The apartments are subject to alteration, division and/or consolidation by the Developer pursuant to Section L.3, and by an apartment owner pursuant to Section L.4 of the Declaration (see Exhibit B to this public report).

Boundaries of Each Apartment:

Each apartment includes all walls, columns and partitions which are not load-bearing within the apartment's perimeter walls, the inner decorated or finished surfaces of all walls, floors, ceilings, doors, door frames and window frames along the perimeters, the air space within the perimeters, all fixtures originally installed in the apartment, and all pipes, plumbing, wires, conduits and other utility or service lines and facilities servicing only the apartment. The apartments shall not include the undecorated or unfinished surfaces of the perimeter party or non-party walls, the undecorated or unfinished surfaces of the doors, door frames and window frames along the perimeters, the interior load-bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floors and ceiling surrounding each apartment, or any pipes, shafts, wires, conduits or other utility or service lines running through an apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as provided in the condominium declaration.

Permitted Alterations to Apartments:

See Exhibit B.

7. Parking Stalls:

Total Parking Stalls: 95

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	*						
Guest							
Unassigned*	13	44	7	21			
Extra for Purchase							
Other:(handicap)	2	8					
Total Covered & Open:	67		28		0		95

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

* See Exhibit C

[ ] Commercial parking garage permitted in condominium project.

[X] 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 [X] Trash Chute/Enclosure(s)

[X] Other: Restrooms (2); Lobby areas (2); Elevator (1)

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____ (Date)

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):

(Not applicable)

11. Conformance to Present Zoning Code

a. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

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

[X] described in Exhibit D.

[ ] as follows:

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

[ ] There are no limited common elements in this project.

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

[ ] described in Exhibit _____.

[X] as follows: assigned parking stalls appurtenant to the apartment unit. See Exhibit "C".

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

[ ] described in Exhibit _____.

[X] as follows:

Apartment No.	Undivided Common Interest*
1	0.31078 (31.078%)
2	0.18922 (18.922%)
3	0.31078 (31.078%)
4	0.18922 (18.922%)

*The common interests are subject to adjustment upon the alteration, division or consolidation of apartments pursuant to Sections L.3 and L.4 of the Declaration. See Exhibit B to this public report.

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 E describes the encumbrances against the title contained in the title report dated July 25, 1997* and issued by Title Guaranty of Hawaii, Inc.
*Preliminary title report

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage in favor of American Savings Bank.	Buyer's interest is subordinate to the Mortgage (buyer's contract to purchase an Apartment may be canceled, but all deposits will be refunded, less escrow cancellation fee).

F. Construction Warranties:

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

1. Building and Other Improvements:

The Developer's makes no warranties itself; however, the Developer will assign to each apartment owner any and all warranties given the Developer by the general contractor for the project and by any subcontractors or materialmen, and the Developer will cooperate with each apartment owner during the effective period of any such warranties in asserting any claims on such warranties.

2. Appliances:

The Developer makes no warranty as to appliances or other consumer products installed in any apartment or in the common elements. If there are any applicable manufacturer's or dealer's warranties relating to such appliances or other consumer products, the Developer will cooperate as necessary to assign and pass on to each apartment owner the benefit of such warranties.

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

Construction of the Project began in March 1997. The Developer estimates that construction will be completed in March 1998.

H. Project Phases:

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

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

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:

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

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be 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 _F_ 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 [x] Electricity (_x_ Common Elements only __ Common Elements & Apartments)
[ ] Gas (___ Common Elements only ___ Common Elements & Apartments)
[x] Water [x] Sewer [x] Television Cable
[x] Other Air conditioning

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

[X] Specimen Sales Contract
Exhibit G contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated April 3, 1997
Exhibit H contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Specimen Apartment Deed

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, 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 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 issued an effective date by the Hawaii Real Estate Commission.
   B) Declaration of Condominium Property Regime, as amended.
   C) Bylaws of the Association of Apartment Owners, as amended.
   D) House Rules, if any.
   E) Condominium Map, as amended.
   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, Hawaii 96809, at a nominal cost.

This Public Report is a part of Registration No. 3726 filed with the Real Estate Commission on April 9, 1997.

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

[ ] YELLOW paper stock [X] WHITE paper stock [ ] PINK paper stock

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.

Allan S. Takase, Trustee, and Jean H. Takase, Trustee
Printed Name of Developer

By: _____ 7/17/97
Duly Authorized Signatory — Date

By: _____ 7/17/97
Duly Authorized Signatory — Date

Allan S. Takase, Trustee of the Allan S. Takase Revocable Living Trust, dated February 22, 1989
Jean H. Takase, Trustee of the Jean H. Takase Revocable Living Trust, dated February 22, 1989
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii

EXHIBIT "A"

USE RESTRICTIONS

1. The apartments shall at all times be occupied and used only for commercial purposes in accordance with applicable laws, the condominium declaration and the bylaws, and for no other purposes. Further the Apartments shall be used only for conducting the practice of medicine or other associated or ancillary services, and for no other purpose without the prior written consent of the Developer.

2. No timesharing permitted.

EXHIBIT "B"

ALTERATIONS TO APARTMENTS

Section L.2 of the Condominium Declaration provides as follows:

> Any alterations or additions solely within an Apartment or within a limited common element appurtenant to and for the exclusive use of an Apartment, shall require only the written approval thereof, including the plans thereof, by the Owner(s) of such Apartment, by the holder(s) of a first mortgage liens affecting such Apartment (if the lien holder requires such approval), by the appropriate agencies of the State of Hawaii and the County of Hawaii if such agencies so require, and by the Board (which approval shall not be unreasonably or arbitrarily withheld or delayed). Upon completion of such alterations or additions, the Apartment Owner shall duly Record and file of record an amendment to this Declaration together with the approved plans showing only such alterations or additions within the Apartment. Such amendment to this Declaration need only be executed by the Apartment Owner and the first mortgagee(s), as may be required.

Section L.3 of the Condominium Declaration provides as follows:

> Any other provision in this Declaration to the contrary notwithstanding, prior to the filing by Declarant of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Act, Declarant shall have the right, without being required to obtain the consent or joinder of any person or group of persons, including the Association, any Apartment Owner or any mortgagee, lien holder, Apartment purchaser or any other person who may have an interest in the Project, to do the following:
>
> (a) To make alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) which divide and/or consolidate the Apartments in the Project which are not sold and the conveyance thereof Recorded into any number of separate Apartments (with the same and/or different limited common elements appurtenant thereto), which division and/or consolidation may increase or decrease the size of the common elements, and to reapportion (in accordance with Section F.1 of this Declaration) the total undivided percentage common interest in the Project among each and every Apartment in the Project resulting after such division and/or consolidation, including any Apartment in the Project which has been sold and the conveyance thereof Recorded; and
>
> (b) To make alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) which change the configuration of, alter the number of rooms of, decrease or increase the size of (and to reallocate the common interest appurtenant thereto), or change the location of any Apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and the conveyance thereof Recorded; and
>
> (c) To make other alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) which make minor changes in any Apartment in the Project or in the common elements which do not affect the physical location, design or size of any Apartment which has been sold and the conveyance thereof Recorded.

Section L.4 of the Condominium Declaration provides as follows:

Any provision of this Section L to the contrary notwithstanding, Apartment Owners shall have the right to divide and/or consolidate their respective Apartments as provided in and pursuant to this Section L.4.

(a) Subject to the requirements of subsection L.4(c) below, an Apartment Owner may make alterations or additions within such Owner's Apartment and convert the Apartment into two or more Apartments with modified floor plans. In such event, the common interest appurtenant to the Apartment to which such alterations or additions were made (the "affected Apartment") shall be reapportioned among the Apartments resulting from such alterations or additions (the "modified Apartments") in proportion of the relative net floor areas of the modified Apartments. Further in such event, limited common elements appurtenant to the affected Apartment, and parking stalls allocated to the affected Apartment in accordance with Section R.1 of this Declaration, shall be assigned or reallocated to the modified Apartments in the reasonable discretion of the Owner of the affected Apartment.

(b) Subject to the requirements of subsection L.4(c) below, an Apartment Owner owning two or more Apartments separated only by common elements which are walls or doors may alter or remove all or portions of such intervening walls or doors and make other alterations or additions within such Apartments and convert the Apartments into a single Apartment or into two or more Apartments with modified floor plans. In such event, and if the net living areas of the Apartment(s) resulting from such removal, alterations or additions (the "modified Apartments") are not the same as the net living areas of the Apartments to which such removal, alterations or additions were made (the "affected Apartments"), then the aggregate total common interests appurtenant to the affected Apartments shall be reapportioned among the modified Apartments in proportion to the relative net floor areas of the modified Apartments. Further in such event, limited common elements appurtenant to the affected Apartments, and parking stalls allocated to the affected Apartments in accordance with Section R.1 of this Declaration, shall be assigned or reallocated to the modified Apartments in the reasonable discretion of the Owner of the affected Apartments.

(c) The rights of an Apartment Owner pursuant to subsections L.4(a) and L.4(b) above are subject to the following terms and conditions:

(i) All such removal, alterations and additions shall be in accordance with complete plans and specifications therefor prepared by a Hawaii registered architect and filed with the Board, and shall be in accordance with all applicable laws, ordinances, rules and regulations made by governmental or quasi-governmental authority.

(ii) Such removal, alterations and additions shall not affect the structural integrity of the building or the soundness and safety of the Project, nor impair any easement or hereditament thereof.

(iii) Any altered or added common element walls or doors separating the modified Apartments shall be designed and constructed to a structural quality and cosmetic finish substantially comparable to other such common elements in the Project.

(iv) Such removal, alterations or additions shall not deprive other Apartment Owners from the use or enjoyment of their respective Apartments nor otherwise directly affect any nonconsenting Apartment Owner.

(v) All such removal, alterations and additions shall be at the expense of the Owner of the affected Apartment(s), and shall be completed within six months of commencement thereof.

(vi) During the entire course of all such removal, alterations and additions, the Owner of the affected Apartment(s) shall obtain and maintain, at such Owner's expense, builder's all risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured and evidence of such insurance shall be deposited with the Board.

(vii) Prior to commencement of any such removal, alterations or additions, and as a condition thereto, the Owner of the affected Apartment(s) shall obtain and maintain, at such Owner's expense, a payment and performance bond naming as obligees, collectively, the Association and all Apartment Owners as their interests may appear, in a sum not less than one hundred percent of the cost of construction and with a corporate surety authorized to do business in Hawaii, assuring performance of such construction free and clear of mechanic's and materialmen's liens, and all claims in lieu of mechanic's and materialmen's liens arising under the Act.

(viii) All such removal, alterations and additions shall require the vote or written consent of only the Owner of the affected Apartment(s), together with the written approval of the holders of mortgage liens on the affected Apartment(s) (if the lienholders require such approval).

(ix) Promptly upon completion of such removal, alterations and additions, the Owner of the affected Apartment(s) shall duly Record and file of record an amendment to this Declaration, together with approved plans showing such removal, alterations and additions, containing: (i) an amended description of the Project reflecting the modified Apartments and related common elements; (ii) the reapportioned common interests appurtenant to the modified Apartments; (iii) the assignment of limited common elements and parking stall allocations to the modified Apartments; and (iv) a certification by a Hawaii registered architect or professional engineer that the plans being filed therewith fully and accurately depict the layout, location, apartment numbers, dimensions and elevations of the modified Apartments, as built. Such amendment need only be executed by the Owner of the affected Apartment(s) and its mortgagees, as may be required.

(x) Upon completion of the events described in subsection L.4(c)(ix) above, the Owner of the affected Apartment(s) shall for all purposes be deemed the "Apartment Owner" as to the modified Apartments, and common elements added or modified in accordance with this Section L.4 shall for all purposes be deemed common elements of the Project. Prior to any sale of the modified Apartments, the Owner of the modified Apartments shall, if required by the Act, apply for and obtain a condominium public report describing and covering the modified Apartments, and shall indemnify Declarant, the Association, and all other Apartment Owners from and against all liability for any failure to properly do so.

EXHIBIT "C"

PARKING STALLS

There are a total of 95 parking stalls in the Project.

Each Apartment with a minimum size of six hundred square feet shall have appurtenant thereto the exclusive right to use one or more parking stalls as conveyed or otherwise designated by the Developer as provided in and pursuant to Section R.2 of the Declaration.

Apartment owners shall also have non-exclusive rights of access to certain parking stalls to be designated by the Developer as part of the common elements.

Note: At the time of assignment of the parking stalls to the respective unit purchasers, Developer shall file a completed Condominium Map with the designated parking stall numbers.

EXHIBIT "D"

COMMON ELEMENTS

The common elements of the Project shall specifically include, but are not limited to, the following:

1. The land described in Exhibit "A" attached to the Condominium Declaration, in fee simple.

2. All structural components, such as foundations, girders, columns, beams, floor slabs, supports, main walls, load-bearing walls, floors, ceilings (except the inner or decorated surfaces of such walls, floors and ceilings), roofs, exterior stairs and stairways, landings, railings, entrances and exits of the buildings and/or apartments, doors, door frames, windows, window frames, and other building appurtenances.

3. All yards, grounds, gardens, planters, plants, fences, landscaping and refuse facilities.

4. All sidewalks, pathways, walkways, driveways, roads, curbs, parking areas and unassigned parking stalls.

5. All ducts, electrical equipment, transformers, wiring, pipes and other central and appurtenant transmissions facilities and installations over, under and across the Project which are utilized by or serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution, if any.

6. All areas, rooms, stairways, spaces, structures, housings, chutes, shafts or facilities of the Project within or outside of the buildings, which are for common use or which serve more than one apartment, including electrical, maintenance, service, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein.

7. The elevator, lobby areas and restrooms, as shown on the Condominium Map.

8. All the benefits inuring to the land or to the Project from all easements shown on the Condominium Map or listed in Exhibit "A" attached to the Condominium Declaration.

9. Any and all apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

10. All other parts of the Project which are not included in the definition of an apartment.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes for the Fiscal Year July 1, 1997-June 30, 1998, refer to Director of Finance, County of Hawaii.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Unrecorded letter dated March 23, 1967, re: 30 years Lease to HAWAII ELECTRIC LIGHT COMPANY, INC., covering five pole line and anchor sites along the new Komohana Street Extension, as contained in DEED dated January 28, 1975, recorded in Liber 10409 at Page 591.

4. An easement for existing power line of HAWAII ELECTRIC LIGHT COMPANY, INC., as shown on sketch prepared by Nobuchika Santo, Registered Land Surveyor No. 1360, dated December 21, 1973, as contained in DEED dated January 28, 1975, recorded in Liber 10409 at Page 591.

5. A setback (10 feet wide) for non-access planting screen along Komohana Street, as shown on map prepared by Clyde K. Matsunaga, Registered Land Surveyor, with Imata & Associates, Inc., dated April 5, 1997.

6. The provisions for and the maintenance of a drainage system for said Lot in accordance with the approved drainage plan currently on file with the Chief Engineer of the County of Hawaii, or any other drainage plan that meets with said Chief Engineer's Approval, as mentioned in Deed dated April 14, 1989, recorded in Liber 23189 at Page 702.

7. A grant to HAWAII ELECTRIC LIGHT COMPANY, INC. and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, dated January 3, 1997, and recorded as Document No. 97-019880, granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate underground lines and transformer vaults, etc. for the transmission and distribution of electricity.

8. Any unrecorded leases and matters arising from or affecting the same.

9. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the subject land.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Revocable Trust of Allan S. Takase, dated February 22, 1989.

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Revocable Trust of Jean H. Takase, dated February 22, 1989.

12. Easement "B" for Road and Utility Purposes, as shown on map prepared by Clyde K. Matsunaga, Registered Land Surveyor, with Imata & Associates, Inc., dated April 5, 1997, and being more

particularly described as follows:

EASEMENT B
FOR ROAD AND UTILITY PURPOSES

Land situated at Punahoa 2nd, South Hilo, Island of Hawaii, State of Hawaii.

Being a portion of R.P. on Confirmation 1946, Number 1 to D.B. Lyman, L.C. Aw. 387, Part 4, Section 1 to American Board of Commissioners for Foreign Missions. Being also a portion of Lot 12-A-2.

Beginning at the southwest corner of this easement, being along the southerly boundary of Lot 12-A-2, the direct azimuth and distance from the southwest corner of Lot 12-A-2 being: 237° 49' 92.68 feet, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALAI", being 50.78 feet North and 526.56 feet West, thence running by azimuths measured clockwise from true South:

Along the remainder of R. P. on Confirmation 1946, No. 1 to D.B. Lyman, L.C. Aw. 387, Part 4, Sec. 1 to American Board of Commissioners for Foreign Missions for the next eleven (11) courses, the direct azimuths and distances being:

1.	142°	49'		12.50 feet (remainder of Lot 12-A-2);
2.	232°	49'		47.00 feet (remainder of Lot 12-A-2);
3.	227°	56'		74.45 feet (remainder of Lot 12-A-2);
4.	148°	18'		191.51 feet (remainder of Lot 12-A-2);
5.	232°	49'		43.00 feet (Lot 6);
6.	322°	49'		176.16 feet (Lot 12-A-1);
7.	302°	23'	14"	12.40 feet (Lot 12-A-1);
8.	327°	49'		24.04 feet (Lot 12-B);
9.	57°	49'		30.00 feet (Roadway Lot 12-C);
10.	327°	49'		13.85 feet (Roadway Lot 12-C);
11.	57°	49'		154.21 feet (Lot 13-B and 13-A) to the point of beginning and containing an area of 14,014 square feet.

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES

Apartment	Monthly Fee (per apt.)	Yearly Total (per apt.)
1	$2,864.33	$34,372
2	$1,744.00	$20,928
3	$2,864.33	$34,372
4	$1,744.00	$20,928

The initial maintenance fees are subject to adjustment upon the alteration, division or consolidation of apartments pursuant to Sections L.3 and L.4 of the Declaration. See Exhibit B to this public report.

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

Estimate of Maintenance Fee Disbursements:

		Monthly x 12 months = Yearly Total	
Utilities and Services			
Air Conditioning		$ 2,625	$ 31,500
Electricity			
[x] common elements only		417	5,000
[ ] common elements and apartments			
Elevator		250	3,000
Gas	N/A		
[ ] common elements only			
[ ] common elements and apartments			
Refuse Collection		500	6,000
Telephone	N/A		
Water and Sewer		167	2,000
Cable t.v.		100	1,200
Security		208	2,500
Maintenance, Repairs and Supplies			
Building		750	9,000
Grounds		500	6,000
Management			
Management Fee		400	4,800
Payroll and Payroll Taxes	N/A		
Office Expenses	N/A		
Legal/Professional		42	500
Insurance		1,333	16,000
Reserves(*)		1,667	20,000
Taxes and Government Assessments		25	300
Audit Fees		208	2,500
Other - misc. expenses		25	300
TOTAL		9,217	110,600

I, Nancy S. Cabral, as agent for/and/or employed by Coldwell Banker Day-Lum Properties, the condominium managing agent/developer for the Punahele Professional Building condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Nancy S. Cabral
Signature

4-4-97
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "F"

DEVELOPER'S STATEMENT CONCERNING A REPLACEMENT RESERVES STUDY

The undersigned, Developer of the PUNAHELE PROFESSIONAL BUILDING condominium project, hereby state the following:

In estimating the figure for "Reserves" for Exhibit "F" Estimate of Initial Maintenance Fees, Developer has not conducted a reserve study in accordance with Section 514A-83.6, H.R.S., and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

DATED: 2/9/97

ALLAN S. TAKASE, Trustee of the Allan S. Takase Revocable Living Trust, dated February 22, 1989, as amended

JEAN H. TAKASE, Trustee of the Jean H. Takase Revocable Living Trust, dated February 22, 1989, as amended

EXHIBIT "G"

SUMMARY OF SALES CONTRACT

The Deposit Receipt and 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 states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.

(b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Sales Contract.

(c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

(d) That the Sales Contract may be subordinate to the lien of a construction lender.

(e) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(f) Requirements relating to the purchaser's financing of the purchase of an apartment.

(g) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(h) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(i) That except under certain circumstances, as set forth in the Sales Contract, all interest on deposits toward the purchase price shall be the property of the Developer.

(k) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

(l) That the Developer has reserved certain rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.

The Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. Purchasers and prospective purchasers should carefully read the specimen Sales Contract on file with the Real Estate Commission.

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

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

(a) Escrow will let the purchaser know when payments are due.

(b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) Except under certain circumstances as set forth in the Sales Contract, all deposits toward the purchase price shall be the property of the Developer.

(d) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. Purchasers and prospective purchasers should carefully read the signed Escrow Agreement on file with the Real Estate Commission.

NOTE:

The Developer has obtained a performance bond issued by a material house in an amount of 100% of the total cost of construction. Pursuant to Real Estate Commission requirements, the following restrictions are imposed on the Developer's use of purchasers' funds:

1) All purchasers' funds shall be placed in an escrow account;

2) Purchasers' funds shall not be disbursed to pay for construction costs or other expenses of the project until both the completion of the apartment to be conveyed and the closing of the sale; and

3) If closing is to occur prior to the expiration of the applicable mechanic's lien period, the Developer shall (i) provide the purchaser with an owner's title insurance policy with a mechanic's lien endorsement that protects the purchaser against mechanic's and materialman's liens; and (ii) provide the Real Estate Commission with a release by the general contractor of the contractor's lien rights.