

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developer: LLOYD H. ROBERTSON and MARILENA ROBERTSON
Address: 24 Eleu Place, Kihei, Maui, Hawaii 96753

Project Name (*): ROBERTSON CONDOMINIUM
Address: 24 Eleu Place, Kihei, Maui, Hawaii 96753

Registration No. 5048 (CONVERSION) Effective date: April 29, 2003
Expiration date: May 29, 2004

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.
 - FINAL:**
(white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - This report must be read together with _____
 - SUPPLEMENTARY:**
(pink) This report updates information contained in the:
 - Preliminary Public Report dated: _____
 - Final Public Report dated: _____
 - Supplementary Public Report dated: _____
- And
- Supersedes all prior public reports.
 - Must be read together with _____
 - This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

This is a **CONDOMINIUM PROJECT**, not a subdivision. It does not involve the sale of individual subdivided lots. Where land area beneath and immediately appurtenant to each apartment is designated a **LIMITED COMMON ELEMENT** it is not a legally subdivided lot. 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.

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

2. Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, ungraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will 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.

TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: COMMON ELEMENTS	
EXHIBIT B: LIMITED COMMON ELEMENTS	
EXHIBIT C: ENCUMBRANCES AGAINST TITLE	
EXHIBIT D: SCHEDULE OF ESTIMATED INITIAL MAINTENANCE FEES	
EXHIBIT E: SUMMARY OF SALES CONTRACT	
EXHIBIT F: SUMMARY OF ESCROW AGREEMENT	

General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: LLOYD H. ROBERTSON and MARILENA ROBERTSON, husband and wife

24 Eleu Place
Kihei, Hawaii 96753

Phone: (808) 874-8092

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A

Real Estate
Broker*:

DONALD E. SWANSON
MAUI BUYER REALTY
2495 S. Kihei Road, #320
Kihei, Hawaii 96753
RB-16809

Phone: (808) 891-2221
(Business)

Escrow:

OLD REPUBLIC TITLE & ESCROW OF HAWAII, LTD.
380 Huku Li'i Place, Suite 206
Kihei, Hawaii 96753

Phone: (808) 875-6950
(Business)

General
Contractor*:

Not Applicable

Phone: _____
(Business)

Condominium
Managing
Agent*:

Self Managed by the Association of Apartment Owners

Phone: _____
(Business)

Attorney for
Developer:

Bodden & Temple, LLLC
24 N. Church Street, Suite 200
Wailuku, Hawaii 96793
Attention: Karen Temple

Phone: (808) 244-8222
(Business)

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2003-008181
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 3521
 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
 Recorded - Bureau of Conveyances: Document No. 2003-008182
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 Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	100%
Bylaws	65%	100%
House Rules	--	Board of Directors

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

2. **Developer:**

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

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For 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 provision(s).

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 24 Cleu Place
Kihei, Maui, Hawaii 96753

Tax Map Key (TMK): (II) 3-9-22-44

Address TMK is expected to change because _____
Neither the address nor the TMK are expected to change

Land Area: 10,094 square feet acre(s) Zoning: Residential (R-2)

Fee Owner: LLOYD H. ROBERTSON and MARILENA ROBERTSON, husband and wife
 24 Eleu Place
 Kihei Hawaii 96753

Lessor: None

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building:
 Apartment A 1
 Apartment B 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other: The roof on Apartment A is metal.

4. Uses Permitted by Zoning:

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

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

5. Special Use Restrictions:

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

- Pets: -- No livestock shall be allowed or kept on any part of the Project.
- No pet shall be a "pest" as defined under HRS §150A-2, or an animal prohibited from importation under applicable sections of Hawaii law.
- The board may, from time to time, limit the number of pets permitted in any one apartment

Number of Occupants: _____

Other:

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	Bedroom/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
A	1	3 1	943	373 143 596	carport laundry room lanai (with storage area & 1 bathroom)
B	1	2 1	500	250	carport

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment:

Each apartment is measured horizontally by the distances between the finished exterior surface of perimeter walls, windows and doors, and vertically by the distances between the finished exterior surface (bottom) of its foundation and floor supports and the finished exterior surface of its roof.

Permitted Alterations to Apartments:

Interior: Non-structural alterations may be made at any time by the unit owner, in accordance with applicable law.
Structural Alterations: Subject to the prior approval of the Board of Directors and upon obtaining all necessary government approvals and permits.

All costs associated with alterations shall be at the apartment owner's sole cost and expense.

Apartments Designated for Owner-Occupants Only: **NOT APPLICABLE TO THIS PROJECT.**
Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has _____ elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u>		<u>Compact</u>	<u>Tandem</u>		TOTAL
	Covered	Open	Covered	Covered	Open	
Assigned						
Apt. A	2	0				2
Apt. B	1	1				2
Guest	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>4</u>		<u>0</u>		<u>0</u>	<u>4</u>

Each apartment will have the exclusive use of at least 2 parking stall(s).
 Buyers are encouraged to find out which stall(s) will be available for their use.
 The location of each stall is depicted on the Parking Plan which is part of the Condominium Map.

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: The driveway located on the underlying land is a common facility.

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 _____
 (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):

The structural components, mechanical and electrical installations material for the use and enjoyment of each apartment and the Project appear to be in normal working order subject to normal wear and tear.

Pursuant to Hawaii Revised Statutes §514A-40(b)(3), the Declarant hereby states that no representations are made in regard to the expected useful life of the structural components, mechanical and electrical installations material to the use and enjoyment of the Project.

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	<input checked="" type="checkbox"/>		
Structures	<input checked="" type="checkbox"/>		
Lot	<input checked="" type="checkbox"/>		

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

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

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

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

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

described in Exhibit A .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit B .

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 shall have appurtenant thereto an equal undivided 50% interest in the common elements of the Project.

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

Exhibit C describes the encumbrances against the title contained in the title report dated April 8, 2003, and issued by Old Republic Title and Escrow of Hawaii, 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage dated February 19, 2002, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for E*Trade Mortgage Corporation, recorded as Document No. 2002-039217, in the amount of \$138,000.	Mortgages will be released prior to conveyance of any apartment to Buyer. If any said lien is foreclosed prior to conveyance to Buyer all of Buyer's deposits will be refunded immediately by escrow.

F. Construction Warranties:

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

1. Building and Other Improvements:

NO WARRANTIES

2. Appliances:

WARRANTIES OFFERED BY MANUFACTURER OF APPLIANCE, IF ANY.

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

All construction of the Project has been completed.

Apartment A was constructed in **1970**.

Apartment B was constructed in **1980**.

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):

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit E contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated February 12, 2003
Exhibit F contains a summary of the pertinent provisions of the escrow agreement.
- Other:
Exhibit _____

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 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 or through the developer's sales agent, if any. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 5048 filed with the Real Estate Commission on March 11, 2003.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. **Additional Information Not Covered Above**

1. Conversion. This project involves dwelling units converted to condominium ownership. The sale of the units is not governed by the Mandatory Seller's Disclosure Laws on residential property (Chapter 508D HRS). Although developers are still required to disclose material facts that they are aware of in this report, such disclosures may not cover the same scope or depth one will find in the Seller's Real Property Disclosure Statement currently in use. Therefore, prospective purchasers are urged to consider the age of the units while inspecting and evaluating the units, ask questions on matters such as plumbing, roof repairs and termite history, and engage the services of a home inspector and other specialists if appropriate.
2. Sex Offender Registration ("Megan's Law"). Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office. No representation is made as to whether or not this information is available to the public.
3. Asbestos Disclosure. Asbestos materials are hazardous to one's health, particularly if asbestos fibers are released into the air and inhaled. In the past (prior to 1979, but possibly more recently) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Buyer may wish to make appropriate inquiry into the possible existence of asbestos on the property. Any disturbance should be done only by licensed abatement contractors.
4. Hazardous Waste and Toxic Substances Disclosure. Federal and state laws place strict liability on property owners for dangers caused by hazardous waste and may require that such owner pay for the cost of the cleanup of hazardous substances and other toxic substances. The Developer is only aware of residential use of the property. Buyer may have liability for hazardous substances located on or under the property even if Buyer did not cause such substances to be on or under the property. Buyer may wish to make appropriate inquiries into the past use of the property and seek an environmental assessment to ascertain the possible existence of such hazardous substances located on or under the property.
5. Lead Paint. Apartment A was constructed in 1970, and Apartment B was construction in 1980. Every purchaser of any interest in residential real property on which the residence was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint. A buyer of an apartment in the project may wish to have the apartment inspected for lead paint if concerned.
6. SMA Approval Requirements. The entire condominium land is located within the Special Management Area (SMA). Under State and County law, any improvements to the property will require review and approval by governmental agencies, including the County of Maui Planning Commission, under applicable rules and regulations.
7. Water. The condominium is served by a single water meter and water use for both apartments will be billed to the Association of Apartment Owners by the County of Maui Department of Water Supply in a single bill. The Association is responsible for paying said charges and will allocate them among the apartment owners as common expense assessments.

The County of Maui Department of Water Supply has adopted a policy to require that each apartment in a condominium have a separate water meter and may require the installation of pressure backflow preventer, if not already installed. BUYER IS CAUTIONED THAT BUYER MAY BE FORCED TO OBTAIN A METER OR BACKFLOW PREVENTER AS A CONDITION TO ANY REMODELING, EXPANSION OR REPLACEMENT OF BUYER'S APARTMENT.

BUYER IS REFERRED TO THE DEPARTMENT OF WATER SUPPLY FOR ADDITIONAL INFORMATION.

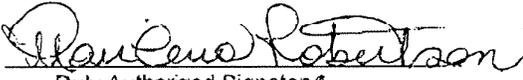
8. Sewer. Both apartments are connected to the County sewer service. The owner of each apartment shall be responsible for the cost of such service to each apartment.
9. Representations. Developer, nor any salesperson representing Developer, makes any representation about any rental income or rental, or sales services for an apartment. If Buyer wants to rent or sell the apartment, that will be up to the Buyer, subject to the restrictions contained in the Declaration, By-Laws and any other document affecting the property. Additionally, Developer, nor any salesperson representing Developer, makes any representation about any income from the apartment or any other economic benefit to be derived from the purchase or ownership of the apartment or tax effect of buying an apartment.
10. Driveway. The Department of Public Works and Waste Management of the County of Maui completed inspections of the project for this Public Report. It was determined that the parcel does not have a driveway apron that meets County driveway standards. At the time of any construction or reconstruction in the project, or as may be required by the County at any time, a driveway apron in compliance with Maui County Code for driveways may be required to be installed for the project. The expense of this will be allocated equally between the apartments, the cost of which is currently estimated to be approximately \$3,500 - \$5,000 (total).
11. Mold Disclosure. Mold and/or other microscopic organisms may exist in the project. Molds are simple, microscopic organisms, present everywhere. Mold spores may cause health problems. Mold will grow and multiply whenever sufficient moisture, temperature and organic material are present. A buyer of an apartment in the project may wish to have a qualified inspector inspect the apartment, which inspection will be at buyer's sole cost and expense.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

LLOYD H. ROBERTSON and MARILENA ROBERTSON

Printed Name of Developer

By:  4/23/03
Duly Authorized Signatory* Date
LLOYD H. ROBERSON

By: 
Duly Authorized Signatory*
MARILENA ROBERTSON

LLOYD H. ROBERTSON and MARILENA ROBERTSON

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

****Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.***

EXHIBIT A

Common Elements

The common elements of the Project will include the following:

- (a) The Land in fee simple;
- (b) The driveway (not located within a limited common Yard Area), walkways, easements, accessways and pavement which service both apartments;
- (c) Any pipes, cables, apparatus and other central and appurtenant transmission facilities and installations over, under and across the Project not owned by the service provider, which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television or other signal distribution, if any;
- (d) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use; and
- (e) Any and all tangible personal property, accounts, general intangibles, instruments and money, and any apartment held by or belonging to the Association of Apartment Owners, or its agents, for the administration, maintenance, safety and operation of the common elements of the Condominium Property Regime, or for the common use and benefit of the apartment owners.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof or the apartments except as may be provided in the Condominium Documents and By-Laws.

EXHIBIT B

Limited Common Elements

Certain parts of the common elements, herein called the "limited common elements," or "exclusive limited common elements" are hereby designated and set aside for the exclusive use of the certain apartment or apartments specified, and such apartment or apartments shall have appurtenant thereto easements for the exclusive use of such limited common elements as follows:

(a) **Yard Areas.** Each apartment shall have appurtenant to it one or more land areas, described and depicted as a Limited Common Element or "Yard" Area, as depicted on the Condominium Map. Apartment A has appurtenant to it Yard Area A, consisting of approximately 4,618 square feet. Apartment B has appurtenant to it Yard Area B, consisting of approximately 1,232 square feet.

The Apartment Owners shall have the right to reallocate and reconfigure the location of the Yard Area appurtenant to their respective apartments upon prior notice to the Board of Directors and appropriate amendment to this Declaration and the Condominium Map. The amendment shall be signed and approved by the owners (and their respective mortgagees if any) delivered to the Board of Directors prior to recordation. The amendment shall be effective only upon the recording of the same in the Bureau of Conveyances. All costs and expenses associated with such amendment, including, but not limited to, attorneys fees, architect/engineering fees and recording costs shall be borne by the owner(s) requesting such amendment.

(b) **Parking Stalls.** Each apartment shall have two (2) standard parking stalls appurtenant to it, each as depicted on the Condominium Map. Apartment A has appurtenant to it parking stalls numbered A-1 and A-2. Apartment B has appurtenant to it parking stalls numbered B-1 and B-2.

(c) **Mail Boxes.** A separate receptacle for delivery of mail ("mail box") is designated for each apartment within the Project, which mailbox is a limited common element appurtenant to each apartment. Mail boxes will be located along Eleu Place as depicted on the Condominium Map. The mailbox number for each apartment shall be: Apartment A has mailbox A and Apartment B has mailbox number B. The exact location of each mail box, and the design, maintenance and use of the mail box, may be further determined under the By-Laws or House Rules, if any.

EXHIBIT C

Encumbrances Against Title

A preliminary title report, prepared by Old Republic Title and Escrow of Hawaii, Ltd. as of April 8, 2003, indicates that the following encumbrances presently exist against the title of the land which constitutes the Robertson Condominium project.

1. Any and all real property taxes that may be due and owing, reference is made to the Tax Assessor's Office, County of Maui.
2. Mortgage dated February 19, 2002, in favor of Mortgage Electronic Registration Systems, Inc., as a nominee for E*Trade Mortgage Corporation, a Virginia corporation, as their interest may appear, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-039217.
3. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Condominium Property Regime of the Robertson Condominium, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons dated November 14, 2002, recorded in said Bureau of Conveyances as Document No. 2003-008181.
4. Bylaws of the Association of Apartment Owners of the Robertson Condominium dated November 14, 2002, recorded in said Bureau of Conveyances as Document No. 2003-008182.
5. Condominium Map No. 3521, filed in said Bureau of Conveyances, State of Hawaii.

EXHIBIT D

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>	
A	\$79.33	\$ 952.00
B	\$50.83	\$ 610.00
	<hr/>	<hr/>
TOTAL:	\$130.16	\$1,562.00

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 Fee x 12 months = Yearly Total

Utilities and Services

Air Conditioning		
Electricity		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Elevator		
Gas		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Refuse Collection	\$ 6.00	\$72.00
Telephone		
Water & Sewer	\$95.00	\$1,140.00

Maintenance, Repairs and Supplies

Building
Grounds

Management

Management Fee		
Payroll and Payroll Taxes		
Office Expenses	\$10.00	\$120.00
Insurance	\$16.66	\$200.00
Reserves(*)	\$2.50	\$30.00
Taxes and Government Assessments		
Audit Fees		
Other		
TOTAL	\$130.16	\$1,562.00

I, **LLOYD H. ROBERTSON**, as a developer for THE ROBERTSON 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.



Signature



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.

RESERVE ANALYSIS & CALCULATION

The Declarant has conducted an analysis of the project and its designated common elements to determine a budget for reserves for replacement of common element capital items pursuant to HRS Section 514A-83.6 and Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. That analysis is summarized below.

Common element items, estimated useful life, replacement cost and reserve amount per year.

<u>Item</u>	<u>Useful Life</u>	<u>Replacement Cost</u>	<u>Per Year</u>
Driveway & apron	10 years	\$600	\$60.00

<u>Reserve Amount:</u>	Per Year	Per month	Per Apartment
	\$ 60.00	\$ 5.00	\$ 2.50

EXHIBIT E

Summary of Sales Contract

Each apartment in the Robertson Condominium will be sold to the prospective purchaser pursuant to the terms of the Hawaii Association of Realtors Standard Form Deposit Receipt Offer and Acceptance (DROA) and Addenda attached thereto.

The DROA provides for the sale of an individual apartment unit, in fee simple, together with an appurtenant percentage of the common elements of the project, including the land, as more specifically described in the Condominium Declaration.

Each section of the DROA is summarized briefly below.

SECTION A: AGENCY DISCLOSURE

This section identifies the licensee representing the Seller and Buyer.

SECTION B: DEPOSIT RECEIPT

This section acknowledges receipt of an initial deposit from the Buyer and how it is to be held until closing.

SECTION C: ADDENDA AND OFFER

This section lists the addenda attached to the DROA.

This section also specifies the purchase price, including an initial deposit to be paid at the time of signing, any additional deposits to be paid within a specified number of days after the seller's acceptance of the DROA, other financing information and final payment to be paid at closing.

This section also sets forth the closing date, closing costs, other closing matters, contingency procedures and termination provisions, contingency for cash funds, and other financing contingencies. This section provides for remedies in the event of default by either party. Any dispute or claim arising out of the DROA, may be handled through mediation or arbitration. This section alerts the Buyer to Seller's disclosures concerning asbestos, hazardous waste and "Megan's Law." It also addresses inspections, maintenance, warranties, termite, rental matters, and brokers services and disclaimers.

SECTION D: ACCEPTANCE OR COUNTER OFFER

This section notes Seller's acceptance of Buyer's Offer and Buyer's acknowledgment of Seller's acceptance.

CONDOMINIUM ADDENDUM

The terms and conditions of the Condominium Addendum attached to the DROA is summarized briefly below.

1. PROJECT INFORMATION. Name of Seller and the location of the project, which contains a total of two residential apartments.
2. DESCRIPTION OF PROPERTY AND INTEREST CONVEYED. Indicates that each apartment or unit is as described in the Condominium Declaration and on the Condominium Map and consists of the area within the interior of the described perimeter boundaries.
3. ESCROW AGREEMENT, INTEREST. This paragraph summarizes the Escrow Agreement, pursuant to which a Buyer's funds shall be held in escrow pending closing of the transaction and any interest earned with respect to that Buyer's deposit shall be credited to Buyer. A summary of the Escrow Agreement is attached to this Public Report.
4. CONDOMINIUM DEED; CLOSING. Provides that Seller shall provide to Buyer, at closing, a Condominium Apartment Deed, and sets forth the timing and procedures for pre-closing and actual closing of the transaction.
5. ACCEPTANCE OF CONDOMINIUM DOCUMENTS. Acknowledges that Buyer has received, reviewed, approved and accepts all condominium documents, including but not limited to the Declaration, Bylaws, Escrow Agreement, and form of Condominium Apartment Deed.
6. CONDOMINIUM MAP. Refers to the Condominium Map, and states that the Buyer agrees that the Condominium Map, floor plans and elevations are not intended to constitute any representation or warranty by Seller.
7. RISK OF LOSS; CONDEMNATION. Provides that risk of loss rests with Seller until the closing date and thereafter with Buyer, and provides that no taking by eminent domain of any easement or limited right or portion of the common element, which does not substantially interfere with or diminish the practical enjoyment or use by Buyer of the common elements as originally planned, shall be deemed grounds for cancellation of the Contract.
8. ESTIMATED MONTHLY MAINTENANCE COSTS. Confirms that Buyer has examined and approved the schedule of estimated monthly maintenance charges and acknowledges that these are estimates only.
9. MANAGING AGENT. Specifies that if a managing agent is retained to manage the project, the contract of that managing agent shall have a term not exceeding one year from the date of the first organizational meeting of the Association and shall contain provisions that it may be terminated on not more than 60 days notice.

NOTE: THIS IS INTENDED ONLY AS A BRIEF SUMMARY OF THE DROA AND ADDENDA. COMPLETE TERMS AND PROVISIONS ARE CONTAINED IN THE DROA ITSELF, AND IN THE EVENT OF ANY QUESTION OF INTERPRETATION, OR CONFLICT BETWEEN THE TERMS OF THE DROA AND OF THIS SUMMARY, THE TERMS OF THE DROA SHALL APPLY.

NO PORTION OF THIS SUMMARY IS INTENDED TO MODIFY, WAIVE OR CHANGE ANY PROVISION OF THE CONTRACT ITSELF, AND THIS SUMMARY SHALL NOT CONSTITUTE A PORTION OF, OR AN AMENDMENT OR MODIFICATION OF, THE SUBJECT CONTRACT. THE TERMS OF THE ACTUAL CONTRACT BETWEEN SELLER AND BUYER (AND ONLY THOSE TERMS) SHALL APPLY. THEREFORE, A PROSPECTIVE PURCHASER IS URGED TO READ THE ENTIRE DROA, CAREFULLY AND IN DETAIL, AND TO CONSULT WITH HIS OR HER OWN ADVISORS IF ANY QUESTIONS EXIST, BEFORE SIGNING THE DROA.

EXHIBIT F

Summary of Escrow Agreement

Escrow Agreement dated February 12, 2003, between **OLD REPUBLIC TITLE & ESCROW OF HAWAII, LTD.**, a Hawaii corporation, as "Escrow" and **LLOYD H. ROBERTSON** and **MARILENA ROBERTSON**, husband and wife, as "Developer."

The Escrow Agreement provides the terms under which a Fee Simple Condominium Sales Contract between the Developer as Seller and any prospective purchaser as Buyer will be deposited with and held and administered by Escrow, and also provides for the deposit of funds by Buyer and the retention and distribution of the same by Escrow.

Some of the standard terms and conditions of the Escrow Agreement are summarized briefly below. Complete terms and provisions are contained in the Escrow Agreement itself, and in the event of any question of interpretation, or conflict between the terms of the Agreement and of this summary, the terms of the Agreement shall apply.

Section Summaries.

1. **SALES CONTRACTS AND PAYMENTS.** Seller/Developer will have each Buyer sign a sales contract and give a signed copy of the sales contract to Escrow together with Buyer's first deposit against the purchase price. Buyer will make all other payments of the purchase price required in the sales contract to Escrow.
2. **COLLECTION NOTICES.** Escrow will write to Buyer and ask for payment to be made to Escrow. Buyer is asked to make payments on the date Escrow specifies in the written notice or not later than five days after Buyer receives Escrow's notice. Final payment is due from Buyer fifteen days before Closing.
3. **TRUST FUND.** Escrow will put all of the money it receives from Buyer in one or more special accounts in banks or savings and loans institutions in Hawaii which are insured by the Federal Government.
4. **REFUNDS.** Escrow will make any refunds as directed by Seller and Buyer in writing as determined by the sales contract. Refunds will be made without any interest, except as noted on the sales contract. Escrow's "cancellation fees" may be deducted from the amount refunded as permitted by the sales contract and the Condominium Law, unless the terms of the Escrow Agreement or Seller instructed otherwise.

5. BUYER'S DEFAULT. Seller will notify Buyer of any default under the sales contract by registered or certified mail return receipt and send a copy of the letter to Escrow. Seller will inform Escrow that because of Buyer's default, Seller is cancelling the sales contract. If Buyer does not respond within fifteen days of Escrow's notice to Buyer of Seller's cancellation of the sales contract, Escrow may deduct its cancellation fee from Buyer's funds and treat the Buyer's funds which are left as belonging to Seller.

6. CLOSING. Closing is the act of recording all documents and paying out all money that Escrow has received as required by the sales contract.

7. TERMINATION. The Agreement may be terminated upon 15 days notice by either party to the other, provided that in the event of termination, transactions in process thereunder at that time shall be completed under the terms of the agreement.

8. STATUTORY PROVISIONS CONTROL. Anything in the Contract notwithstanding, the provisions of Chapter 514A of the Hawaii Revised Statutes (Condominium Property Act), if in conflict with the Escrow Agreement, shall control.

NOTE: THIS IS INTENDED ONLY AS A BRIEF SUMMARY OF THE ESCROW AGREEMENT. NO PORTION OF THIS SUMMARY IS INTENDED TO MODIFY, WAIVE OR CHANGE ANY PROVISION OF THE ESCROW AGREEMENT ITSELF, AND THIS SUMMARY SHALL NOT CONSTITUTE A PORTION OF OR AN AMENDMENT OR MODIFICATION OF THE AGREEMENT. THE TERMS OF THE ACTUAL AGREEMENT BETWEEN ESCROW AND THE SELLER/DEVELOPER (AND ONLY THOSE TERMS) SHALL APPLY.