

**CONDOMINIUM PUBLIC REPORT**

Prepared & Issued by: CARLTON K. L. CHANG & LORRAINE O. CHANG, Trustees of the Carlton K. L. Chang Trust dated 3/13/90 and LORRAINE O. CHANG & CARLTON K. L. CHANG, Trustees of the Lorraine O. Chang Trust dated 3/13/90  
Developer K. L. CHANG, Trustees of the Lorraine O. Chang Trust dated 3/13/90  
Address 3435 Waialae Avenue, Suite 203, Honolulu, Hawaii 96816

Project Name (\*): "66 LAKEVIEW CIRCLE"  
Address: 66 Lakeview Circle, Wahiawa, Hawaii 96786

Registration No. 5440 Effective date: November 19, 2004  
(conversion) Expiration date: December 19, 2005

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:**      The developer may not as yet have created the condominium but has filed with  
(yellow)                      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:**                The developer has legally created a condominium and has filed complete  
(white)                        information with the Commission.  
[ X ]      No prior reports have been issued.  
[   ]      This report supersedes all prior public reports.  
[   ]      This report must be read together with \_\_\_\_\_

       **SUPPLEMENTARY:**    This report updates information contained in the:  
(pink)                        [   ]      Preliminary Public Report dated: \_\_\_\_\_  
[   ]      Final Public Report dated: \_\_\_\_\_  
[   ]      Supplementary Public Report dated: \_\_\_\_\_

And                        [   ]      Supersedes all prior public reports.  
[   ]      Must be read together with \_\_\_\_\_  
[   ]      This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

(\*) Exactly as named in the Declaration  
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report as Exhibit "E"       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. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted/dashed 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.

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

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

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## **General Information On Condominiums**

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

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

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

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

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

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

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

## **Operation of the Condominium Project**

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

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

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

CARLTON K. L. CHANG & LORRAINE O. CHANG, Trustees of the Carlton K. L. Chang Trust dated 3/13/90 and LORRAINE O. CHANG & CARLTON K. L. CHANG, Trustees of

Developer: the Lorraine O. Chang Trust dated 3/13/90 Phone: (808) 735-3700  
Name\* (Business)

3435 Waiialae Avenue, Suite 203  
Business Address  
Honolulu, Hawaii 96816

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\*:

None selected, see page 20  
Name

Phone: None  
(Business)

Business Address  
\_\_\_\_\_

Escrow

Island Title Corporation  
Name  
1132 Bishop Street, Suite 400  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 531-0261  
(Business)

General  
Contractor\*:

N/A  
Name

Phone: None  
(Business)

Business Address  
\_\_\_\_\_

Condominium  
Managing  
Agent\*:

Self-managed by the Association  
of Apartment Owners  
Name

Phone: None  
(Business)

Business Address  
\_\_\_\_\_

Attorney for  
Developer:

Vernon T. Tashima  
Name  
220 South King Street, Suite 888  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 521-2951  
(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. 2004-149784  
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. 3807  
 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. 2004-149785  
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%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Approved by Board of Directors</u>

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

2. **Developer:**

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

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

To grant; adjust easements; to file "as built" amendment; changing parking stalls; to comply with governmental and mortgage requirements.



[ ] 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: 66 Lakeview Circle Tax Map Key (TMK): (1) 7-3-008:028  
Wahiawa, Hawaii 96786

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_

Land Area: 9,115 [x] square feet [ ] acre(s) Zoning: A2

Fee Owner: CARLTON K. L. CHANG & LORRAINE O. CHANG, Trustees of the Carlton K. L. Chang Trust dated 3/13/90 and LORRAINE O. CHANG & CARLTON K. L. CHANG, Trustees of the Lorraine O. Chang Trust dated 3/13/90  
 Name  
3435 Waiialae Avenue, Suite 203  
 Address  
Honolulu, Hawaii 96816

Lessor: N/A  
 Name  
 \_\_\_\_\_  
 Address  
 \_\_\_\_\_

**C. Buildings and Other Improvements:**

1.  New Building(s)  
 Conversion of Existing Building(s)  
 Both New Building(s) and Conversion
2. Number of Buildings: 2 Floors Per Building: 2  
 Exhibit \_\_\_\_\_ contains further explanations.
3. Principal Construction Material:  
 Concrete       Hollow Tile       Wood  
 Other \_\_\_\_\_

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>8</u>	<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:

None, except "guide dog" for disabled persons are permitted,  
 Pets: and such other animal as may be allowed by the association.

Number of Occupants: \_\_\_\_\_

Other: \_\_\_\_\_

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 2 Trash Chutes: 0

<u>Building</u>	<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf) (Identify)</u>
1	Unit 1	1	1/1 ba w/shwr stall	456	
1	Unit 2	1	1/1 ba w/shwr stall	456	
1	Unit 3	1	1/1 full bath	456	
1	Unit 4	1	1/1 full bath	456	
2	Unit 5	1	1/1 ba w/shwr stall	456	
2	Unit 6	1	1/1 ba w/shwr stall	456	
2	Unit 7	1	1/1 full bath	456	
2	Unit 8	1	1/1 full bath	456	

Total Number of Apartments: 8

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

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

Boundaries of Each Apartment:

The limits of the respective units are the entire living area contained within its perimeter walls and to the interior surface of the walls separating the units, and shall include pipes, wires, conduits, ducts or other utility lines running through the respective units.

Permitted Alterations to Apartments:

Alterations of an apartment may be made with the approval of the Board of Directors and the written consent of the holders of all liens affecting the apartment.

Apartments Designated for Owner-Occupants Only:

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 not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls:	<u>12</u>					
	<u>Bldg</u>	<u>Unit No</u>	<u>Parking Stall No(s)</u>	<u>Regular</u>		<u>Total</u>
				<u>Covered</u>	<u>Open</u>	
Assigned	1	1*	1, 4, 5	0	3	3
(for each unit)	1	2	2	0	1	1
	1	3	3	0	1	1
	1	4	6	0	1	1
	2	5*	7, 9, 10	0	3	3
	2	6	8	0	1	1
	2	7	12	0	1	1
	2	8	11	0	1	1
Total Covered & Open:				<u>12</u>	<u>12</u>	<u>12</u>

Each apartment will have the exclusive use of at least 1 parking stall. \*Unit Nos. 1 and 5 will have exclusive use of at least 3 parking stalls.

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: Site 3, containing approximately 2,200 sq. ft., being the common driveway.

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 present condition of said units as to the plumbing, mechanical and electrical installations appears to be in operating condition; no visible evidence of unstable structural components. No representations made as to the expected useful life.

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	<u>    X    </u>	<u>          </u>	<u>          </u>
Structures	<u>    X    </u>	<u>          </u>	<u>          </u>
Lot	<u>          </u>	<u>    X* (see below)    </u>	

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:

\*LOT - The six foot side yard setback spacing on the left side of the buildings is considered non-conforming.

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

There are no limited common elements in this project.

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

described in Exhibit \_\_\_\_\_.

as follows:

Each building will have, as a limited common element, the ground upon which it is located and a portion of the surrounding yard space as follows:

Building 1 ..... Site 1 - 4,557 sq. ft.  
 Building 2 ..... Site 2 - 4,558 sq. ft.

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:

Type	Unit No.	% of Undivided Interest
Bldg 1	1	12.5%
" 1	2	12.5
" 1	3	12.5
" 1	4	12.5
" 2	5	12.5
" 2	6	12.5
" 2	7	12.5
" 2	8	12.5
Total		100.0%

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 "B" describes the encumbrances against the title contained in the title report dated July 20, 2004 and issued by First American Title Insurance Company

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mtg in favor of Pacific Guardian Life Insurance Company, Limited, a Hawaii corporation, dated 4/23/98 and recorded as Document No. 98-058109	The Buyer's deposit shall be returned. The Buyer may lose all rights to acquire the apartment.  Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should lender terminate Buyer's sales contract, Buyer shall be entitled to a refund of all deposits, less escrow cancellation fee.
Financing Statement in favor of Pacific Guardian Life Insurance Company, Limited, a Hawaii corporation, recorded as Document No. 98-058110	However, should Buyer's deposit be disbursed by Escrow and the lien is foreclosed prior to conveyance to Buyer, Buyer may not be able to recover the deposit moneys.

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:

There are no warranties.

2. Appliances:

Each unit is furnished with the following: heater, refrigerator & stove. There are no warranties on the existing appliances.

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

Building 1 was construction approximately in 1959.  
Building 2 was construction approximately in 1959.

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):

The Developer reserves the right to add to, delete from, and/or modify the project or any part thereof, including without limitation, the right to merge with other projects, or by adding later phases to the project.



## 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 "F" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated See page 20  
Exhibit "G" contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

### B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been 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. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)  
 Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)  
 Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is a part of Registration No. 5440 filed with the Real Estate Commission on August 6, 2004.

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**

**Disclosure regarding selection of Real Estate Broker:**

The Developer does not presently intend to sell the apartments in the project.

See attached Affidavit of Carlton K. L. Chang and Lorraine O. Chang, attached as Exhibit "D".

Owner/Developer discloses that Carlton K. L. Chang is also a Real Estate Broker, Hawaii License No. RB-9117.

The Developer has not selected a real estate broker for the sale of any unit in the project at this time.

When the Developer offers any unit for sale, the Developer shall (1) submit to the Real Estate Commission, a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed Disclosure Abstract identifying the designated broker, and (2) provide a copy of the Disclosure Abstract to the purchaser together with a copy of this Public Report.

**Notice to Tenants:** There are no tenants.

**Hazardous Materials:**

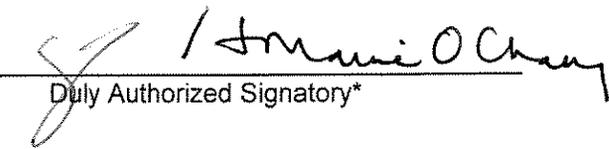
The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under, or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The Developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the Developer from any liability to Buyer if any hazardous materials are discovered.

**Lead Warning Statement:**

Pursuant to federal law, 42, U.S.C. 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessments or inspections for possible lead-based paint hazards is recommended prior to purchase."

- 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.

CARLTON K. L. CHANG & LORRAINE O. CHANG, Trustees of the Carlton K. L. Chang Trust dated 3/13/90 and LORRAINE O. CHANG & CARLTON K. L. CHANG, Trustees of the Lorraine O. Chang Trust dated 3/13/90  
Printed Name of Developer

By:  July 14, 2004  
 Duly Authorized Signatory\* Date

CARLTON K. L. CHANG & LORRAINE O. CHANG, Developers/Owners  
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

*\*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 element will include the limited common elements and all other portions of the land and improvements other than the apartment, the land on which it is located and all elements mentioned in the Condominium Property Act which are actually constructed on the land herein described, and specifically shall include, but are not limited to:

- a) Land herein described in Exhibit "A" [attached to the Declaration] in fee simple.
- b) Site 3, being the common driveway.
- c) All yards, boundary walls, if any, grounds, landscaping, walkways, and sidewalks, if any.
- d) All electrical equipment, wiring and other appurtenant installations, including power and light, water, sewer and gas lines; all pipes, wires, conduits or other utility or service lines, including TV cable, if any, which are utilized by or serve more than one building.

END OF EXHIBIT "A"

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes for the Fiscal Year 2003-2004. For real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.  
  
1st Installment:       \$645.57     Paid  
2nd Installment:       \$645.56     Paid  
  
Tax Key:   (1) 7-3-008-028       Area Assessed:  9,115 sq.ft.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. AS TO LOT 26 ONLY: GRANT in favor of WAIALUA WATER COMPANY, LIMITED, dated December 19, 1949, recorded in said Bureau of Conveyances in Liber 2295, page 257, granting a perpetual easement for road and utility purposes.
4. GRANT in favor of the UNITED STATES OF AMERICA dated July 1, 1941 and recorded in said Bureau of Conveyances in Liber 1761, Page 60, granting an easement to lay, use and maintain an underground communication cable, or cables, and such appurtenances as may be necessary for the proper use and enjoyment of this easement.
5. GRANT in favor of the UNITED STATES OF AMERICA dated November 22, 1995 and recorded in said Bureau of Conveyances in Liber 3057, Page 187, granting a perpetual easement for underground communication cable purposes.
6. Reservation in favor of Oahu Investments, Limited, a Hawaii corporation, its successors and assigns, of an easement to install, maintain and repair underground communication lines under and across a strip of land two and one-half (2-1/2) feet wide along the entire easterly boundary of said Lot 42, together with right of ingress to and egress from said strip of land over said Lot 42 for all purposes in connection with said easement, which easement Oahu Investments, Limited, its successors and assigns, may grant to the United States of America, by DEED dated June 10, 1952, recorded in Liber 2598, Page 215.
7. The following encroachments as per survey by Wesley T. Tengan, Licensed Professional Land Surveyor dated April 23, 1996:
  - a) Chainlink fence extends approximately 0.2 ft. to 0.0 ft. for a length of 15.8 ft. into subject Lot 42.

- b) Asphalt pavement extends approximately 0.0 ft. to 0.3 ft. to 0.6 ft. to 0.3 ft. to 0.4 ft. for a length of 122.1 ft. into Lot 41.
  - c) Asphalt pavement extends approximately 0.0 ft. to 8.3 ft. to 4.3 ft. to 0.9 ft. to 0.0 ft. for a length of 76.2 ft. into Lot 1-B.
  - d) Chainlink fence extends approximately 0.0 ft. to 8.3 ft. to 4.3 ft. to 0.9 ft. to 0.0 ft. into Lot 1-B.
  - e) Tile wall extends approximately 0.0 ft. to 0.1 ft. to 0.1 ft. for a length of 127.5 ft. into Lot 43.
- 8) Condominium Map No. 3807, filed in the Bureau of Conveyances, State of Hawaii.
  - 9) Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the DECLARATION of Condominium Property Regime of "66 LAKEVIEW CIRCLE", dated July 14, 2004 and recorded as Document No. 2004-149784 to which reference is hereby made, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS.
  - 10) Terms and provisions contained in the BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF "66 LAKEVIEW CIRCLE", dated July 14, 2004 and recorded as Document No. 2004-149785.
  - 11) Any and all covenants, conditions, restrictions and easements encumbering the apartments, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, and/or in the Apartment Deeds, and/or as delineated on said Condominium Map.
  - 12) Terms and provisions of that certain CARLTON K. L. CHANG TRUST dated March 13, 1990.
  - 13) Terms and provisions of that certain LORRAINE O. CHANG TRUST dated March 13, 1990.
  - 14) MORTGAGE dated April 23, 1998 and recorded in the Bureau of Conveyances as Document No. 98-058109 in favor of PACIFIC GUARDIAN LIFE INSURANCE COMPANY, LIMITED, a Hawaii corporation.

END OF EXHIBIT "B"

EXHIBIT "C"

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
Eight (8) units	5.00 x 12 months = \$ 60.00 (per Unit)

*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
  - common elements only
  - common elements and apartments
- Elevator
- Gas
  - common elements only
  - common elements and apartments
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Reserves(\*)

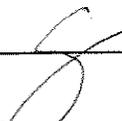
Taxes and Government Assessments

Audit Fees

Other - Common Driveway 5.00 per unit x 12 = \$60.00

TOTAL

I, CARLTON K. L. CHANG, ~~as agent for/and/or employed by~~ \_\_\_\_\_,  
 the condominium managing agent/developer for the  
"66 LAKEVIEW CIRCLE" \_\_\_\_\_ 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

July 14, 2004  
 \_\_\_\_\_  
 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.

AFFIDAVIT OF CARLTON K. L. CHANG AND LORRAINE O. CHANG

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

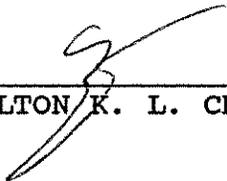
CARLTON K. L. CHANG and LORRAINE O. CHANG, being first duly sworn, on oath, depose and say:

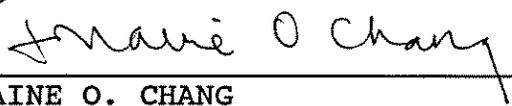
1. That they are the owners of the property at 66 Lakeview Circle, Wahiawa, Hawaii 96786, Tax Map Key No. (1) 7-3-008:028.

2. That said property contains two (2) existing 2-story buildings, each containing four (4) apartments, or units, that they intend to submit to the provisions of Chapter 514A Hawaii Revised Statutes, and establish a Condominium Property Regime.

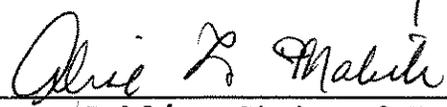
3. That they do not presently intend to sell the units but intend to convey all 8 units to their heirs.

FURTHER, Affiant sayeth naught.

  
\_\_\_\_\_  
CARLTON K. L. CHANG

  
\_\_\_\_\_  
LORRAINE O. CHANG

Subscribed and sworn to before me this  
26<sup>th</sup> day of July, 2004

  
\_\_\_\_\_  
Notary Public, State of Hawaii  
Print Name: ALICE L. MALICK  
My commission expires: JULY 17, 2006

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DISCLOSURE ABSTRACT

"66 LAKEVIEW CIRCLE"  
(condominium Project)

DATE: July 23, 2004

Page 1

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- 
- I. CPR PROJECT: "66 LAKEVIEW CIRCLE"  
66 Lakeview Circle  
Wahaiwa, Hawaii 96786
- II. DEVELOPERS: CARLTON K. L. CHANG & LORRAINE O. CHANG,  
Trustees of the Carlton K. L. Chang Trust dated 3/13/90  
and  
LORRAINE O. CHANG & CARLTON K. L. CHANG,  
Trustees of the Lorraine O. Chang Trust dated 3/13/90

Developers Address: 3435 Waiialae Avenue, Suite 203  
Honolulu, Hawaii 96816  
Tel: (808) 735-3700

REALTOR: N/A

ESCROW CO: Island Title Corporation  
1132 Bishop Street, Suite 400  
Honolulu, Hawaii 96813  
Tel: (808) 531-0261

III. MAINTENANCE FEES: See attached schedule [Exhibit "C"]

IV. APPLIANCES: Each unit is furnished with the following:  
heater, refrigerator, and stove.

Warranties: There are no warranties on the existing  
appliances.

Construction Warranties: N/A

V. MIXED USED PROJECT; Residential & Hotel:  
YES [ ] (Number of Apartments in each category) NO [X]

A. Residential     N/A    

B. Hotel     N/A    

VI. COMMERCIAL OR NON-RESIDENTIAL DEVELOPMENT:  
YES [ ] NO [X]

EXHIBIT "E"

## **EXHIBIT "F"**

### **SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT**

The deposit Receipt Offer and Acceptance Agreement (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 purchaser acknowledges having received and read a public report (either preliminary, contingent 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) 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 purchase should examine, and that the Developer may change these documents under certain circumstances.
- (h) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.
- (i) That the Project will be subject to ongoing construction and sales activities, which may result in certain annoyances to the purchaser.
- (j) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
- (k) 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.
- (l) 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.

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.

**END OF EXHIBIT "F"**

EXHIBIT "G"

SUMMARY OF THE PROVISIONS  
OF THE ESCROW AGREEMENT

Among other provisions of the Escrow Agreement, the Agreement provides that:

Disbursement from the escrow fund may be made to pay for construction costs upon certification and approval for payment by an architect or engineer, and approved by Seller's lender. However, the agreement further provides that no disbursement of Purchaser's funds shall be made until (a) Escrow is notified by Seller that Real Estate Commission has issued an effective date for a Final Public Report, superseding all prior reports, on the project and that each purchaser has been given a copy of said Final Public Report; (b) purchaser executes the form of Receipt for Public Report and Notice of Right to Cancel and waives his right to cancel; and (c) the completion of construction of the project and the forty-six day lien period has expired or Seller has posted a Surety Bond or submits title insurance with lien waivers.

Further, Purchaser shall be entitled to a refund of Purchaser's funds, and Escrow shall pay the funds to Purchaser, without interest and less Escrow's cancellation fee upon receipt by Escrow of a written request from Seller to return to Purchaser the funds of such Purchaser then held hereunder by Escrow.

Subject to such deduction as may be provided in the Sales Contract, and an escrow cancellation fee, the purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to the purchaser, without interest, upon purchaser's written request, and, if any, one of the following events has occurred:

(a) Seller has instructed Escrow in writing to return to the purchaser the funds of the purchaser then being held hereunder by Escrow; or

(b) Seller has notified Escrow in writing of the Seller's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated herein or otherwise available to the seller; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; and, upon any such cancellation, purchaser shall be entitled to a prompt refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended, or

(e) If, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes:

i) no sales contract is offered to purchaser who was placed on the Developer's reservation list of owner-occupants, or upon a request from a person who is on the final reservation list but who has elected not to execute a sales contract; or

ii) the purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within fifty (50) calendar days following the end of the ten (1) calendar-day period during which the Developer is limited to selling to owner-occupants.

Upon the return of said funds to the purchaser as aforesaid, Escrow shall return to seller such purchaser's Sales Contract and any conveyancing documents theretofore delivered to Escrow pursuant to such Sales Contract. Other documents delivered to Escrow relating to the sale of the units identified in such Sales Contracts will be returned to the person from whom or entity from which they were received.

(f) In the event of default of the purchaser, purchaser's initial deposits shall be retained by Seller, as liquidated damages.

END OF EXHIBIT "G"