

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Sanford S. Asahina, Trustee of the Sanford S. Asahina RLT dtd May 23, 1991, and Shigeiko Asahina, Trustee of the Shigeiko Asahina RLT dtd May 23, 1991

Address 3101 Pacific Heights Road Honolulu, Hawaii 96813

Project Name(*): "3101 PACIFIC HEIGHTS ROAD"

Address: 3101 Pacific Heights Road, Honolulu, Hawaii 96813

Registration No. 6053 (Partial Conversion) Effective date: January 17, 2007 Expiration date: February 17, 2008

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.
FINAL (white) The developer has legally created a condominium and has filed complete information with the Commission.
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 586-2643 to submit your request. FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

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 NOTICE

There are County restrictions on the number of residential dwelling units, or other structures, which may be built upon the property. Therefore, unless the purchaser is purchasing an existing residential dwelling, there is no assurance that the purchaser will be able to build a residential dwelling unit on the property. There is also no assurance that the purchaser will be able to convert an existing non-residential structure to a residential use. The purchase should consult with the appropriate County agencies to determine whether the purchaser may build a residential dwelling unit, or any other type of structure, upon the property.

This is a condominium project, not a subdivision, and the project does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a limited common element and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance and trash collection may not be available for interior roads.

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 FOREGOING.

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General Information on Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a 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:

Sanford S. Asahina, Trustee, and
Shigeko Asahina, Trustee

Phone: (808) 593-9025

Name*

(Business)

3101 Pacific Heights Road

Honolulu, Hawaii 96813

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*:

Coldwell Banker Pacific Properties, Ltd.

Phone: (808) 732-1414

4211 Waiialae Avenue, Suite UW1

Honolulu, Hawaii 96816

Escrow:

Integrity Escrow and Title Company, Inc.

Phone: (808) 447-6001

333 Queen Street, Suite A

Honolulu, Hawaii 96813

General
Contractor*:

n/a

Phone: (Business)

Business Address

Condominium
Managing
Agent*:

Self-Managed by Association of Apartment Owners

Phone: (Business)

Business Address

Attorney for
Developer:

Harlan Kimura, Esq.

Phone: (808) 521-4134

220 S. King Street, Suite 1660

Honolulu, Hawaii 96813

Jennifer A. Aquino, Esq.

Phone: (808) 526-9400

1188 Bishop Street, Suite 3009

Honolulu, Hawaii 96813

* 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:

<input type="checkbox"/>	Proposed		
<input type="checkbox"/>	Recorded - Bureau of Conveyances	Document No.	_____
		Book	_____ Page _____
<input checked="" type="checkbox"/>	Filed - Land Court	Document No.	3445411

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:

<input type="checkbox"/>	Proposed		
<input type="checkbox"/>	Recorded - Bureau of Conveyances	Condo Map No.	_____
<input checked="" type="checkbox"/>	Filed - Land Court	Condo Map No.	1817

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:

<input type="checkbox"/>	Proposed		
<input type="checkbox"/>	Recorded - Bureau of Conveyances	Document No.	_____
		Book	_____ Page _____
<input checked="" type="checkbox"/>	Filed - Land Court	Document No.	3445412

The Bylaws referred to above have been amended by the following instrument [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>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>N/A</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:

See Exhibit "A"

[] 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: 3101 Pacific Heights Road Tax Map Key (TMK): (1) 2-2-029-016
Honolulu, Hawaii 96813

[] Address [X] TMK is expected to change because Individual CPR numbers will be assigned to
each unit.

Land Area: 34,331 [X] square feet [] acre(s) Zoning: R-10

Fee Owner: Sanford S. Asahina, Trustee of the Sanford S. Asahina RLT
 dated May 23, 1991, and
 Shigeko Asahina, Trustee of the Shigeko Asahina RLT dated
 May 23, 1991

 Name
 3101 Pacific Heights Road

 Address
 Honolulu, Hawaii 96813

Lessor: n/a

 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: Two Floors Per Building: Unit A - One floor
Unit B - Two floor

Exhibit "B" contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other Glass, wood siding, asphalt shingle roofing

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Uses Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>1</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 checked="" type="checkbox"/> Other: shed	<u>1</u>	<input checked="" 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: _____

Number of Occupants: _____

Other: _____

There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: None Trash Chutes: None

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit A</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>10</u>	<u>Shed</u>
<u>Unit B</u>	<u>1</u>	<u>3/3.5</u>	<u>5,058</u>	<u>346</u>	<u>Lanai/Entry</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total 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:

See Exhibit "B"

Permitted Alterations to Apartments:

See Exhibit "C"

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.

The project consists of only two units.

7. Parking Stalls:

Total Parking Stalls: 2*

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	_____	<u>2</u>	_____	_____	_____	_____	<u>2</u>
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>2</u>	_____	<u>0</u>	_____	<u>0</u>	_____	<u>0</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.

* See Page 20 for further explanation.

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: _____

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):

In accordance with the report, dated June 26, 2006, prepared by Michael D. Lau, Professional Architect No. 8385, a copy of which is attached as Exhibit "D", the buildings are in the condition consistent with their age.

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 does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

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

described in Exhibit _____.

as follows:

- (a) The Land in fee simple.
- (b) All pipes, wires, conduits, and other utility and service lines which are utilized for or serve both Units.
- (c) Any and all other apparatus and installations of common use, and all other parts of the Project

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 "F" *.

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:

Unit A has an undivided 33.33% interest in the common elements.

Unit B has an undivided 66.67% interest in the common elements.

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 " G " describes the encumbrances against the title contained in the title report dated June 9, 2006 and issued by Integrity Escrow and Title Company, Inc.

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.

[X] 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>
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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:

None, units will be sold "as is".

2. Appliances:

None, units will be sold "as is".

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

Unit B was constructed in 1926. Unit A is a shed constructed in 2005.

H. **Project Phases:**

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit "H" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- None
- Electricity (___ Common Elements only _____ Common Elements & Apartments)
- Gas (_____ Common Elements only _____ Common Elements & Apartments)
- Water
- Sewer
- Television Cable
- Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "I" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated February 19, 2006
Exhibit "J" 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 sale 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
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 6053 filed with the Real Estate Commission on June 29, 2006.

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

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 assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

Developer's Reserved Right to Subdivide Property and Withdraw Project from Chapter 514A HRS Disclosure is hereby made that the Developer, or Developer's assignees, has reserved the right to subdivide the land underlying the Project into two or more separate parcels and to remove the property from the Condominium Property Act, Chapter 514A, HRS. Prospective purchasers are advised to review Section T of the Declaration regarding the rights reserved by the Developer.

Parking for Unit B on Unit A's Limited Common Element Area Unit B has a two regular sized parking stalls located on the Driveway of the limited common element area appurtenant to Unit A. Unit B has non-exclusive access to and from the designated parking stalls from Pacific Heights Road and from the parking stalls to Unit A. Unit A is a shed and currently does not have assigned parking. Parking for Unit A is permitted within the limited common element area appurtenant to Unit A, exclusive of the parking stalls reserved for use by Unit B.

Unilateral Authority by Unit B to Act as the Association Pursuant to the Declaration, Unit B has been assigned an undivided 66.67% common interest and Unit A has been assigned an undivided 33.33% common interest in the Project, for all purposes, including voting. The Bylaws provide that a majority of the members present at any meeting shall be the acts of the Association. Disclosure is hereby made that due to the percentage of common interest attributed to Unit B, which constitutes more than a majority, Unit B may unilaterally act as the Association in certain circumstances. Disclosure is also made that effective July 1, 2006, Section 514B-108(e), HRS, applies to the Project and provides that the consent of 67% of all unit owners are required to amend the bylaws. Based on the change in the law, Unit B may not be able to unilaterally amend the Bylaws. Prospective purchasers are advised to carefully review the Project documents and seek legal advise regarding this disclosure.

Applicability of Chapter 514B, HRS Effective July 1, 2006, the Condominium Property Act was recodified as Chapter 514B, Hawaii Revised Statutes. The subject Project is developed under Chapter 514A, HRS. Certain provisions of Chapter 514B, HRS, apply retroactively to preexisting condominium projects created under Chapter 514A. A brief summary of the provisions of Chapter 514B that apply retroactively to preexisting condominium projects created under Chapter 514A is as follows: i) §514B-4, Separate titles and taxation; ii) §514B-5, Conformance with county land use laws; iii) §514B-35, Unit boundaries; iv) §514B-41(c), procedure upon which the Board may assess certain limited common expenses based on the undivided common interest appurtenant to each unit; v) §514B-46, Merger of projects or increments; vi) §514B-72, Condominium education trust fund; payments by associations and developers; vii) Part VI, Management of Condominiums; and viii) §514B-3, definitions, to the extent necessary to construe the foregoing sections. Prospective purchasers are advised to carefully review Chapter 514A and Chapter 514B.

DEVELOPER'S RESERVED RIGHTS TO CHANGE PROJECT DOCUMENTS

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

Developer may amend the Declaration, the By-Laws, and/or the Condominium Map to effect any changes or amendments required by law, any title insurance company, or any institutional mortgagee, or as may be required by any governmental agency, provided, however, that no amendment made by the Developer as provided for in Section O of the Declaration, that would change the common interest of a Unit, or materially change the design or size of a Unit, or the limited common elements appurtenant thereto, shall be made by the Developer without the consent of all persons having an interest in such Unit.

At anytime prior to the first recording in the Bureau of Conveyances and/or Office of the Assistant Registrar of the Land Court, State of Hawaii, of a conveyance or transfer of a Unit in the Project to any person other than the Developer, the Developer may amend the Declaration, and any of the Exhibits thereto, the By-Laws, and/or the Condominium Map in any manner, without the consent of any purchaser or any other party.

The owner of a Unit in the Project, including the Developer if an owner of a Unit, shall have the right, with the consent of any mortgagee affecting said Unit, to remove, redesign, improve, renovate, make additions to, enlarge, replace with a new Unit, or restore his or her Unit on the limited common elements appurtenant to such Unit at such Unit owner's sole option at any time and from time to time, without the consent of the Association, the other Unit owners, any lien holder thereof, or anyone with an interest in the Project, and pursuant to plans and conditions set forth in Section S of the Declaration.

The Developer has reserved the right, at anytime prior to December 31, 2025, to subdivide the land underlying the Project into two or more separate parcels and to withdraw the property from the Condominium Property Act, Chapter 514A, HRS. (See Section T of the Declaration.)

Pursuant to Section T of the Declaration, the Developer has also reserved the right at any time prior to the closing of the last sale of a Unit in the Project owned by the Developer: (i) to grant easements over, across, and under the common elements, including, without limitation, easements for utilities, sanitary and storm sewers, cable television, walkways, roadways and rights-of-way, and (ii) to relocate or realign any existing easements and rights-of-way over, across, and under the common elements, including, without limitation, any existing utilities, sanitary and sewer lines, and cable television lines, and connect the same, over, across, and under the common elements, provided that such easements, relocations, and connections of lines shall not materially impair or interfere with the use of any Unit.

BOUNDARIES OF APARTMENTS

The Project consists of two buildings with one (1) residential dwelling and one (1) shed. The units are designated on the Condominium Map as "Unit A" and "Unit B", and are sometimes referred to herein collectively as "Units" or singularly as "Unit". The term "Unit" as used herein shall have the same meaning as the term "Apartment" in the Condominium Property Act, as the same may be amended from time to time.

Description of the Units. Two (2) separate and distinct freehold estates bounded by and including the decorated or finished surfaces of the exterior of the perimeter walls, by the exterior surfaces of the respective roofs thereof, and inclusive of the floor and ceiling of each of the buildings in the Project. When facing the Project from Pacific Heights Road, Unit A is in the front of the property, closest to Pacific Heights Road, and Unit B is located on the rear of the property.

(a) Unit A contains one-story, without a basement, and is a shed consisting of approximately ten (10) square feet. Unit A is constructed primarily of wood.

(b) Unit B contains two stories, without a basement, in which there is a Work Room, a Sitting area, an Open Patio, one (1) Bedroom, one (1) Bath, a Laundry area with Storage, and a Utility area on the lower floor. The upper floor contains an Entry, a Living Room, a Lanai, a Library, a Dining area, a Kitchen, a Gallery, two (2) Bedrooms, two and one-half (2.5) Baths, a Den and a Study. Unit B contains a net living area of approximately 4,712 square feet. The Entry and Lanai contain approximately 346 square feet. Unit B is constructed primarily of wood, wood siding, and asphalt shingle roofing.

Each Unit shall also include all pipes, wires, conduits, and other utility and service lines contained wholly within such Unit and which are utilized exclusively by and serve only such Unit.

PERMITTED ALTERATIONS TO APARTMENTS

No work shall be done to the Units, the limited common elements appurtenant thereto, or any other part of the Project, by any owner of a Unit or any other person, which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any nonconsenting owner of the use or enjoyment of any part of the Project, or directly affect any nonconsenting owner in any unreasonable manner, all as determined by the Board, without in every such case first obtaining the consent of the owners of the other Unit, which consent shall not be unreasonably withheld. Except as otherwise provided by law, all other additions to or alterations of any Unit or its appurtenant limited common elements by the owner of such Unit shall be permitted without restriction, provided that the owner or other person making such additions or alterations shall comply strictly with all applicable laws, ordinances, and regulations of any governmental entity, and shall also obtain all necessary permits, at such owner or person's sole expense.

In addition to the foregoing limitations, no owner shall also be allowed, without the express written consent of the other owners, to construct any addition or alteration which would cause his or her Unit to exceed the proportionate share of the maximum allowable floor area for the lot. Said proportionate share shall be equal to the maximum floor area for the lot multiplied by the percentage of common interest in the Project appurtenant to such Unit.

The owner of a Unit in the Project, including the Developer if an owner of a Unit, shall have the right, with the consent of any mortgagee affecting said Unit, to remove, redesign, improve, renovate, make additions to, enlarge, replace with a new Unit, or restore his or her Unit on the limited common elements appurtenant to such Unit at such Unit owner's sole option at any time and from time to time, without the consent of the Association, the other Unit owners, any lien holder thereof, or anyone with an interest in the Project, and pursuant to plans and conditions set forth in Section S of the Declaration, which include that such work shall be made in accordance with plans and specifications prepared by a duly licensed architect, shall be at the sole cost and expense of the apartment owner, shall be completed expeditiously and shall, upon completion, be described in an amendment to the Declaration which shall set forth at least the following:

- (a) a description of the new, redesigned or renovated Unit, stating the number of stories and basements, and the principal materials of construction of the new or altered Unit,
- (b) a statement of the approximate area, number of rooms, immediate common elements to which the Unit has access, designated parking stall(s), if considered a limited common element, and any other information necessary for its proper identification,
- (c) a set of floor plans and elevations of the new, redesigned or renovated Unit, showing the layout, location, and dimensions of the new, redesigned or renovated Unit, and bearing a statement of a registered architect or professional engineer certifying that the plans are as approved by the county officer having jurisdiction over the issuance of permits for the construction of buildings and "as built", and
- (d) any such other matters as may be necessary or as may be required by law to effectuate the construction of the new, redesigned or renovated Unit and/or the operation of the property as a condominium project.

ARCHITECT / ENGINEER INSPECTION REPORT
(conversion)

June 26, 2006

Real Estate Commission
Department of Commerce and Consumer Affairs
State of Hawaii
Seventh Floor, 1010 Richards Street
Honolulu, HI 96813

RE: "3101 Pacific Hts Rd"
3101 Pacific Heights Rd.
Honolulu, HI 96813
(1) 2-2-29-16

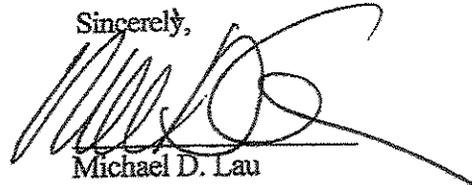
Submission for Final Public Report

Dear Commissioners:

The undersigned, being Registered Professional Architect, number 8385 in the State of Hawaii, hereby declares as follows:

1. I have examined the residential structures of the above referenced property.
2. Without invasive examination of covered components, my observations during this inspection are that the condition of the buildings appears to be commensurate with its age.

Sincerely,



Michael D. Lau
Registered Professional
Architect No. 8385

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Pursuant to Section A.3 of the Declaration, certain parts of the common elements are set aside and reserved for the exclusive use of the Units and shall constitute limited common elements appurtenant thereto. Each Unit shall have an exclusive easement for the use of the limited common elements appurtenant thereto, except as otherwise provided in the Declaration. Each Unit shall be responsible for the cost of maintenance, repair, upkeep, and replacement of each limited common element, which shall include, without limitation, such maintenance, repair, upkeep, and replacement necessary to prevent damage, settling, erosion or other structural or non-structural damage or failure of the other owner's Unit and limited common elements. The limited common elements shall be appurtenant to each of the Units as follows:

(a) That certain 5,861 square feet, more or less, of the real property of the Project which includes the real property upon which Unit A is situated, as shown on said Condominium Map, shall constitute a limited common element appurtenant to and for the exclusive use of Unit A.

(b) That certain 28,470 square feet, more or less, of real property of the Project which includes the real property upon which Unit B is situated, as shown on said Condominium Map, shall constitute a limited common element appurtenant to and for the exclusive use of Unit B.

(c) Each Unit shall have appurtenant thereto and for the exclusive use thereof one (1) mailbox.

(d) All pipes, wires, conduits, and other utility and service lines not contained within a Unit but used by and servicing only one Unit shall be a limited common element appurtenant to and for the exclusive use of the Unit using and serviced exclusively by such pipes, wires, conduits, and other utility and service lines.

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes, City and County of Honolulu
2. Condominium Map No. 1817, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
3. Declaration of Condominium Property Regime of 3101 Pacific Heights Road, dated June 26, 2006, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. 3445411.
4. By-Laws of the Association of Apartment Owners of 3101 Pacific Heights Road dated June 26, 2006, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. 3445412.

Exhibit "F"

EXHIBIT G

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>
Unit A	0.00 *
Unit B	0.00 *

* NOTE: No utilities are currently provided for Unit A, which is a shed. When installed by the owner of Unit A, the utilities for that unit will be separately metered or otherwise charged. The Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 5, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

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

TOTAL

\$ 0.00

I, Sanford S. Asahina, Trustee, as Developer, for the "3101 Pacific Heights Road" 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.

Sanford S. Asahina
Signature

JUN 26 2006
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.

SUMMARY OF SALES CONTRACT

The specimen Sales Contract (Deposit, Receipt, Offer and Acceptance and Addendum) contains, among other things, the following provisions:

1. Risk of Loss and Insurance. Risk of loss passes to Buyer upon closing or possession, whichever occurs sooner.
2. Time is of the Essence/Default. Time is of the essence of the obligations of Buyer under this Agreement. In the event Buyer fails to perform Buyer's obligations under the Sales Contract, Seller may (a) bring an action for damages for breach of contract, or (b) retain the initial deposit and all additional deposits provided by Buyer as liquidated damages, and the Buyer shall be responsible for any costs incurred in accordance with the Sales Contract.
3. Existing "As Is" Condition. Buyer agrees the Unit is being purchased in its "AS IS" condition, without any warranties or representations, expressed or implied. Buyer acknowledges that Buyer will be given an opportunity to inspect the Unit and by closing on the sale of the Unit, Buyer accepts the Unit in its "AS IS" condition as provided for herein.
4. Mediation And Arbitration. If any dispute or claim in law or equity arises out of this Agreement, and Buyer and Seller are unable to resolve the dispute themselves, Buyer and Seller agree in good faith to attempt to settle such dispute or claim by mediation under the Commercial Mediation rules of the American Arbitration Association. If such mediation is not successful in resolving such dispute or claim, then such dispute or claim shall be decided by a neutral binding arbitration before a single arbitrator in accordance with the Commercial Arbitration rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator may award reasonable attorney's fees and costs to the prevailing party.

SUMMARY OF ESCROW AGREEMENT

An escrow agreement (hereinafter called the "Escrow Agreement") detailing the manner in which purchasers' funds are to be handled, has been executed and a copy thereof has been filed with the Commission. The Escrow Agent is INTEGRITY ESCROW AND TITLE COMPANY, INC. (hereinafter referred to as "Escrow"). The escrow agreement, among other things, contains the following provisions:

1. Delivery of Sales Contracts. As and when Seller shall enter into a contract for the sale of an Apartment (each "Sales Contract"), Seller shall deliver a fully-executed copy of such Sales Contract to Escrow. Each Sales Contract shall contain the correct names and addresses of the Purchaser(s) of such Apartment, shall require that all payments to be made thereunder shall be made to Escrow, and shall be accompanied by the initial deposit required thereunder.

2. Return of Purchaser's Funds and Documents. Unless otherwise provided in the agreement, a purchaser shall be entitled to a return of such purchaser's funds and Escrow shall pay such funds to such purchaser, together with any interest which may have accrued to the credit of such purchaser, if any one of the following has occurred:
 - i. Seller and purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held by Escrow; or
 - ii. Seller shall have notified Escrow of Seller's exercise fo the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller; or
 - iii. The purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to cancel the sales contract pursuant to Section 514A-62, HRS; or
 - iv. The purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to rescind the sales contract pursuant to Section 514A-63, HRS.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (i) or (ii), above or upon receipt of written request for a refund from the purchaser upon the occurrence of an event described in (iii) or (iv), above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to purchaser (less a cancellation fee commensurate with the work done b Escrow prior to such cancellation, up to a maximum of \$250.00); provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Seller of written notice from Escrow of Escrow' intent to make such refund.

3. Purchaser's Default. If such Purchaser fails to make such payment to Escrow on or before the due date thereof or if such Purchaser fails to perform in any manner that is being handled by Escrow, Escrow shall promptly notify Seller of any such failure on the part of such purchaser. If Seller subsequently certifies in writing to Escrow that Seller has terminated the sales contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to such purchaser, Escrow shall thereafter treat all funds of such purchaser paid on account of such purchaser's sales contract as funds of Seller, and not as funds of such purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement

and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such sums to Seller, less any escrow cancellation fee. Escrow shall thereupon be released from any further duties or liability hereunder to Seller with respect to such funds and such Purchaser.

4. Interest on Escrow Funds. Unless otherwise provided in the Agreement, any interest earned on funds deposited to escrow under the Agreement shall accrue as specified in the sales contract. If the sales contract does not specify to whom interest is to accrue, any interest earned on funds deposited in escrow under this Agreement shall accrue as set forth in the Agreement. Escrow shall not be liable to either Seller or any purchaser for loss or diminution in funds invested in accordance with instructions given to Escrow. If the sales contract is entered into pursuant to a Final Public Report, any interest earned on funds deposited in escrow under the Agreement shall accrue to the credit of Seller; except that, if Escrow is requested to establish a separate account for a purchaser, Escrow shall do so, the purchaser shall furnish Escrow purchaser's social security or federal tax identification number, the purchaser shall pay Escrow a fee of Twenty-Five Dollars (\$25.00) for each such separate account and any interest earned on funds deposited in such account shall accrue to the credit of such purchaser.

5. Disbursement of Purchaser's Funds. Escrow shall make no disbursements of purchaser's funds or proceeds on the sale of such apartments (including any payments made on loan commitments from Permanent Lenders), except by way of refunds thereof as provided in the Agreement, until: (a) Escrow receives a copy of a "Receipt for Public Report(s) and Notice of Right to Cancel", in the form specified by Section 514A-62 of the Condominium Act for the Final and any Supplementary Public Reports, executed by the purchaser; (b) Escrow has received a certification from Developer, acceptable to Escrow, stating that the Sales Contract has become effective and requirements of Section 514A-63 has been met as those quoted phrases are used in Section 514A-65 of the Condominium Act; and (c) until the purchaser's apartment deed is filed in the Land Court or the Bureau of Conveyances of the State of Hawaii, as the case may be.