

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Theodore Elliott, III and Rita Elliott, Warren H. Scoville,
and Jerry Smith and Marilyn Y. Smith
Address c/o P.O. Box 859, Waialua, Hawaii 96791

Project Name(*): SUNSET SHORES
Address: 68-121 Au Street, Mokuleia, Waialua, Hawaii 96791

Registration No. 1303 Effective date: March 15, 1994
Expiration date: April 15, 1995

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 governmental agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

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

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

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

Type of Report:

_____	PRELIMINARY: (yellow)	The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
_____	FINAL: (white)	The developer has legally created a condominium and has filed complete information with the Commission.
		[] No prior reports have been issued [] Supersedes all prior public reports [] Must be read together with _____
<u> X </u>	THIRD SUPPLEMENTARY: (pink)	Updates information contained in the [X] Prelim. Public Report dated <u>August 14, 1980</u> [X] Final Public Report dated <u>October 4, 1982</u> [X] Supp. Public Report dated <u>March 17, 1981 and</u> <u>August 22, 1983</u> And [X] Supersedes all prior public reports [] Must be read together with _____ [] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[] Required [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

[] No prior reports have been issued by the Commission.

[X] Changes made are as follows:

The Project has been completed since the issuance of the last Supplementary Public Report dated August 22, 1984.

The Developer, Real Estate Broker, Escrow Agent, Condominium Managing Agent and attorney for the Developer have changed.

Upon request to the Developer, prospective purchasers shall be shown copies of preceding Public Reports. However, since this Third Supplementary Public Report contains the latest information and supercedes all prior public reports, references to the Final Public Report in paragraph 8a on page 2 of Exhibit G in this Public Report shall be deemed to mean this Third Supplementary Public Report.

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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 apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PEOPLE CONNECTED WITH THE PROJECT

Theodore Elliott, III and Rita Elliott,
Developer: Jerry Smith and Marilyn Y. Smith, and Phone: c/o 637-3449
Name Warren H. Scoville (Business)
c/o P.O. Box 859
Business Address
Waiialua, Hawaii 96791

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

Real Estate McCormack Real Estate, Inc. dba
Broker: Coldwell Banker McCormack Real Estate Phone: 488-1991
Name (Business)
98-199 Kamehameha Highway, #A-1
Business Address
Aiea, Hawaii 96701

Escrow: T.I. of Hawaii, Inc. Phone: 526-3571
Name Four Waterfront Plaza, Suite 300 (Business)
500 Ala Moana Boulevard
Business Address
Honolulu, Hawaii 96813

General
Contractor: N/A Phone: _____
Name (Business)

Business Address

Condominium
Managing
Agent: Hawaiiana Management Company, Ltd. Phone: 528-3800
Name (Business)
1270 Ala Moana Blvd.
Business Address
Honolulu, Hawaii 96814

Attorney for
Developer: Jeffrey S. Grad Phone: 521-4757
Name (Business)
841 Bishop Street, Suite 2001
Business Address
Honolulu, Hawaii 96813

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

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

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

The Declaration for this condominium is:

[] Proposed
[X] Recorded - Bureau of Conveyances - Document No. _____
Book 14813 Page 635
[] 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]:

First Amendment dated August 31, 1982, recorded in Liber 16568, Page 308.

Second Amendment dated July 6, 1983, recorded in Liber 17179, Page 222.

Third Amendment dated July 26, 1991, recorded as Document No. 91-107139.

Fourth Amendment dated January 11, 1994, recorded as Document No. 94-022815.

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

The Condominium Map for this condominium project is:

[] Proposed
[X] Recorded - Bureau of Conveyances Condo Map No. 738
[] 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]:

Fourth Amendment to the Declaration dated January 11, 1994, recorded as Document No. 94-022815

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

The Bylaws for this condominium are:

[] Proposed
[X] Recorded - Bureau of Conveyances - Document No. _____
Book 14813 Page 635
[] Filed - Land Court Condo Map No. _____

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

First Amendment dated August 31, 1982, recorded in Liber 16568, Page 308.

Second Amendment dated July 6, 1983, recorded in Liber 17179, Page 222.

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. 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>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.

See attached Exhibit "B"

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

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

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

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

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

For Subleaseholds:

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

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

[] Individual Apartment in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

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

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

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

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 68-121 Au Street Tax Map Key: (1) 6-8-11-46
Waialua, Hawaii 96791 (TMK)

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

Land Area: 22,325 [X] square feet [] acre(s) Zoning: **A-2**

Lessor Theodore Elliott, III and Rita Elliott,
(Fee Owner): Jerry Smith and Marilyn Y. Smith, and Warren H. Scoville
Name

c/o P.O. Box 859
Address

Waialua, Hawaii 96791

Sublessor: _____
Name

Address

C. Buildings and Other Improvements:

1. [X] New Building(s) when Project [] Conversion of Existing Building(s)
was originally registered in 1980
[] Both New Building(s) and Conversion

2. Number of Buildings: 1 Floors Per Building 5
[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

- [X] Concrete [] Hollow Tile [] Wood
[X] Other cement and plaster

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning	No. of Apts.	Use Determined By Zoning
[X] Residential	32	[X] Yes [] No [] Ohana		[] Yes [] No
[] Commercial		[] Yes [] No [] Industrial		[] Yes [] No
[] Mix Res/Comm		[] Yes [] No [] Agricultural		[] Yes [] No
[] Hotel		[] Yes [] No [] Recreational		[] Yes [] No
[] Timeshare		[] Yes [] No [] Other		[] Yes [] No

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

5. Special Use Restrictions:

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

- [X] Pets: No pets, livestock, poultry or other animals are allowed or kept in any part of the Project
- [] Number of Occupants: _____
- [] Other: _____
- [] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators	<u>-1-</u>	Stairways	<u>-2-</u>	Trash Chutes	<u>-1-</u>
<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>	
<u>Type A</u>	<u>4</u>	<u>2/2</u>	<u>981</u>		
<u>Type AR</u>	<u>4</u>	<u>2/2</u>	<u>981</u>		
<u>Type B</u>	<u>12</u>	<u>2/2</u>	<u>860</u>		
<u>Type BR</u>	<u>8</u>	<u>2/2</u>	<u>860</u>		
<u>Type C</u>	<u>4</u>	<u>2/2</u>	<u>860</u>		

SEE EXHIBIT "A" FOR FURTHER DETAILS

Total Apartments: 32

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

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

Boundaries of Each Apartment:

Each Apartment shall be deemed to include all walls and partitions which are not load bearing within its perimeter walls, the inner decorated and finished surfaces of all walls, floors, ceilings, windows and window frames, door and door frames, and all fixtures originally installed therein for its exclusive use, as shown on the Condominium Map. The respective Apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each such Apartment, or any pipes, wires, conduits or other utility or service lines running through such Apartment which are utilized for or serve more than one Apartment or the common elements.

Permitted Alterations to Apartments:

See attached Exhibit "C"

7. Parking Stalls:

Total Parking Stalls: 40

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>TOTAL</u>
Assigned (for each unit)	<u>22</u>	<u>6</u>	<u>4</u>	<u> </u>	<u>1</u>	<u>5</u>	<u>38</u>
Guest	<u>2</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>2</u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>30</u>	<u> </u>	<u>4</u>	<u> </u>	<u>6</u>	<u> </u>	<u> </u>

Each apartment will have the exclusive use of at least one (1) parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

[] Commercial parking garage permitted in condominium project.

[X] Exhibit A contains additional information on parking stalls for this
condominium project.

8. Recreational and Other Common Facilities:

[] There are no recreational or common facilities.

[X] Swimming pool [] Storage Area [] Recreation Area

[] Laundry Area [] Tennis Court [X] Trash Chute

[X] Other: pool deck area, jacuzzi, shuffle board, lobby, storage office,
trash room, janitorial room, electrical equipment room, garden,
yards, sidewalks, walkways and planting areas, and laundry

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

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

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

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):

N/A

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> X </u>	<u> </u>	<u> </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 D .

☐ as follows:

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

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

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

[x] described in Exhibit E

[] as follows:

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:

[X] described in Exhibit A.

[] as follows:

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 F describes the encumbrances against the title contained in the title report dated December 10, 1993 and issued by Hawaii Escrow & Title, 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.

[] 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>
Mortgages	Buyer's interest may be terminated by mortgagee but Buyer shall be entitled to return of his deposit.

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:**

Seller is selling the Project together with the appliances and other personal property in "as is" condition. The Seller is giving no warranties to Purchaser with respect to the construction, materials or workmanship of the Project.

2. **Appliances:**

Purchaser shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances in the Apartments.

G. Status of Construction and Estimated Completion Date:

The Project was constructed in 1983.

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 for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

- B. Estimate of Initial Maintenance Fees:**

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

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

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

See attached Disclosure Abstract (Exhibit I)

- C. Utility Charges for Apartments:**

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

- [] None [X] Electricity [] Gas [X] Water
(common area)
[x] Waste [] Television Cable [] Other _____
Water System

See attached Disclosure Abstract (Exhibit I)

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:

[X] Notice to Owner Occupants

[x] Specimen Sales Contract

Exhibit G contains a summary of the pertinent provisions of the sales contract.

[x] Escrow Agreement dated December 20, 1993

Exhibit H 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, 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 condominium which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) The buyer has not waived the right to rescind.

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. these include but are not limited to the:
- A) Condominium Public Reports issued by the Developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Law (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107) are available at the Cashier's Office, Department of Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541 Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 1303 filed with the Real Estate Commission on April 29, 1980.

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

[] yellow paper stock [] white paper stock [X] pink paper stock

C. Additional Information Not Covered Above

SPECIAL NOTATION

The specimen Sales Contract provided that the Developer states in part that the Purchaser understands that the Apartments and the Project are being sold in "as is" condition. The existence of any defect in the Apartments or anything installed thereon shall not excuse the Purchaser's obligation to perform all of his obligations under his contract.

The Specimen Sales Contract further states that the Purchasers will not have any right to file any lawsuit for damages against the Seller for any defects in the Apartments or in the Project.

The specimen Apartment Deed provided that the Developer disclaims any promises or representations or other statements to the condition of the Apartments or of the Project, or of any improvements, on, in or under the Apartments or in the Project. By way of illustration (but not limitation), Developer makes no promises or statements about:

A. The construction, structural soundness, condition or state of repair, operating order, safety or livability of any improvements in or within the Apartment or the Project;

B. The suitability of any improvements for any particular use;

C. Whether or not the Apartment, the Project or any improvements meet the requirements of any building, health, zoning, land use, subdivision, setback or other law, ordinance, rule or regulation which may apply;

D. Whether or not any easement, right-of-way or driveway meets the requirements of any building, health, zoning, land use, subdivision, setback or other law, ordinance, rule or regulation which may apply;

E. The density, stability, structure, erosion or other condition of the Project's soil for building or any other use;

F. Whether any improvements on or under the Project encroach over the boundary lines of any land which shares a boundary with the Project;

G. Whether any improvements on or under land which shares a boundary with the Project encroach over the boundary lines of the Project;

H. Any matter concerning the electrical, water, gas, plumbing or sewer systems (if any);

I. Any staking or survey done by any person; and

J. The location of the seaward boundary or the area of the Project if the Project borders the sea.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Theodore Elliott, III and Rita Elliott
Jerry Smith and Marilyn Y. Smith, and Warren H. Scoville
Name of Developer

By Warren H. Scoville 12-20-93
Duly Authorized Signatory Date

Warren H. Scoville
print name & title of person signing above
"Managing Partner" (+ 1/3 owner)

Distribution:

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

EXHIBIT "A"

DESCRIPTION OF APARTMENTS

<u>APT. #</u>	<u>TYPE</u>	<u>NO. BDRMS.</u>	<u>NET LIV. AREA(S) (sq.ft.)</u>	<u>PARKING STALL #</u>	<u>COMMON INTEREST</u>
201	A	2/2	981	10	0.03446
202	B	2/2	860	1	0.03018
203	C	2/2	860	31, 32 *	0.03018
204	B	2/2	860	2	0.03018
205	B R	2/2	860	8 *	0.03018
206	B	2/2	860	30	0.03018
207	B R	2/2	860	12	0.03018
208	A R	2/2	981	40	0.03446
301	A	2/2	981	7	0.03446
302	B	2/2	860	3	0.03018
303	C	2/2	860	33, 34 *	0.03018
304	B	2/2	860	4	0.03018
305	B R	2/2	860	5	0.03018
306	B	2/2	860	9 *	0.03018
307	B R	2/2	860	37	0.03018
308	A R	2/2	981	28	0.03446
401	A	2/2	981	11	0.03446
402	B	2/2	860	6	0.03018
403	C	2/2	860	35, 36 *	0.03018
404	B	2/2	860	17	0.03018
405	B R	2/2	860	16	0.03018
406	B	2/2	860	15	0.03018
407	B R	2/2	860	18	0.03018
408	A R	2/2	981	21, 22	0.03446
501	A	2/2	981	19, 20	0.03446
502	B	2/2	860	25 *	0.03018
503	C	2/2	860	27	0.03018
504	B	2/2	860	26 *	0.03018
505	B R	2/2	860	29	0.03018
506	B	2/2	860	38	0.03018
507	B R	2/2	860	39	0.03018
508	A R	2/2	981	13, 14	0.03446

* Compact Stalls

** Parking Stall Nos. 23 and 24 are "Guest Parking" stalls.

Type A Apartments. Each Type A Apartment consists of two bedrooms, two baths, living-dining room, kitchen, entry foyer, three closets, and space for stacked washer-dryer. The net living area of each Type A Apartment is approximately 981 square feet.

Type B Apartments. Each Type B Apartment consists of two bedrooms, two baths, a living-dining room, kitchen, three closets, and space for stacked washer-dryer. The net living area of each Type B Apartment is approximately 860 square feet.

Type C Apartments. Each Type C Apartment consists of two bedrooms, two baths, a living-dining room, kitchen, three closets, and space for stacked washer-dryer. The net living area of each Type C Apartment is approximately 860 square feet.

NOTE: "R" after the Apartment number indicates the reverse of that Apartment Type, but is otherwise identical to that Apartment Type.

EXHIBIT "B"

DEVELOPER'S RESERVED RIGHTS

The Developer (Declarant) has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

1. Paragraph 14 of the Declaration states:

"Developer is and shall for all purposes be deemed to be the Owner of each Apartment until the conveyance of said Apartment by Developer to a purchaser thereof. Except as otherwise provided herein or in said Horizontal Property Act, this Declaration may be amended by affirmative vote of the Owners representing not less than seventy-five percent (75%) of the common interests and shall be effective only upon the filing and recording of an instrument setting forth such amendment and vote duly executed by such owners or by the President or Vice President and Secretary or Treasurer of the Association; provided, further, that Developer may amend this Declaration without the consent or joinder of any other Owners by filing an amendment to this Declaration after completion of construction of the Project described herein by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, numbers and dimensions of the Apartments as built.

Notwithstanding the foregoing, Apartment Owners shall have the right to change the designation of parking stalls which are appurtenant to their respective Apartments by amendment of the declaration and respective Apartment deeds involved, as allowed and provided by law."

EXHIBIT "C"

PERMITTED ALTERATIONS TO APARTMENTS.

Each apartment owner may decorate or make non-structural additions and alterations to each apartment without obtaining consent of the Association, provided that such decorations, additions or alterations are not visible from the exterior of the building or from any common element, and provided that the owner or occupant shall be responsible to assure that each such decoration, addition or alteration shall conform to and be in compliance with all relevant laws, rules, and regulations of any governmental unit and provided that each owner shall maintain on file with the Association at all times an accurate and up to date floor plan.

Further, subject to compliance with applicable statutes, ordinances and regulations, each Apartment Owner shall have the privilege, at the sole cost and expense of such Owner, to paint, paper, panel, plaster, tile, finish and do other work on the interior surfaces of the ceilings, floors, and walls of the apartment, to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls, and to install, finish, alter, or substitute any plumbing, electrical or other such fixtures attached to said ceilings, floors or walls, and to install, remove or modify nonload bearing partitions within each apartment, in conformity with all laws, rules and regulations.

EXHIBIT "D"

COMMON ELEMENTS. Paragraph 5 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

1. The Land in fee simple;
2. The foundations, pillars, columns, girders, beams, supports, main walls, load bearing walls, roofs, and floors;
3. The hallways, corridors and wallways, stairs, and stairways, ramps, driveways, roadways, loading zones, parking areas and "Guest Parking" stalls, being stall numbers 23 and 24, all other parking stalls being limited common elements;
4. The pool, pool deck area, jacuzzi and shuffle board and other amenities, if any;
5. The lobby, storage office, trash room, water meters, and catch basin on the ground floor;
6. The janitorial room, electrical equipment room and trash chute, and elevator lobby on floors 2nd through 5th, inclusive;
7. Entrances and exits to the building, garden, yards, sidewalks, walkways, and planting areas adjacent to the building;
8. Central and appurtenant installations for services such as power, light, gas, hot and cold water, sewerage, and like utilities;
9. The elevators, elevator shafts and wells, elevator machinery and elevator room on the roof, and appurtenant installations and apparatus;
10. The sewage treatment plant and appurtenant installations;
11. The roof and appurtenant installations; and
12. All other areas and parts of the property existing for the common use or necessary to the existence, maintenance, and safety of the Project.

EXHIBIT "E"

LIMITED COMMON ELEMENTS. Paragraph 5 of the Declaration designates:

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

(a) Each Apartment shall have appurtenant thereto one or more parking stalls as shown on the Condominium Map. There are two "Guest Parking" stalls, stall numbers 23 and 24, which are common elements. The parking stalls which are limited common elements and the respective Apartments to which they are appurtenant and the percentage of undivided interest in the common elements pertaining to each Apartment are as described in Exhibit "A" attached hereto and made a part hereof.

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. 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.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. The property borders on the ocean and is subject to the provisions of the State of Hawaii regarding shoreline setback and prohibitions on use.
4. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in instrument dated December 1, 1972, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8782, Page 445.
5. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration (Private Park) dated August 12, 1982, recorded in said Bureau in Liber 16568, Page 301.
6. Any rights, interests or claims which may arise by virtue of parties occupying any condominium units under unrecorded leases or month-to-month tenancies.
7. A 10-foot setback line bordering Au Street, a 20-foot shoreline setback and a 5-foot building setback line on the east and west side of the project as per survey of James R. Thompson, Registered Professional Land Surveyor, No. 3627, dated July 12, 1991.
8. Mortgage dated July 10, 1991, recorded as Document No. 91-107140, in favor of United of Omaha Life Insurance Company, a Nebraska corporation.
9. Assignment of Rents and Leases by Theodore Elliott, III and Rita Elliott; Jerry Smith and Marilyn Y. Smith; and Warren H. Scoville, to United of Omaha Life Insurance Company, a Nebraska corporation, dated July 10, 1991, recorded in said Bureau as Document No. 91-107141.
10. Financing Statement recorded in said Bureau on August 1991, as Document No. 91-107142.
11. Declaration of Condominium Property Regime and Bylaws dated June 25, 1980, recorded in said Bureau in Liber 14813, Page 635. Said Declaration was amended by instruments dated August 31, 1982, recorded in Liber 16568, Page 308; July 6, 1983, recorded in Liber 17179, Page 222; and July 26, 1991, recorded as Document No. 91-107139 (Project covered by Condominium File Plan No. 738). By-Laws dated June 25, 1980, recorded in Liber 14813, Page 635, and amended by instruments dated August 31, 1982, recorded in Liber 16568, Page 308 and July 6, 1983, recorded in Liber 17179, Page 222.

EXHIBIT "G"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT

1. Description of the Property to be Conveyed: Fee simple interest in the Apartment, together with the furnishings and appliances.

2. Purchase Price and Terms. The purchase price set forth on page 1 of the Sales Contract is to be paid as follows:

- a. An initial deposit;
- b. The balance of the purchase price is to be paid to escrow by purchaser on the Closing Date.

3. Financing of Purchase. If Purchaser desires financing, a loan application must be made within ten (10) days and if Purchaser's application is not approved within forty-five (45) days after the application, then either Seller or Purchaser may cancel the Sales Contract. Upon such cancellation, Purchaser's deposits will be refunded by escrow without interest.

4. Closing Costs. In addition to the purchase price, the Purchaser is required to pay at closing all escrow fees, notary and recording fees, cost of credit report, if any, any loan fee and the cost for preparing any notes and mortgages, the cost of any required title insurance, and appraisal fees and any obligations of purchaser to his mortgage lender. In addition to the foregoing, the Purchaser may be required to prepay insurance premiums for as much as one year in advance, prepay maintenance fees for as much as two months in advance, and prepay real property taxes for the remainder of the tax year.

5. Closing. Seller has agreed to cause the Apartment to be sold to the Purchaser within the time period set forth on page 1 of the Sales Contract, which is expected to occur within 90 days of the date of the Sales Contract. If Purchaser fails to close as required, then after ten (10) days following Seller's notice of Purchaser's default, if Purchaser has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by Purchaser will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Purchaser shall be borne by the Purchaser.

6. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Purchaser if (a) Purchaser fails to qualify for a permanent loan (paragraph 16); (b) Purchaser defaults under the Sales Contract (paragraph 5.2); or (c) Purchaser dies prior to Closing Date (paragraph 5.1). If Seller cancels the Sales Contract, Escrow will return to Purchaser all of Purchaser's funds earlier deposited in the escrow, without interest.

7. No Present Transfer and Subordination to Construction Loan. The Sales Contract may be subject to existing loans and any security interest obtained by Lender is prior and senior to any rights arising under the Sales Contract. Seller may assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in the Sales Contract, then the Purchaser is obligated to perform the Sales Contract, and to attorn to and recognize the Lender as the seller under the Sales Contract.

8. Rights of Purchaser to Cancel the Sales Contract. The Purchaser has the right to cancel the Sales Contract under the following conditions:

a. At any time within thirty (30) days following the date the Final Public Report is delivered to Purchaser. If Purchaser so cancels, Purchaser will be entitled to receive refund of any deposits, less any escrow cancellation fees and other costs up to \$250. If Purchaser does not act within the thirty (30) day period, or if the Apartment is conveyed to the Purchaser, Purchaser will be deemed to have executed the receipt for the Final Public Report and to have waived his right to cancel (paragraphs 6.1 and 6.3).

b. The Purchaser may also cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Purchaser's Apartment or the amenities available for the Purchaser's use (paragraph 7.1).

c. The Purchaser's right of rescission under paragraph 7.1 is waived upon (1) delivery by Seller to the Purchaser of a written disclosure document describing all material changes, and (2) the Purchaser's written approval or deemed acceptance of the material changes. The Purchaser is deemed to accept the material change if the Purchaser does not rescind the Agreement within thirty (30) days after delivery of the disclosure document.

d. Purchaser fails to qualify for permanent financing (paragraph 16).

9. Sub-paragraph 5.2 of the Sales Contract provides that if Purchaser shall default in making any of the payments or performing any of the obligations called for in the Sales Contract (including, but not limited to, Purchaser's making a mortgage loan application), and such default shall continue for ten (10) days after notice delivered personally or by mail by Seller, then forthwith at the option of Seller, Purchaser shall lose any and all rights under the Sales Contract, and any amount paid toward the purchase price may be retained by Seller as liquidated damages.

10. Paragraph 9 of the Sales Contract provides that the Purchaser acknowledges that he or she has examined (and agrees to be bound) by the following:

- (a) The floor plans for the Project;
- (b) Escrow Agreement;
- (c) The Declaration of Condominium Property Regime, By-Laws of the Association of Apartment Owners;
- (d) The Apartment Deed;
- (e) Disclosure Abstract; and
- (e) The Final or Supplementary Public Report

EXHIBIT "H"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Declarant and T.I. of Hawaii, Inc..

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase an Apartment shall be turned over to the Escrow Agent.

2. Refunds. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

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

Upon such refund, Escrow Agent shall be entitled to a reasonable fee not less than \$25 or a fee commensurate with the work done by Escrow prior to cancellation.

3. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 5 of the Escrow Agreement until all of the following have occurred:

(a) the Real Estate Commission has issued a final public report (the "Final Report") on the Project;

(b) Seller or Seller's attorney has given a written opinion to Escrow stating that all of the requirements of Sections 514A-39, 514A-62 and 514A-63 of the Hawaii Revised Statutes, then applicable to the Project, have been satisfied and if the project is a conversion project, that the requirement of Section 514A-38 have been met.

(c) Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract;

4. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and must certify that Seller has cancelled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "I"

DISCLOSURE ABSTRACT

1. (a) PROJECT: SUNSET SHORES
 68-121 Au Street
 Mokuleia, Oahu, Hawaii
- (b) DEVELOPER: THEODORE ELLIOTT, III, and RITA ELLIOTT
 JERRY SMITH and MARILYN Y. SMITH
 WARREN H. SCOVILLE
 c/o 68-121 Au Street
 Waialua, Hawaii 96791
 Telephone: (808) 259-9240
- (c) MANAGING Hawaiiana Management Company, Ltd.
 AGENT: 1270 Ala Moana Boulevard
 Honolulu, Hawaii 96814
 Telephone: (808) 528-3800
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit described in Exhibit "1" attached hereto (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
3. DESCRIPTION OF ALL WARRANTIES COVERING THE UNITS AND COMMON ELEMENTS:

 The Developer is not making any warranties relating to the materials and workmanship of the Project or the common elements.
4. USE OF UNITS. The SUNSET SHORES Condominium Project consists of thirty-two (32) unit(s) which will be used for residential purposes by the respective owners thereof, their tenants, families and domestic servants and social guests, and for no other purpose.

EXHIBIT "1"

ESTIMATED OPERATING EXPENSES

For Period January 1, 1994 to December 31, 1995
As Prepared by Developer

Estimated Annual Expenses

SEE ATTACHED SCHEDULE "A"

TOTAL ANNUAL EXPENSES	\$100,843.00
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Estimated Monthly Expenses

(\$100,843 ÷ 12 months)	\$ 8,404.00
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Estimated Monthly Maintenance Fee for Each Apartment:

Estimated Monthly Expenses:

Type A (.03446%)	\$ 289.60
Type B (.03018%)	\$ 253.63

TOTAL MONTHLY MAINTENANCE FEE FOR EACH APARTMENT:

Type A	\$ 289.60
Type B	\$ 253.63

It is hereby certified that the foregoing estimate of the Monthly Common Expenses and the Estimate of Initial Maintenance Fees set forth herein are based on generally accepted accounting principles.

HAWAIIANA MANAGEMENT COMPANY



Emory Bush
President

Dated: September 30, 1993

