

CONDOMINIUM PUBLIC REPORT

Prepared & Theodore Elliott, III and Rita Elliott, Warren H. Scoville,
Issued by: Developer 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: August 11, 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.
		<input type="checkbox"/> No prior reports have been issued <input type="checkbox"/> Supersedes all prior public reports <input type="checkbox"/> Must be read together with _____
<u> X </u>	FOURTH SUPPLEMENTARY: (pink)	Updates information contained in the <input type="checkbox"/> Prelim. Public Report dated <u>August 14, 1980</u> <input type="checkbox"/> Final Public Report dated <u>October 4, 1982</u> <input type="checkbox"/> Supp. Public Report dated <u>March 17, 1981 and August 22, 1983</u>
		And <input type="checkbox"/> Supersedes all prior public reports <input checked="" type="checkbox"/> Must be read together with <u>Supplementary Public Report dated March 15/94</u>
		<input type="checkbox"/> 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 the Third
Supplementary Public 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:

1. The Developer will be using a different form of Sales Contract from the one previously submitted to the Real Estate Commission of the State of Hawaii. A summary of said Sales Contract is attached hereto as Exhibit "G".
2. The Developer hereby confirms that since the issuance of the Third Supplementary Public Report on March 15, 1994, no liens or encumbrances have been filed against the Project.

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.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules, if any.
 - E) Condominium Map.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

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

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 July 27, 1994
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 "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 and a subsequent 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 and prequalification received within fifteen (15) days and if Purchaser's application is not approved within _____ (____) days after the Seller has accepted the Sales Contract, 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 (aa) Purchaser's notary fees; (bb) all of the cost of title reports and all premiums for title insurance requested by Purchaser; (cc) any fees or charges pertaining to Purchaser's use of the Apartment, including telephone installation and cable television connections; (dd) all of Escrow's fees; (ee) hurricane relief fund computed on the mortgage loan amount; and (ff) any other closing costs not mentioned above which are customarily paid or incurred in connection with the purchase and sale of Hawaii Residential real estate. 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, pay a start-up fee equal to two months' maintenance fees 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 no earlier than seventy-five (75) days after Seller's acceptance of the Sales Contract nor more than one hundred thirty-five (135) days after Seller's acceptance of the Sales Contract. The Seller has the right to extend the Scheduled Closing Date for a reasonable period, if necessary, to remove any existing tenants or to arrange for the discharge of the existing mortgage to United of Omaha. If Purchaser fails to close as required, then after fifteen (15) 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 8(b)); or (b) Purchaser defaults under the Sales Contract (paragraph 13(b)). 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 will be subject to an existing loan, and any security interest obtained by Lender (United of Omaha) is prior and senior to any rights arising under the Sales Contract. The same protection will be given to any lender who repays such existing loan, as is expected. 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 (or its successor) 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 (see paragraph 6 of 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.

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 9(b)).

c. Purchaser fails to qualify for permanent financing (paragraph 8(c)).

9. Receipt of Project Documents. Paragraph 3 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 Supplementary Public Report.

10. Disclaimer of Warranties.

(a) (i) At closing, Seller will disclaim any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the apartments or their contents. Seller will not be liable for any construction or other defects, including any latent or hidden defects in the Project, the apartments or their contents. This means that Buyer will not have the right to file any lawsuit for damages against Seller for any defects.

(ii) Existing Tenant. The Apartment may presently be occupied by a tenant until the Scheduled Closing Date. Although Seller will utilize its best efforts to terminate such tenancy prior to closing and cause the tenant to maintain and repair the Apartment, such are risks of the purchase of the Apartment. In the event that the tenant has not vacated the apartment by the Scheduled Closing Date, then Seller reserves the right to extend the Scheduled Closing Date for a reasonable period of time to remove the tenant.

(b) American Home Shield Program. At closing, Seller shall cause to be delivered to Buyer the benefits of the American Home Shield Program pursuant to which a third party (not the Seller) shall warrant and insure the condition of appliances, plumbing and electrical systems and other matters relating to the Apartment. Buyer shall be responsible for examining the terms and conditions of the Program and Buyer assumes all risks relating thereto.

(c) Inspection. Buyer shall have a period of thirty (30) days following the date of Seller's execution of the Sales Contract to inspect the Apartment and the Project. If Buyer is not satisfied with the physical condition of the Project or the Apartment, then Buyer may elect within such thirty (30) day period to cancel this Agreement upon giving written notice to Seller, and upon such cancellation, Seller shall direct Escrow to refund the Buyer all sums paid hereunder by Buyer, without interest.