



**REAL ESTATE COMMISSION
STATE OF HAWAII**
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

POHA KEA POINT, PHASE III, INCREMENT I
46-149 Meheanu Loop
Kaneohe, Hawaii 96744

Registration No. 1707

Issued: September 29, 1986
Expires: October 29, 1987

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 19, 19 86 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

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. This report must be read together with Preliminary Public Report
 - SUPPLEMENTARY:** (pink) Changes information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated _____
 - Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____

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.

1. Number of apartments increased from 26 to 28; corresponding change in percentage interest in common elements.
2. Numbering sequence of apartments changed.
3. Number of assigned parking stalls decreased from 62 to 56.
4. Monthly Cash Operating Budget for Association of Apartment Owners revised.

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Attached only if there are additions or changes to information contained in the body of the report.	

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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 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 condominiums, 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 or encumbered, and they may be disposed of by will or gift.

Your apartment will, however, be part of the group of apartments that comprise the condominium. Study the 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

The Association of Apartment Owners is the means through which apartment owners may take action with regard to the administration, management, and operation of the condominium. 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 control of the administration and operation of the condominium will in most cases be limited to your right to vote as an owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all 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 vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer: Leasehold

Type of Project:

1. New Construction Conversion
 Both New Construction and Conversion
2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings

5. Apartment Description

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
2FS, 2FSR	4	2/2	883	146
2F, 2FR, 2FRE	4	2/2	871	146
3F, 3FE, 3FR, 3FRE	5	3/2	1093	165
2P, 2PE	2	2/1.5	896	129
3P, 3PR, 3PRE	6	3/2	1008	146
2G, 2GR	2	2/2	960	580
2LA, 2LAR, 2LAM	5	2/1.5	1001	123
Total Apartments:	28			

*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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	56
Guest Stalls	7
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: _____	0
Total Parking Stalls	63

7. **Recreational amenities:** PuuAlii Community facilities: swimming pool, tennis courts, spa, recreational center, meeting hall. A recreational facility for Pohā Kea Point, Phase III is to be constructed in the future.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Swire Properties (Hawaii) Ltd. Phone: 235-0950
Name (Business)
45-006 Kawa Street, Ste. 206
Business Address
Kaneohe, Hawaii 96744

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

President: F. Alan Fosler
Vice-Presidents: Donald E. Bixby, Jr.; Robert Fullerton
Secretary/Treas: Gregg Toland

Real Estate Sales Agent: PuuAlii Realty, .Ltd. Phone: 247-0664
Name (Business)
46-005 Kawa Street, Ste. 206
Business Address
Kaneohe, Hawaii 96744

Escrow: Security Title Corporation Phone: 235-0456 or
Name 521-9511
1001 Bishop Street, 1200 Pacific Tower (Business)
Business Address
Honolulu, Hawaii 96813

Managing Agent: Certified Management Phone: 487-7941
Name (Business)
98-1238 Kaahumanu Street, Ste. 404
Business Address
Pearl City, Hawaii 96782

Attorney for Developer: James A. Stubenberg
Name
1188 Bishop Street, Ste. 2108
Business Address
Honolulu, Hawaii 96813

Appendix I may be attached to this report. If so, it will list additional people connected with the project or changes that may have been made to the above information after this public report was issued.

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

A condominium is created by recording in the Bureau of Conveyances or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

Proposed
 Recorded – Bureau of Conveyances – Book _____ Page _____
 Filed – Land Court – Document Number 1395472

Amendment date(s) and recording/filing information:

- B. Condominium Map (File Plan) shows the elevation and layout of the condominium. It also shows the floor plan for each apartment.

The Condominium Map for this condominium is:

Proposed
 Recorded – Bureau of Conveyances – Map No. _____
 Filed – Land Court – File Plan No. 604

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium. 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 way in which meetings will be conducted, and other matters which affect how the condominium will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded – Bureau of Conveyances – Book _____ Page _____
 Filed – Land Court – Document Number 1395473

Amendment date(s) 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 individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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 recorded or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of apartment owners who 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.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

To file "as-built" amendment following completion of construction of the apartment building.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to 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.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the underlying land will be in fee simple.
 Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

Lease Term Expires: December 31, 2042
Rent Renegotiation Date(s): 30-years after issuance of Apartment Lease

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit "A" contains a schedule of the lease rent for each apartment per
 Month Year.

- Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners) either (1) remove or dispose of the building and other improvements; or (2) convey the building and improvements to the lessor at a specified price.

Exhibit _____ contains further explanations.

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:

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled 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 cancelled or foreclosed.

B. Underlying Land:

Land Area: 3.968 acres ~~square feet~~ Zoning: PD-H 4421

TMK: First Division 4-6-01:2

Fee Owner: Trustees of the Estate of Bernice Pauahi Bishop
name
567 South King Street, 2nd Floor
address
Honolulu, Hawaii 96813

Sublessor: T. F. McCormack Trust
name
235 Queen Street, Ste. 501
address
Honolulu, Hawaii 96813

C. Buildings and Other Improvements:

1. New Construction Conversion of Existing Building
 Both New Construction and Conversion

2. Buildings: 1 Floors Per Building: 7

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>28</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	_____		_____

5. Special Use Restrictions:

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

Pets: Conventional pets in reasonable number

Number of Occupants: _____

Other: No time-share or hotel rentals

6. Interior (fill in appropriate numbers):

Total Apartments 28

Elevators 0

Stairways 0

Trash Chutes 0

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
2FS, 2FSR	4	2/2	883	146
2F, 2FR	4	2/2	871	146
3F, 3FE, 3FR, 3FRE	5	3/2	1093	165
2P, 2PE	2	2/2	896	129
3P, 3PR, 3PRE	6	3/2	1008	146
2G, 2GR	2	2/2	960	580
2LA, 2LAR, 2LAM	5	2/1.5	1001	123

*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 floor area may have been used.

Boundaries of Each Apartment: Perimeter walls, floors and ceilings of each unit as shown on the Condominium Map.

Permitted Alterations to Apartments: Any, except those which would jeopardize common elements, reduce the value of common elements or impair any easement or hereditament. Alterations must be first approved by Board of Directors and Fee Owner (Bishop Estate). If common elements will be affected by proposed alteration, consent of 75% of apartment owners must be first obtained.

7. Parking Stalls:

	<u>Number of Stalls</u>
Assigned Stalls (For Individual Units)	<u>56</u>
Guest Stalls	<u>7</u>
Unassigned Stalls	<u>0</u>
Other: _____	<u>0</u>
Total Parking Stalls	<u>63</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.

	regular	compact	tandem
Number of covered stalls	<u>28</u>	<u>5</u>	<u>12</u>
Number of open stalls	<u>35</u>	<u>5</u>	<u>12</u>

Commercial parking garage permitted on condominium.

Exhibit "C" contains additional information on parking stalls for this condominium.

8. Recreational and Other Common Facilities:

- | | |
|--|---|
| <p><input checked="" type="checkbox"/> Swimming pool</p> <p><input checked="" type="checkbox"/> Recreation Area</p> <p><input checked="" type="checkbox"/> Tennis Court</p> <p><input checked="" type="checkbox"/> Other: <u>Meeting room, barbeque area</u></p> | <p><input type="checkbox"/> Storage Area</p> <p><input type="checkbox"/> Laundry Area</p> <p><input type="checkbox"/> Trash Chute</p> |
|--|---|

Recreational amenities available through mandatory membership in the PuuAlii Community Association. Existing facilities located in Phases I and II of PuuAlii/Pohā Kea Point.

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

Not applicable to present project.

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

Not applicable.

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

Zoning and design regulations for project governed by PD-H Ordinance 4421 ("Lilipuna Hillside").

b. Conforming/Non-Conforming Uses, Structures, Lot (for conversions only)

	<u>Conforming</u>	<u>Non-Conforming</u>	
		<u>Legal</u>	<u>Illegal</u>
Uses	_____	_____	_____
Structures	_____	_____	_____
Lot	_____	_____	_____

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

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

1. Common Elements: Common Elements are those parts of the condominium intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit "B" describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments. The limited common elements and the apartment which may use them are:

described in Exhibit "B"

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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit "C" describes the common interests for each apartment.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit "D" describes the encumbrances against the title contained in the title report dated April 24, 1986 and updated as of June 30, 1986.

Blanket Liens:

- [] 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. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Bank of Hawaii mortgage on Developer's sublease interest in the land of the project	None

F. 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. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium.

Initial Managing Agent: When the developer or the developer's affiliate is the initial 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 managing agent for this condominium is:

- [X] not affiliated with the Developer.
[] the Developer or the Developer's affiliate.
[] other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium. If you are late 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 to each apartment.

Exhibit "E" contains a schedule of maintenance fees and maintenance fee disbursements.

H. Separate Utility Charges for Apartments:

Except for the utilities indicated below, each apartment will be billed separately for utilities:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. Construction Warranties

1. **Building and Other Improvements:** Developer will repair and remedy any structural, mechanical, and/or electrical defects only in the apartment for a period of 365 days after closing date of purchase, including materials and labor.

Apartment purchaser must notify Developer of any defects in writing as soon as practicable after discovery.

No other warranties, express or implied, are given with respect to the apartment, common elements, fixtures or consumer products in the Project.

2. **Appliances:** Developer warrants only that appliances will be in good working order and condition and will pass on to the purchaser any manufacturer's warranties.

Developer will not be responsible for damage, defects, failures, pecuniary loss or personal injury resulting from abuse, misuse, alteration, tampering, neglect or removal of any appliance, structure, or component of the apartment.

J. Status of Construction and Estimated Completion Date

Commenced: March 1986

Estimated Completion: December 31, 1986

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

The present project is one of three (3) increments planned for Pohā Kea Point, Phase III, each of which has been developed as a separate horizontal property regime. Upon the completion of construction of all three increments, the increments will be merged so as to create a single Phase III Association of Apartment Owners and Board of Directors.

A fourth phase is planned which will consist of a maximum of six (6) increments, each constituted as a separate horizontal property regime and merged in a manner similar to that described above.

For further details as to the process and consequences of the merger of increments in Phase III, please refer to the Declaration As To Merger of Increments In A Condominium Project dated August 30, 1985, a copy of which is available for review in the Office of the Developer and the Real Estate Commission.

L. Sales Documents Filed with the Real Estate Commission:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit "F" contains a summary of the provisions of the sales contract.

Escrow Agreement dated July 17, 1986 with Security Title Corporation

Exhibit "G" contains a summary of the provisions of the escrow agreement.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

All increments in Pohā Kea Point, Phase III will be merged upon the completion of construction of all apartments in the Phase. Upon merger, a single Association of Apartment Owners and a Board of Directors will be organized to represent and administer the three increments as if they had been built as a single horizontal property regime. After merger, condominium assessments will be collected on a phase-wide basis.

The land of all increments in Phase III have been annexed to the PuuAlii Community Association ("PCA"). The PCA is responsible for the maintenance and administration of all landscaping, roadways and recreational facilities within PuuAlii (Phases I and II) and Pohā Kea Point (Phases III and IV). Pohā Kea Point is the continuation of the PuuAlii project. Every apartment owner in Phase III automatically becomes a member of the PCA and is entitled to use all recreational facilities, roadways, paths and other common elements throughout PuuAlii and Pohā Kea Point. In addition to condominium assessments, apartment owners are liable for PCA dues; however, PCA dues are not payable until the PCA actively assumes responsibility for Phase III landscaping, roadways, etc. The PCA acquires such responsibility when approximately 70% of apartments in an increment have been sold or as the Developer otherwise determines.

The document by which the land in Phase III has been annexed to the PCA is Supplemental Declaration No. 2 dated October 8, 1985, a copy of which is available for inspection in the Office of the Developer and the Real Estate Commission.

Buyer's Right to Cancel Sales Contract:

A. **Rights Under the Condominium Statute:**

Preliminary Report: Sales made by the Developer 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:

1. The Developer delivers a copy of the Final Public Report and all prior public reports not previously delivered to the buyer; and
2. The buyer is given an opportunity to read the reports; and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the reports and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the reports were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the reports were delivered to the buyer.

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

1. 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
2. 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.

B. **Rights Under the Sales Contract:**

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Declaration of Horizontal Property Regime.
2. Bylaws of the Association of Apartment Owners.
3. House Rules.
4. Escrow Agreement.
5. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
6. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

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 Law are available for \$ 2.50 at the Department of Commerce and Consumer Affairs.

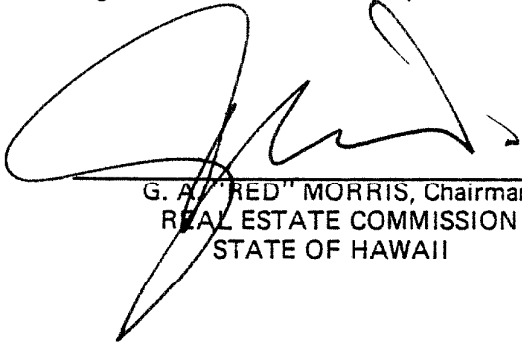
This Public Report is a part of Registration No. 1707 filed with the Real Estate Commission on September 27, 1985.

The Developer is responsible for delivering a true copy of this report to all purchasers and prospective purchasers and for securing a signed receipt for the report. When reproduced, this report must be on:

yellow paper stock white paper stock pink paper stock

Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.



G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Separate Disclosure Abstract on this condominium:

Required Not Required — disclosures covered in this report

Distribution:

Department of Finance, City & County of Honolulu
Bureau of Conveyances
Planning Department, City & County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT "A"

LEASE RENT CHART

<u>Basic Model</u>	<u>1st 10-yr.</u>	<u>2nd 10-yr.</u>	<u>3rd 10-yr.</u>
2F & 2G	\$558.00	\$ 976.00	\$1,708.00
2L	640.00	1,120.00	1,960.00
2P	574.00	1,004.00	1,758.00
3F	708.00	1,240.00	2,170.00
3P	652.00	1,140.00	1,994.00

EXHIBIT "B"

COMMON ELEMENTS:

(a) The land in fee simple;

(b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter and load bearing walls, roofs, stairs, stairways, bridges, rails, fire escapes, and walkways around and between the buildings;

(c) All yards, grounds, landscaping, garden areas, roads, curbs, trash enclosures and like facilities;

(d) All storage areas for the benefit of maintenance personnel, maintenance sheds, fire hoses, and alarm boxes, if any;

(e) All driveways and parking areas including seven (7) guest automobile parking stalls (See Exhibit "C" of this Report) as shown on said Condominium Map;

(f) All ducts, sewer lines, electrical equipment, pipes, wiring, compressors, tanks, motors, fans, and other central and appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, air conditioning (if any), refuse, sewer, telephone and radio and television signal distribution; and

(g) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

LIMITED COMMON ELEMENTS:

Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The

limited common elements so set aside and reserved are as follows:

(a) The automobile parking stalls for each apartment, as shown on Exhibit B1 of the Declaration, shall be appurtenant to and for the exclusive use of such apartment. The parking stall numbers for the parking stall or stalls appurtenant to each apartment are as set forth in Exhibit B1 and as shown on the Condominium Map.

(b) Any walkway, stairway, or corridor which connects the apartment or apartments adjoining it to the exterior of the project shall be appurtenant to and for the exclusive use of the apartment and said adjoining apartment or apartments.

(c) The mailbox assigned to each apartment.

(d) All other common elements of the Project which are rationally related to less than all of said apartments or buildings shall be limited to the use of such apartments or buildings.

EXHIBIT "C"

Common Interests and Parking Assignments

<u>Apartment No.</u>	<u>Parking Stall Nos.</u>	<u>Percentage of Common Interest</u>
3101	179(C) 180(O)	3.3542%
3102	194(C) 195(O)	3.3542%
3111	188(C) 189(O)	3.2997%
3112	186(C) 187(O)	3.6043%
3113	190(C) 191(O)	3.6043%
3114	192(C) 193(O)	3.6844%
3115	198(C) 199(O)	3.6043%
3116	200(C) 201(O)	3.6043%
3117	196(C) 197(O)	3.2997%
3121	184(C) 185(O)	3.2997%
3122	202(C) 203(O)	3.2997%
3131	223(C) 228(O)	3.7005%
3132	224(C) 210(O)	4.0340%
3133	225(C) 209(O)	4.0340%
3134	226(C) 208(O)	4.0340%

<u>Apartment No.</u>	<u>Parking Stall Nos.</u>	<u>Percentage of Common Interest</u>
3135	227(C) 229(O)	4.0340%
3141	222(C) 216(O)	3.2612%
3142	221(C) 215(O)	3.2612%
3143	235(C) 234(O)	3.2612%
3144	237(C) 236(O)	3.2612%
3151	218(C) 212(O)	4.0340%
3152	220(C) 214(O)	3.2867%
3153	219(C) 213(O)	3.7005%
3154	217(C) 211(O)	3.7005%
3155	230(C) 207(O)	3.7005%
3156	232(C) 205(O)	3.7005%
3157	233(C) 204(O)	3.7005%
3158	231(C) 206(O)	3.2867%

Guest Stalls (All open): Nos. 175, 176, 177, 178, 181
182, 183

(C) = Covered
(O) = Open

NOTE: The percentage of common interest assigned to an apartment is determined as the ratio that the floor area of an apartment bears to the total floor area of all apartments in the Project. For the purposes hereof, "floor area" shall be deemed to include appurtenant lanais but shall not include any garden lanai area.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

The updated title report by Security Title Corporation dated June 30, 1986, reflects the following encumbrances recorded against the land:

1. For real property taxes due and payable reference is made to Director of Finance, City and County of Honolulu.

2. The terms and provisions of that certain Bishop Estate Lease No. 24,620 dated June 7, 1976, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 768125, and also recorded in the Bureau of Conveyances of the State of Hawaii in Book 11460 Page 547, made by and between TRUSTEES OF THE ESTATE OF BERNICE PAUHI BISHOP, as Lessor(s), to THOMAS FRANCIS McCORMACK, husband of Hilda Frances McCormack, as Lessee(s), for a term commencing from the first day of January, 1976. As amended by:

(a) Instrument dated June 3, 1977, filed in said Office as Document No. 838309 and also recorded in said Bureau in Book 12471 Page 444;

(b) Instrument dated March 6, 1978, filed in said Office as Document No. 872979, and also recorded in said Bureau in Book 12868 Page 431;

(c) Instrument dated August 12, 1980, filed in said Office as Document No. 1035133 and also recorded on October 8, 1980 in said Bureau in Book 15040 Page 29;

(d) Instrument dated March 24, 1983, filed in said Office as Document No. 1175048 and also recorded on June 20, 1983 in said Bureau in Book 17120 Page 367.

(e) Instrument dated January 22, 1986, filed in said Office as Document No. 1352189 and also recorded in Liber 19285 at Page 393.

Said Lease is now held by MIEKO TOTOKI, GALEN C. K. LEONG and BRIAN L. SAKAMAKI, Trustees of the T. F. McCORMACK TRUST, by Assignment of Lease dated December 3, 1984, filed as Document No. 1272570. Consent thereto was filed as Document No. 1272571.

3. The terms and provisions of that certain Bishop Estate Sublease No. 24,620A dated June 7, 1976, filed in said Office as Document No. 768126, and also recorded on June 9, 1976 in said Bureau in Book 11461 Page 1, made by and between TRUSTEES OF THE ESTATE OF BERNICE PAUAHI BISHOP and THOMAS FRANCIS McCORMACK, husband of Hilda Frances McCormack, as Lessors, to SWIRE-McCORMACK, LTD., a Hawaii corporation, as Lessee(s), for a term commencing from the first day of January, 1976. As amended by:

(a) Instrument dated June 6, 1977, filed in said Office as Document No. 838310, and also recorded on October 4, 1977 in said Bureau in Book 12471 Page 451;

(b) Instrument dated March 6, 1978, filed in said Office as Document No. 872980, and also recorded on May 2, 1978 in said Bureau in Book 12868 Page 440;

(c) Instrument dated August 12, 1980, filed in said Office as Document No. 1035134, and also recorded in said Bureau in Book 15040 Page 38;

(d) Instrument dated December 9, 1982, filed in said Office as Document No. 1175049, and also recorded on June 20, 1983 in said Bureau in Book 17120 Page 371. (Also affects other property).

(e) Instrument dated January 3, 1986, filed in said Office as Document No. 1352190 and also recorded in Liber 19285 at Page 404.

The interest of THOMAS FRANCIS McCORMACK in said Sublease was assigned to the T. F. McCORMACK TRUST, by instrument dated December 3, 1984 as Document No. 1274508. Consent thereto was filed as Document No. 1274509.

4. Declaration of Covenants, Conditions and Restrictions for PuuAlii, dated May 12, 1977 and filed in said Office as Land Court Document No. 838312, as

amended by Supplemental Declaration No. 1 dated August 12, 1980 and filed in said Office as Land Court Document No. 1030939 and as further amended by Supplemental Declaration No. 2 dated October 8, 1985, and filed in said Office as Document No. 1327730.

5. Declaration As to Merger of Increments In A Condominium Project dated August 30, 1985, filed in said Office as Document No. 1327731.

6. Agreement For Issuance of Special Use Permit dated June 16, 1984, filed in said Office as Document No. 1,318,276. (Also affects other property).

7. Sublease No. 24,620A is subject to the following:

(a) Mortgage dated January 13, 1978, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 861372, and also recorded on February 22, 1978 in the Bureau of Conveyances of the State of Hawaii in Book 12732 Page 163, made by SWIRE-McCORMACK, LTD., as Mortgagor, to BANK OF HAWAII, a Hawaii banking corporation, as Mortgagee, to secure the repayment of the sum of \$2,000,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor therein referred to. (Also affects other property).

(i) Notice dated July 21, 1978, filed in said Office of the Assistant Registrar as Document No. 889090, and also recorded on July 26, 1978 in said Bureau of Conveyances in Book 13036 Page 532, made by and between SWIRE-McCORMACK, LTD., a Hawaii corporation, as Mortgagor, and BANK OF HAWAII, a Hawaii banking corporation, as Mortgagee, is under a contractual duty to make future advances in said maximum amount of \$1,999,000.00. (Also affects other property).

(ii) By instrument dated February 6, 1979, recorded on February 14, 1979 in said

Bureau of Conveyances in Book 13484 Page 763, made by and between SWIRE-McCORMACK, LTD., a Hawaii corporation, as Mortgagor, and BANK OF HAWAII, a Hawaii corporation, as Mortgagee, is under a contractual duty to make future advances in said maximum amount of \$1,548,632.00. (Also affects other property) (Said Notice not noted on Transfer Certificate of Title No. 157,862).

(iii) By Land Court Order No. 62216, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on March 8, 1982, SWIRE-McCORMACK, LTD., by Certificate of Amendment changed its name to SWIRE PROPERTIES (HAWAII) LTD.

(b) The terms, provisions and easements, if any, including reservations, if any, to the Sublease herein referred to.

8. Easement 648 (22-ft. wide) for roadway and utility purposes, as shown on said Map 210.

9. Easements 650 to and including 658 for yard purposes, as shown on said Map 210.

10. Easement 487 (drainage), as shown on Maps 122, 126 and 153 as set forth by Land Court Order No. 36611 filed on December 28, 1972, and the right of others to enter said Easement 487 to repair, maintain, amend and keep any drain thereon in good order and condition and free from debris, it being understood that Owners, McCormack and Developer shall have no liability whatsoever for any loss or damage to persons or property resulting from said drain or for any maintenance, repair, amendment, or clearance thereof.

11. Reserved right of the Declarants to grant Easement 648 and rights-of-way for roadway, utility and access purposes to others for the benefit of other property covered by that certain Bishop Estate Lease No. 24,620 dated June 7, 1976, filed in said Office as Document No. 768,125 and recorded in said Bureau in Liber 11460 at Page 547, as amended, and by that

certain Bishop Estate Lease No. 24,620A dated June 7, 1976, filed in said Office as Document No. 768,126 and recorded in said Bureau in Liber 11461 at Page 1, as amended.

12. Grant of Use Easement and License for A Term of Years dated August 28, 1985 in favor of Frederick Kazuto Sanjume and Viola Imako Sanjume, and filed in said Office as Land Court Document No. 1355023, for yard uses only and a limited right to trim trees which may obstruct the grantees' view. (Easement 656 as shown on said Map 210).

13. Grant of Use Easement and License for A Term of Years dated August 28, 1985 in favor of Ralph Clarence Mau and Suzanne Van Pelt Mau, and filed in said Office as Land Court Document No. 1356474, for yard uses only and a limited right to trim trees which may obstruct the grantees' view. (Easement 658 as shown on said Map 210).

14. Grant of Use Easement and License for A Term of Years dated August 28, 1985 in favor of Roy Kinji Fujimoto and Barbara Emiko Fujimoto, and filed in said Office as Land Court Document No. 1355017, for yard uses only and a limited right to trim trees which may obstruct the grantees' view. (Easement 653 as shown on said Map 210).

15. Grant of Use Easement and License for A Term of Years dated August 28, 1985 in favor of King George Koni Peterson, and filed in said Office as Land Court Document No. 1355019, for yard uses only and a limited right to trim trees which may obstruct the grantees' view. (Easement 654 as shown on said Map 210).

16. Grant of Use Easement and License for A Term of Years dated August 28, 1985 in favor of Anthony Richard Prinzivalli and Ruth Fischer Prinzivalli, and filed in said Office as Land Court Document No. 1355021, for yard uses only and a limited right to trim trees which may obstruct the grantees' view. (Easement 650 as shown on said Map 210).

17. Grant of Use Easement and License for A Term of Years dated August 28, 1985 in favor of Jisoo Sanjume and Clara Fukumoto Sanjume, and filed in said Office as Land Court Document No. 1355025, for yard uses only and a limited right to trim trees which may obstruct the grantees' view. (Easement 657 as shown on said Map 210).

18. Grant of Use Easement and License for A Term of Years dated August 28, 1985 in favor of Wayne Yukio Sakamoto and Helen Masae Sakamoto, and filed in said Office as Land Court Document No. 1355027, for yard uses only and a limited right to trim trees which may obstruct the grantees' view. (Easement 652 as shown on said Map 210).

19. Grant of Use Easement and License for A Term of Years dated August 28, 1985 in favor of Alice Yemiko Uyesato, Edward Matsuji Uyesato and Sumiko Uyesato, and filed in said Office as Land Court Document No. 1355029, for yard uses only and a limited right to trim trees which may obstruct the grantees' view. (Easement 651 as shown on said Map 210).

20. Grant of Use Easement and License for A Term of Years dated August 28, 1985, in favor of Anna Molina Herman, Trustee, and filed in said Office as Land Court Document No. 1363581, for yard uses only and a limited right to trim trees which may obstruct the grantees' view. (Easement 655 as shown on said Map 210).

EXHIBIT "E"

ASSOCIATION OF APARTMENT OWNERS OF
POHA KEA POINT, INCREMENT 1
(Building No. 31, 28 Apartment Units)

PRELIMINARY MONTHLY CASH OPERATING BUDGET
(Effective January 1, 1986)

	<u>RECEIPTS</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
4010	Maintenance Fees	\$ 670	\$ 8,040
4020	PCA Dues	2,678	32,136
	Receipts	<u>3,348</u>	<u>40,176</u>
	<u>DISBURSEMENTS</u>		
6020	Office & Admin Expenses	15	180
6030	Management Fee	100	1,200
6050	Audit & Tax Preparation	80	960
6200	General Maintenance	50	600
6281	Insurance	430	5,160
6300	Transfer to Reserve	<u>100</u>	<u>1,200</u>
	OPERATING EXPENSE AND RESERVE TRANSFER	775	9,300
6292	PUU ALII COMM. ASSOC. DUES (See Exhibit A-3)	<u>2,884</u>	<u>34,608</u>
	TOTAL	3,659	43,908

PRELIMINARY MONTHLY MAINTENANCE FEES & DUES

<u>APT. TYPE</u>	<u>%COMMON INTEREST</u>	<u># UNITS</u>	<u>MAINTENANCE FEES</u>	<u>PCA + DUES</u>	<u>TOTAL = PAYMENT</u>
2G, 2GR	3.1608	2	\$24.50	\$110.	\$134.50
2GE, 2GRE	3.2258	2	25.00	110	135.00
2F, 2FR, 2FRE	3.2616	4	25.29	110	135.29
2P, 2PE	3.3331	2	25.83	110	135.83
2FS, 2FSR	3.3689	2	26.11	110	136.11
2LA, 2LAR	3.6550	4	28.33	110	138.33
3P, 3PR, 3PRE	3.7071	6	28.73	110	138.73
2LAM	3.7363	1	28.96	110	138.96
3F, 3FE, 3FR, 3FRE	4.0355	5	31.28	110	131.28
		<u>28</u>			

The above breakdown of the annual maintenance fee (pro-rated on a monthly basis) and the estimated costs for each apartment is for twelve (12) months commencing January 1, 1986. While not guaranteed, the information contained herein is based on current data available to us which we believe to be authoritative.

ASSOCIATION OF APARTMENT OWNERS OF
POHA KEA POINT, INCREMENT 1
(Building No. 31, 28 apartment units)

START-UP-FEE

The \$200 "Start-Up-Fee" provides funds for certain prepaid capital and other expenses that must be disbursed at the inception of the condominium operation and for certain community association expenses in connection with Poha Kea Point.

The estimated start-up expenses are expected to be as follows:

1. Prepaid insurance	\$2,400
2. Equipment and supplies	1,120
3. Initial Operating expenses and reserves	<u>2,080</u>
TOTAL START-UP EXPENSES	<u>\$5,600</u>

"Start-Up-Fee" for each apartment purchaser \$ 200

PUU ALII COMMUNITY ASSOCIATION
1986 Monthly Operating Budget

Effective: January 1, 1986
Membership Dues = \$110.00 per apartment unit per month

<u>RECEIPTS</u>	1985 <u>Budget</u>	1985 (7) mo <u>Averages</u>	Approved 1986 <u>Budget</u>
4010 Membership Dues	\$29,355	\$29,589	\$31,350
4020 Interest Income	600	663	311
4021 Legal Fees	50	160	100
4022 Late Fees	75	190	100
4023 Parking	90	133	120
4050 Insurance Claims	---	50	---
4060 Other Receipts	---	---	---
 OPERATING RECEIPTS	 <u>30,170</u>	 <u>30,785</u>	 <u>31,981</u>
4040 Phase I/II Employee Reimb	1,800	1,800	1,864
4291 Phase I/II Maint Fees Collected	10,750	10,786	11,812
 NON OPERATING RECEIPTS	 <u>12,550</u>	 <u>12,586</u>	 <u>13,676</u>
 TOTAL CASH RECEIPTS	 <u>\$42,720</u>	 <u>\$43,371</u>	 <u>\$45,657</u>
 <u>DISBURSEMENTS</u>			
6010 Resident Mgr Compensation	\$ 1,550	\$ 1,550	\$ 1,650
6011 Resident Mgr Lodging	650	650	700
6012 Other Employee Compensation	6,585	6,535	6,773
6013 Payroll Taxes & Svc Charges	605	600	656
6014 Payroll Insurance	1,567	1,558	1,674
6015 Medical Insurance	615	620	630
6020 Office & Admin Expenses	170	225	200
6030 Management Fee	1,568	1,568	1,668
6040 Legal - Delinquencies	200	475	350
6041 Legal - Opinions	50	160	50
6050 Audit & Tax Preparation	125	69	85
6060 Telephone/Comm Equip	100	93	125
6070 Other Admin Expense	25	50	35
6100 Electricity	2,950	2,825	2,925
6101 CATV/MATV	---	---	---
6110 Water	2,400	1,920	2,200
6111 Sewer	2,052	2,052	2,052
6120 Gas	400	379	400
6130 Exterminating	---	---	---
6140 Rubbish Removal	---	---	---
6170 Security	120	140	140
6180 Grounds Maintenance	6,787	6,786	6,786
6181 Grounds Maint Supplies	500	325	1,152
6182 Vehicle Expense	280	120	120
6190 Custodial Svc & Supplies	---	---	---
6200 General Maintenance	400	600	625

(continued)

1986 General Operating Budget
 (continued from previous page)

6201	Fire Safety	---	---	---
6240	Recreation Pavilion	150	277	250
6241	Pool/Jacuzzi	200	192	200
6242	Pond System	200	237	240
6260	Real Estate Tax	---	---	---
6271	General Excise Tax	30	39	25
6272	Income Tax	---	---	---
6281	SMP/Fire Insurance	150	163	171
6282	Flood Insurance	---	---	---
6283	Liability Insurance	18	22	25
6284	D & O Insurance	23	---	---
6285	Vehicle Insurance	50	59	59
6290	Special Projects	150	182	300
6292	Mortgage/Loan/Other	---	---	---
	OPERATING DISBURSEMENTS	<u>\$30,670</u>	<u>\$30,471</u>	<u>\$32,266</u>
6291	Phase I/II Maint Fees Transmtl	10,750	11,286	11,812
6293	Eqp/Prch/Impr/Major Proj	---	---	---
	NON OPERATING DISBURSEMENTS	<u>\$10,750</u>	<u>\$11,286</u>	<u>\$11,812</u>
	TOTAL CASH DISBURSEMENTS	<u>\$41,420</u>	<u>\$41,757</u>	<u>\$44,078</u>
6300	Transfer to Reserves	1,300	1,300	1,579
	TOTAL CASH DISB & RSV TRANS	<u>\$42,720</u>	<u>\$43,057</u>	<u>\$45,657</u>

We certify that the maintenance fees and operating costs have been based on generally accepted accounting principals and converted to cash basis for this presentation.

CERTIFIED MANAGEMENT


By 
 Robert L. Paris, CPM

EXHIBIT "F"

SUMMARY OF SALES CONTRACT

1. All sums due under the Sales Contract are to be paid into Escrow, who is Security Title Corporation. Escrow will also hold all documents to be signed by the parties and recorded in the Bureau of Conveyances.

2. In addition to the purchase price, the buyer must pay for other costs connected with the sale, including but not limited to credit report and loan costs, drafting conveyance documents, title insurance, escrow fees, insurance, common expenses and real property taxes (prorated as of the date of closing) and other pre-paid expenses.

3. Buyer is responsible for obtaining his own mortgage loan if needed. If Buyer does not qualify financially, Seller may cancel the sale.

4. Risk of loss concerning the apartment passes to Buyer on the date of final closing.

5. Closing is the date when the document conveying leasehold title to the apartment to the Buyer is recorded in the Bureau of Conveyances. Before the date of closing, Buyer must sign all documents and do all other acts required to consummate the sale.

6. If requested by Seller, Buyer will accompany Seller or the contractor on an inspection of the apartment in order to list any defects. Buyer must take the apartment even though defects may exist.

7. Prior to the sale of the first apartment in the Project, Seller may modify the documents creating the condominium so long as Buyer's interest in the apartment is not substantially impaired.

8. Until such time as the Association of Apartment Owners for the project is organized, the Seller can exercise all rights of the Association.

9. The Sales Contract is not assignable without Seller's prior written consent.

10. The Sales Contract does not become binding on either Seller or Buyer until Buyer has received a copy of the Final Public Report and waived his right to cancel the sale, or 30 days have passed since he received the Report and he is deemed to have forfeited the right to cancel. There will be an escrow cancellation fee if the Buyer does not decide to cancel.

11. Buyer will not enter into any agreement with any person to share the expenses and/or rental of apartments in the Project until the sale has closed. Buyer agrees that Seller has not made any representations concerning the rental potential of the apartment to Buyer or any other sort of income or profit that might arise from apartment ownership.

EXHIBIT "G"

SUMMARY OF ESCROW AGREEMENT

1. All funds paid to Escrow (Security Title Corporation) shall be deposited into interest-bearing accounts. All interest earned on such deposits belong to the Seller.

2. If a Buyer cancels a reservation to purchase an apartment as a proposed owner-occupant, his deposit shall be refunded.

3. If the Buyer cancels a Sales Contract, his money will be refunded except for escrow's cancellation fee.

4. Escrow can distribute a Buyer's funds to pay for the costs of project such as construction costs (if certified by an architect or engineer that payment represents the value of work done), and for legal, engineering, financing and other fees if approved by Seller's construction loan lender.

5. Escrow shall perform all acts necessary to close sales.

6. If refunds are not claimed by the owner within 60 days, Escrow shall deposit such money into a special trust account for the benefit of Seller.

7. Escrow shall give purchasers notice of any default that is brought to their attention by Seller.

8. As long as Escrow abides by the terms of the Escrow Agreement, it shall have no liability to Seller, the Buyer, or any other person.