CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer	Nikken Corporation	The Bay Club Ownership Resort, Inc.
Address	1001 Bishop Street Pacific Tower, Suite 1140 Honolulu, Hawaii 96813	1001 Bishop Street, Suite 1515 Honolulu, Hawaii 96813

Project Name(*): THE BAY CLUB AT WAIKOLOA BEACH RESORT
Address: 5525 Waikoloa Beach Drive, Waikoloa, Hawaii

Registration No. 2361

Effective date: **June 5, 1995**
Expiration date: **July 5, 1996**

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

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

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Fifth 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 by the developer 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.
- [ ] This report supersedes all prior public reports.
- [ ] This report must be read together with _____

_X_ FOURTH SUPPLEMENTARY: (pink) — This report updates information contained in the:
- [ ] Preliminary Report dated: _____
- [X] Final Public Report dated: December 18, 1990
- [X] Supplementary Public Report(s) dated: June 21, 1991, September 17, 1992 and November 5, 1993

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 and attached to this report [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 developer.

[X] Changes made are as follows:

1. The Declaration of Condominium Property Regime of The Bay Club at Waikoloa Beach Resort dated November 22, 1990, and recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 90-183537, as amended, was further amended to, among other things, facilitate the development of a vacation ownership program in the project by revising certain provisions relating to (i) the use of the common elements for sales and other activities, (ii) voting rights, (iii) the occupancy and use provisions, (vi) the alteration of the project and (v) rights reserved by the Developer. These amendments are more particularly summarized in Exhibit K attached hereto.

2. There is now a co-developer in the project, The Bay Club Ownership Resort, Inc. ("BCORI"), which is an affiliate of the existing Developer, Nikken Corporation ("Nikken"). BCORI intends to develop and sell vacation ownership interests (timeshare interests) in apartments in the project which it acquires and submits to The Bay Club Vacation Ownership Program ("Program"). BCORI has submitted Apartments 421, 423, 436 and 438 of the project to the Program thus far, and intends to acquire and submit additional apartments to the Program from time to time. Neither Nikken or BCORI makes any representation or warranty, however, that any additional apartments will be submitted to the Program. BCORI is the co-developer of this project for sales purposes and only as to those apartments submitted to the Program and not as to any apartments sold by Nikken as whole units. The Program Operator (plan manager) of the Program will be Grand Ownership Resorts, Ltd., a Hawaii corporation, with its principal place of business and post office address at 500 Kapalua Drive. 18T 1-2, Kapalua, Hawaii 96761. It is intended that this Fourth Supplementary Public Report will enable BCORI to market and sell timeshare interests in all apartments submitted to the Program from time to time.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with. To sell timeshare interests, all applicable requirements of HRS 514E on Time Sharing Plans must be complied with.

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

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EXHIBIT A: Apartment Areas and Description (Ref. III.C.6., p. 11)
EXHIBIT B: Boundaries of Each Apartment; Permitted Alterations to Apartments (Ref. III.C.6, p. 11)
EXHIBIT C: Common Elements (Ref. III.D.1, p. 13)
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EXHIBIT E: Common Interest (Ref. III.D.3., p. 14)
EXHIBIT F: Encumbrances Against Title (Ref. III.E., p. 14)
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EXHIBIT H: Estimate of Maintenance Fees (Ref. IV.B., P. 17)
EXHIBIT I: Sales Contract Summary (Ref. V.A., p. 18)
EXHIBIT I-1: The Bay Club Vacation Ownership Program Purchase Agreement Summary (Ref. V.A., p.18)
EXHIBIT J: Escrow Agreement Summary (Ref. V.A., p. 18)
EXHIBIT J-1: The Bay Club Vacation Ownership Program Escrow Agreement Summary (Ref. V.A., p.18)
EXHIBIT K: Summary of Amendments to Declaration (Ref. II.E.2, p.7)

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Nikken Corporation
Name
1001 Bishop Street, Suite 1140, Pacific Tower
Business Address
Honolulu, Hawaii 96813

See also attached page 5a regarding Co-Developer for timeshare sales purposes.

Phone: (808) 522-1515 (Business)

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

Tadao Takeda - President
Minoru Murata - Vice President
Yuichi Takeda - Vice President
Shinji Oshida - Vice President
Koichi Tadokoro - Vice President
Richard H. Lachmann - Secretary
Layne H. Wada - Treasurer

Real Estate Broker: The Bay Club Ownership Resort, Inc.
Name
1001 Bishop Street, Suite 1515
Business Address
Honolulu, Hawaii 96813

Phone: (808) 885-0577 (Business)

Escrow: Long and Melone Escrow, Ltd.
Name
Suite 1111, 700 Bishop Street
Business Address
Honolulu, Hawaii 96813

See also attached page 5a regarding escrow agreement for vacation ownership program.

Phone: (808) 532-6150 (Business)

General Contractor: Towne Realty of Hawaii, Inc.
Name
Suite 680, 220 S. King Street
Business Address
Honolulu, Hawaii 96813

Phone: (808) 537-5976 (Business)

Condominium Managing Agent: Nikken Corporation
Name
1001 Bishop Street, Suite 1140, Pacific Tower
Business Address
Honolulu, Hawaii 96815

Phone: (808) 522-1515 (Business)

Time Share Program Operator: Grand Ownership Resorts, Ltd.,

500 Kapalua Dr., 18T1-2

Kapalua, HI 96761

Phone: (808) 669-0874

Attorney for Developer:

Mitchell A. Imanaka
Dwyer Imanaka Schraff Kudo Meyer & Fujimoto
Name
Suite 1800, 900 Fort Street Mall
Business Address
Honolulu, Hawaii 96813

Phone: (808) 524-8000
(Business)

CO-DEVELOPER:

The Bay Club Ownership Resort, Inc.
1001 Bishop Street, Suite 1515
Honolulu, Hawaii 96813

Phone No. (808) 885-0577

OFFICERS AND DIRECTORS:

Name	Title	Address
Tadao Takeda	President	23-1 Nishi Kamata 8-Chome Ota-ku, Tokyo 144 Japan
Yuichi Takeda	Vice President/Treasurer	362 Kuanalu Place Honolulu, HI 96825
Koichi Tadokoro	Vice President	77-331 Sunset Drive Kailua-Kona, HI 96740
Richard H. Lachmann	Vice President/Secretary	2125 McKinley Street Honolulu, Hawaii 96822

VACATION OWNERSHIP ESCROW AGENT:

Title Guaranty Escrow Services, Inc.
235 Queen Street, First Floor
Honolulu, Hawaii 96813

Phone No. (808) 521-0211

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. 90-183537
Book_____ Page_____

[ ] Filed - Land Court: Document No. _____

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

First Amendment dated May 17, 1991, recorded as Document No. 91-064814.
Second Amendment dated June 24, 1992, recorded as Document No. 92-108693.
Third Amendment dated August 5, 1993, recorded as Document No. 93-128861.
Fourth Amendment dated August 30, 1993, recorded as Document No. 93-143611.
Fifth Amendment dated October 14, 1993, recorded as Document No. 93-171945.
Sixth Amendment dated April 19, 1995, recorded as Document No. 95-053145.
Seventh Amendment dated May 24, 1995, recorded as Document No. 95-072122 and Joinder in the Seventh Amendment to Declaration dated May 24, 1995, recorded as Document No. 95-072123.

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. 1416

[ ] 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]:
Amendment (First Amendment to Declaration) dated May 17, 1991, recorded on May 21, 1991, Document No. 91-064814.
Amendment (Second Amendment to Declaration) dated June 24, 1992, recorded on July 7, 1992, as Document No. 92-108693.

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. 90-183538
Book_____ Page_____

[ ] Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:
First Amendment dated August 5, 1993, recorded as Document No. 93-128860.
Second Amendment dated October 14, 1993, recorded as Document No. 93-171946.
Third Amendment dated April 19, 1995, recorded as Document No. 95-053146.

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirement 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 [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	Board majority

* 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.

[X] Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules: See also Exhibit K

To make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the apartments or any interest therein, or by any governmental agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the marketing or sale of apartments or any interests therein in any such jurisdiction.

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 include the underlying land will be leasehold.

Leases for 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 Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for 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: 5525 Waikoloa Beach Drive
Waikoloa, Hawaii
Tax Map Key: 6-9-7-31 (3) (TMK)

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

Land Area: 15.00 [ ] square feet [X] acre(s) Zoning: RM-3

Lessor
(Fee Owner): Nikken Corporation
Name
1001 Bishop Street, Suite 1140, Pacific Tower
Address
Honolulu, Hawaii 96813

The Bay Club Ownership Resort, Inc.*
Name
1001 Bishop Street, Suite 1515
Address
Honolulu, Hawaii 96813

* (As to apartments submitted to the Program from time to time.)

Sublessor: _____
Name

_____
Address

_____

C. Buildings and Other Improvements:

1. [X] New Building(s) [ ] Conversion of Existing Building(s) [ ] Both New Building(s) and Conversion

2. Number of Buildings: 13 residential Floors Per Building 2 and 3
1 pool/recreation bldg.; 1 lobby/reception bldg. 1

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other tile roofs; aluminum window frames; exterior plaster finish.

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	172	[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
Transient vacation rental/ [X] Timeshare	172	[X]Yes [ ]No	[X] Other: *See below		[X]Yes [ ]No

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

* 1 of the 172 units may be used as a resident manager's unit and/or a rental management office in accordance with paragraph 8(f) of the Declaration. Any apartment owned by the Developer may be used as described in paragraph 8(g) of the Sixth Amendment to Declaration.

5. Special Use Restrictions:

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

[X] Pets: No pets allowed

[X] Number of Occupants: No more than 2 per bedroom; if members of immediate family of tenant, occupant or guest, no more than 4 per bedroom.

[ ] Other:

[ ] There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 6 (1 per 3-story bldg.)

Stairways: 26 (2 per residential bldg.)

Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A-1R, A-2, A-3	54	2/2	1,283	518-648
B-1R, B-2	36	2/2	1,118	359-456
C-1	18	1/1	878	246-324
D-1R, D-2	36	1/1 - 1/2	822	251-337
E, ER	14	2/2 - 1/2	1,484	562
F, FR	14	2/2 - 1/2	1,484	457

Total Apartments: 172

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

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

Boundaries of Each Apartment:

See Exhibit B.

Permitted Alterations to Apartments:

See Exhibit B.

7. Parking Stalls:

Total Parking Stalls: 226

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	28*	140	0	4	0	0	172 **
Guest	0	11	0	43	0	0	54
Unassigned	0	0	0	0	0	0	0
Extra for Purchase	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0
Total Covered & Open	179		47		0		

Each apartment will have the exclusive use of at least 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.

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

* Covered stalls located in carports within Buildings 5, 6, 7, 8, 11, 12 and 13
(2 carports per building with 2 regular-sized parking stalls per carport)

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[X] Swimming Pool [X] Storage Area (1 on each floor, small storage room) [X] Recreation Area

[ ] Laundry Area [X] Tennis Court (2) [ ] Trash Chute

[X] Other: spa, barbecue area; saunas (2); exercise room, equipped

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 are listed below. [ ] Violations will be cured by _____

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

** The Developer intends that the parking stalls appurtenant to each apartment submitted to the timeshare program may be used by any purchaser of a time sharing plan in the project and who has a "right to use" interest then in effect.

11. Conformance to Present Zoning Code

a. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

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

[X] described in Exhibit C.

[ ] 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 D and Exhibit A (revised parking assignment)

[ ] 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 E.

[ ] 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 9/2/93 as updated by title report dated 3/30/95 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Convevance

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

None.

2. Appliances:

No warranties are given by Developer. Developer will pass on warranties of the manufacturer, if any. See Exhibit G.

G. Status of Construction and Estimated Completion Date:

The project was substantially completed on June 1, 1991.

H. Project Phases:

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

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

IV. CONDOMINIUM MANAGEMENT

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

Initial Condominium Management 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 present condominium managing agent for this project, named on page five (5) of this report, is:

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

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, 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 H contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

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

[ ] None
[X] Electricity (common elements only)
[ ] Gas
[X] Water
[X] Sewer
[X] Television Cable (basic service only)
[X] Other management telephone; elevator maintenance; refuse collection

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 I contains a summary of the pertinent provisions of the sales contract.
Exhibit I-1 contains a summary of the pertinent provisions of the Purchase Agreement for sales of Vacation Ownership Interests.

[X] Escrow Agreement dated October 12, 1990.
Exhibit J contains a summary of the pertinent provisions of the Escrow Agreement.
Exhibit J-1 contains a summary of the pertinent provisions of the Escrow Agreement dated January 15, 1995 for sales of Vacation Ownership Interests.

[ ] 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 a Preliminary Report.

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime, as amended.
C) Bylaws of the Association of Apartment Owners, as amended.
D) House Rules.
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 Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort; Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Conference

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. 2361 filed with the Real Estate Commission on December 18, 1990.

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

C. Additional Information Not Covered Above

RESORT DECLARATION AND CONFERENCE DECLARATION

The Project shall be bound by and subject to the provisions of that certain Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort, dated April 1, 1990 but effective as of April 23, 1980, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14670 at Page 531, as it may be amended and supplemented from time to time (the "Resort Declaration") and shall also be bound by and subject to the provisions of that certain Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort Conference, dated April 1, 1980, but effective as of April 23, 1980, recorded in said Bureau of Conveyances of the State of Hawaii in Liber 14670 at Page 631, as it may be amended and supplemented from time to time (the "Conference Declaration"). The Resort Declaration provides, among other things, that each apartment owner, by virtue of being such an owner shall be a member of the Waikoloa Resort Association, a Hawaii non-profit corporation (herein called the "Resort Association"), and shall pay assessments to the Resort Association as more fully set forth in the Resort Declaration. The Conference Declaration provides, among other things, that the Association, on January 1 of the first calendar year following the year in which a certificate of occupancy for the Project is issued, shall become a condominium member of the Waikoloa Beach Resort Conference, a Hawaii non-profit corporation (herein called the "Conference"); provided, however, that the Conference shall not commence operations until January 1 of the first calendar year following the development on the Covered Property of at least one thousand five hundred (1,500) hotel rental units (including condominiums in a hotel condominium project) which have received a final inspection or temporary certificate of occupancy, all as more fully set forth in the Conference Declaration. Upon the commencement of operations of the Conference, the Association will be required to pay assessments to the Conference, as more fully set forth in the Conference Declaration.

GOLF COURSE AND RESORT OPERATIONS

The Project is adjacent to an existing eighteen-hole golf course (the "Golf Course"). In addition to normal golf course operations, resort-related activities, including, without limitation, golf tournaments and other events, may be held on and in the vicinity of the Golf Course. Operation of the golf Course and its layout may be revised or modified at any time at the discretion of the owner or operator of the Golf Course. The location of the Project with respect to the Golf Course may result in nuisances, disturbances or hazards to persons and property on or within the project as a result of golf course operations or as the result of such other resort-related activities. The Association and each apartment owner must assume all risks of property damage or personal injury arising from the use of golf carts, golf balls and/or stray golf balls, and indemnify and hold and save harmless the Developer and the owner and operator of the Golf Course and each of them from any liability, claims or expenses, including attorneys' fees, arising from such property damage or personal injury to the property or person of the apartment owner or apartment owner's family, guests, employees, tenants, or other persons who may use the Project or any part thereof.

ONGOING DEVELOPMENT

The Project is located within a resort area in which there may be continuing and ongoing initial development of other projects, including condominium projects, hotels and other commercial development. Construction activity may continue in the areas surrounding the Project and such activity may result in noise, dust or other annoyances.

VOLCANIC HAZARD ZONE THREE

Buyers are hereby advised by Seller that to the best of Seller's knowledge based on discussion with the Civil Defense Agency of the County of Hawaii, the possible hazards of flood, airport and industrial noise exposure, Air Installation Compatible Use Zone (AICUZ) areas near military airports, and tsunami are not considered relevant hazards to the property. Buyer is advised, however, that the Island of Hawaii is divided into Volcanic Hazard Zones established by the United States Geological Survey. Such zones are ranked from one to nine based on the probability of coverage by lava flows. The Project is located in Zone Three and Seller has been advised by the Civil Defense Agency that there are no restrictions in this category.

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.

Nikken Corporation
Name of Developer

By: Yuichi Takeda
Duly Authorized Signatory

May 24, 1995
Date

Yuichi Takeda - Vice President
print name & title of person signing above

The Bay Club Ownership Resort, Inc.
Name of Developer

By: Yuichi Takeda
Duly Authorized Signatory

May 24, 1995
Date

Yuichi Takeda - Vice President/Treasurer
print name & title of person signing above

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii
Federal Housing Administration

APARTMENT AREAS AND DESCRIPTION

The apartments in Buildings 1 through 9, inclusive, are designated on the Condominium Map by a three-digit number and the apartments in Buildings 10 through 13, inclusive, are designated on the Condominium Map by a four-digit number. The first digit (or the first and second digits as to Buildings 10 through 13, inclusive) indicates the Building in which the Apartment is located; the second digit (or the third digit as to Buildings 10 through 13, inclusive) indicates the floor on which the Apartment is located; and the third digit (or the fourth digit as to Buildings 10 through 13, inclusive) indicates the location of the Apartment in the building, the apartments being numbered from left to right and clockwise. For example, Unit 111 is located on the first story of Building 1; Unit 121 is located on the second story of Building 1; Unit 131 is located on the third story of Building 1; Unit 1013 is located on the first story of Building 10; Unit 1023 is located on the second story of Building 10; and Unit 1033 is located on the third story of Building 1. There are twelve (12) different types of floor plans for the apartments in the Project, designated as Plans A-1R, A-2, A-3, B-1R, B-2, C-1, D-1R, D-2, E, ER, F and FR.

Plans A-1R, A-2, A-3, B-1R and B-2. Each apartment with a Type A-1R, A-2, A-3, B-1R and B-2 floor plan will have two (2) bedrooms, two (2) bathrooms, a living/dining room, a kitchen and a lanai.

Plan C-1. Each apartment with a Type C-1 floor plan will have a bedroom, a bathroom, a living/dining room, a kitchen and a lanai.

Plans D-1R and D-2. Each apartment with a Type D1-R and D-2 floor plan will have a bedroom, one and one-half bathrooms, a living/dining room, a kitchen and a lanai.

Three of the apartments with a D-2 floor plan (Apartments 117, 917 and 1012) and one of the apartments with a D-1R floor plan (Apartment 211) are handicapped units.

Plans E, ER, F and FR. Each apartment with a Type E, ER, F or FR floor plan will have two (2) bedrooms, two and one-half (2-1/2) bathrooms, a living/dining room, a kitchen and a lanai.

Approximate Floor Area. Each apartment with each of the respective floor plan types will have the following number of rooms (exclusive of lanai), approximate net living floor

area in square feet (exclusive of lanai) and approximate net lanai floor area in square feet:

Floor Plan Type	Number of Rooms	Approx. Net Living Floor Area In Sq. Ft.	Approx. Net Lanai Floor Area In Sq. Ft.	Approx. Total Net Area In Sq. Ft.
A-1R (1st Fl)	6	1,283	644	1927
A-2 (1st Fl)	6	1,283	596	1879
A-3 (1st Fl)	6	1,283	648	1931
A-1R, A-2 and A-3 (2nd Fl)	6	1,283	518	1801
A-1R, A-2 and A-3 (3rd Fl)	6	1,283	576	1859
B-1R and B-2 (1st Fl)	6	1,118	456	1574
B-1R and B-2 (2nd Fl)	6	1,118	373	1491
B-1R and B-2 (3rd Fl)	6	1,118	359	1477
C-1 (1st Fl)	4	878	324	1,202
C-1 (2nd Fl and 3rd Fl)	4	878	246	1,124
D-1R and D-2 (1st Fl)	4.5	822	337	1159
D-1R and D-2 (2nd Fl)	4.5	822	273	1095
D-1R and D-2 (3rd Fl)	4.5	822	251	1073
E and ER	6.5	1,484	562	2,046
F and FR	6.5	1,484	457	1,941

The location of each apartment in the Project, the type of floor plan of each apartment, and the parking stall assigned to each apartment as a limited common element, is as follows:*

*NOTE: The letter C after a parking stall number indicates a compact parking stall and the letter H after a parking stall number indicates a handicapped parking stall.

Building Number	Floor Number	Apartment Number	Plan Type	Parking Stall(s)
1	1	111	C-1	1
1	1	112	B-1R	2
1	1	113	A-1R	3
1	1	114	A-2	4
1	1	115	A-3	5
1	1	116	B-2	6
1	1	117	D-2	8H
1	1	118	D-1R	7
1	2	121	C-1	29
1	2	122	B-1R	30
1	2	123	A-1R	25
1	2	124	A-2	12
1	2	125	A-3	13
1	2	126	B-2	14
1	2	127	D-2	15
1	2	128	D-1R	16
1	3	131	C-1	17
1	3	132	B-1R	18
1	3	133	A-1R	19
1	3	134	A-2	20
1	3	135	A-3	21
1	3	136	B-2	22
1	3	137	D-2	23
1	3	138	D-1R	24
2	1	211	D-1R	41H
2	1	212	D-2	33
2	1	213	B-2	34
2	1	214	A-3	35
2	1	215	A-2	36
2	1	216	A-1R	56
2	1	217	B-1R	57
2	1	218	C-1	58
2	2	221	D-1R	59
2	2	222	D-2	32
2	2	223	B-2	42
2	2	224	A-3	43
2	2	225	A-2	44
2	2	226	A-1R	45
2	2	227	B-1R	60
2	2	228	C-1	61
2	3	231	D-1R	62
2	3	232	D-2	63
2	3	233	B-2	64
2	3	234	A-3	51
2	3	235	A-2	52
2	3	236	A-1R	53
2	3	237	B-1R	54
2	3	238	C-1	55

Building Number	Floor Number	Apartment Number	Plan Type	Parking Stall(s)
3	1	311	C-1	67
3	1	312	B-1R	68
3	1	313	A-1R	69
3	1	314	A-2	70
3	1	315	A-3	98
3	1	316	B-2	99
3	1	317	D-2	73
3	1	318	D-1R	74
3	2	321	C-1	75
3	2	322	B-1R	76
3	2	323	A-1R	77
3	2	324	A-2	78
3	2	325	A-3	79
3	2	326	B-2	80
3	2	327	D-2	81
3	2	328	D-1R	82
3	3	331	C-1	83
3	3	332	B-1R	84
3	3	333	A-1R	109C
3	3	334	A-2	107C
3	3	335	A-3	105C
3	3	336	B-2	103C
3	3	337	D-2	89H
3	3	338	D-1R	90
4	1	411	D-1R	91
4	1	412	D-2	92
4	1	413	B-2	93
4	1	414	A-3	94
4	1	415	A-2	95
4	1	416	A-1R	96
4	1	417	B-1R	97
4	1	418	C-1	127
4	2	421	D-1R	126
4	2	422	D-2	125
4	2	423	B-2	118
4	2	424	A-3	110
4	2	425	A-2	111
4	2	426	A-1R	112
4	2	427	B-1R	113
4	2	428	C-1	114
4	3	431	D-1R	115
4	3	432	D-2	116
4	3	433	B-2	117
4	3	434	A-3	119H
4	3	435	A-2	120
4	3	436	A-1R	121
4	3	437	B-1R	122
4	3	438	C-1	123

Building Number	Floor Number	Apartment Number	Plan Type	Parking Stall(s)
5	1	511	ER	134
5	1	512	E	133
5	2	521	FR	135
5	2	522	F	132
6	1	611	ER	138
6	1	612	E	137
6	2	621	FR	139
6	2	622	F	136
7	1	711	ER	151
7	1	712	E	148
7	2	721	FR	150
7	2	722	F	149
8	1	811	ER	158
8	1	812	E	157
8	2	821	FR	159
8	2	822	F	156
9	1	911	C-1	164
9	1	912	B-1R	165
9	1	913	A-1R	166
9	1	914	A-2	167
9	1	915	A-3	168
9	1	916	B-2	169
9	1	917	D-2	172H
9	1	918	D-1R	171
9	2	921	C-1	170
9	2	922	B-1R	173
9	2	923	A-1R	174
9	2	924	A-2	175
9	2	925	A-3	176
9	2	926	B-2	160
9	2	927	D-2	161
9	2	928	D-1R	162
9	3	931	C-1	163
9	3	932	B-1R	181
9	3	933	A-1R	182
9	3	934	A-2	183
9	3	935	A-3	184
9	3	936	B-2	185
9	3	937	D-2	186
9	3	938	D-1R	187

Building Number	Floor Number	Apartment Number	Plan Type	Parking Stall(s)
10	1	1011	D-1R	188
10	1	1012	D-2	201H
10	1	1013	B-2	190
10	1	1014	A-3	191
10	1	1015	A-2	217
10	1	1016	A-1R	216
10	1	1017	B-1R	215
10	1	1018	C-1	214
10	2	1021	D-1R	196
10	2	1022	D-2	197
10	2	1023	B-2	198
10	2	1024	A-3	199
10	2	1025	A-2	200
10	2	1026	A-1R	189
10	2	1027	B-1R	202
10	2	1028	C-1	203
10	3	1031	D-1R	204
10	3	1032	D-2	205
10	3	1033	B-2	206
10	3	1034	A-3	213
10	3	1035	A-2	208
10	3	1036	A-1R	209
10	3	1037	B-1R	210
10	3	1038	C-1	211
11	1	1111	ER	152
11	1	1112	E	155
11	2	1121	FR	153
11	2	1122	F	154
12	1	1211	ER	144
12	1	1212	E	147
12	2	1221	FR	145
12	2	1222	F	146
13	1	1311	ER	140
13	1	1312	E	143
13	2	1321	FR	141
13	2	1322	F	142

BOUNDARIES OF EACH APARTMENT:

Each apartment shall not include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, supports, roofs, skylights and ceilings located within or at the perimeter of or surrounding the apartment, any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust or air conditioning running through or otherwise located within the apartment which are utilized for or serve more than one apartment and any mechanical, electrical and air conditioning equipment originally installed and located within the apartment utilized for or serving more than one apartment. Each apartment shall include all of the walls and partitions which are not load-bearing and which are within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, roofs and ceilings (other than skylights); all glass windows (other than skylights), window frames (other than skylight frames), louvres, shutters (if any), panels, doors and door frames along its perimeter; any mechanical, electrical and air conditioning equipment originally installed and located within the apartment utilized for or serving only the apartment; the lanai to the inner decorated or finished surfaces of the exterior perimeter walls of the lanai and to the exterior edge of the exterior railings of the lanai; and all of the fixtures and appliances originally installed in the apartment.

PERMITTED ALTERATIONS TO APARTMENTS

Paragraph 19 of the Declaration provides as follows:

"19. ALTERATION OF PROJECT.

(a) Except as otherwise provided herein, repair, replacement or restoration of the Project or of any building, tennis court, swimming pool, spa, pool building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the apartment owners and consented to in writing by the holders of all liens affecting any of the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board of Directors of the Association and the Architectural Committee of the Waikoloa Resort Association established pursuant to the Resort Declaration described in Section 20 hereof, and promptly upon completion of such replacement, restoration or construction, the Association shall record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER,

that notwithstanding any other provision in this Declaration to the contrary, the owner of any apartment may make any alterations or additions within any apartment and the owner of any two or more apartments separated by a common element which is a wall may alter or remove all or portions of the intervening wall, if the structural integrity of the building is not thereby affected and if the finish of the common element then remaining is then restored to a condition substantially comparable to that of the common element prior to such alterations. Such alterations or additions within any apartment or apartments shall require only the written approval thereof, including the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the County of Hawaii if such agencies so require, by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors of the Association), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any such adjacent apartments, if the intervening wall shall have been altered or removed pursuant to the foregoing provisions and any entry to hallways sealed, the owner of such apartments shall be obligated to restore such intervening wall and hallway entries to substantially the same condition in which the same existed prior to such alteration or removal.

(b) Notwithstanding any other provision in this Declaration or the By-Laws to the contrary, prior to (1) the time that all apartments in the Project have been sold and recorded, and (2) the filing by the Developer of the as-built verified statement (with plans, if applicable) required by Section 514A-12 of the Condominium Property Act (but in no event later than January 1, 1995), the Developer shall have the right to make alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which alterations (A) change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and any limited common elements appurtenant thereto) in the Project which is not sold and recorded; or (B) make minor changes in any apartment in the Project or in the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in paragraph (c) of Section 21 of this Declaration. As used herein, the term 'sold and recorded' shall mean and refer to the sale of apartments in the Project, and recordation in the Bureau of Conveyances of the State of Hawaii, of apartment deeds or other conveyances transferring interests in the apartments from the Developer to parties not signatory to this Declaration."

COMMON ELEMENTS

Paragraph 4(d) of the Declaration provides as follows:

"(d) Common Elements. One freehold estate is hereby designated in all of the remaining portions of the Project, herein called the common elements, including specifically, but not limited to:

(1) The Land in fee simple;

(2) All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, roofs, skylights, stairways, elevators, walkways, corridors, ramps, fences (if any), store rooms (which are not within any apartment), mechanical rooms, entrances, entry ways and exits of all residential buildings of the Project.

(3) All yards, grounds, planting areas, planters, walkways, walkway railings, landscaping, pond areas, refuse facilities, gardens, the lobby/reception building, the tennis courts, the swimming pool, spa, the pool/recreation building and all other recreational facilities and appurtenances.

(4) All roads, driveways, driveway ramps and parking areas;

(5) All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas (if any), cablevision (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution;

(6) Any and all apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors and, in general, all other installations and apparatus existing for common use;

(7) All mechanical, electrical and air conditioning equipment originally installed and located within any apartment or located elsewhere in the Project utilized for or serving more than one apartment;

(8) All of the carports within Buildings 5, 6, 7, 8, 11, 12 and 13, including all foundations, columns, girders, beams, floor slabs, supports, windows, walls, ceilings and roofs of such carports which carports contain the twenty-eight (28) regular size, covered parking stalls hereinafter designated as limited common elements;

(9) One hundred forty-four (144) of the 198 uncovered parking stalls located in the uncovered parking areas of the Project, all as shown on the Condominium Map, which are hereinafter designated as limited common elements;

(10) The remaining fifty-four (54) uncovered parking stalls located in the uncovered parking areas of the Project, designated as Stalls Nos. 9C, 10C, 11C, 26, 27, 28, 31C, 37C, 38C, 39C, 40C, 46C, 47C, 48C, 49C, 50C, 65, 66, 71C, 72C, 85C, 86C, 87C, 88C, 100C, 101C, 102C, 104C, 106C, 108C, 124, 128, 129, 130, 131, 177C, 178C, 179C, 180C, 192C, 193C, 194C, 195C, 207C, 212, 218C, 219C, 220C, 221C, 222C, 223C, 224C, 225C and 226C, all as shown on the Condominium Map, for use by the tenants and guests of all apartment owners, and the resident manager, if any, Managing Agent and other employees of the Association, provided that the Association may impose reasonable rules and regulations with respect to the use of such parking stalls;

(11) 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

Paragraph 4(e) of the Declaration provides as follows:

"(e) 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:

(1) Each of the twenty-eight (28) regular size, unpartitioned covered parking stalls designated as Stalls 132 through 159, inclusive, located in the carports within Buildings 5, 6, 7, 8, 11, 12 and 13, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment located in such building to which it is assigned, as set forth in Exhibit C attached hereto and made a part hereof. The space within the perimeter walls, concrete floors and ceilings or roofs of each of the carports within Buildings 5, 6, 7, 8, 11, 12 and 13 of the Project above each of said twenty-eight (28) regular size, unpartitioned covered parking stalls shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which each of said respective unpartitioned parking stalls is assigned as set forth above. Notwithstanding the foregoing, each unpartitioned covered parking stall and the space above such parking stalls within each of the carports in Buildings 5, 6, 7, 8, 11, 12 and 13 hereinabove designated as limited common elements, shall not be deemed to include the perimeter walls, concrete floors, windows, ceilings or roofs of the carport in which the same is located and said space shall be limited by the centerline between the two (2) unpartitioned parking stalls in each such carport as set forth on the Condominium Map.

(2) One hundred forty-four (144) of the 198 uncovered parking stalls located in the uncovered parking areas of the Project, all as shown on the Condominium Map, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit C attached hereto and made part hereof.

(3) Any entrance, exit, gateway, entry, patio, yard, driveway or steps which would normally be used only for the purposes of ingress to and egress from a specific apartment shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

(4) Any courtyard located within a building shall be a limited common element appurtenant to and reserved for the exclusive use of the apartments located within such building."

NOTE: The revised parking assignment for each apartment which is set forth in Exhibit C of the Declaration is set forth in Exhibit A of this Second Supplementary Public Report.

COMMON INTEREST

Floor Plan Type	Common Interest		Total No.		
A-1R, A-2, A-3	0.6530%	X	54	=	35.2620%
B-1R, B-2	0.5690%	X	36	=	20.4840%
C-1 (except Apt. Nos. 111, 121, 131, 218, 228, 238, 311, 321, 331 and 418 only)	0.4469%	X	8	=	3.5752%
C-1 (Apt. Nos. 111, 121, 131, 218, 228, 238, 311, 321, 331 and 418 only)	0.4468%	X	10	=	4.4680%
D-1R, D-2	0.4184%	X	36	=	15.0624%
E, ER, F, FR	0.7553%	X	28	=	21.1484%
					100.0000%

The common interest for each apartment is based upon the net living floor area in square feet (exclusive of lanai) of each apartment divided by the total net living floor area of all apartments in the project. Additionally, the interests derived from such calculations have been adjusted for Apt. Nos. 111, 121, 131, 218, 228, 238, 311, 321, 331 and 418 only) to provide that the total common interests for all apartments equal 100%.

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that are due and owing, reference is made to the Office of the Tax Assessor, Third Taxation Division.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Designation of Easement "6" as shown on File Plan No. 1954; for slope and bikeway purposes.

4. Designation of Easement "7" (area 210 square feet) as shown on File Plan No. 1954; for electrical purposes.

5. Designation of Easement "8" (area 210 square feet) as shown on File Plan No. 1954; for electrical purposes.

6. Grant made by Transcontinental Development Co., a Texas general partnership, in favor of Hawaii Electric Light Company, Inc., and GTE Hawaiian Telephone Company Incorporated dated May 10, 1989, recorded at said Bureau in Liber 23307 at Page 1; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate underground lines and transformer vaults, etc., for the transmission and distribution of electricity over said Easements "7" and "8."

   -Note:- No joinder by AtPac Land Co. and TA 27DD Limited Partnership, titleholders of the land on the date of said Grant.

7. Designation of Easement "9" as shown on File Plan No. 1954; for roadway purposes.

8. 20-foot building setback lines, as shown on survey map prepared by Russell Figueiroa, Registered Professional Land Surveyor, of R. M. Towill Corporation, dated August 5, 1990.

9. A 12-foot building setback line, as shown on survey map prepared by Russell Figueiroa, Registered Professional Land Surveyor, of R. M. Towill Corporation, dated August 5, 1990.

10. A 10-foot building setback line, as shown on survey map prepared by Russell Figueiroa, Registered Professional Land Surveyor, of R. M. Towill Corporation, dated August 5, 1990.

11. Temporary utility lines which may serve other properties, as shown on surveyor's report prepared by Russell Figueiroa, Registered Land Surveyor, of R. M. Towill Corporation, dated August 5, 1990.

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Partition Deed dated May 12, 1989, recorded at said Bureau in Liber 23187 at Page 773.

    Said Partition Deed includes, but is not limited to, the following:

    " EXCEPTING AND RESERVING, HOWEVER, unto AtPac Land Co. and its successors and assigns, as the owner and/or developer of the area described as the Waikoloa Beach Resort, easements for drainage purposes, easements for electric, telephone, communication, water and other utility purposes and easements for roadway and vehicular access purposes over, under, across, along, upon and through any easement areas within the granted premises, which are so designated on File Plan 1954, recorded in the Bureau of Conveyances of the State of Hawaii, including, without limitation, Easement 6 for slope and bikeway purposes, Easements 7 and 8 for electrical purposes, and Easement 9 for roadway purposes, together with the rights of reasonable access thereto in connection with the exercise of said easement rights, and together also with the right to grant to the State of Hawaii, the County of Hawaii, any appropriate governmental agency, public utility or private utility, and or any other corporation, partnership or individual, easements for any such purposes within said easements over, under, across, along, upon and through said easement areas.

    ALSO, EXCEPTING AND RESERVING unto AtPac Land Co. and its successors and assigns, as the owner and/or developer of the area described as Waikoloa Beach Resort, all water and water rights within or belonging or appertaining to the granted premises, including, without limitation, any water rights which may be appurtenant to the granted premises

arising under Deed dated December 20, 1985, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 19166 at Page 513, together with the right to assign and transfer said rights to the State of Hawaii, County of Hawaii, any appropriate governmental agency, public utility or private utility, and or any other corporation, partnership or individual; provided, however, that in the exercise of said rights, AtPac Land Co., its successors and assigns shall not have the right to drill upon or otherwise disturb the surface of the land within the granted premises or any improvements thereon."

By instrument dated February 6, 1991, recorded at said Bureau as Document No. 91-043137, AtPac Land Co. quitclaimed to Nikken and Age X Associates, all rights in and to Easement "9" for roadway purposes.

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort dated as of April 1, 1980, effective on April 23, 1980, recorded at said Bureau in Liber 14670 Page 531.

Said Declaration was amended and/or supplemented by the following instruments, namely, (a) dated as of April 1, 1980, effective as of April 23, 1980, recorded at said Bureau in Liber 14670 at Page 607, (b) dated December 30, 1980, effective December 30, 1980, recorded at said Bureau in Liber 15297 at Page 147, (c) dated June 10, 1981, effective as of July 1, 1981, recorded at said Bureau in Liber 15676 at Page 497, (d) dated October 29, 1985, recorded at said Bureau in Liber 19071 at Page 562, (e) dated December 20, 1985, recorded at said Bureau in Liber 19166 at Page 388, (f) dated December 9, 1985, recorded at said Bureau in Liber 19166 at Page 392, (g) dated December 20, 1985, recorded at said Bureau in Liber 19166 at Page 412, (h) dated as of June 1, 1986, recorded at said Bureau in Liber 19792 at Page 339, (i) dated May 1, 1989, recorded at said Bureau in Liber 23179 at Page 433, (j) dated as of May 1, 1989, recorded at said Bureau in Liber 23187 at Page 750, (k) dated as of August 24, 1989, recorded at said Bureau in Liber 23588 at Page 784, (l) dated October 25, 1989, recorded at said Bureau in Liber 23806 at Page 164, (m) dated as of September 8, 1989, recorded at said Bureau in Liber 24007 at Page 530, Joinder and Consent (WBR) dated February 26, 1990, recorded at said Bureau as Document No. 90-057829, (n) dated as of May 21, 1990, recorded at said Bureau as Document No. 90-074294, (o) dated as of May 24, 1990, recorded at said Bureau as Document No. 90-077240, (p) dated as of August 7, 1990, recorded at said Bureau as Document No. 90-120680, (q) dated as of September 27, 1990, recorded at said Bureau as Document No. 90-150228, Joinder and Consent dated September 26, 1990, recorded at said Bureau as Document No. 90-150229, and (r) dated October 9, 1991, recorded at said Bureau as Document No. 91-166876

Consent and Subordination to Supplemental Declaration (Releasing Covered Property); Second Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort; and Supplemental Declaration (Annexing Real Property) dated December 4, 1985, recorded at said Bureau in Liber 19166 at Page 420, by Aetna Life Insurance Company, as Mortgagee under Mortgage recorded at said Bureau in Liber 14671 at Page 150.

14. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort Conference dated as of April 1, 1980, effective on April 23, 1980, recorded at said Bureau in Liber 14670 at Page 631.

Said Declaration was amended and/or supplemented by the following instruments, namely, (a) dated as of April 1, 1980, effective as of April 23, 1980, recorded at said Bureau in Liber 14670 at Page 674, (b) dated December 20, 1985, recorded at said Bureau in Liber 19166 at Page 426, (c) dated December 20, 1985, recorded at said Bureau in Liber 19166 at Page 434, (d) dated December 20, 1985, recorded at said Bureau in Liber 19166 at Page 438, (e) dated December 20, 1985, recorded at said Bureau in Liber 19166 at Page 448, (f) dated as of June 1, 1986, recorded at said Bureau in Liber 19792 at Page 344, (g) dated as of May 1, 1989, recorded at said Bureau in Liber 23187 at Page 757, (h) dated as of August 24, 1989, recorded at said Bureau in Liber 23588 at Page 788, (i) dated October 25, 1989, recorded at said Bureau in Liber 23806 at Page 168, (j) dated as of September 8, 1989, recorded at said Bureau in Liber 24007 at Page 521, Joinder and Consent (WBRC) dated February 26, 1990, recorded at said Bureau as Document No. 90-057830, (k) dated as of May 21, 1990, recorded at said Bureau as Document No. 90-074295, (l) dated as of May 24, 1990, recorded at said Bureau as Document No. 90-077241, (m) dated as of August 7, 1990, recorded at said Bureau as Document No. 90-120681, and (n) dated as of September 27, 1990, recorded at said Bureau as Document No. 90-150230.

Supplemental Declaration (Assigning Declarant's Rights) dated December 27, 1990, recorded at said Bureau as Document No. 91-160953, made by and between Transcontinental Development Co., a Texas partnership, "Assignor," and Transcontinental Development (Hawaii) Co., a Hawaii limited partnership, "Assignee."

Consent and Subordination to First Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort Conference; Supplemental Declaration (Releasing Covered Property); Second Amendment to Declaration; and Supplemental Declaration (Annexing Real Property) dated December 4, 1985, recorded at said Bureau in Liber 19166 at Page 456, by Aetna Life Insurance Company, as Mortgagee under Mortgage recorded at said Bureau in Liber 14671 at Page 150.

15. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Condominium Property Regime for the "The Bay Club at Waikoloa Beach Resort" Condominium Project dated November 28, 1990, recorded at said Bureau as Document No. 90-183537, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1416.)

Said Declaration was amended by the following instruments:

DATED:	DOCUMENT NO.:
May 17, 1991	91-064814
June 24, 1992	92-108693
August 5, 1993	93-128861
August 30, 1993	93-143611
October 14, 1993	93-171945

16. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the By-Laws of the Association of Apartment Owners of said Condominium Project dated November 28, 1990, recorded at said Bureau as Document No. 90-183538.

Said By-Laws were amended by the following instruments:

DATED:	DOCUMENT NO.:
August 5, 1993	93-128860
October 14, 1993	93-171946.

17. Cable Television Agreement and Maintenance Agreement dated June 4, 1991, recorded at said Bureau as Document No. 91-116682, made by and between American Cable TV Investors 4, Ltd., a Colorado Limited Partnership, and AOAO Bay Club at Waikoloa Beach Resort, an Association.

18. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated December 9, 1991, recorded at said Bureau as Document No. 91-168155.

NOTE: Since March 30, 1995, the date of which the title report was prepared by Title Guaranty of Hawaii, the Developer has advised that a 6th and 7th Amendment to Declaration were recorded. See page 6 of this Public Report.

WARRANTIES AND CONSTRUCTION DEFECTS

Paragraph G.13. of the Sales Contract provides as follows:

"13. WARRANTIES AND CONSTRUCTION DEFECTS. The execution, delivery and recordation of the Buyer's Apartment Deed shall constitute the assignment by Seller to Buyer of any and all warranties given the Seller by TOWNE REALTY OF HAWAII, INC. (the building contractor for the Project), and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after 'substantial completion' of the Apartment, as that term is defined in the construction contract for the Project, and the benefit of such warranties shall accrue to Buyer on the Date of Closing without further instruments or documents. Seller agrees to cooperate with Buyer during the effective period of any such warranties in asserting any claims based on such warranties. Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances and furnishings in the Apartment. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, COMMON ELEMENTS, APPLIANCES, FURNISHINGS OR OTHER PRODUCTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Buyer expressly acknowledges and agrees that Seller does not adopt the contractor's or manufacturer's warranties, if any, and Seller is not acting as co-warrantor, but merely attempting to pass to Buyer the benefit of such warranties, if any. At Seller's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's Apartment on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages to the property, if any. Buyer agrees to accept possession of the property despite the existence of such defects or damages to the property regardless of extent, including but not limited to any defects in appliances and fixtures, which may be listed in said inspection sheet, but which do not render the property uninhabitable. Seller will cooperate with and assist Buyer in having legitimate listed defects or damages corrected or repaired within a reasonable time thereafter by the building contractor or other warrantor. This guarantee shall survive the closing. Buyer agrees to indemnify Seller for any damages or losses, including interest and attorney's fee, resulting from any refusal to make such inspection, to sign such inspection sheet or to accept possession of the property upon request by Seller and if Buyer shall make any such refusal, Buyer shall be deemed to be in default under this Agreement and Seller at Seller's option shall be entitled to cancel this Agreement and keep all payments made hereunder as liquidated damages. Buyer hereby waives all rights of inspection and rights to Seller's cooperation and assistance with the building contractor or other warrantors if Buyer fails to inspect Buyer's Apartment on the date and time specified by Seller and Buyer acknowledges that such waiver shall not in any way affect Buyer's obligations hereunder, including without limitation the making of Payments B and C and performance of Buyer's closing obligations."

NOTE: THE PROJECT WAS SUBSTANTIALLY COMPLETED ON JUNE 1, 1991. CONSTRUCTION WARRANTIES HAVE EXPIRED.

EXHIBIT "C"

EXHIBIT H
ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months =	Yearly Total
A-1R, A-2, A-3	$614.17 ($379.13)	$7,370.04 ($4,549.56)
B-1R, B-2	$535.16 ($330.36)	$6,421.92 ($3,964.32)
C-1 (Except Apt. Nos. 111, 121, 131, 218, 228, 238 311, 321, 331, and 418 only)	$420.32 ($259.47)	$5,043.84 ($3,113.64)
C-1 (Apt. Nos. 111, 121, 131, 215, 228, 238, 311, 321, 331, and 418 only)	$420.23 ($259.41)	$5,042.76 ($3,112.92)
D-1R, D-2	$393.52 ($242.92)	$4,722.24 ($2,915.04)
E, ER, F, FR	$710.38 ($438.53)	$8,524.56 ($5,262.36)

THE DEVELOPER WILL SUBSIDIZE APPROXIMATELY 38.27 PERCENT OF THE BUDGETED COMMON EXPENSES AND SHALL ASSESS EACH OWNER THE REMAINDER, SHOWN IN PARENTHESES ABOVE, AS HIS OR HER SHARE OF THE COMMON EXPENSES UNTIL SUCH TIME THAT THE DEVELOPER FILES AN AMENDED ABSTRACT WITH THE REAL ESTATE COMMISSION OF THE STATE OF HAWAII, WHICH SHALL PROVIDE THAT AFTER A DATE CERTAIN, EACH RESPECTIVE APARTMENT OWNER SHALL THEREAFTER BE OBLIGED TO PAY HIS OR HER RESPECTIVE SHARE OF THE TOTAL (100.00%) COMMON EXPENSES.

THE BAY CLUB AT WAIKOLOA BEACH RESORT
1994 OPERATING BUDGET

	Monthly Budget	Annual Budget
Revenues:		
Maintenance Fees	$58,060	$464,480
Total Revenues	$58,060	$464,480
Expenses:		
Electricity	8,844	106,128
Water	5,833	69,996
Sewer	4,387	52,644
Telephone	425	5,100
TV Cable	2,029	24,348
Contract Services	1,988	23,856
Management Apt. Fees	1,550	18,600
Property Insurance	7,610	91,320
Waikoloa Resort Dues	6,834	82,008
Waikoloa Beach Conference Dues	361	4,332
Security	3,234	38,808
Legal & Audit	500	6,000
Other Expense	120	1,440
Sub-Total	$43,715	$524,580
Payroll & Related	$19,006	$228,072
Training	40	480
Insurance Expenses	4,214	50,568
Repair & Maintenance	7,126	85,512
Contract Services	914	10,968
Parts & Miscellaneous Supplies	3,450	41,400
Equipment - Other Miscellaneous	500	6,000
Rental - Operating Expense	180	2,160
Utilities	275	3,300
Travel & Transportation	105	1,260
Equipment Rent	183	2,196
Sub-Total	$35,993	$431,916
Capital Replacement Reserve	$14,345	$172,140
Sub-Total	$14,345	$172,140
Total 1994 Expenses & Capital Reserve	$94,053	$1,128,636

WE, NIKKEN CORPORATION, THE DEVELOPER OF THE BAY CLUB AT WAIKOLOA BEACH RESORT CONDOMINIUM CERTIFY THAT THE ABOVE ESTIMATE OF INITIAL INCOME AND MAINTENANCE FEE ASSESSED AND MAINTENANCE FEE DISBURSEMENTS WERE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS.

Yuichi Takeda
YUICHI TAKEDA

DATE: 2/23/94

SUMMARY OF SALES CONTRACT PROVISIONS

The Deposit Receipt and Sales Contract and Addendum thereto (the "Sales Contract") used in connection with the project contains, among other things, acknowledgments by each Buyer: (i) that time is of the essence in the Sales Contract, and if Buyer fails to perform any obligations required in the Sales Contract, the Seller may, upon written notice of 10 days, terminate the Sales Contract and keep all sums previously paid by Buyer as liquidated damages; (ii) that the Seller has authorized no agents, salesmen or brokers to make any unsolicited representations as to rental; (iii) that the Seller has authorized no agents, salesmen or brokers to make any representations as to possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; (iv) that the Buyer acknowledges that no such representations or warranties have been made and that the Seller expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project; (v) that the Buyer acknowledges that Seller's broker owns an interest in Seller; (vi) that all interest on deposits in Escrow belong to Seller; and (vii) that paragraph G.6. pertaining to closing costs and expenses of sale, provides as follows:

> "6. CLOSING COSTS; EXPENSES OF SALE. Buyer further agrees to pay all notary and recording fees, cost of credit report, cost of preparing the Apartment Deed, note(s) and mortgage(s), loan finance fees, conveyance taxes, the cost of any required title insurance, the entire Escrow Agent's fees, and Buyer's share of maintenance fees payable to the Association of Apartment Owners (the 'Association') including the first month's fee and start-up fee. The start-up fee shall be a single assessment to each apartment owner and shall be in addition to the normal monthly assessment as determined to be necessary by the Managing Agent. The start-up fee shall be equal to a minimum of two months' maintenance fees. All of the payments referred to herein shall be paid to Escrow Agent at the time of preclosing. 'Preclosing' shall be the date specified by Escrow Agent when all closing documents are ready for signature by Buyer prior to actual closing."

Buyer is cautioned that this is a brief summary of the Sales Contract and Buyer should carefully read the Sales Contract for Buyer's rights and obligations therein.

EXHIBIT I-1

THE BAY CLUB VACATION OWNERSHIP PROGRAM
PURCHASE AGREEMENT SUMMARY

The specimen The Bay Club Vacation Ownership Program Purchase Agreement ("Purchase Agreement") contains, among others, the following terms and provisions (which may be modified or otherwise limited by provisions not summarized):

1. Buyer appoints the escrow agent to handle Buyer's funds and to close the Purchase Agreement in accordance with its terms.

2. The purchase price shall be paid by an initial deposit and any additional payments, all of which shall be paid to the escrow agent, subject to Seller's right to hold Buyer's check until Buyer's seven (7) day right to cancel the Purchase Agreement has expired, and subject to other terms. All interest earned on Buyer's funds shall be paid to Seller.

3. Buyer must complete all actions necessary to close the Purchase Agreement within ten (10) days after Seller or the escrow agent requests.

4. Closing shall not occur until (i) all cancellation rights under HRS Section 514E-8 and the Purchase Agreement have expired, (ii) there are no blanket liens affecting Buyer's vacation ownership interest(s) or protection against such liens have been provided pursuant to Hawaii law, (iii) there are no other encumbrances affecting Buyer's vacation ownership interest(s) other than those described in the disclosure statement to be provided to Buyer, and (iv) Buyer has signed the Condominium Receipt for Public Report(s) and Notice of Right to Cancel (the "Receipt and Notice") and waived Buyer's right to cancel; provided that Buyer will be deemed to have given up Buyer's right to cancel if the Public Report is delivered to Buyer and either (y) Buyer fails to sign and return the Receipt and Notice within thirty (30) days after the Public Report is delivered to Buyer or (ii) Closing occurs within thirty (30) days after that without Buyer cancelling prior to Closing. Seller shall possess sole ownership rights and privileges of ownership until closing.

5. The Purchase Price does not include closing costs such as recording fees, conveyance taxes, document preparation and notary fees, title insurance premiums, escrow fees and additional costs payable by Buyer under the Purchase Agreement.

6. Buyer promises to Seller that Buyer has the ability to pay the Purchase Price in accordance with the Purchase Agreement. Buyer may obtain a loan from Seller, but Seller will not arrange any financing from another lender. If Buyer desires to obtain a loan from another lender to pay the purchase price, Buyer must obtain the loan by him or herself.

7. Under Hawaii law, Buyer and Seller have the right to cancel the Purchase Agreement within seven (7) days after the Purchase Agreement is signed or Buyer has received a proper disclosure statement filed with the State of Hawaii Department of Commerce and Consumer Affairs ("DCCA"). If Buyer properly exercises his or her right to cancel the Purchase Agreement by sending notice of such cancellation to the escrow agent within the seven (7) day cancellation period, Buyer will be refunded his or her deposit funds. If the Purchase
Agreement is terminated or cancelled because Buyer has defaulted, the Seller may keep all and Buyer's deposited funds as liquidated damages.

8. Buyer acknowledges receipt a copy of the Program Declaration, Bylaws and disclosure statement filed with the DCCA, and the Condominium Declaration, Bylaws, the public report(s) of the Real Estate Commission of the State of Hawaii, the form of Deed and the Escrow Agreement, and Buyer acknowledges that Buyer has had adequate opportunity to read and examine those documents, and Buyer accepts such documents with such changes and modifications as the Seller may deem necessary.

9. All notices to the Seller and Escrow must be made in writing.

10. Buyer promises not to transfer his or her rights under the Purchase Agreement to another person.

11. Hawaii law governs the Purchase Agreement.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE PURCHASE AGREEMENT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF BUYER'S RIGHTS AND OBLIGATIONS UNDER THE PURCHASE AGREEMENT, BUYER MUST REFER TO THE PURCHASE AGREEMENT TO DETERMINE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PURCHASE AGREEMENT, THE PURCHASE AGREEMENT WILL CONTROL.

SUMMARY OF ESCROW AGREEMENT PROVISIONS

Among other provisions, the Escrow Agreement provides as follows:

"10. Refunds to Purchasers; Return of Documents. Subject to such deductions as may be provided in said sales agreements and the escrow cancellation fee or processing fee hereinafter set forth, a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, promptly after request for return by the purchaser if one of the following has occurred:

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

(b) Seller notifies Escrow in writing of the Seller's exercise of its option to rescind or cancel the sales agreement pursuant to any right of rescission or cancellation stated therein or otherwise available to the Seller; or

(c) The conditions provided for a refund under Sections 514A-63, 514A-64, or 514A-66 of the Condominium Property Act (as amended on the date upon which the sales agreement becomes binding and effective) have been met; and written notice thereof has been provided to the Seller; or

(d) Seller notifies Escrow in writing of purchaser's cancellation of a reservation for the purchase of an apartment or of purchaser's exercise of the right to rescind or cancel the sales agreement pursuant to any right of rescission or cancellation stated therein.

Upon the return of said funds to a purchaser as aforesaid, Escrow shall return to Seller such purchaser's sales agreement and any conveyancing documents theretofore delivered to Escrow pursuant to such sales agreement; and thereupon Seller and purchaser shall no longer be obligated under the sales agreement. Other documents delivered to Escrow relating to the sale of the apartment identified in such sales agreement will be returned to the person from whom or entity from which they were received.

Upon the cancellation of any sales agreement as specified above, Escrow shall be entitled to a cancellation fee to compensate it for services rendered prior to such cancellation, which fee shall be proportionate to the work and services rendered by Escrow, but in any event not less than $25.00 nor more than the full escrow fee as provided in paragraph 17. Except as otherwise provided in the sales agreement, said cancellation fee of Escrow shall be the sole expense of the individual purchaser and shall not in any way be the obligation of Seller.

Notwithstanding anything herein contained to the contrary, upon the cancellation of a reservation for the purchase of an apartment, Escrow shall refund all sums received by it under the particular reservation agreement cancelled, without deducting any escrow cancellation fee, and without any other deductions, and Escrow shall receive no fee or compensation in connection therewith other than a processing fee of $15.00 per reservation cancelled. The provisions of this paragraph shall not apply to any reservation agreement which has become a binding contract as provided by the terms of such reservation agreement."

EXHIBIT J

EXHIBIT J-1

THE BAY CLUB VACATION OWNERSHIP PROGRAM
ESCROW AGREEMENT SUMMARY

The Bay Club Ownership Program Escrow Agreement dated January 15, 1995 (the "Agreement"), made by and between **TITLE GUARANTY ESCROW SERVICES, INC.** ("Escrow") and **THE BAY CLUB OWNERSHIP RESORT, INC.** ("Seller") contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized herein):

1. Whenever Seller enters into a sales contract for the sale of a vacation ownership interest ("Ownership Interest") in The Bay Club Vacation Ownership Program (the "Program") to a purchaser ("Purchaser"), Seller will require that payments due under the sales contract be made to Escrow, and Seller will deliver an executed copy of the sales contract to Escrow; provided that Seller or Seller's agent may hold, until the expiration of the seven (7) day cancellation period provided by HRS Section 514E-8, or any longer cancellation period provided in the sales contract, any negotiable instrument or purchase money contract made by the Purchaser.

2. Escrow will receive payments under the sales contracts and hold such funds in separate escrow accounts. Funds held by Escrow under the Agreement will initially be deposited into an interest-bearing account (the "Trust Fund") with one or more federally-insured banks or savings and loan associations authorized to do business in Hawaii. Interest earned on the funds shall be credited to the account of Seller.

3. If required by Seller, Escrow will receive evidence of Purchaser's ability to pay the purchase price stated in the sales contract from Purchaser's own funds, Purchaser's lender or both, and Escrow shall receive all financing documents such as notes and mortgages. Upon receipt of written certification from Seller that any payments are due under a sales contract, Escrow will call for payments by the Purchaser under such sales contract.

4. Escrow shall make no disbursements of a Purchaser's funds until: (a) the seven-day cancellation period under HRS Section 514E-8 expires with no cancellation notice having been received by Escrow within the five-day period following expiration of the seven-day cancellation period; (b) Escrow receives a sworn statement from the Seller dated five days or more after expiration of the seven-day cancellation period that: (i) no cancellation notice postmarked on a date within the seven-day cancellation period was received from the Purchaser; and (ii) no cancellation notice was otherwise received during the seven-day cancellation period from the purchaser; (c) Escrow receives a copy of the Condominium Receipt for Public Report(s) and Notice of Right to Cancel form (the "Receipt and Notice form") with: (i) a waiver by the Purchaser of such Purchaser's cancellation right; or (ii) a sworn statement from Seller dated through the day immediately prior closing that (x) no cancellation notice has been received by Seller; or (y) thirty (30) days has passed since the Condominium Public Report(s) has (have) been delivered to the Purchaser, and no notice of cancellation has been received by Seller; and (d) Escrow has not received a notice of cancellation from the Purchaser.

5. Purchasers' Funds may be released from Escrow without a closing under the following circumstances: (a) if a Purchaser or the Seller delivers to Escrow a valid notice of cancellation of the sales contract pursuant to HRS Section 514E-8; or (b) If a Purchaser delivers to Escrow a valid notice of cancellation of the sales contract pursuant to HRS Section 514A-62; or (c) if a Purchaser or the Seller properly terminates the sales contract pursuant to its terms; or (d) if the Purchaser defaults in the performance of the Purchaser's obligations under the sales contract, all of the Purchasers' Funds under the sales contract shall be delivered in accordance with the sales contract.

6. Upon the closing of a sales contract, Escrow shall deliver Purchaser's Funds to Seller after the requirements of HRS Section 514E-19 for protecting Purchaser's against blanket liens have been satisfied.

7. As Escrow's compensation for its performance under the Agreement, Escrow will receive $150.00 plus applicable general excise tax for up to two Ownership Interests closed in any one transaction and $75.00 plus applicable general excise tax for each additional Ownership Interest closed. Escrow's compensation may be subject to increase in the future. Following the execution of closing documents, Escrow will deliver the recordable documents along with appropriate recording instructions to the title insurer and will record all applicable documents.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE OR SHE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

EXHIBIT K

SUMMARY OF AMENDMENTS TO DECLARATION

The Declaration of Condominium Property Regime of The Bay Club at Waikoloa Beach Resort was amended by that certain Sixth Amendment To Declaration Of Condominium Property Regime Of The Bay Club At Waikoloa Beach Resort dated April 19, 1995, and recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 95-053145. Said Declaration was further amended by that certain Seventh Amendment to Declaration Of Condominium Property Regime Of The Bay Club At Waikoloa Beach Resort dated May 24, 1995, and recorded as Document No. 95-072122 and Joinder in the Seventh Amendment to Declaration dated May 24, 1995, and recorded as Document No. 95-072123. The Sixth and Seventh Amendments effect the following changes:

1. Section 5 of the Declaration pertaining to the common interests appurtenant to the apartments in the Project has been amended to provide that all voting rights attributable to apartments submitted to a time share or interval ownership plan or program shall be controlled by the documents creating and governing such plan or program.

2. Section 6(f) of the Declaration has been amended to give the Developer the continuing reserved right to conduct extensive sales activities on and at the Project, until the closing of the sale of the last unsold apartment in the Project. The amendment also gives the Developer an easement over the common elements of the Project for the purpose of marketing or selling any additional phase of the Project or any other project or property located adjacent to the Project, including, without limitation, the sale of vacation ownership or time share interests in any such additional phase or adjacent project or property.

3. Section 8(a) of the Declaration has been amended to provide that no apartment owner (other than the Developer) shall be allowed to create, implement or maintain a time share plan or other interval or vacation ownership or joint ownership plan or program unless such apartment owner submits no less than twenty (20) apartments to any such plan or program. The amendment further provides that owners of such apartments shall have the absolute right to sell, rent, lease or otherwise transfer their respective apartments in connection with any such occupancy or use for any length of time, and that any apartment may be used as a resident manager's unit and/or rental management office in accordance with Section 8(f) of the Declaration.

4. Sections 8(g), (h) and (i) of the Declaration have been amended to permit the Developer to utilize any apartment owned, leased or licensed by it for the administration of the reservation of such apartments; registering the arrival and departure of occupants of said apartments; greeting and providing orientation to arriving occupants; providing services to occupants of such apartments, including, without limiting the generality of the foregoing, arrangements for provisioning and cleaning of the apartments to be occupied by such occupants; assistance with activities within and outside the Waikoloa Beach Resort area such as, for example and not by way of limitation, tour and travel arrangements, and translation, transcription, word processing, reproduction and other business office services; and the operation of housekeeping services for such apartments, including, without limiting the generality of the foregoing, providing an area within such apartments for housekeeping employees to meet with their supervisors and/or each other, to prepare themselves for the work day, to clean-up during or after the work day, and to have meal breaks and other breaks, and also for the storage of any and all housekeeping supplies utilized in the cleaning and maintenance of such apartments (the "Permitted Uses").

In furtherance of and to facilitate the foregoing activities, the Developer shall have the right to use all of the common elements of the Project. Such use may include, without limitation, the movement of the Developer's guests, service employees and contractors throughout the Project, and the transportation through the Project to apartments by persons and vehicles of any and all items, materials and things necessary or desirable to facilitate the Permitted Uses. In lieu of the Developer using apartments for the Permitted Uses, the Developer may rent, lease or license one or more of the apartments for the Permitted Uses to any person, firm, partnership, corporation or other entity.

5. Section 8 of the Declaration has been amended to add a new subsection (j) which gives the Developer the reserved right, without obtaining the approval of any party with an interest in the Project, including any other apartment owner or mortgagee, to use any apartment or apartments or any portion of the appurtenant common elements owned, leased or licensed by the Developer for commercial or administrative purposes, including, without limitation, for sales center or model unit purposes, and permits the Board to lease or license any portion of the common elements of the Project to the Developer for such purposes, or for any other purpose, in accordance with Section 514A-13(d) of the Hawaii Revised Statutes.

6. Section 19(a) of the Declaration has been amended to eliminate mortgagee approval for certain alterations to the Project.

7. Section 21(b) of the Declaration has been amended to clarify that the Developer will retain certain reserved rights until all units in the Project are conveyed to other parties.

8. A new Section 27 has been added to the Declaration to provide certain reserved rights for the Developer which include the following:

a. The Developer shall have the reserved right to alter the common elements of the Project which in the Developer's and/or Association's view will serve to enhance the development and utilization of the Project for sales and marketing of time share or vacation ownership interests in the Project or in any additional phase or adjacent project or property, including, without limitation, the creation of sales and other facilities on the existing tennis court area, the relocation of the tennis court area elsewhere in the Project, the extension and/or re-routing of the roadways in the Project, the construction or reconstruction of pools and/or construction of jacuzzis in the Project. The Developer and/or the Association shall have the further reserved right, to the extent permitted by applicable law, to utilize any such sales and other facilities in the Project for commercial purposes.

b. The Developer shall have the reserved right to and until December 31, 2015, to effect such modifications to apartments and common elements in the Project and/or to execute, record and deliver any amendments to the Declaration, the Condominium Map as well as the Bylaws and rules and regulations promulgated thereunder, as may be necessary or required to effect compliance by the Project, the Association, any association of vacation owners or time share owners or by the Developer, with laws which apply to the Project, including, without limitation, the Fair Housing Act, as amended, 42 U.S.C. §§3601 et seq., including any and all rules and regulations promulgated thereunder, and the Americans With Disabilities Act, as amended, 42 U.S.C. §§12101 et seq., including any and all rules and regulations promulgated thereunder.

c. The Developer shall have the reserved right, without being required to obtain the consent or joinder of any owner, lien holder or other persons, to execute, deliver and record any deed and/or amendments to the Declaration, the Condominium Map, the Bylaws and the rules and regulations, and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the foregoing rights, powers or privileges set forth in Section 27 of the Declaration.

The rights reserved to the Developer in the Declaration shall be fully assignable by the Developer.

9. The amendment also deletes Sections 8(d), 8(e) and Exhibit E to the Declaration and provides that all references to the term "Developer" shall mean Nikken Corporation, and its permitted successors and permitted assigns.