



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

CONDOMINIUM PUBLIC REPORT

KAMALANI (PHASE I)

Registration No. 2419

Issued: April 26, 1991
 Expires: May 26, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of April 18, 1991, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:**
(yellow)
The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.

- FINAL:**
(white)
The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued
 - Supersedes all prior public reports
 - Must be read together with _____

- SUPPLEMENTARY:**
(pink)
Updates information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated _____
 - Supp. Public Report dated _____
 And Supersedes all prior public reports
 Must be read together with _____
 This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

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GENERAL INFORMATION ON CONDOMINIUMS

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

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 owner/tenant) 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. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

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

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

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they 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 Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

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

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

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

<u>MODEL</u>	<u>QTY</u>	<u>BDRM/BATH</u>	<u>NG AREA</u>	<u>GARAGE</u>	<u>EXTERIOR FLOOR AREA*</u>
<u>I. CROWN POINTE AT WAIKOLOA</u>					
A1	2	3/3	3,044	496	1,390
A2	1	4/4	3,579	426	1,470
A2 R	1	4/4	3,579	426	1,470
A2 ALT (BLDG A200 R)	1	4/4	3,579	426	1,268
A2 ALT (BLDG A 300)	1	4/4	3,579	418	1,268
<u>II. THE GALLERY AT WAIKOLOA</u>					
B1 (1ST, 2D FLR.)	2	1/2	977		300
B1 (3D FLR.)	1	1/2	977		232
B1 R (1ST, 2D FLR.)	2	1/2	977		300
B1 R (3D FLR.)	1	1/2	977		232
B2 (1ST, 2D FLR.)	4	2/2	1,116		325
B2 (3D FLR.)	2	2/2	1,116		258
B2 R (1ST, 2D FLR.)	2	2/2	1,116		325
B2 R (3D FLR.)	1	2/2	1,116		258
B3 (1ST, 2D, 3D FLR.)	3	2/2	1,218		204
B3 R (1ST, 2D, 3D FLR.)	3	2/2	1,218		204
B4 (1ST, 2D, 3D FLR.)	3	2/2	1,295		257
<u>III. THE GARDENS OF WAIKOLOA</u>					
C1	2	2/2	1,637	467	441
C1 R	7	2/2	1,637	467	441
C2	2	3/2	1,903	446	413
C2 R	5	3/2	1,903	446	413
C2 R ALT	2	3/2	1,903	446	413
<u>IV. SEACREST AT WAIKOLOA</u>					
D1 (1ST, 2D, 3D FLR.)	3	2/2	1,242		206
D1 R (1ST, 2D, 3D FLR.)	3	2/2	1,242		206
D2 (1ST, 2D, 3D FLR.)	3	2/2	1,369		284
D2 R (1ST FLR.)	1	2/2	1,369		354
D2 R (2D, 3D FLR.)	2	2/2	1,369		284
D3 (1ST, 2D, 3D FLR.)	3	2/2	1,500		272
D3 R (1ST, 2D, 3D FLR.)	3	2/2	1,500		222
D4 (1ST FLR.)	1	3/3	1,695		478
D4 (2D, 3D FLR.)	2	3/3	1,695		396
<u>V. GATEKEEPER'S HOUSE</u>					
	1	2/2	1,389		164

* The "exterior floor area" includes (as applicable to each apartment floor plan) all courtyards, porches, exterior stairwells, balconies, decks and entry decks constituting a part of the apartment, as reflected on the Condominium File Plan.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. New Building(s) Conversion
 Both New Building(s) and Conversion
2. Residential Commercial Ohana
 Mixed Residential and Commercial Agricultural
 Other _____
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings
5. Apartment Description See page 5a.

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 70

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units) (including garage parking)	<u>95</u>
Guest Stalls	<u>10</u>
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: Employee Parking	<u>4</u>
Total Parking Stalls	<u>109</u> (See page 12)

- 7. Recreational amenities:**
- Pools (8)
 - Recreation Building
 - Tennis Courts (2)
 - Spa

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: TJK Waikoloa Partners
Name
615 Piikoi Street, Suite 1605
Business Address
Honolulu, Hawaii 96814

Phone: (808) 531-5505
(Business)

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

See page 6a

Real Estate Broker: Kamalani Realty
Name
615 Piikoi Street, Suite 1605
Business Address
Honolulu, Hawaii 96814
(808) 531-5505

In Japan:
Tokyu Livable
Shibuya, Tokyu Plaza 6F
2-2 Dogenzaka, 1-Chome
Shibuya-ku 150, Tokyo, Japan
(011) 813-3-476-3850

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen Street, First Floor
Business Address
Honolulu, Hawaii 96813

Phone: (808) 521-0211
(Business)

General Contractor: (Selection pending)
Name

Business Address

Phone: _____
(Business)

Condominium Managing Agent: Hawaiiana Management Company, Ltd.
Name
1270 Ala Moana Boulevard
Business Address
Honolulu, Hawaii 96814

Phone: (808) 528-3800
(Business)

Attorney for Developer: Foley Maehara Judge Nip & Chang
Name 2700 Grosvenor Center
737 Bishop Street
Business Address
Honolulu, Hawaii 96813
(Attn: Edward R. Brooks, Esq. and Paula W. Chong, Esq.)

Phone: (808) 526-3011
(Business)

Name of Partner

Address/Telephone

KOWA BUSSAN U.S.A., INC.,
a California corporation

660 South Figueroa Street
Suite 1620
Los Angeles, California 90017
(213) 489-7222

ARAI DEVELOPMENT COMPANY, INC.,
a California corporation

700 South Flower Street
Suite 1428
Los Angeles, California 90017
(213) 623-1750

KUMAGAI EL PASEO, INC.,
a California corporation

700 South Flower Street
Suite 1428
Los Angeles, California 90017
(213) 623-1750

TJK HAWAII ASSOCIATES,
a California general partnership

c/o Kowa Bussan U.S.A., Inc.
660 South Figueroa Street
Suite 1620
Los Angeles, California 90017
(213) 489-7222

PRL CORP.,
a California corporation

615 Piikoi Street
Suite 1605
Honolulu, Hawaii 96814
(808) 531-5505

**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.

- 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
 Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

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

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyance Condo Map No. _____
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Not Applicable</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

See Exhibit A.

4. Permitted Uses by Zoning.

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>70</u>	<u>RM-1.5</u> <u>RM-3</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<u>See page 18</u>	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

Yes No

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:
No livestock, poultry, rabbits, pets or other animals of any kind, without

- Pets: the prior written consent of the Board
- Number of Occupants: _____
- Other: See Exhibit C
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 2* Stairways 35** Trash Chutes 2*

<u>Apt. Type</u>	<u>Quantity</u>	<u>BF/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>See page 5a</u>	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 70

**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.

- * The Gallery At Waikoloa ** Crown Pointe At Waikoloa - 1 interior and 1 exterior stairway in each apartment
SeaCrest At Waikoloa
- The Gallery at Waikoloa - 2 stairways in the building
The Gardens of Waikoloa - 1 interior stairway in each apartment
SeaCrest At Waikoloa - 3 stairways in the building

Boundaries of Each Apartment: Each apartment shall be deemed to include the net living area, patio and/or lanai, additional exterior floor area (if any), and for apartments in Crown Pointe at Waikoloa and The Gardens of Waikoloa, the garages. The designation "net living area" * includes all fully enclosed areas of the apartment, except the garages in Crown Pointe and The Gardens. The designation "additional exterior floor area" includes courtyards, porches, exterior stairwells, balconies, decks and entry decks, as applicable to each apartment floor plan.

Permitted Alterations to Apartments: See Exhibit D.

7. Parking Stalls:

Total Parking Stalls: 109

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>69</u>	<u>26</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>95</u>
Guest	<u> </u>	<u>10</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>10</u>
Unassigned	<u> </u>						
Extra Available for Purchase	<u> </u>						
Other:	<u> </u>	<u> </u>	<u> </u>	<u>4</u>	<u> </u>	<u> </u>	<u>4</u>
Total	<u> </u>	<u> </u>	<u> </u>	<u>4</u>	<u> </u>	<u> </u>	<u> </u>
Covered & Open	<u>105</u>	<u> </u>	<u> </u>	<u>4</u>	<u> </u>	<u> </u>	<u> </u>

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 E contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool^s (8)**
- Storage Area
- Recreation Center/Recreation Building
- Laundry Area
- Tennis Courts (2)
- Trash Chute
- Other: Spa

* See also page 11 re "net living area."
 ** Crown Pointe At Waikoloa -6
 The Gardens Of Waikoloa -1
 Recreation Center -1

9. Present Condition of Improvements

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

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
 Not Applicable.

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations
 Not Applicable.

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit F describes the common elements.

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.

The limited common elements and the apartments which may use them are:

described in Exhibit F

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit G describes the common interests for each apartment.

As follows:

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

Exhibit B describes the encumbrances against the title contained in the title report dated February 15, 1991 and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Not Applicable.	

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

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

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

G. Estimate of Initial Maintenance Fees:

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

Developer's Disclosure Abstract

~~XXXXXXXXXXXXXX~~ contains a schedule of maintenance fees and maintenance fee disbursements.

H. 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:

Not applicable

Electricity (for common areas)

Television Cable

Gas

Water & Sewer

Other Refuse collection

I. 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:** The closing of the sale of the apartment shall constitute the assignment by Developer to the Buyer of any and all warranties given the Developer by the Contractor for the Project and by any subcontractors or materialmen, including the 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 defined in the construction contract for the Project, and the benefit of such warranties shall accrue to the Buyer on closing without further instruments or documents.

2. **Appliances:** Warranties on appliances furnished with an apartment shall run in favor of each Buyer directly from the respective manufacturer thereof. The duration and expiration dates of said appliance warranties will vary depending upon the type of appliance, the terms of the warranty and the dates of installation and/or first use. There are no other warranties, express or implied, with respect to the apartments or the appliances in the Project or any common element or anything installed therein.

J. Status of Construction and Estimated Completion Date: grading the Project site has been commenced. The estimated completion date for the Project is August 31, 1992.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development: See Exhibit I.

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated April 5, 1991

Exhibit K contains a summary of the pertinent provisions of the escrow contract.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

TIME SHARING: Time share plans are strictly prohibited in the Project.

GOLF COURSE AND HISTORICAL SITE: The Project and any additional phases shall be located adjacent to an existing golf course on property owned by AtPac Land Co. Limited Partnership, a Hawaii limited partnership ("AtPac"), and Transcontinental Development Co., a Texas general partnership ("Transcontinental"). The layout and operation of the golf course may be modified or revised at any time at the discretion of the owner or operator of the golf course. Normal golf course operations include, without limitation, (a) golf play, golf tournaments and golf promotional events held on and in the vicinity of the golf course, and (b) maintenance operations including, without limitation, irrigation, fertilization, spraying pesticides, mowing and trimming the greens. The location of the golf course may result in nuisances or hazards to the Project, the additional phases and to persons located in the Project and the additional phases. Apartment owners shall assume all risks associated with the golf course, including, but not limited to, the risk of property damage or personal injury arising from errant golf balls, the use of golf carts, pesticides, noxious vapors, odors, surface water, chemical drainage, noise and other irritants and actions incidental to the use and operation of the golf course, and shall indemnify, defend and hold harmless Developer, Waikoloa Development Co., AtPac, Transcontinental, the owner and operator of the golf course, and their respective successors and assigns, from any liability, claims, or expenses, including attorneys' fees, arising from such property damage or personal injury. The aforesaid obligation to indemnify, defend and hold harmless shall be a covenant running with the land and an obligation of each apartment owner so long as such apartment owner shall own or have an interest in the Project, the additional phases or any portion thereof, and upon sale or transfer or other disposition of such interest shall be binding on each successor-owner thereof.

The common element identified on the Condominium File Plan as "Historical Site" is an area that has or may be designated by state, county and federal authorities as significant in the history, architecture, archaeology and culture of the State of Hawaii, its communities or the nation. Such designation may create a right of public access to the Historical Site and, if so, apartment owners shall permit such access. Apartment owners shall also preserve the Kaniku settlement site within Easement 13 and Easement 14 in the Historical Site and shall indemnify, defend and hold harmless Developer, Waikoloa Development Co., AtPac, Transcontinental, and their respective successors and assigns, from any liabilities, claims or expenses, including attorneys' fees, arising from such apartment owners' failure to preserve such settlement sites.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

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

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

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

B. Rights Under the Sales Contract:

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

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2419 filed with the Real Estate Commission on April 5, 1991

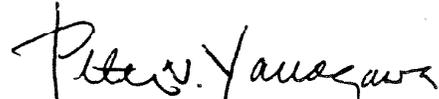
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the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



PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

EXHIBIT A

DEVELOPER'S RESERVED RIGHTS TO CHANGE CONDOMINIUM DOCUMENTS

The following provisions in the Declaration, By-Laws and the apartment sales contracts, as indicated, reflect those rights which the Developer has reserved to change the Declaration, Condominium File Plan, By-Laws and Rules and Regulations ("House Rules"):

I. DECLARATION

"S. AMENDMENT OF DECLARATION. Except as otherwise provided herein or in the Act, this Declaration may be amended by a vote of the owners of seventy-five percent (75%) of the interests in the common elements effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such owners or by any two (2) officers of the Association; provided, however, that no amendment of this Declaration shall limit or affect the right or interest of the owners of apartments in each design group respecting the limited common elements in such design group without first securing the affirmative vote of the owners of at least seventy-five percent (75%) of the interest in the limited common elements appurtenant to all apartments in such design group; provided, further that an amendment required to transfer parking stalls pursuant to Section 514A-14 of the Act need only be executed by the owners of the apartments to which and from which such parking stalls are being transferred, and their mortgagee(s), if any, and such transfer of parking stalls between apartments shall be effective only upon recording such amendment in the Bureau; provided, further, that Developer may, at any time prior to the recordation of an apartment deed in the Bureau conveying an apartment to a party not a signatory hereto, amend this Declaration and the By-Laws in any lawful manner. Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the apartments, the Developer may amend this Declaration (a) to file the "as built" verified statement (with plans, if so applicable) required by Section 514A-12 of the Act, provided (i) such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, numbers and dimensions of the apartments as built, or (ii) the plans filed therewith involve only immaterial changes to the layout, location, numbers and dimensions of the apartments as built, and

(b) to effectuate the addition and merger of the Additional Phases pursuant to paragraph V hereinbelow.

U. RESERVED RIGHTS OF DEVELOPER. In addition to any other rights reserved herein, Developer reserves the right for itself and its agents, until such time as all apartments in the Project (including all apartments in the Additional Phases) are sold by Developer, to do the following:

1. To grant to any public utility or governmental authority easements for sewer, drainage, water and other utility facilities over, under, along, across and through said land, all under the usual terms and conditions required by the grantee for such easement rights; to grant to any other person or entity any easements for ingress, egress or roadway purposes over, under, along, across and through said land (provided, however, that such easement rights shall be granted and exercised in such a manner as not to unreasonably damage the buildings of the Project or unreasonably interfere with the use of said land by the apartment owners and their successors and assigns); and to quitclaim any easements in favor of the Project which are not required for the Project. Each apartment owner agrees that such apartment owner, and any person claiming an interest in said land by, through or under such apartment owner, shall, upon request, join in and execute any and all documents designating, granting and quitclaiming any such easements;

2. To modify the construction plans for and/or realign Kamalani Drive, and enter into agreements with any person or entity for the maintenance and use of Kamalani Drive;

3. To amend this Declaration, the Condominium File Plan and the By-Laws consistent with any grant of rights by Developer under U.1 hereinabove; and

4. To maintain development facilities and conduct sales of apartments at the Project, including, but not limited to, maintaining model apartments, operating a construction office, utilizing the Recreation Building and Storage Building as sales offices, conducting advertising, placing signs, utilizing parking stalls, including guest and employee parking stalls, and erecting lighting in connection with such sales; provided, however, that Developer shall not use any apartment (or its limited common elements) for such purposes other than an apartment owned by Developer; provided, further, that in exercising such right, Developer shall not interfere with the right of any apartment owner to the use of, or access to, his apartment or any of the common elements or limited common elements appurtenant thereto."

Developer also reserves certain rights concerning phased development of the Project, which are set forth in Exhibit I hereto.

II. BY-LAWS

ARTICLE II, SECTION 2. "Notwithstanding anything to the contrary provided herein, the Developer shall be entitled to exercise the powers, vote and/or act for the Association and the Board on all matters until such time as the first conveyance of an apartment of the Project to a party not a signatory hereto, except as to those rights reserved to Developer in paragraph U of the Declaration, which rights have been reserved until such time as all of the apartments in the Project (including all apartments in the Additional Phases, as defined in the Declaration) have been sold."

III. APARTMENT SALES CONTRACT

"15. CHANGES IN DOCUMENTS AND APARTMENTS. Seller reserves the right to modify all documents related to the Project, including the Declaration, By-Laws, Condominium File Plan, the Apartment Deed, the Rules and Regulations, Seller's Disclosure Abstract, and any exhibits to any such documents.

Seller further reserves the right to make minor changes in the Apartment and other apartments and in the common elements or limited common elements but, except as provided in the Declaration, no changes shall be made which substantially affect the physical location or design of the Apartment.

27. MISCELLANEOUS

(b) Buyer understands and agrees that Seller shall be entitled to exercise the powers, vote and/or act for the Association and the Board on all matters until such time as the first conveyance of an apartment of the Project to a party other than Seller, except as to those rights reserved to Seller, as Developer, in paragraph U. of the Declaration, which rights are reserved to Developer until such time as all apartments in the Project, including all apartments in the Additional Phases (as defined in the Declaration), have been sold."

EXHIBIT B

DESCRIPTION OF BUILDINGS

The Project shall consist of eighteen (18) buildings, including three (3) buildings in Crown Pointe At Waikoloa designated as building type A200 R (the designation "R" denotes a reverse building type), A100A and A300; one (1) building in SeaCrest At Waikoloa designated as building type D100; one (1) building in The Gallery At Waikoloa designated as building type B100; nine (9) buildings in The Gardens of Waikoloa, including four (4) buildings designated as building type C200A R, two (2) buildings designated as building type C100B, two (2) buildings designated as building type C100A ALT R (the designation "ALT" denotes an alternative feature to the standard building type), and one (1) building designated as building type C100A R; one (1) Recreation Building; one (1) Pool Equipment Building; one (1) Gatekeeper's House; and one (1) Storage Building.

Each of the three (3) buildings in Crown Pointe shall be a two-story townhouse containing two (2) apartments, for a total of six (6) apartments.

The building in The Gallery shall be a three-story structure containing eight (8) apartments on each floor, for a total of twenty-four (24) apartments.

Each of the nine (9) buildings in The Gardens shall be a two-story townhouse containing two (2) apartments, for a total of eighteen (18) apartments.

The building in SeaCrest shall be a three-story structure containing seven (7) apartments on each floor, for a total of twenty-one (21) apartments.

The Gatekeeper's House shall be a one-story structure comprising one (1) apartment. The Recreation Building, Pool Equipment Building and Storage Building shall each be one-story structures.

The buildings shall be constructed principally of concrete, wood, metal, drywall and related building materials on concrete slab foundations. None of the buildings shall have a basement, except in SeaCrest, which shall have a subterranean garage.

EXHIBIT C

USE RESTRICTION FOR APARTMENTS AND PROJECT COMMON ELEMENTS

The following provisions in the Declaration, By-Laws and House Rules, as indicated, contain restrictions on the use of the apartments and the common elements of the Project:

I. DECLARATION

PARAGRAPH J.

"1. The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests and may be utilized for long-term and transient vacation rentals, specifically excluding time sharing plans. The term "time sharing plan" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess any apartment in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Other than the foregoing restrictions, apartment owners shall have the absolute right to rent or lease their apartments subject to the limitations, restrictions, covenants and conditions of this Declaration.

2. The garage in each of the apartments in Crown Pointe and The Gardens shall not be modified, converted or utilized in any way to provide for or create additional living space in the apartment.

3. No apartment owner, or anyone claiming an interest in the apartment through such owner, shall use the apartment or any part of the Project for any purpose that shall injure the reputation of the Project for first-class construction and design.

4. No apartment owner shall make any structural alterations in or additions to the apartment, or make any alterations to the exterior of the apartment, or to any portion or portions of the common elements, including the yard areas in Crown Pointe, except as permitted in the By-Laws."

II. BY-LAWS

ARTICLE VIII, SECTION 5.

"(A) All apartments of the Project shall be used only for the purposes permitted under the Declaration.

(B) Each apartment owner may use the common elements in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of the other apartment owners, subject to: (1) the right of the Board, upon the approval of the owners of seventy-five percent (75%) of the common interests in the Project or in a design group, to change the use of the common elements or the design group limited common elements, respectively; (2) the right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those common elements which are not actually used by any of the apartment owners for an originally intended special purpose, as determined by the Board; provided that unless the approval of the owners of seventy-five percent (75%) of the common interests is obtained, any such lease shall not have a term exceeding five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days' written notice; (3) the right of the Board to lease or otherwise use for the benefit of the Association those common elements not falling within subsection (2) above, upon obtaining: (i) the approval of the owners of seventy-five percent (75%) of the common interests, including all directly affected owners and all owners of apartments to which such common elements are appurtenant in the case of limited common elements, and (ii) approval of all mortgagees of record on apartments with respect to which owner approval is required by (i) above, if such lease or use would be in derogation of the interest of such mortgagees; and (4) the exclusive use of the limited common elements as provided in the Declaration.

(C) No owner or occupant of an apartment shall post any advertisement, bill, poster or other sign on or about the Project without the prior written approval of the Board.

(D) All owners and occupants shall exercise extreme care about causing or permitting noises that may disturb other occupants.

(E) No owner or occupant shall permit any child residing or visiting with him to loiter or play in the stairways, corridors or parking areas or other areas of the Project not intended for such use.

(F) No garbage, refuse or trash of any kind shall be thrown, placed or kept on any common element other than the disposal facilities provided for such purposes.

(G) Nothing shall be allowed, done or kept in any apartment or common element which will cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance maintained by or for the Board with respect thereto, nor shall any noxious or offensive activity or nuisance be made or suffered thereon.

(H) No owner or occupant shall place, store or maintain on walkways, roadways, grounds or other common elements any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements.

(I) No owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of such owner's or occupant's apartment or the Project nor alter or remove any furniture of the common elements.

(J) No owner or occupant shall erect or place in the Project any building or structure, including fences and walls, nor make any additions, structural alterations or exterior changes to any common elements of the Project, including any design group limited common elements, nor place or maintain thereon any signs, posters or bills whatsoever, except as permitted by the Declaration.

(K) No owner shall use or keep anything on the grounds or any other common elements which would in any way hinder the full use and enjoyment thereof by any other owner or occupant. It is intended that the buildings shall present a uniform appearance, and to effect that end the Board may require the painting or repair of outside doors, windows, trim, fences, railings and other exposed portions of the buildings and regulate the type and color of paint to be used. The Board is authorized to contract for said painting and repair and to assess each owner for such owner's proportionate share of such painting and repair.

(L) No owner or occupant, without the prior written consent of the Board, shall erect, place or maintain any television or other antennas on said Project visible from any point outside of the Project.

(M) No livestock, poultry, rabbits, pets or other animals of any kind, shall be allowed or kept in any part of the Project without the prior written consent of the Board.

(1) Any apartment owner who keeps a pet in the owner's apartment with the prior written consent of the Board may, upon the death of the animal, replace the animal with another and continue to do so for as long as the owner continues to reside in the owner's apartment or another apartment subject to these By-Laws.

(2) Any apartment owner who is keeping a pet pursuant to subsection (1) as of the effective date of an

amendment to these By-Laws which prohibits owners from keeping pets in their apartments shall not be subject to the prohibition but shall be entitled to keep the pet and acquire new pets as provided in subsection (1)."

III. HOUSE RULES

SECTION A. RULES PERTAINING TO APARTMENTS

1. Visible Aesthetics. No notice, advertisement, bill, poster, illumination or other sign shall be inscribed or posted on or about the Project, unless approved in writing by the Board of Directors or the Managing Agent, nor shall anything be projected from any windows of the Project without similar approval.

2. Apartment Maintenance. The repair and maintenance of apartment interiors are the responsibilities of the individual owners.

3. Common Areas; Buildings. It is intended that the exterior of the buildings in each design group shall present a uniform appearance and, to effect that end, the Board of Directors may require the painting of walls and ceilings of all or part of any building and regulate the type and color of paint to be used. The Board of Directors is authorized to contract for such painting and to make payment therefor out of the maintenance fund.

4. Nameplates. Nameplates and names of the apartment owners may be displayed only in the form and at such places as are approved by the Design Committee.

5. Noise. All noises from whatever source shall be discriminately controlled so that they do not disturb or annoy other residents of the buildings. All residents shall maintain quiet between the hours of 8:30 p.m. and 7:00 a.m. daily except on Fridays, Saturdays and nights preceding holidays when the quiet hours shall begin at 12:00 midnight. Excessive noise at any time should be reported to the Resident Manager, the Managing Agent or the Board of Directors for appropriate action.

6. Pets. Pets shall be prohibited except as permitted under the Declaration.

7. Rubbish. Explosives or waste of a flammable nature, and any other refuse or waste materials which may create an unpleasant odor, discharge noxious or flammable gases or vapors, or pose any hazard to health or property, shall not be deposited in the garbage collection areas. Rubbish is to be bound in reasonable bundles, placed in plastic bags and deposited by the residents in the garbage collection areas.

8. Guests. The apartment occupant is responsible at all times for the reasonable conduct of the occupant's guests. Any guest who shall be residing in the building for a week or more should be registered with the Resident Manager or the Managing Agent.

9. Air Conditioning. All air conditioning units (excluding those units, if any, originally installed in the apartments by the Developer) must be approved by the Board prior to installation to insure that the voltage requirements are compatible with the electrical system of the Project. All air conditioners shall be equipped with appropriate drip pans to prevent the accumulation or dripping of water on patios and lanais and thus prevent the possibility of water damage or irritation to other apartments.

SECTION B. COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

1. Soliciting. No charitable or commercial soliciting for sales of goods and services, or religious or political activities shall be permitted in the Project unless approved by the Board of Directors.

2. Surfboards and Bicycles. Surfboards and bicycles shall be stored only in the interior of the apartments and not in or on any lanai, patio, deck or common element of the Project.

3. Protection of Common Areas. Furniture, furnishings and equipment for the common elements have been provided for the safety, comfort and convenience of all residents and guests of the residential apartments and therefore, shall not be altered, extended, removed or transferred to other areas without permission from the Managing Agent or the Board of Directors.

4. Access. The grounds, walkways, stairways, building entrances, driveways and other similar common elements shall be used strictly for ingress and egress from the parking and apartment areas, and must be at all times kept free from obstructions.

5. Litter. Waste receptacles are provided for use in the common elements.

6. Children. An apartment resident shall be responsible for the conduct of his children at all times, insuring that their behavior is neither offensive to any occupant of the Project nor damaging to any portion of the common elements.

7. Landscaping. None of the Project's landscaping is to be removed, picked or transplanted by any residents or guests.

8. Recreational Facilities. Apartment owners shall abide by the rules and regulations attached to the House Rules as Exhibit "1" for use of the swimming pool, spa and tennis courts located at the Recreation Center, the swimming pool located near The Gardens, and any other recreational facilities which are a part of the Project.

9. Project Entry. Entry to the Project shall be restricted to owners, their tenants, guests, licensees and invitees (including housekeepers, gardeners and pool service persons). All owners and tenants must register the names of such guests, licensees and invitees with the Gatekeeper's House at the entrance of the Project. Any person not so registered shall be denied entry to the Project.

10. Lagoon and Historical Site. Due to the historical nature and value of the lagoon and historical site at the Project and located at the rear of the Crown Pointe design group, only walking, jogging and running on designated paths shall be permitted. The lagoon and the historical site shall not be used for any other purposes, including swimming.

SECTION C. GENERAL

1. Hazards. Nothing shall be allowed, done or kept in any apartment unit or common areas of the Project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association, nor shall any noxious or offensive activity or nuisance be made or suffered thereon. WATERBEDS ARE EXPRESSLY PROHIBITED IN THIS PROJECT. No occupant shall use or permit to be brought into the building or common areas anything deemed extra hazardous to life, limb or property, such as gasoline, kerosene or other combustibles of like nature, nor any gunpowder, fireworks or other explosives. The throwing of firecrackers and the explosion of any fireworks anywhere on the grounds or within any building is expressly prohibited.

2. Rentals. Subject to the terms of the Declaration and the By-Laws of the Association, an apartment owner may lease his apartment or make it available to friends, but the person or persons leasing, renting or living in the apartment shall abide by the House Rules, and the apartment owner shall assume responsibility for the occupants' conduct. The apartment owner must notify the Resident Manager or the Managing Agent of the names and length of anticipated occupancy of all such occupants, and must register them in person with the Resident Manager or the Managing Agent. Each such occupant shall in writing, on a form provided by the Resident Manager or the Managing Agent, acknowledge that he has read, understands and agrees to abide by the House Rules, as they may be amended from time to time.

An apartment owner shall, upon request of the Board of Directors, the Managing Agent or the Resident Manager, immediately abate and remove, at his expense, any structure, thing or condition that may exist with regard to the occupancy of his apartment by his lessee(s), rentee(s) or guest(s) which is in violation of the lease, Declaration, By-Laws or these House Rules or contrary to the intent and meaning of the provisions hereof; or, if the apartment owner is unable to control or require the lessee(s), renter(s) or guest(s) to comply herewith, he shall, upon request of the Board of Directors, the Managing Agent or the Resident Manager, immediately remove such lessee(s), renter(s) or guest(s) from the premises, without compensation for lost rentals or any other damage resulting therefrom.

Apartment owners shall be responsible for designating a local agent to represent their interest if their residence is outside of the State of Hawaii or if they shall be absent from the apartment for more than thirty (30) days. Each apartment owner shall file with the Managing Agent or the Resident Manager his out-of-town address and telephone number and the telephone number of their agent.

Each apartment owner shall observe and perform these House Rules and ensure that his licensees and invitees also observe and perform these House Rules. Apartment owners shall be responsible for their guests' observance of all House Rules set forth herein. In the event expenses are incurred due to violations of House Rules by guests or licensees, the apartment owner shall be responsible for payment of same.

SECTION D. VEHICLES

1. Car Washing. Washing, cleaning or polishing of cars and motorcycles shall be permitted only in the parking areas.

2. Parking Stalls. No personal items, such as lumber, furniture or crates shall be stored in the parking stalls.

3. Movement of Vehicles. Vehicles shall travel at no more than five (5) miles per hour while in the Project. Drivers are expected to observe traffic signs and local traffic regulations for the safety of all.

4. Access. No vehicle belonging to an apartment owner or to a member of the family, a guest, tenant or employee of an apartment owner shall be parked in such manner as to impede or prevent ready access to any entrance or to any exit from the Project or to any parking stall, by another vehicle.

5. Nuisance. No major repairs to automobiles or motorcycles are permitted in the Project. No racing of motors is permitted, and all automobiles and motorcycles must be equipped

with quiet mufflers. All cars parked in the parking areas must be in operating condition with current vehicle license and safety stickers required by law. No livestock, poultry, rabbits, pets or other animals whatsoever, shall be allowed or kept in any part of the Project without the prior written consent of the Board of Directors.

THE DECLARATION, BY-LAWS AND HOUSE RULES CONTAIN OTHER USE PROVISIONS IN ADDITION TO THOSE STATED ABOVE. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE USE RELATED PROVISIONS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT D

PERMITTED ALTERATIONS TO APARTMENTS

The By-Laws permit alterations to the apartments as follows:

BY-LAWS

ARTICLE VIII, SECTION 3(A). "Additions, alterations, repairs or improvements to the common or limited common elements of the Project may be made only by or at the direction of the Board, except as provided for in the Declaration. No owner of an apartment may, except with the written consent of the Board, make any alteration, addition, repair or improvement to any of the common elements including, without limitation, common or limited common elements within, encompassing or adjacent to such owner's apartment, except as provided for in the Declaration or if such alteration, addition, repair or improvement shall be required by law."

ARTICLE VIII, SECTION 4. "No apartment owner shall do any work which could jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament, nor may any apartment owner add any material structure or excavate any additional basement or cellar, without in every such case the consent of seventy-five percent (75%) of the apartments owners in the design group where such owner's apartment is located, together with the consent of all apartment owners whose apartments or limited common elements appurtenant thereto are directly affected, being first obtained. Except as may be otherwise provided herein or in the Declaration, no owner shall install any solar energy devices or make any addition or alteration in or to such owner's apartment which may affect the common elements or change the exterior appearance of the Project, without the prior written consent thereto of the Board. The Board shall have the obligation to answer any written request by an apartment owner for approval of a proposed addition or alteration in such owner's apartment within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition or alteration."

ARTICLE XIII.

DESIGN RESTRICTIONS; DESIGN COMMITTEE

"Section 1. Restrictions.

(A) Notwithstanding anything to the contrary contained in the Declaration or these By-Laws, no alteration, addition, improvement, structure, wall or landscaping may be made,

constructed or installed in any apartment or limited common element appurtenant thereto (including, but not limited to, front and rear yard areas) by any owner, except in accordance with the Declaration. It is intended that all aesthetic matters relating to the Project, any common element, limited common element or any apartment shall be determined solely by the Design Committee, except where approval by the Board is required under the Act.

(B) If any apartment owner in the Crown Pointe design group desires to alter the landscaping and/or irrigation system installed by the Association in such owner's front and/or rear yard areas, complete plans must be submitted for approval by the Design Committee and must be prepared by a landscape architect duly licensed as such by the State of Hawaii.

Section 2. Review Fee. The Design Committee shall have the right to charge each owner a reasonable processing fee for its review of any item submitted to it, in accordance with such fee schedule as may from time to time be established by the Design Committee.

Section 3. Expiration of Approval. All approvals of the Design Committee may be revoked by the Design Committee if the owner has not commenced the construction of the improvement or the installation of the landscaping as approved by the Design Committee within _____ (____) months from the date of such approval. If any approval is revoked, the owner shall be required to comply with such additional requirements as may be imposed by the Design Committee (including the submission of revised plans, drawings and specifications), and the Design Committee shall not be bound by any approval previously given.

Section 4. Organization; Members. There shall be a design committee ("Design Committee") consisting of three (3) members. In addition, one or more alternates may be appointed from time to time, for members of the Design Committee. Such alternates shall have the power to act as voting members of the Design Committee in the event that the members for whom they are alternates are unavailable to act as members of the Design Committee. Each member shall hold office until such time as such member has resigned, has been removed or a successor has been appointed.

(A) Appointment of Members. The Developer shall have the right to appoint all three members of the Design Committee (and their alternates) until the date that one hundred percent (100%) of the apartments in the Project (including all "Additional Phases", as defined in the Declaration) have been sold. Thereafter, the Board shall have the right to appoint all of the members of the Design Committee (and their alternates).

(B) Need not be Owners. Members appointed to the Design Committee need not be owners of apartments in the Project.

(C) Definition of "majority". As used herein, the term "majority" shall mean two members (or their alternates).

Section 5. Committee Duties. It shall be the duty of the Design Committee to consider and act upon such plans, specifications and other items from time to time submitted to it pursuant to the these Bylaws; to adopt, if necessary or appropriate, Design Committee rules and regulations; and to perform such related duties from time to time delegated to it by these Bylaws. The Design Committee shall have the right to retain professionals and other consultants upon such terms and conditions as may be determined by the Design Committee; provided however, that any compensation payable to such professionals and other consultants shall be subject to the approval of the Board, which approval shall not be unreasonably withheld.

Section 6. Meetings; Action; Compensation; Expenses. The members of the Design Committee shall meet or communicate with each other from time to time as necessary to perform the duties of the Design Committee. Any act approved by a majority of the members shall constitute the act of the Design Committee. The Design Committee shall keep and maintain a record of all final action taken by it at such meetings or otherwise. The members of the Design Committee shall receive such reasonable compensation and reimbursement of expenses from the Association as may be approved by the Board, which approval shall not be unreasonably withheld.

Section 7. Committee Rules. The Design Committee shall by majority vote have the exclusive power, at its option, to adopt, amend and repeal rules and regulations, to be known as "Design Committee Rules", covering matters within the jurisdiction of the Design Committee. A copy of the Design Committee Rules, as they may from time to time be amended, shall be maintained with the records of the Association and shall be available for inspection by any owner.

Section 8. Nonwaiver. The approval by the Design Committee of any plans, drawings or specifications for any work done or proposed, or in connection with any other matter requiring the approval of the Design Committee, shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plan, drawing, specification or other matter.

Section 9. Variances. The Design Committee shall have the power to allow, in its sole and absolute discretion, reasonable variances from the Design Committee Rules in order to overcome practical difficulties and to prevent unnecessary hardships."

EXHIBIT E

PARKING

There are a total of one hundred nine (109) parking stalls in the Project. There are ten (10) guest parking stalls and four (4) employee parking stalls, as designated on the Condominium File Plan, which are common elements of the Project. In addition, there are two (2) garage parking spaces in each of the apartments in Crown Pointe for a total of twelve (12) parking stalls and in The Gardens, for a total of thirty-six (36) parking stalls. There are twenty-one (21) parking stalls which are limited common elements for the exclusive use of the owners of apartments in SeaCrest and twenty-four (24) parking stalls which are limited common elements for the exclusive use of the owners of the apartments in The Gallery. The Gallery and SeaCrest parking stalls bear the same numbers as the numbers of the apartments. The remaining two (2) parking stalls are limited common elements for the exclusive use of the owner of the Gatekeeper's House.

The Condominium Property Act (Chapter 514A, Hawaii Revised Statutes) provides that owners shall have the right to change the designation of parking stalls which are appurtenant to their respective apartments by amendment of the Declaration and the respective apartment deeds involved, which said amendment need only be signed and approved by the owners of the apartments whose parking stalls are being changed and their respective mortgagees, if any.

The House Rules contain specific provisions about vehicles and parking, which owners should thoroughly understand. The provisions concern requirements and restrictions on vehicle registration by residents with the Board of Directors, Managing Agent or Resident Manager, if any, washing vehicles, storage of personal items in parking stalls, and avoidance of access problems caused by vehicles. The House Rules also address particular problems such as tow-away for unauthorized parking and operation of vehicles while in the Project. Nuisances created by repairs, maintenance, noise and improper or unsafe vehicle operating conditions are prohibited. Owners will be held responsible for violations of parking rules by their lessees, renters or guests.

EXHIBIT F

DESCRIPTION OF COMMON ELEMENTS
AND LIMITED COMMON ELEMENTS

I. COMMON ELEMENTS

Paragraph E of the Declaration provides:

"One freehold estate is hereby designated in all of the remaining portions of the Project (the "common elements"), which shall include the limited common elements described in paragraph F hereinbelow and all portions of the land and improvements other than the apartments, including the buildings, the land on which the buildings are located and all common elements mentioned in the Act which are actually constructed on the land described herein. Said common elements shall include, but shall not be limited to the following:

1. The land described in Exhibit "A".
2. All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surfaces within each apartment), roofs, walkways, and entrances and exits (except for the porches, courtyards and entry decks which are part of the apartments in Crown Pointe and The Gardens as shown on the Condominium File Plan) of said buildings.
3. All yards, grounds, landscaping, refuse and like facilities, including the three (3) trash enclosures located on Pualani near The Gardens, Kamalani Drive near The Gallery, and Crown Pointe near Crown Pointe.
4. All driveways, loading areas, ramps, parking area entryways and exitways, and the sixty-one (61) parking stalls in the Project other than those located in the garages in Crown Pointe and The Gardens, including four (4) employee stalls and ten (10) guest stalls.
5. All corridors, walkways, stairways (except stairways included as part of the apartments), and catwalks situate within the Project.
6. All electrical transformer boxes, rooms and enclosures, storage rooms, trash rooms, all central and appurtenant installations for services such as power, lights, telephone, hot and cold water lines, television lines, sewage disposal and other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors,

fans, ducts and other apparatus and installations existing for, or in the buildings for common use.

7. The Project sign located at and the gated project entry located near the Gatekeeper's House, as shown on the Condominium File Plan.

8. The Storage Building located on Pualani.

9. The Project roadways to be constructed by Developer and known as "Kamalani Drive, Pualani and Crown Pointe", as shown on the Condominium File Plan.

10. The recreation center, which shall include the Recreation Building, the Pool Equipment Building, two (2) tennis courts, a swimming pool and a spa.

11. The Lagoon and Historical Site located near Crown Pointe, as shown on the Condominium File Plan.

12. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any apartment."

II. LIMITED COMMON ELEMENTS

Paragraph F of the Declaration provides:

"Certain parts of the common elements (the "limited common elements") are hereby set aside and reserved for the exclusive use of certain apartments and for all the apartments in certain design groups (the "design group limited common elements"), which apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements.

1. The limited common elements so set aside for each apartment are as follows:

a. For the Gatekeeper's House, the two (2) parking stalls shown on the Condominium File Plan.

b. In The Gallery and SeaCrest, the parking stall designated by the same number as the number of the apartment.

c. In The Gardens, the driveway adjacent to each apartment.

d. In The Gardens, the common meter cabinet adjacent to the garage of all Plan C1 and C1 R apartments, which is shared by the two (2) apartments in each building.

e. In The Gardens and Crown Pointe, the attic space above each apartment.

f. In The Gardens and Crown Pointe, the common roof shared by the two (2) apartments in each building.

g. In Crown Pointe, the swimming pool and pool deck located in the backyard of each apartment, as cross-hatched on the Condominium File Plan.

h. In Crown Pointe, the driveway and all yard areas of each apartment, as cross-hatched on the Condominium File Plan.

i. In Crown Pointe, the common meter cabinet adjacent to the garage of all Plan A1 apartments and the Plan A2 ALT apartment in building type A200 R, which is shared by the two (2) apartments in each building.

j. One (1) numbered mailbox located near the Gatekeeper's House.

2. The limited common elements so set aside for all of the apartments in each design group are as follows:

a. All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surfaces within each apartment), roofs, stairways, walkways, entrances and exits of the building(s) in each such design group.

b. All yards, grounds, landscaping, refuse and like facilities adjacent to and servicing the building(s) in each such design group.

c. All driveways, loading areas, ramps, parking area entryways and exitways.

d. All corridors, walkways, stairways (except stairways included as part of the apartments), and catwalks situate within each such design group.

e. All electrical transformer boxes, rooms and enclosures, storage rooms, trash rooms, all central and appurtenant installations for services such as power, lights, telephone, hot and cold water lines, television lines, sewage disposal and other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for, or in the building(s) of each such design group for common use.

f. Any and all other apparatus and installations of common use in each design group and all other

parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use in each design group and which are not part of any apartment.

g. For all apartments in Crown Pointe:

(a) The delineated garden area between 7 and 9 Crown Pointe, located near the intersection of Kamalani Drive and Crown Pointe.

h. For all apartments in The Gallery:

(a) Elevator.

(b) The elevator equipment room, hot water heater room, electrical equipment room and linen storage room on the first floor of the building.

(c) One (1) trash chute and trash chute closet on each floor of the building.

(d) The roof access closet on the third floor of the building.

(e) The paved parking area.

i. For all apartments in The Gardens:

(a) The swimming pool located near 15 and 17 Pualani.

j. For all apartments in SeaCrest:

(a) The subterranean garage, including the mechanical room, electrical equipment room, trash room, lobby, elevator equipment room, supply room and twenty-two (22) storage lockers.

(b) The elevator.

(c) One (1) trash chute, trash chute closet and storage room on each floor of the building, excluding the subterranean garage.

(d) The roof access closet on the third floor of the building.

Notwithstanding any provisions herein or in the By-Laws to the contrary, all costs of every kind pertaining to each limited common element, including but not limited to, costs of maintenance and repair, replacement of, and the making of any additions and improvements to such limited common element, shall be charged to and borne entirely by the owner(s) of the apartment(s) to which it is appurtenant or the owners of all the

apartments in the design group to which it is appurtenant, as the case may be. All such costs and expenses for limited common elements appurtenant to all of the apartments in a design group (the "design group expenses") shall be charged to and borne by each owner of an apartment in the design group based upon the approximate square footage of the apartment derived by dividing the total approximate net living area and patio or lanai area of the apartment by the total approximate net living area and patio or lanai area of the apartment by the total approximate net living area and patio or lanai area of all the apartments in the design group. For purposes of this paragraph F, both the patio and lanai areas in Crown Pointe are to be added to determine the total approximate area for each apartment and for all the apartments in the design group.

Expenses which are attributable to the limited common elements shall be allocated in the manner set forth in paragraph M hereof and the By-Laws. Any expense which cannot be separately identified or attributed to a limited common element shall be charged as a common expense."

EXHIBIT G

COMMON INTEREST FOR EACH APARTMENT

Each apartment shall have appurtenant thereto an undivided percentage interest (the "common interest") in all common elements of the Project and in all common profits and expenses of the Project and for all other purposes including voting. The common interest appurtenant to each apartment is set forth in paragraph D.1 of the Declaration.

The common interest and easements shall not be separated from the apartment to which they appertain and shall be deemed to be conveyed, leased or encumbered with such apartment even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by the Condominium Property Act.

The percentage common interest for each apartment is as follows:

<u>Apt. No.</u>	<u>Plan</u>	<u>Percentage Common Interest</u>
CROWN POINTE		
7 Crown Pointe, 11 Crown Pointe	A1	2.80%
5 Crown Pointe	A2	3.41%
3 Crown Pointe	A2 R	3.41%
1 Crown Pointe, 9 Crown Pointe	A2 ALT	3.41%
THE GALLERY		
413 Kamalani Drive, 423 Kamalani Drive	B1	0.96%
433 Kamalani Drive	B1	0.91%
414 Kamalani Drive, 424 Kamalani Drive	B1 R	0.96%
434 Kamalani Drive	B1 R	0.91%

412 Kamalani Drive,		
422 Kamalani Drive,		
417 Kamalani Drive,		
427 Kamalani Drive	B2	1.09%
432 Kamalani Drive,		
437 Kamalani Drive	B2	1.04%
415 Kamalani Drive,		
425 Kamalani Drive	B2 R	1.09%
435 Kamalani Drive	B2 R	1.04%
411 Kamalani Drive,		
421 Kamalani Drive,		
431 Kamalani Drive	B3	1.07%
418 Kamalani Drive,		
428 Kamalani Drive,		
438 Kamalani Drive	B3 R	1.07%
416 Kamalani Drive,		
426 Kamalani Drive,		
436 Kamalani Drive	B4	1.17%

THE GARDENS

5 Pualani,		
25 Pualani	C1	1.46%
2 Kamalani Drive,		
7 Pualani,		
11 Pualani,		
15 Pualani,		
19 Pualani,		
27 Pualani,		
31 Pualani	C1 R	1.46%
3 Pualani,		
23 Pualani	C2	1.61%
1 Pualani,		
9 Pualani,		
17 Pualani,		
29 Pualani,		
33 Pualani	C2 R	1.61%
13 Pualani,		
21 Pualani	C2 R ALT	1.61%

SEACREST

112 Kamalani Drive, 122 Kamalani Drive, 132 Kamalani Drive D1	1.09%
116 Kamalani Drive, 126 Kamalani Drive, 136 Kamalani Drive D1 R	1.09%
111 Kamalani Drive, 121 Kamalani Drive, 131 Kamalani Drive D2	1.24%
117 Kamalani Drive D2 R	1.30%
127 Kamalani Drive, 137 Kamalani Drive D2 R	1.25%
114 Kamalani Drive, 124 Kamalani Drive, 134 Kamalani Drive D3	1.34%
113 Kamalani Drive, 123 Kamalani Drive, 133 Kamalani Drive D3 R	1.30%
115 Kamalani Drive D4	1.64%
125 Kamalani Drive, 135 Kamalani Drive D4	1.58%
GATEKEEPER'S HOUSE	
1 Kamalani Drive N/A	1.10%

EXHIBIT H

ENCUMBRANCES AGAINST PROJECT LAND TITLE

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the land described herein.
3. Designation of Easement "12" for roadway purposes, as shown on File Plan No. 1954.
4. 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 as aforesaid 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 Easement "12".
5. Designation of Easement "13" (area 52,640 square feet) for archaeological purposes, as shown on File Plan No. 1954.
6. Designation of Easement "14" (area 8,833 square feet) for archaeological purposes, as shown on File Plan No. 1954.
7. Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort dated as of April 1, 1980, effective on April 23, 1980, recorded as aforesaid in Liber 14670 at Page 531, as amended and/or supplemented by the following instruments, namely, (a) dated as of April 1, 1980, effective as of April 23, 1980, recorded as aforesaid in Liber 14670 at Page 607, (b) dated December 30, 1980, recorded as aforesaid in Liber 15297 at Page 147, (c) dated June 10, 1981, effective as of July 1, 1981, recorded as aforesaid in Liber 15676 at Page 497, (d) dated October 29, 1985, recorded as aforesaid in Liber 19071 at Page 562, (e) dated December 20, 1985, recorded as aforesaid in Liber 19166 at Page 388, (f) dated December 9, 1985, recorded as aforesaid in Liber 19166 at Page 392, (g) dated December 20, 1985, recorded as aforesaid, in Liber 19166 at Page 412, (h) dated as of June 1, 1986, recorded as aforesaid in Liber 19792 at Page 339, (i) dated May 1, 1989, recorded as aforesaid in Liber 23179 at Page 433, (j) dated as of May 1, 1989, recorded as aforesaid in Liber 23187 at Page 750, (k) dated as of August 24, 1989, recorded as aforesaid in Liber 23588 at Page 784, (l) dated October 25, 1989, recorded as

aforesaid in Liber 23806 at Page 164, (m) dated as of September 8, 1989, recorded as aforesaid in Liber 24007 at Page 530, Joinder and Consent (WBR) dated February 26, 1990, recorded as aforesaid as Document No. 90-057829, and (n) dated as of May 21, 1990, recorded as aforesaid as Document No. 90-074294.

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 as aforesaid in Liber 19166 at Page 420, by Aetna Life Insurance Company, as Mortgagee under Mortgage recorded as aforesaid in Liber 14671 at Page 150.

8. Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort Conference dated as of April 1, 1980, effective on April 23, 1980, recorded as aforesaid in Liber 14670 at page 631, as amended and/or supplemented by the following instruments, namely, (a) dated as of April 1, 1980, effective as of April 23, 1980, recorded as aforesaid in Liber 14670 at Page 674, (b) dated December 20, 1985, recorded as aforesaid in Liber 19166 at Page 426, (c) dated December 20, 1985, recorded as aforesaid in Liber 19166 at page 434, (d) dated December 20, 1985, recorded as aforesaid in Liber 19166 at Page 438, (e) dated December 20, 1985, recorded as aforesaid in Liber 19166 at Page 448, (f) dated as of June 1, 1986, recorded as aforesaid in Liber 19792 at Page 344, (g) dated as of May 1, 1989, recorded as aforesaid in Liber 23187 at Page 757, (h) dated as of August 24, 1989, recorded as aforesaid in Liber 23588 at Page 788, (i) dated October 25, 1989, recorded as aforesaid in Liber 23806 at Page 168, (j) dated as of September 8, 1989, recorded as aforesaid in Liber 24007 at Page 521, Joinder and Consent (WBRC) dated February 26, 1990, recorded as aforesaid as Document No. 90-057830, and (k) dated as of May 21, 1990, recorded as aforesaid as Document No. 90-074295.

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 as aforesaid in Liber 19166 at Page 456, by Aetna Life Insurance Company, as Mortgagee under Mortgage recorded as aforesaid in Liber 14671 at Page 150.

9. Covenants, conditions, agreements, obligations and restrictions set forth in DEED dated May 21, 1990, recorded as aforesaid as Document No. 90-074296, including, but not limited to, restrictions relative to construction within the building setback line area as more particularly set forth therein.

10. Reservations contained in Deed dated May 21, 1990, recorded as aforesaid as Document No. 90-074296, by and between Waikoloa Development Co., a Hawaii limited partnership, as

Grantor, and TJK Waikoloa Partners, a California general partnership, as Grantee, to-wit:

"Excepting and reserving, however, unto Grantor and its successors and assigns, Easement 12 for roadway purposes as shown on File Plan 1954, 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 Grantor and its successors and assigns, all water and water rights within or belonging or appertaining to or under the granted premises, 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, the Grantor, 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 improvement thereon."

EXHIBIT I

SUMMARY OF DEVELOPER'S PRESENT PLANS FOR FUTURE DEVELOPMENT

Developer reserves the right in the Declaration to construct two (2) additional phases (the "Additional Phases") on the Project land designated "Future Development Area" on the Condominium File Plan. The term "Project", as used in the Declaration and in this Public Report, refers to Phase I and not the Additional Phases. Following are excerpts concerning construction of the Additional Phases from the Declaration:

"v. PHASING OF PROJECT. Notwithstanding the conveyance of any apartment or any provision of this Declaration to the contrary, Developer shall, from time to time, have the right, but not the obligation, in its sole discretion, and without being required to obtain the consent or joinder of any person or group of persons, including the Association, any apartment owner or any mortgagee, lien holder, apartment purchaser or any other person who may have an interest in the Project or in any apartment, to require alteration of the Project by developing, constructing, transferring, conveying and selling the Additional Phases on the Project land.

In furtherance of the rights reserved to Developer hereunder, Developer, its employees, agents, contractors and subcontractors, shall have the right at any time, and from time to time, to enter upon the Project and the common elements thereof and do all things reasonably necessary, desirable or useful for constructing and completing the Additional Phases, connecting the same to the utility installations of the project, and selling the apartments contained within said Additional Phases, upon and subject to the following terms and conditions:

1. The Additional Phases shall be constructed in accordance with plans and specifications prepared by a licensed architect; provided, however, that such plans and specifications shall not require the alteration or demolition of any apartments in Phase I or any buildings or structures constituting part of the common elements; provided, further, that such construction shall be of similar quality and design to Phase I.

2. Developer shall have the right to add, delete, relocate, realign, reserve and grant all easements necessary or desirable to service the Additional Phases, including but not limited to easements and rights-of-way for utilities, cesspools, sanitary and storm sewers, sewage treatment plants, cable television, refuse disposal, driveways, parking areas and roadways; provided, however, that such easements and rights-of-way shall not materially impair the use of any existing apartment or its appurtenant interest in the common elements.

3. Before the commencement of construction of each phase, Developer shall: (a) secure a performance and payment bond, issued by a surety licensed to do business in the State of Hawaii and having a net worth of not less than \$10,000,000, naming as obligee Developer and, collectively, the owners of all apartments in Phase I as their interests may appear through the Association, in a penal sum of not less than one hundred percent (100%) of the cost of the construction of the Additional Phase being constructed guaranteeing completion thereof free and clear of all mechanics' and materialmen's liens; and (b) furnish to the Association satisfactory evidence that Developer has obtained sufficient funds in an aggregate amount to pay the costs of constructing and completing the Additional Phase being constructed, including without limitation, the cost of construction, financing commitment fees, appraisal, architectural, engineering, legal and accounting fees, and all other costs and expenses associated with such construction.

4. Construction of the Additional Phases shall be performed in such a manner as shall cause the least practicable annoyance to and interference with the then existing apartment owners. Each purchaser of an apartment in Phase I, by his acceptance and occupancy of his apartment on closing, agrees: (a) to remain outside of any fenced or posted construction areas or any other areas where work is being performed pending completion, and to exert diligent efforts to prohibit entry into such areas by members of his household and his invitees; and (b) to indemnify, defend and hold harmless Developer and its contractors and agents from and against any and all loss or liability for death or injury to persons, or damage or loss of property on account of such entry either by the apartment purchaser or his family and invitees.

5. Developer shall have the right, at its own expense, and without being required to obtain the consent or joinder of any apartment owner or lienholder, to execute and record such amendments to this Declaration, the Condominium File Plan, the Apartment Deed and any other documents constituting the Project as shall be necessary or appropriate in furtherance of the rights reserved to Developer under this paragraph V to construct and complete the Additional Phases, and without limiting the generality of the foregoing, Developer may amend this Declaration to: (a) create and establish the Additional Phases; (b) describe and allocate the common interests and common elements appurtenant to the Additional Phases; (c) decrease the common interest appurtenant to each apartment in Phase I of the Project; and (d) merge the Additional Phases with and into Phase I as herein provided. In addition, Developer shall have the right, but not the obligation, to record in the Bureau a Certificate of Merger to merge Phase I and any Additional Phases.

6. The common interest appurtenant to each apartment in Phase I shall be decreased and the common interest appurtenant to each new apartment in the Additional Phases shall

be allocated on the following basis: the approximate total net living area and the patio or lanai area of all the apartments in Phase I and the Additional Phases shall first be determined. The approximate total net living area and patio or lanai area of each such apartment shall then be divided by such approximate total net living area and patio or lanai area, and the resulting quotient shall be the common interest appurtenant to each such apartment. For purposes of calculating such common interest, both the patio and lanai areas in Crown Pointe shall be added to determine the total approximate area for each Crown Pointe apartment and for all the apartments in the Project.

7. Until the merger of each Additional Phase, as hereinafter provided, Developer shall be responsible for the payment of all real property taxes, maintenance fees and other costs and expenses incidental to the maintenance of the land of the Project and allocable to the land of the Project in each Additional Phase, as the same shall be reduced upon the construction of each phase (but excluding any such taxes, maintenance fees and other costs and expenses assessed against the existing improvements herein described). Developer shall use its best efforts to arrange to have its proportionate share of said expenses excluded from the expenses assessed to or levied against the apartment owners; however, if such cannot be arranged and Developer's share of said expenses are assessed directly to or levied directly against the apartment owners, Developer shall promptly reimburse each apartment owner therefor.

8. The merger of the Additional Phases with Phase I shall take effect only after the completion of each Additional Phase and the issuance of a Certificate of Occupancy therefor and upon the recordation by Developer of an amendment to this Declaration which shall certify that each phase has been completed as aforesaid and that the merger has been consummated. Without limiting the generality of the foregoing, the following consequences shall ensue from and after the effective date of such merger:

a. Each of the phases so merged shall be treated for purposes of administration, use and sharing of common expenses as though they had been developed, divided into apartments and used by the owners thereof as a single undivided Project. The apartments in each of the merged phases shall have an equal and non-exclusive right to use the common elements constructed as a part of each of said phases, subject to the terms, conditions and limitations provided herein and in the By-Laws attached hereto, and the apartments in each of the merged phases shall have appurtenant thereto an undivided percentage interest in the common elements of the Project and the same proportionate share in all common profits and expenses of the Project, and for all other purposes including voting, as computed pursuant to subparagraph V.6 hereinabove.

b. Developer may require the owner of the additional apartments added to the Project by merger to make contribution, in addition to their share of the common expenses, to the maintenance reserves of the Project. Developer may provide that such contributions may be made over a period of time, and in establishing the amounts and terms of such contribution, Developer shall take into account the amount of maintenance reserves accumulated prior to the addition of such apartments and the condition of the pre-existing apartments in the Project. The owners of additional apartments added to the Project by merger shall not be obligated to pay or assume any debts, expenses, costs or other obligations incurred by or on behalf of the Association as of the effective date of the merger, with the exception of any such debts, expenses, costs or obligations which were incurred for the common benefit of the apartments in Phase I and the owners of the additional apartments added to the Project by merger.

c. Within sixty (60) days following the completion and merger of each Additional Phase, a special meeting of the Association shall be called to elect a new board of directors to replace the existing board of directors and govern the entire Project. The procedures for calling and holding such a meeting and all of the meetings of the Association shall be as set forth in the By-Laws.

DEVELOPER DOES NOT MAKE ANY REPRESENTATION OR WARRANTY THAT ANY ADDITIONAL PHASES WILL BE DEVELOPED, CONSTRUCTED OR MERGED WITH PHASE I, AND DEVELOPER IS NOT OBLIGATED TO DEVELOP, CONSTRUCT OR MERGE ANY ADDITIONAL PHASES WITH PHASE I. DEVELOPER MAY DEAL FREELY WITH THE LAND OF THE PROJECT WHERE ADDITIONAL PHASES MIGHT BE BUILT, INCLUDING NOT DEVELOPING THE LAND OR DEVELOPING THE WHOLE OR ANY PART OF THE LAND FOR A PURPOSE INCONSISTENT WITH THE MERGER OF SUCH LAND INTO PHASE I. IF NO ADDITIONAL PHASE IS CONSTRUCTED AND MERGED WITH PHASE I, THE APARTMENTS AND COMMON ELEMENTS IN PHASE I SHALL CONSTITUTE ALL OF THE APARTMENTS AND COMMON ELEMENTS IN THE OVERALL PROJECT.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE RIGHTS RESERVED TO DEVELOPER IN THIS PARAGRAPH V SHALL AUTOMATICALLY TERMINATE TEN (10) YEARS FROM THE DATE OF THE RECORDATION OF THIS DECLARATION.

W. DEVELOPER'S OPTION TO WITHDRAW AREAS.

Notwithstanding the conveyance of any apartment or anything in this Declaration to the contrary, if Developer shall be unwilling or unable to construct and complete the Additional Phases by reason of governmental laws or regulations or the decision of governmental agencies having jurisdiction thereof, war, insurrection, strike, economic conditions, or any other reason, whether or not beyond its control, then, and in such event, Developer shall have the right, at its option, within ten (10) years of the recordation hereof, to require alteration of the Project by withdrawing therefrom any portion or all of the land

within the common element area delineated on said Condominium File Plan as a "Future Development Area". Such withdrawal shall be effected on the following terms and conditions:

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1. If the withdrawal shall require subdivision of the land of the Project, Developer shall arrange for such subdivision at its sole cost and expense.

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2. Developer shall give each apartment owner and lienholder at least ninety (90) days prior written notice of its intention to withdraw such land.

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3. Developer shall, at its own expense and without being required to obtain the consent or joinder of any apartment owner or lienholder, execute and file an amendment to this Declaration and the Condominium File Plan to: (a) withdraw all or any portion of the Future Development Areas, and (b) when applicable, add, delete, relocate, realign, reserve and grant all easements and rights-of-way over, under and on the common elements necessary or desirable to service the land withdrawn, including but not limited to, easements and/or rights-of-ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways, provided that such easements and/or rights-of-way do not materially impair the use of any apartment or its appurtenant common interest in the common elements.

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4. The withdrawal shall become effective upon the filing with the Bureau of an amendment to this Declaration noting such withdrawal and setting forth a description of the land withdrawn from the Project as a common element.

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Y CA
5. No withdrawal shall be permitted which requires the alteration or destruction of any existing apartment or the limited common elements appurtenant thereto."

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PURCHASERS SHOULD READ AND UNDERSTAND THE PROVISIONS ON PHASED DEVELOPMENT IN THE CONDOMINIUM DOCUMENTS.

EXHIBIT J

SUMMARY OF PERTINENT PROVISIONS OF SALES CONTRACT

Developer has filed a specimen Deposit Receipt and Sales Contract ("Sales Contract") with the Hawaii Real Estate Commission as follows.

Among other provisions contained therein, the Sales Contract contains the following provisions:

"4. USE OF ESCROW FUNDS. Buyer agrees that payments under paragraph 2 hereof may be disbursed by Escrow Agent prior to the date of completion of the buildings to pay the cost of constructing the building and other expenses of the Project, all as provided in the Condominium Escrow Agreement, a copy of which has been furnished to Buyer, which Buyer hereby ratifies and approves and which is incorporated herein.

6. SELLER'S CANCELLATION RIGHTS. In addition to any other rights of cancellation or termination reserved to Seller herein, if (a) Buyer's initial deposit check is returned for insufficient funds, or (b) Buyer (or any one (1) of them if Buyer is more than one (1) person) should die prior to closing, then, in any such event, Seller reserves the right to return Buyer's check or payments, without interest and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses incurred by reason of Buyer's execution of this Agreement. Until Seller so elects to cancel this Agreement, it shall remain in full force and effect.

17. BUYER'S RIGHT TO RESCIND. Notwithstanding anything contained in paragraph 16 hereinabove:

(a) Except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration, if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Apartment or appurtenant limited common elements, or (2) those amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale made under this Agreement and to receive a prompt and full refund of any monies paid.

(b) Buyer's right of rescission under subparagraph (a) above shall be waived upon (1) delivery to Buyer, either personally or by registered or certified mail, return receipt requested, of a disclosure document which describes the material change and contains a provision for Buyer's written approval or acceptance of such change, and (2) Buyer's written approval or acceptance of the material change, or

the lapse of ninety (90) days since Buyer has accepted the Apartment, or the occupancy of the Apartment by Buyer. If Buyer does not rescind this Agreement or execute and return the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document, Buyer shall be deemed to have approved and accepted such change; provided, however, that the deemed approval and acceptance shall be effective only if at the time of delivery of the disclosure document, Buyer is notified in writing of the fact that Buyer will be deemed to have approved and accepted the change upon Buyer's failure to act within the thirty (30) day period. If prior to delivery of such disclosure document, ninety (90) days have lapsed since Buyer has accepted the Apartment, or Buyer has occupied the Apartment, then Buyer's right of rescission under subparagraph (a) above shall not be waived unless Buyer shall execute the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document or Buyer is deemed to have approved and accepted such change as set forth above. A copy of the form of disclosure document shall be delivered to the Commission prior to delivery to Buyer.

18. DEFAULT.

(a) Time is of the essence of this Agreement, and if Buyer shall default in any payment when required or fail to perform any other obligations required of Buyer hereunder and shall fail to cure such default within ten (10) days after receipt of written notice thereof from Seller, Seller may, at Seller's option, terminate this Agreement by written notice to Buyer. In the event of such default, the parties hereto understand and agree that in view of (i) Seller's financial commitments with respect to the Project, (ii) the connection between sales, cancellation or default with respect to one (1) apartment and the sale, cancellation or default with respect to other apartments in the Project, and (iii) the nature of the real estate market in Hawaii, the injury to Seller will be uncertain as to nature and amount and difficult to ascertain. As a reasonable estimate of Seller's damages resulting from such default, the parties agree that the sums paid by Buyer hereunder prior to such default shall belong to Seller as liquidated damages. At Seller's option, Seller may also pursue any other remedy at law or in equity for specific performance, damages or otherwise. All costs, including reasonable attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

(b) If Seller shall default in the performance of any obligation required of Seller hereunder, Buyer shall be entitled to specific performance of this Agreement or Buyer shall have the right to cancel and terminate this Agreement. In the event of such cancellation and termination, Seller shall repay to Buyer all sums paid by Buyer to Seller or Escrow Agent pursuant to the provisions hereof, and, in addition, Seller shall pay

Buyer ONE HUNDRED AND NO/100 DOLLARS (\$100.00) as liquidated damages for Seller's default. Buyer expressly waives any right or remedy against Seller which now exists or which hereafter may exist for the default of Seller under this Agreement, except for the foregoing right to specific performance or to cancel and terminate this Agreement, and to receive all sums paid to Seller and Escrow Agent and the sum of ONE HUNDRED AND NO/100 DOLLARS (\$100.00).

20. PRE-PAID ITEMS. Buyer acknowledges that Buyer will be required to prepay: (a) maintenance fees for a period of two (2) months, which amount shall constitute a non-refundable start-up fee to be transferred to the Association for use in paying the initial operating costs of the Project, (b) maintenance fees for a period of two (2) months, which amount shall constitute a contribution to the maintenance reserve fund for the Project pursuant to the Declaration, (c) real property taxes for a period of six (6) months, and (d) insurance premiums to the extent required by any first mortgage lender. Real property taxes, insurance and maintenance expenses shall be prorated as of the Closing Date or the date of actual possession, whichever sooner occurs. Buyer further agrees that all insurance, maintenance, assessments and other expenses shall also be prorated between Seller and Buyer as of such proration date for real property taxes. Buyer understands and agrees that any amount to be paid by Buyer under this paragraph 20 is in addition to, and is not part of the total purchase price set forth hereinabove.

23. SUBORDINATION. Buyer acknowledges that Seller has entered into a Construction Loan Agreement with _____ ("Construction Lender"), pursuant to which Construction Lender has loaned Seller the principal amount [insert material terms of loan].

Buyer further acknowledges that Seller may enter into an additional agreement or agreements with Construction Lender or any other established financial institution ("Additional Lender") pursuant to which said lenders may loan Seller an additional aggregate amount not to exceed [insert limits on material terms of additional loan]. To secure the loan(s), Seller has granted to Construction Lender and may grant to Additional Lender security interests covering Seller's interest in the Project land and the Project, including this Agreement and the property covered by this Agreement. Buyer acknowledges and agrees that all security interests obtained by Construction Lender and Additional Lender in connection with such loan(s) as well as any extensions, renewals and modifications thereof, shall be and remain at all times a lien or charge on the Project, including the property covered by this Agreement, prior to and superior to any and all liens or charges on the Project arising from this Agreement. Buyer hereby expressly waives, relinquishes and subordinates the priority or superiority of any lien under this Agreement in favor of the lien or charge on the Project of the

security interests of Construction Lender and Additional Lender. In confirmation of such subordination, Buyer further undertakes and agrees to execute and deliver promptly any further instrument required by Construction Lender or Additional Lender or their successors in interest to evidence such subordination and hereby appoints Seller as Buyer's attorney-in-fact to execute and deliver any such instrument on behalf of Buyer should Buyer refuse or fail to do so within five (5) days after request is made. Buyer also consents to Seller's assignment by way of security of Seller's interests in this Agreement and Buyer's escrow deposits to Construction Lender and Additional Lender and agrees that in the event of passage of Seller's interests therein to Construction Lender and Additional Lender, Buyer shall attorn to and recognize Construction Lender and Additional Lender or their successors in interest as the Seller hereunder, with all of the rights of the Seller hereunder, as if Construction Lender and Additional Lender were the original Seller hereunder.

24. CONDITION TO BINDING EFFECT OF AGREEMENT.

(a) Anything herein to the contrary notwithstanding, this Agreement shall not be binding upon Buyer and any obligation to purchase the Apartment under this Agreement shall not be enforceable against Buyer until:

(1) A true copy of the Commission's Final Public Report on the Project has been delivered to Buyer, either personally or by certified mail with return receipt requested, together with a true copy of all other public reports on the Project, if any, issued prior to the date of such delivery and not previously delivered to Buyer (unless the Final Public Report supersedes all prior public reports or a supplementary public report has been issued which supersedes the Final Public Report and any other public reports, in which case a true copy of the Commission's supplementary public report shall be delivered instead);

(2) Buyer has been given an opportunity to read the reports; and

(3) Two (2) copies of the form of the receipt and notice set forth in Section 514A-62 of the Hawaii Revised Statutes, as amended, have been delivered to Buyer and Buyer (i) executes the receipt and notice, and (ii) waives Buyer's right to cancel; provided, however, that if Buyer does not execute and return the receipt and notice within thirty (30) days from the date of delivery of such reports, or if the Apartment is conveyed to Buyer prior to the expiration of such thirty-day period, Buyer shall be deemed to have receipted for the reports and to have waived Buyer's right to cancel.

(b) Unless such right has previously been waived pursuant to subparagraph (a) hereinabove, Buyer shall have the right to cancel this Agreement at any time prior to the earlier

of (1) the conveyance of the Apartment to Buyer or (2) midnight of the thirtieth (30th) day following the date of delivery of said Final Public Report to Buyer, and, upon any such cancellation, shall be entitled to a prompt and full refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase up to a maximum of TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00).

25. BUYER'S RECOGNITION OF PERMITTED APARTMENT USES. Buyer acknowledges that the apartments in the Project shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests and may be utilized for long-term or transient vacation rentals, specifically excluding time sharing plans. The owners of the apartments shall have the absolute right to rent or lease the apartments subject to the limitations, restrictions, covenants and conditions of the Declaration.

Seller and all entities, persons and agents related to or affiliated with Seller, have no program at this time, nor is any program planned or contemplated, to offer a rental service of any kind to the owners of apartments, either individually or in any form of pooling arrangements, nor have any representations been made by Seller or its agents as to the feasibility of renting the apartments. Purchasers of apartments who desire to rent their apartments must therefore make their own rental arrangements.

Neither Seller nor its agents have made any representation regarding either economic benefits to be derived from rentals or tax treatment of any purchaser of an apartment. The tax treatment and economic benefits may vary with individual circumstances and Seller, and its agents, recommend that Buyer consult Buyer's own attorney, accountant or other tax counsel for advice regarding appropriate tax treatment.

Buyer hereby acknowledges receipt of written notice that Seller has not authorized any agents, salesmen or brokers for the Project to make any representations as to rentals of an apartment, income from an apartment or any other economic benefit to be derived from the rental of an apartment in said Project, and if any such representations are made, they are hereby expressly disclaimed by Seller.

26. OWNER-OCCUPANT BUYER ON RESERVATION LIST. If, in accordance with Section 514A-104 of the Hawaii Revised Statutes, as amended, Buyer has executed an affidavit of intent to become an owner-occupant of the Apartment and has deposited _____ DOLLARS (\$ _____) or other acceptable consideration with Seller to permit Buyer to be put on a reservation list compiled by Seller's broker, the following provisions shall be incorporated into this Agreement:

(a) Notwithstanding anything contained herein to the contrary, this Agreement shall be conditioned upon Buyer obtaining adequate financing, or a commitment for adequate financing, within forty-five (45) calendar days following the end of the ten (10) calendar day period during which Seller is limited to selling to owner-occupants, and if such financing or commitment is not obtained, this Agreement shall be cancelled.

(b) If during the ten (10) calendar day period following the issuance of the first public report for the Project by the Commission, Buyer indicates by written notice to Seller that Buyer desires to cancel this Agreement on account of hardship circumstances such as serious illness of Buyer or a member of Buyer's family, job or military transfer, unforeseeable change in marital status, or the birth of a child, which causes Buyer to be unable to purchase the Apartment, or if Buyer indicates an intent not to become an owner-occupant of the Apartment, Seller shall cancel this Agreement.

(c) Upon the cancellation of this Agreement as provided in this paragraph 26, Seller shall cause Escrow Agent to refund to Buyer all monies paid without interest, less any escrow cancellation fee and other costs incurred by Seller in processing this Agreement; provided, however, that the cancellation shall be approved by any lender financing the Project."

EXHIBIT K

SUMMARY OF PERTINENT
PROVISIONS OF ESCROW AGREEMENT

Among other provisions, the Condominium Escrow Agreement dated April 5, 1991 (the "Escrow Agreement"), executed by and between Title Guaranty Escrow Services, Inc., as Escrow, and J.P.D. Hawaii Co., Inc., as Developer, provides that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

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

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

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

(d) Purchaser shall have notified Escrow in writing he has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

(e) Developer and purchaser shall have notified Escrow in writing that any one of the following events has occurred:

(i) no sales contract has been offered to the purchaser who has been placed on the Developer's reservation list of owner-occupant applicants; or

(ii) purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within forty-five (45) calendar days following the end of the ten (10) calendar day period during which the Developer is limited to selling to owner-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

No disbursement of purchasers' funds held in escrow, other than refunds provided for in the Escrow Agreement, shall be made until certain conditions are satisfied. In general, these conditions include:

(1) The issuance of a Final Public Report on the Project by the Hawaii Real Estate Commission;

(2) If applicable, delivery to and acknowledgment of receipt of appropriate public reports by a purchaser, and delivery to Escrow Agent of a written opinion by Developer or Developer's attorney stating that the purchaser's sales contract has become effective;

(3) Delivery to Escrow Agent of a written opinion by Developer or Developer's attorney stating that certain statutory requirements have been met; and

(4) A written waiver of any option reserved in any sales contract to cancel such sales contract.