



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

on

KUMELEWAI COURT - PHASE I
 Mililani Town, Oahu, Hawaii

Registration No. 2523

Issued: October 10, 1991
Expires: November 10, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 2, 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:** 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.
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** Updates information contained in the
(pink)
- 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.

SPECIAL ATTENTION:

The Developer has disclosed the following:

1. The apartments in the Project have certain owner-occupancy requirements and certain restrictions on use and transfer after the purchase. Buyers of apartments in this Project should be aware of such restrictions in the Apartment Deeds and Repurchase Options, which are more particularly described on page 18 of this Public Report and in the "Specimen Apartment Deeds and Repurchase Options" filed at the Developer's Sales Office.

2. Except for "Permitted Transfers" (as defined in the respective Apartment Deed and Repurchase Option), Buyers may not "Transfer" (as defined in the respective Apartment Deed and Repurchase Option) the apartments during certain specified periods.

3. If the Buyer does not occupy the apartment as the Buyer's primary residence during the required occupancy period, or if the Buyer attempts to Transfer the apartment during the restricted transfer period, then the Developer shall have a first option to purchase the apartment at a designated price.

4. If the Buyer Transfers the apartment during the restricted transfer period, the Buyer, under certain circumstances set forth in the respective Apartment Deed and Repurchase Option, may have to pay to the Developer all or a portion of the proceeds received upon the Transfer of the apartment.

5. The approximate square footages and estimated monthly maintenance fees of the respective apartments set forth in the Owner-Occupants' Presale Notice published in the newspapers are incorrect. The correct approximate square footages and estimated monthly maintenance fees are as set forth in this condominium public report.

The prospective Buyer is cautioned to carefully review this Public Report and the documents filed at the Developer's Sales Office in connection with the Project for further information in connection with the foregoing.

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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.

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 EXHIBIT A

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

Total Apartments: 72

**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)	<u>144</u>
Guest Stalls	<u>14</u>
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>158</u>

7. Recreational amenities: Pavilion; Tot Lot.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Castle & Cooke Residential, Inc. Phone: 548-4811
Name (Business)
650 Iwilei Road, P.O. Box 2780
Business Address
Honolulu, Hawaii 96817

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

Wallace Miyahira - President
Robert W. Brant - Senior Vice President/Treasurer/Chief Financial Office:
Larry K.S. Lum - Vice President/General Manager
Beverly Garcia - Vice President/Assistant Secretary
Kevin R. Shaney - Secretary
J. Brett Tibbitts - Assistant Secretary
David W. Perrigo - Assistant Treasurer
Eric G. Stojkovich - Controller

Real Estate Broker: Developer Phone: 548-4811
Name (Business)
Business Address

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor: Developer Phone: 548-4811
Name (Business)
Business Address

Condominium Managing Agent: Chaney, Brooks & Company Phone: 544-1600
Name (Business)
606 Coral Street
Business Address
Honolulu, Hawaii 96813

Attorney for Developer: Goodsill Anderson Quinn & Stifel Phone: 547-5600
(Robert F. Hirano and Gail O. Ayabe)
Name (Business)
130 Merchant Street, 16th Floor
Business Address
Honolulu, Hawaii 96813

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

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

- 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>	*The Developer's written consent also is required to amend any provision that gives the Developer any right or authority.
Bylaws	65%	<u>65%*</u>	
House Rules	--	<u>Majority of the Board of Directors</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

The Developer may amend the Declaration, By-Laws and Condominium Map (a) at any time prior to the recording of the first apartment conveyance to a party not signatory to the Declaration; (b) to make any amendments required by law, by the Real Estate Commission of the State of Hawaii, by any title insurer issuing title insurance on the Project or any of the apartments, by any institutional lender lending funds on the security of the Project or any of the apartments, or by any governmental agency of any other jurisdiction; (c) to file the "as built" verified statement required by Section 514A-12, HRS; (d) at any time to effect the changes provided in the Declaration of Merger of Condominium Phases referred to in Section S of the Declaration, including the right to merge the Project with "Phase II" (as said term is defined in the Declaration).

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>
[] Commercial	_____	_____	[] Industrial	_____	_____
[X] Residential	<u>72</u>	<u>Yes</u>	[] Agricultural	_____	_____
[] Timeshare/Hotel	_____	_____	[] Recreational	_____	_____
[] Other: _____	_____	_____		_____	_____

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

[X] Yes [] No

5. Special Use Restrictions:

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

No animals allowed, except that dogs, cats and other commonly

[X] Pets: recognized household pets in reasonable number and size (as*

[X] Number of Occupants: No more than 5 persons per two-bedroom apartment and no more than 7 persons per three-bedroom apartment.

[X] Other: No waterbeds allowed without approval of Board of Directors. Special restrictions apply regarding the floor surfaces and/or floor materials of apartments whose apartment type is "A-1", "B-1" or "B-1R", as provided in Section H.5

[] There are no special use restrictions. of the Declaration.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways CR apartment Trash Chutes 0

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

Total Apartments: 72

**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.

**determined by the Board of Directors but not to exceed a total of four (4) such animals) may be kept by owners and occupants. Special limitations apply to dogs, as set forth in the Rules and Regulations.*

Boundaries of Each Apartment:

SEE EXHIBIT B

Permitted Alterations to Apartments:

SEE EXHIBIT C

7. Parking Stalls:

Total Parking Stalls: 158

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>24</u>	<u>48</u>	<u>48</u>	<u>24</u>	<u> </u>	<u> </u>	<u>144</u>
Guest Unassigned	<u> </u>	<u>1</u>	<u> </u>	<u>13</u>	<u> </u>	<u> </u>	<u>14</u>
Extra Available for Purchase	<u> </u>						
Other:	<u> </u>						
Total Covered & Open	<u>73</u>	<u> </u>	<u>85</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit _____ 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

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: Pavilion; Tot Lot.

9. Present Condition of Improvements NOT APPLICABLE
 (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

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

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 D 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 E

as follows:

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is 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 F 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 G describes the encumbrances against the title contained in the title report dated July 29, 1991 and issued by Title Guaranty of Hawaii, Inc.

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>
Mortgage lien(s) of Developer's lender(s)	Buyer's interest is specifically made subject and subordinate to such liens. This means, among other things, that if the Developer defaults, the mortgage lender may take over the project.

NOTE: The Developer has notified the Commission that at the time of the first conveyance of each apartment, each of Developer's lender(s)' lien(s) will be paid and satisfied of record, or the apartment being conveyed and its common interest shall be released therefrom.

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.

Exhibit H/ (DISCLOSURE ABSTRACT) 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

Gas

Other _____

Television Cable

Water & Sewer

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:

SEE SECTION 3 OF EXHIBIT H (THE DISCLOSURE ABSTRACT)

2. Appliances:

SEE SECTION 3 OF EXHIBIT H (THE DISCLOSURE ABSTRACT)

J. Status of Construction and Estimated Completion Date:

The Developer estimates that construction of the Project will commence in May 1991 and be completed in January 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:

The Developer, at its option, has the right until January 1, 2002, but not the obligation, to expand the Project by merging, either through an administrative merger or an ownership merger, the Project with a condominium project ("Phase II") located or to be located on land adjacent to the Project site, and to amend the Declaration to provide for such merger without obtaining the approval, consent or joinder of any owner, mortgagee or purchaser of any apartment, all as set forth in that certain Declaration of Merger of Condominium Phases referred to in Section S of the Declaration.

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 and Specimen V.A. Addendum to Reservation and Sales Agreement.

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

Escrow Agreement dated June 6, 1991

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

Other Owner-Occupant Affidavit

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. MILILANI TOWN COVENANTS. The Declaration of Condominium Property Regime provides that all present and future apartment owners, tenants and occupants of apartments shall be bound by and subject to the provisions of that certain Declaration of Covenants, Conditions and Restrictions for Mililani Town dated April 19, 1968, filed in the Office of the Assistant Registrar of the Land Court of Hawaii as Document No. 441561, as amended by instrument dated May 22, 1968, filed in said Office as Document No. 445150, and as further amended from time to time (the "Mililani Town Covenants"). The Mililani Town Covenants provide, among other things, that each apartment owner, by virtue of being such an owner, shall be a member of the Mililani Town Association and shall pay assessments to the Mililani Town Association, as set forth in the Mililani Town Covenants.

2. RESTRICTIONS ON USE AND TRANSFER OF THE APARTMENT. The transfer of the apartment to buyer will be made subject to (and the respective Apartment Deed and Repurchase Option will so provide) the condition that the buyer will use and occupy the apartment as buyer's primary residence for a period of at least one (1) year after the recordation of the Apartment Deed and Repurchase Option, and that if buyer fails to do so, Developer shall have the right, in the nature of an option (but shall not be obligated to), repurchase the apartment at a price established as set forth in the respective Apartment Deed and Repurchase Option. The transfer of the apartment to buyer also will be made subject to (and the respective Apartment Deed and Repurchase Option will so provide) certain restrictions on transfer of the apartment, including without limitation, a first option to purchase (at a price established as set forth in the respective Apartment Deed and Repurchase Option) the apartment in favor of the Developer, for a period of either one (1) year [if buyer is a purchaser under a Reservation and Sales Agreement (Market Housing)] or five (5) years [if buyer is a purchaser under a Reservation and Sales Agreement (Lower Cost Housing)] after the recordation of the Apartment Deed and Repurchase Option, in the event that buyer attempts to transfer the apartment during the applicable restricted transfer period. If buyer transfers the apartment during the applicable restricted transfer period, buyer, under certain circumstances set forth in the respective Apartment Deed and Repurchase Option, may have to pay to the Developer a portion of the proceeds received upon the transfer of the apartment.

3. RESERVATION OF EASEMENTS. The Developer, among other things, has reserved a nonexclusive easement for mailbox purposes, for park purposes, and for guest parking purposes over and upon the common elements of the Project intended for such purposes (excluding the limited common elements appurtenant to any apartment in the Project), which easement shall be for the benefit of, and appurtenant to the land described in Exhibit "C" of the Declaration; together with the right to grant to the owner or owners from time to time of all or any portion of the land described in said Exhibit "C" and/or any other persons, easements for such purposes over and upon the common elements of the Project intended for such purposes (excluding the limited common elements appurtenant to any apartment in the Project).

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 Mililani Town Covenants

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. 2523 filed with the Real Estate Commission on September 24, 1991.

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

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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 YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI COURT - PHASE I

EXHIBIT A

APARTMENT DESCRIPTION

<u>Apt.</u> <u>Type</u>	<u>Quantity</u>	<u>Bedroom/</u> <u>Bath</u>	<u>Approx.</u> <u>Net</u> <u>Living</u> <u>Floor</u> <u>Area in</u> <u>Sq. Ft.*</u>
A	9	2/1	855
A-1	9	2/1	932
B	9	2/1	954
BR	9	2/1	954
B-1	9	2/1	1005
B-1R	9	2/1	1005
C	9	3/2	1635
CR	9	3/2	1635

Total Apartments: 72

*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.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI COURT - PHASE I

EXHIBIT B

BOUNDARIES OF EACH APARTMENT

Each apartment consists of the spaces within the perimeter walls, floors and ceilings of the respective apartment as shown on the Condominium Map. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, footings, supports, roofs and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as hereinafter provided. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, roofs and ceilings; all windows, window frames, louvers (if any), shutters (if any), doors and door frames along the perimeter of the apartment; and all of the fixtures and appliances originally installed therein.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI COURT - PHASE I

EXHIBIT C

PERMITTED ALTERATIONS TO APARTMENTS

Except as otherwise provided in the Declaration, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with all of the requirements of Paragraph 6 of Section I of the Declaration, and promptly upon completion of such restoration, replacement or construction, the Association shall duly file of record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any other provision in the Declaration to the contrary, the owner of an apartment may make any alterations or additions within an apartment and the owner of any two adjoining apartments may alter or remove all or portions of the intervening walls, at such owner's expense, if such alterations or additions are not visible from the exterior of the apartments and if the structural integrity of the building is not thereby affected. The alterations or additions permitted by the immediately preceding proviso shall require only the written approval thereof, including approval of the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartment (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors of the Association) and such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any two adjoining apartments, if the intervening walls shall have been altered or removed pursuant to the foregoing provision and any entrances sealed, the owner of such apartment shall restore such intervening walls and entrances to substantially the same condition in which they existed prior to such alteration or removal.

An apartment owner may place a patio slab within the yard area, if any, appurtenant to such owner's apartment, in accordance with plans and specifications approved by the Board of Directors of the Association, and in compliance with applicable law. Also, apartment owner may install gates in the fence surrounding the yard area, if any, appurtenant to such owner's apartment, in accordance with plans and specifications approved by the Board of Directors of the Association, and in compliance with applicable law.

Notwithstanding any other provision in the Declaration to the contrary, prior to (a) the time that all apartments in the Project have been sold and recorded and (b) the filing by the Developer of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of said Condominium Property Act (but in no event later than December 31, 2001), the Developer shall have the right to make alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; or to make other alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which make minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 3 of Section T of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of apartments in the Project, and the filing in the Office of the Assistant Registrar of the Land Court of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatory to the Declaration.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI COURT - PHASE I

EXHIBIT D

COMMON ELEMENTS

The common elements consist of all portions of the Project other than the apartments, including specifically, but not limited to:

- (a) The Land in fee simple;
- (b) All foundations, columns, girders, beams, footings, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, roofs, walkways, corridors, ramps, fences, entrances, entryways and exits of all buildings of the Project;
- (c) All walkways, roadways, sidewalks, perimeter walls, retaining walls, fences, gates, yard areas, driveways, parking areas, loading zones, yards, grounds, landscaping, refuse areas, and mailboxes;
- (d) All pipes, cables, conduits, ducts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas (if any), sewer, water, telephone and television signal distribution (if any);
- (e) The twenty-four (24) regular size, covered parking stalls, the forty-nine (49) regular size, uncovered parking stalls (one (1) of which is designated as a guest parking stall), the forty-eight (48) compact size, covered parking stalls, and the thirty-seven (37) compact size, uncovered parking stalls (thirteen (13) of which are designated as guest parking stalls) located in the parking areas of the Project, all as shown on the Condominium Map;
- (f) The parking structures, designated on the Condominium Map as buildings C-1 to C-9, inclusive;
- (g) The trash enclosures, the maintenance building, the tot lot, and the pavilion;
- (h) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI COURT - PHASE I

EXHIBIT E

LIMITED COMMON ELEMENTS

(a) Each of the parking stalls, other than the parking stalls designated on the Condominium Map as guest parking stalls, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit F attached hereto;

(b) Each of the yard areas within the Project, designated on the Condominium Map as Yard Areas Y-1 to Y-43, inclusive, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit F attached hereto;

(c) Any walkway, entrance, exit, or steps which would normally be used only for the purposes of ingress to and egress from a specific apartment or apartments shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment or apartments;

(d) Any mailbox assigned to an apartment by the Developer or the Association of Apartment Owners of the Project shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI COURT - PHASE I

EXHIBIT F

COMMON INTERESTS AND LIMITED COMMON ELEMENTS

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Bldg. No.</u>	<u>Parking Stall No(s).</u>	<u>Yard Area No.</u>	<u>Common Interest</u>
1	CR	1	1* & 2C*	Y-1	2.02413%
2	BR	1	3* & 42C	Y-2	1.18106%
3	B-1R	1	5 & 41C*	---	1.24420%
4	A	1	6 & 40C*	Y-3	1.05850%
5	A-1	1	4C* & 13	---	1.15382%
6	B	1	12 & 38C*	Y-4	1.18106%
7	B-1	1	11 & 39C*	---	1.24420%
8	C	1	7C* & 8*	Y-5	2.02414%
9	CR	2	9C* & 10*	Y-6	2.02413%
10	BR	2	17H & 37C*	Y-7	1.18106%
11	B-1R	2	15 & 36C*	---	1.24420%
12	A	2	16H & 21	Y-8	1.05850%
13	A-1	2	14 & 34C*	---	1.15382%
14	B	2	18 & 53C	Y-9	1.18106%
15	B-1	2	19 & 35C*	---	1.24420%
16	C	2	23* & 24C*	Y-10	2.02414%
17	CR	3	25* & 26C*	Y-11	2.02413%
18	BR	3	22 & 44C	Y-12	1.18106%
19	B-1R	3	20 & 43C	---	1.24420%
20	A	3	29C* & 33C	Y-13	1.05850%
21	A-1	3	27 & 45C	---	1.15382%
22	B	3	28 & 46C	Y-14	1.18106%
23	B-1	3	30* & 322C	---	1.24420%
24	C	3	31C* & 32*	---	2.02414%
25	CR	4	54 & 55C*	Y-15	2.02413%
26	BR	4	52 & 56*	Y-16	1.18106%
27	B-1R	4	51C & 58	---	1.24420%
28	A	4	50C & 86C	Y-17	1.05850%
29	A-1	4	49C & 65	---	1.15382%
30	B	4	48C & 57C*	Y-18	1.18106%
31	B-1	4	47C & 64	---	1.24420%
32	C	4	60C* & 61*	Y-19	2.02414%
33	CR	5	62C* & 63*	Y-20	2.02413%
34	BR	5	66 & 94C	Y-21	1.18106%
35	B-1R	5	87C* & 88C*	---	1.24420%
36	A	5	70H & 92C*	Y-22	1.05850%
37	A-1	5	71 & 93C*	---	1.15382%
38	B	5	69H & 91C*	Y-23	1.18106%

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Bldg. No.</u>	<u>Parking Stall No(s).</u>	<u>Yard Area No.</u>	<u>Common Interest</u>
39	B-1	5	89C* & 90C*	---	1.24420%
40	C	5	76* & 77C*	Y-24	2.02414%
41	CR	6	78* & 79C*	Y-25	2.02413%
42	BR	6	74 & 75	Y-26	1.18106%
43	B-1R	6	73 & 82C*	---	1.24420%
44	A	6	68 & 72	Y-27	1.05850%
45	A-1	6	59 & 80	---	1.15382%
46	B	6	81 & 95C	Y-28	1.18106%
47	B-1	6	67 & 83*	---	1.24420%
48	C	6	84C* & 85*	Y-29	2.02414%
129	CR	17	269* & 270C*	Y-43	2.02413%
130	BR	17	271* & 290	Y-42	1.18106%
131	B-1R	17	273 & 308C*	---	1.24420%
132	A	17	274 & 301C	Y-41	1.05850%
133	A-1	17	281 & 306C*	---	1.15382%
134	B	17	279 & 280	Y-40	1.18106%
135	B-1	17	272C* & 788	---	1.24420%
136	C	17	275C* & 276*	Y-39	2.02414%
137	CR	18	277C* & 278	---	2.02413%
138	BR	18	282 & 302C*	Y-38	1.18106%
139	B-1R	18	283 & 305C*	---	1.24420%
140	A	18	284 & 303C*	Y-37	1.05850%
141	A-1	18	286 & 297C*	---	1.15382%
142	B	18	285 & 304C	Y-36	1.18106%
143	B-1	18	287 & 307C*	---	1.24420%
144	C	18	291* & 292C*	Y-35	2.02414%
145	CR	19	293* & 294C*	Y-34	2.02414%
146	BR	19	309C* & 312C	Y-33	1.18106%
147	B-1R	19	289 & 313C	---	1.24420%
148	A	19	310C & 311C	Y-32	1.05850%
149	A-1	19	295 & 315C	---	1.15382%
150	B	19	296 & 314C	Y-31	1.18106%
151	B-1	19	298* & 316C	---	1.24420%
152	C	19	299C* & 300C*	Y-30	2.02414%

NOTE: All parking stall numbers ending with the letter "C" are compact size stalls. All other parking stalls are regular size.

All parking stall numbers ending with the letter "H" are handicap stalls.

All parking stalls numbers that have an "*" next to said numbers are covered stalls. All other parking stalls are uncovered stalls.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI COURT - PHASE I

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor of the City and County of Honolulu.
2. Certificate and Authorization dated June 21, 1989, filed as Land Court Document No. 1645132, by and between Castle & Cooke, Inc., a Hawaii corporation, and Mililani Town, Inc., a Hawaii corporation.
3. Unilateral Agreement and Declaration for Conditional Zoning dated September 15, 1989, recorded in Liber 23653 at Page 571.
4. Easement 4915 (area 4,044 square feet) for electrical purposes as shown on Maps 788 and 809, as set forth by Land Court Order No. 100009, filed October 31, 1990.
5. Said Easement 4915 is subject to grant of easement dated May 23, 1991, in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated, filed as Document No. 1824008 and assigned by Document Nos. 1824009 and 1824010.
6. Designation of Easements 5007, 5011, 5012, 5013 and 5014 as shown on Map 809 as set forth by Land Court Order No. 102896, filed July 5, 1991.
7. Mortgage and Financing Statement dated November 8, 1990, made by Mililani Town, Inc., a Hawaii corporation, now known as Castle & Cooke Residential, Inc., as Mortgagor, in favor of Castle & Cooke, Inc., a Hawaii corporation, as Mortgagee, filed as Land Court Document No. 1780090.

CONDOMINIUM PUBLIC REPORT ON

KUMELEWAI COURT - PHASE I

EXHIBIT H

DISCLOSURE ABSTRACT

1. (a) PROJECT: Kumelewai Court - Phase I
Mililani Town, Oahu, Hawaii
 - (b) DEVELOPER: Castle & Cooke Residential, Inc.
650 Iwilei Road, P. O. Box 2780
Honolulu, Hawaii 96817
Telephone: (808) 548-4811
 - (c) PROJECT MANAGER: Chaney, Brooks & Company
606 Coral Street
Honolulu, Hawaii 96813
Telephone: (808) 544-1600
2. USE OF APARTMENTS:
 - (a) Number of Apartments in Project for Residential Use: 72
 - (b) Proposed Number of Apartments in Project for Hotel Use: -0-
 - (c) Extent of Commercial or Other Nonresidential Development in Project: None
3. WARRANTIES:
 - (a) Developer warrants the materials and workmanship of the Apartment against defects for a period of one (1) year from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period less than one (1) year from the "date of completion" of the Apartment, as that term "date of completion" is defined in Section 507-43 of the Hawaii Revised Statutes. For purposes of the foregoing warranty, "defects" shall be those items which, as a result of poor workmanship or defective materials used in the construction of the Apartment, reasonably require the repair, renovation, restoration, or replacement of any of the components constituting the Apartment. Items of maintenance relating to the Apartment are not covered by the foregoing warranty.

(b) Developer warrants the materials and workmanship of the common elements of the Project against defects for a period of one (1) year from the date each of the common elements is completed and available for use by apartment owners, or one (1) year from the date the first apartment in the Project is conveyed to an apartment owner other than Developer, whichever is later. For purposes of the foregoing warranty, "defects" shall be those items which, as a result of poor workmanship or defective materials used in the construction of the common elements of the Project, reasonably require the repair, renovation, restoration, or replacement of any of the components constituting the common elements of the Project. Items of maintenance relating to the common elements of the Project are not covered by the foregoing warranty.

(c) Developer's obligations under the foregoing warranties are expressly conditioned on prompt notification by Buyer to Developer of any defects in the materials or workmanship, and are expressly limited to the repair or replacement of defects.

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Disclosure Abstract as Exhibit "A" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by Chaney, Brooks & Company, a Hawaii corporation, for the one-year period commencing January 1, 1992 and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Abstract does not include the Buyer's obligation for the payment of the Mililani Town Association initiation assessment of \$100.00 or the Mililani Town Association dues (currently \$16.00 per month) or real property taxes, and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

* NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF *
* MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE VERY *
* DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH MAINTENANCE *
* CHARGES HAVE BEEN ACCURATELY ESTIMATED, SUCH CHARGES WILL TEND *
* TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS *
* AGE. MAINTENANCE CHARGES CAN VARY DEPENDING ON SERVICES *
* DESIRED BY APARTMENT OWNERS. THE BUYER SHOULD EXAMINE THE *
* MAINTENANCE CHARGE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED *
* IN THE SCHEDULE. *

5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer will assume all the actual common expenses of the Project (and therefore an apartment owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states that after a date certain, the respective apartment owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his apartment; provided, however, that such amended Disclosure Abstract shall be filed at least 30 days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the apartment owners whose maintenance expenses were assumed by the Developer. The Developer shall have no obligation to pay for any cash reserves or any other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

6. MILILANI TOWN ASSOCIATION DUES:

Each apartment owner will be required to be a member of the Mililani Town Association. As such member, each apartment owner will be required to pay Mililani Town Association an initiation assessment of \$100.00 and monthly dues, which are currently \$16.00 per month.

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the Vice President of Chaney, Brooks & Company, a Hawaii corporation, designated by the Developer of the Kumelewai Court - Phase I condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, as set forth in Exhibit "A" attached hereto and hereby incorporated herein by reference, are reasonable estimates for the one-year period commencing January 1, 1992, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 18th day of September, 1992.


Barbara Anderson
Vice President

Subscribed and sworn to before me this 18th day of September, 1992.

Maria Elena J. Rogues
Notary Public, State of Hawaii

My commission expires: 11/15/92

EXHIBIT "A"

KUMELEWAI COURT - PHASE I

Estimated Annual Common Expenses

	<u>MONTHLY</u>	<u>ANNUAL</u>
<u>Utilities and Services</u>		
Electricity (common elements only)	\$ 200.00	\$ 2,400.00
Refuse collection	N/A	0.00
Water and sewer	2,180.00	26,160.00
<u>Maintenance, Repairs and Supplies</u>		
Building	500.00	6,000.00
Grounds	3,200.00	38,400.00
<u>Management</u>		
Management fee	1,357.00	16,284.00
Payroll and Payroll Taxes	N/A	0.00
<u>Office Expenses</u>	75.00	900.00
<u>Insurance</u>	1,200.00	14,400.00
<u>Reserves</u>	1,600.00	19,200.00
<u>Taxes and Government Assessments</u>	10.00	120.00
<u>Audit and Tax Preparation</u>	170.00	2,040.00
<u>Other</u>	<u>120.00</u>	<u>1,440.00</u>
TOTAL DISBURSEMENTS	<u>\$10,612.00</u>	<u>\$127,344.00</u>

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

- (1) The estimated monthly maintenance charge for each Type A apartment is \$112.33 per month.
- (2) The estimated monthly maintenance charge for each Type A-1 apartment is \$122.44 per month.
- (3) The estimated monthly maintenance charge for each Type B and Type BR apartment is \$125.33 per month.
- (4) The estimated monthly maintenance charge for each Type B-1 and Type B-1R apartment is \$132.03 per month.
- (5) The estimated monthly maintenance charge for each Type C and Type CR apartment is \$214.80 per month.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI COURT - PHASE I

EXHIBIT I

SUMMARY OF SALES AGREEMENT

A specimen Reservation and Sales Agreement (Lower Cost Housing) and a specimen Reservation and Sales Agreement (Market Housing) (collectively the "Reservation and Sales Agreement"), together with a specimen V.A. Addendum to Reservation and Sales Agreement (applicable only to buyers who are eligible and apply for Veterans' Administration guaranteed loans) (collectively the "Sales Agreement") have been submitted to the Real Estate Commission and are available in the Sales Office of the Seller. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE RESERVATION AND SALES AGREEMENT AND THE V.A. ADDENDUM TO RESERVATION AND SALES AGREEMENT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of their provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. A Sales Agreement executed prior to the issuance of a Final Public Report for the Project shall constitute a "reservation" and not a "binding contract" for the purchase of an apartment. Accordingly, the reservation may be canceled and terminated at any time at the option of either party (and buyer shall receive a refund) until a Final Public Report is issued on the Project, the buyer signs a receipt for the Final Public Report (or is deemed to have receipted for it under the Condominium Property Act), and each of the conditions set forth in Section 514A-62(a) of the Condominium Property Act have been satisfied. Therefore, the buyer should be aware that the execution of a Sales Agreement prior to the issuance of a Final Public Report does not necessarily mean that the buyer will be able to purchase the reserved apartment for the price or on the other terms stated in the Sales Agreement, or on any terms at all.

2. (a) Seller warrants the materials and workmanship of the Apartment against defects for a period of one (1) year from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period less than one (1) year from the "date of completion" of the Apartment, as that term "date of completion" is defined in Section 507-43 of the Hawaii Revised Statutes. For purposes of the foregoing warranty, "defects" shall be those items which, as a result of poor workmanship or defective materials used in the construction of the Apartment, reasonably require the

repair, renovation, restoration, or replacement of any of the components constituting the Apartment. Items of maintenance relating to the Apartment are not covered by the foregoing warranty.

(b) Seller warrants the materials and workmanship of the common elements of the Project against defects for a period of one (1) year from the date each of the common elements is completed and available for use by apartment owners, or one (1) year from the date the first apartment in the Project is conveyed to an apartment owner other than Seller, whichever is later. For purposes of the foregoing warranty, "defects" shall be those items which, as a result of poor workmanship or defective materials used in the construction of the common elements of the Project, reasonably require the repair, renovation, restoration, or replacement of any of the components constituting the common elements of the Project. Items of maintenance relating to the common elements of the Project are not covered by the foregoing warranty.

(c) Seller's obligations under the foregoing warranties are expressly conditioned on prompt notification by the buyer to Seller of any defects in the materials or workmanship, and are expressly limited to the repair or replacement of defects.

3. Buyer understands and agrees that (a) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (b) installation of the plant materials and irrigation system may be completed after the Closing Date; (c) full maturity of the plant materials will only be reached over an extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; and (d) the Association will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity.

4. Seller may (but does not have to) cancel the Sales Agreement (a) if the buyer's mortgage loan application is rejected or not approved within 60 days after application, or (b) if the buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the buyer's ability to make the cash payments.

5. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED IN THE SALES

AGREEMENT. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

6. Buyer will pay for the following closing costs: all of the Escrow fee, all notary fees, all appraisal fees, all recording costs, all charges for buyer's credit report, all costs of preparing any mortgages and promissory notes, and all title insurance costs. Buyer will also pay all mortgage costs. Buyer will also pay a nonrefundable start-up fee which will be held and used by the Seller and the first Managing Agent of the Association as a working capital fund for the benefit of all the apartment owners. Buyer agrees that Seller does not have to pay any start-up fee for any apartment in the Project even if it is owned by Seller. Proration of Mililani Town Association assessments, maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date.

7. The buyer agrees that buyer may not transfer the Sales Agreement or any of buyer's rights or interests under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

8. Buyer understands that Seller has agreed with the Housing Finance and Development Corporation of the State of Hawaii ("HFDC") that Seller will offer for a period of one hundred twenty (120) days from the issuance of the Preliminary Public Report selected apartments in the Project (each of said apartments hereinafter referred to as a "Lower Cost Housing Apartment") for sale only to "Moderate Income Purchasers" as that term is defined below. If buyer is purchasing a Lower Cost Housing Apartment, buyer represents to Seller that buyer is a "Moderate Income Purchaser". The term "Moderate Income Purchaser" as used herein means an owner-occupant whose income (including the income of all members of such buyer's household) is greater than 120% but does not exceed 140% of the median income (adjusted for family size) for the City and County of Honolulu, as most recently determined by the United States Department of Housing and Urban Development. The following are such income limits (as of April, 1991) by family size for the Project:

<u>Family Size</u>	<u>Median</u>	<u>120% Income Limit</u>	<u>140% Income Limit</u>
1	\$30,590	\$36,710	\$42,830
2	34,960	41,950	49,940
3	39,330	47,200	55,060
4	43,700	52,440	61,180
5	48,070	57,680	67,300

If Seller or HFDC shall determine that buyer is not a "Moderate Income Purchaser", as designated in Article II of the Reservation and Sales Agreement (Lower Cost Housing), Seller shall have the right to cancel the Sales Agreement at any time. If Seller cancels the Sales Agreement as aforesaid, Seller will tell Escrow to give buyer back all of buyer's payments, without interest, and neither party will have any other obligations under the Sales Agreement or relating to the Project. Buyer shall be responsible for the escrow cancellation fee and all other costs associated with the purchase, up to a maximum of \$250.00.

9. That certain Declaration of Merger of Condominium Phases filed or to be filed in the Office of the Assistant Registrar of the Land Court of Hawaii (hereinafter called the "Declaration of Merger"), among other things, gives Seller the right, in its sole and absolute discretion, to cause and effect an administrative merger of the Project with a condominium project ("Kumelewai Court - Phase II") located or to be located on land adjacent to the Project, as part of the same incremental plan of development of the Project, such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the Project and Kumelewai Court - Phase II are shared, and the administration of the Project and Kumelewai Court - Phase II is unified under one association of apartment owners, but the ownership interests of the apartment owners of the Project and Kumelewai Court - Phase II are not altered or affected. The Declaration of Merger also gives the Seller the right, in its sole and absolute discretion, to cause and effect an ownership merger of the Project and Kumelewai Court - Phase II, as an alternative to an administrative merger of the Project and Kumelewai Court - Phase II, to provide for the common ownership of the Project and Kumelewai Court - Phase II by all of the apartment owners of the Project and Kumelewai Court - Phase II all as set forth in the Declaration of Merger. Upon an ownership merger, all of the apartments in the Project and in Kumelewai Court - Phase II shall be treated as though they were all included in a single condominium project (the "Merged Project"), all common elements of the Project and Kumelewai Court - Phase II will become the common elements of the Merged Project, and the common interest appurtenant to the Apartment shall be altered from the percentage set forth in Article I of the Sales Agreement to a percentage as set forth in the "Certificate of Ownership Merger" filed by the Seller, in accordance with the Declaration of Merger. Nothing herein will be deemed to require Seller to develop Kumelewai Court - Phase II or to merge Kumelewai Court - Phase II into the Project, or to prohibit Seller from dealing with any lands adjacent to the Project not merged with the Project, including without limitation, developing all or any part of such lands for purposes inconsistent with the merger of such lands into the Project.

10. The transfer of the Apartment to buyer will be made subject to (and the respective Apartment Deed and Repurchase Option will so provide) the condition that buyer will use and occupy the Apartment as buyer's primary residence for a period of at least one (1) year after the recordation of the Apartment Deed and Repurchase Option, and that if buyer fails to do so, Seller shall have the right, in the nature of an option (but shall not be obligated to), repurchase the Apartment at a price established as set forth in the respective Apartment Deed and Repurchase Option. The transfer of the Apartment to buyer also will be made subject to (and the respective Apartment Deed and Repurchase Option will so provide) certain restrictions on transfer, including, without limitation, a first option to purchase (at a price established as set forth in the respective Apartment Deed and Repurchase Option) the Apartment in favor of Seller, for a period of either one (1) year [if buyer is a purchaser under a Reservation and Sales Agreement (Market Housing)] or five (5) years [if buyer is a purchaser of a Lower Cost Housing Apartment under a Reservation and Sales Agreement (Lower Cost Housing)] after the recordation of the Apartment Deed and Repurchase Option, in the event buyer attempts to transfer the Property during the applicable restricted transfer period. If buyer transfers the Apartment during the applicable restricted transfer period, buyer, under certain circumstances set forth in the respective Apartment Deed and Repurchase Option, may have to pay to Seller all or a portion of the proceeds received upon the transfer of the Apartment.

11. Seller has given and/or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual apartments. All of the rights and interests which Seller gives to the lender or lenders will have priority over the buyers' rights and interests under the Sales Agreements. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed apartment deeds to the buyers. If Seller's lender or lenders ask the buyers to do so, the buyers will sign other documents to confirm the promises and agreements mentioned above.

12. The buyer understands and acknowledges that the Project is located in the vicinity of Wheeler Air Force Base (the "Base"), and that aircraft from the Base may fly in the proximity of or directly over the Property or the Project, and that military activities will be conducted on or near the Base. Buyer acknowledges and understands that such overflights and other military

activities may result in noise, dust, vibration, and other nuisances, disturbances or hazards to persons and property on or within the Property or the Project. Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh such risks. Buyer covenants and agrees to assume all risks of impairment of the use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from such overflights and from other military-related activities, and buyer shall indemnify and hold Seller, its successors and assigns, the City and County of Honolulu, the State of Hawaii, and the United States of America, and any agency or subdivision of the foregoing, harmless from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the use and enjoyment of the Property or the Project, loss of market value of the Property, or property damage or personal injury to the property or person of buyer, or buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, or other persons who may use the Property or the Project. Buyer irrevocably agrees to suffer and permit all actions and consequences incidental to the overflights and operation or use of the Base and military activities on or near the Base.

13. The buyer understands and acknowledges that the Project is located in the vicinity of lands and easements used for the cultivation of pineapple and diversified agricultural operations, including without limitation, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigation, and all other activities incidental to the planting, cultivating, harvesting and processing of crops, which may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, and other substances and phenomena of every description (collectively, the "Agricultural Effects") to be discharged, emitted, or transmitted over and upon the Property or the Project which may bother or be a nuisance to the buyer and any person occupying or using the Property. The buyer also acknowledges that the Hawaii Right to Farm Act (Chapter 165 of the Hawaii Revises Statutes) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance. Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh such risks. Buyer covenants and agrees to assume all risks of impairment of the use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from the Agricultural Effects, and buyer shall indemnify and hold Seller, its successors and assigns, harmless from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such

impairment of the use and enjoyment of the Property or the Project, loss of market value of the Property, or property damage or personal injury to the property or person of the buyer, or buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, or other persons who may use the Property or the Project. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Agricultural Effects.

14. The buyer understands and acknowledges that the Project is located adjacent to or in the vicinity of a proposed elementary school, Kumelewai Court - Phase II and other proposed constructions and development projects (collectively, the "Proposed Development"), and that (a) construction of the Proposed Development will or may result in noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Property or the Project, and (b) when completed, noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Property of the Project may be generated from the Proposed Development. Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh such risks. Buyer covenants and agrees to assume all risks of impairment of the use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from such construction, development and operation of the Proposed Development and related activities, and buyer shall indemnify and hold Seller, its successors and assigns, harmless from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the use and enjoyment of the Property or the Project, loss of market value of the Property, or property damage or personal injury to the property or person of the buyer, or buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, or other persons who may use the Property or the Project. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the construction, development and operation of the Proposed Development.

NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI COURT - PHASE I

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

Copies of the Escrow Agreement between the Seller and Title Guaranty Escrow Services, Inc. have been submitted to the Real Estate Commission and are available for inspection in the Sales Office of the Seller. The Escrow Agreement, among other things, covers in more detail the following items:

1. All monies received by Escrow under the Escrow Agreement will be deposited within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sums in a special account or accounts with a federally insured bank or savings and loan association in Honolulu, Hawaii. The accounts must provide for interest at the prevailing interest rate, and all interest paid on the accounts will belong to Seller.

2. Disbursements from the buyer's escrow fund shall be made by Escrow in accordance with the respective sales contracts upon the direction of Seller.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.