

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by: Developer CASTLE & COOKE RESIDENTIAL, INC.
Address 650 Iwilei Road, P.O. Box 2780, Honolulu, Hawaii 96817

Project Name(*): KUMELEWAI GARDENS - PHASE I
Address: 95-1005, 95-1007, 95-1009, 95-1011, 95-1013, 95-1015, 95-1041,
95-1043 and 95-1045 Ainamakua Drive, Mililani Town, Oahu, Hawaii

Registration No. 2690 Effective date: March 18, 1993
Expiration date: April 18, 1994

Preparation of this Report:

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

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

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

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

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

X FINAL: The developer has legally created a condominium and has filed complete information with the Commission. (white)
[] No prior reports have been issued.
[X] This report supersedes all prior public reports.
[] This report must be read together with

SUPPLEMENTARY: This report updates information contained in the: (pink)
[] Preliminary Public Report dated:
[] Final Public Report dated:
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- [] Required and attached to this report
[X] Not Required - disclosures covered in this report.

SUMMARY OF CHANGES FROM EARLIER PUBLIC REPORTS:

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

Changes made are as follows:

1. The Declaration of Merger of Condominium Phases has been amended to incorporate certain changes required by the Federal National Mortgage Association ("Fannie Mae") in connection with Developer's application for Fannie Mae approval of financing for units in the Project. A copy of the recorded First Amendment to Declaration of Merger of Condominium Phases dated January 12, 1993, incorporating such changes has been filed with the Real Estate Commission.
2. The Declaration of Condominium Property Regime for the Project has been amended to incorporate certain changes required by the Department of Housing and Urban Development ("HUD") in connection with Developer's application for HUD approval of FHA financing for units in the Project. A copy of the recorded First Amendment to Declaration of Condominium Property Regime dated January 12, 1993, incorporating such changes has been filed with the Real Estate Commission.
3. The By-Laws of the Association of Apartment Owners has been amended to, among other things, incorporate certain changes required by (a) HUD in connection with Developer's application for HUD approval of FHA financing for units in the Project, and (b) Fannie Mae in connection with Developer's application for Fannie Mae approval of financing for units in the Project. A copy of the recorded First Amendment to By-Laws of the Association of Apartment Owners dated January 12, 1993, incorporating such changes has been filed with the Real Estate Commission.
4. The Rules and Regulations have been amended. A copy of the First Amendment to Rules and Regulations dated January 12, 1993, has been filed with the Real Estate Commission.
5. The Reservation and Sales Agreement has been amended, and Buyer will be required to execute a First Addendum to Reservation and Sales Agreement.
6. The Co-Mortgagor Addendum to Reservation and Sales Agreement and the Owner-Occupant Affidavit have been amended.

7. The Apartment Deed has been amended to incorporate, among other things, (a) certain changes required by HUD in connection with Developer's application for HUD approval of FHA financing for units in the Project, (b) certain changes required by Fannie Mae in connection with Developer's application for Fannie Mae approval of financing for units in the Project, and (c) certain changes required by the City and County of Honolulu (which, together with its Department of Housing and Community Development, is herein called the "City") in connection with the housing program developed by the City pursuant to which units in the Project are offered by the Developer for sale to "Low Income Purchasers" (as that term is defined in Section 8 of Exhibit I of this Public Report. These include, without limitation, changes to the restrictions on transfer and use of the Property and changes to the City's shared appreciation rights.

 * 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 Deed, which are more *
 * particularly described on page 20 of this Public Report and in the *
 * "Specimen Apartment Deed" filed at the Developer's Sales Office. *

* 2. The apartments in the Project must be occupied by the *
 * buyer at all times for a 10-year period after the purchase, and the *
 * buyer shall not rent the apartment to any other person. If the buyer *
 * violates the covenant requiring the buyer to occupy the apartment, *
 * the City and County of Honolulu (acting through its Department of *
 * Housing and Community Development) (the "City") shall have a first *
 * option to purchase the apartment at a designated price. *

* 3. If, during the 10-year period after the purchase, the *
 * buyer desires to transfer title to the apartment, the City shall *
 * have a first option to purchase the apartment at a designated price. *

* 4. After the end of the tenth year from the date of conveyance *
 * of the apartment to the buyer, under certain circumstances, the City *
 * shall have the first option to purchase the apartment at a designated *
 * price if the buyer decides to sell or transfer the apartment. *

* 5. Under certain circumstances, upon a sale or transfer of the *
 * apartment, the buyer must pay to the City a share of the apprecia- *
 * tion of the apartment, as more particularly described in the Apart- *
 * ment Deed. *

* 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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. 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 may be disposed of by will, gift, or operation of law.

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: 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 Officer
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
Eric G. Stojkovich - Controller Treasurer

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 & Gail O. Ayabe) (Business)
Name
1099 Alakea Street, 18th 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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 1932037

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Declaration of Condominium Property Regime dated January 12, 1993, filed as Land Court Document No. 93-1989103.

- 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 Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 918

The Condominium Map has been amended by the following instruments [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 1932038

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to By-Laws of the Association of Apartment Owners dated January 12, 1993, filed as Land Court Document No. 93-1989101.

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

The House Rules for this condominium are:

Proposed 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. <u>Apartment Owners:</u> Minimum percentage of common interest which must vote for or give written consent to changes:			**The Developer's written consent also is required to amend any provision that gives the Developer any right or authority.
	<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>Majority of the Board of Directors</u>	

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer: The approval of eligible holders of first mortgages on apartments to which at least 51% of the common interests subject to a mortgage are appurtenant shall be required to make certain amendments to the Declaration and By-Laws.

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).

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

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

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

95-1005, 95-1007, 95-1009, 95-1011, 95-1013,
Address: 95-1015, 95-1041, 95-1043 and 95-1045 Tax Map Key: (1) 9-5-49-9
Ainamakua Drive, Mililani Town, Oahu, (TMK)
Hawaii

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

Land Area: 4.022 [] square feet [X] acre(s) Zoning: A-1

Lessor

(Fee Owner): Castle & Cooke Residential, Inc.
Name
650 Iwilei Road, P. O. Box 2780
Address
Honolulu, Hawaii 96817

Sublessor: _____
Name

Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 9 Floors Per Building 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other gypsum board, glass and other allied construction materials.

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>	No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>84</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

7. Parking Stalls:

Total Parking Stalls: 156

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)		<u>66</u>		<u>71</u>			<u>137</u>
Guest				<u>16</u>			<u>16</u>
Unassigned							
Extra for Purchase							
Other:				<u>3*</u>			<u>3</u>

Total
Covered & Open 66 90

*Stalls for use of the Developer and/or the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration:

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 F 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; park area.

9. Compliance With Building Code and Municipal Regulations: Cost to Cure Violations

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below. Violations will be cured by _____

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

(For conversions of residential apartments in existence for at least five years): NOT APPLICABLE.

11. 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	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

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

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

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

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

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

described in Exhibit D .

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 use them, as described in the Declaration, 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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit F.

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit G describes the encumbrances against the title contained in the title report dated November 18, 1992 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

- [] There are no blanket liens affecting title to the individual apartments.
- [X] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage lien(s) of Developer's lender(s)	Buyer's interest is specifically made subject and subordinate to such liens. See Section 11 of Exhibit I (Summary of Sales Agreement). Buyer's interest may be terminated and any deposits paid by Buyer may be lost.

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. 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)

G. Status of Construction and Estimated Completion Date:

The Developer estimates that construction of the Project, which commenced in January 1992, will be completed in March, 1993.

H. Project Phases:

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

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

The Developer, at its option, has the right, 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.

IV. CONDOMINIUM MANAGEMENT

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

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

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer the Developer or the Developer's affiliate.
- self-managed by the Association of Apartment Owners other _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

(DISCLOSURE ABSTRACT)

Exhibit H/ contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

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

- None Electricity Gas Water
- Sewer (common areas only)
- Television Cable Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- [X] Notice to Owner Occupants
Specimen First Addendum to Reservation and Sales Agreement,
- [X] Specimen Sales Contract
Specimen Co-Mortgagor Addendum to Reservation Sales Agreement
and Specimen V.A. Addendum to Reservation and Sales Agreement.
Exhibit I contains a summary of the pertinent provisions of the sales contract.
- [X] Escrow Agreement dated February 26, 1992
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
- [X] Other Eligibility and Owner-Occupant Affidavit

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other Mililani Town Covenants; Declaration of Restrictive Covenants (Private Park); Declaration of Merger of Condominium Phases as amended.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2690 filed with the Real Estate Commission on July 20, 1992.

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

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C. 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 Apartment Deed will so provide) the condition that the buyer will use and occupy the apartment at all times for a 10-year period after the purchase, and that if buyer fails to do so, the City and County of Honolulu (acting through its Department of Housing and Community Development) (hereinafter called the "City") 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 Apartment Deed. The transfer of the apartment to buyer also will be made subject to (and the Apartment Deed 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 Apartment Deed) the apartment in favor of the City, for a period of ten (10) years after the purchase, in the event that buyer attempts to transfer title to the apartment. After the end of the tenth year from the date of conveyance of the apartment to the buyer, under certain circumstances, the City shall have the first option to purchase the apartment at a designated price if the buyer decides to sell or transfer the apartment. Under certain circumstances, upon a sale or transfer of the apartment, the buyer must pay to the City a share of the appreciation of the apartment, as more particularly described in the Apartment Deed.

3. RESERVATION OF EASEMENTS AND MAINTENANCE OF EASEMENT AREAS. The Developer, among other things, has reserved certain easements over, under, across, along, upon and through the Project, together with the right to grant some or all of said easements to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration. These easements include (a) nonexclusive easements for roadway access and utilities purposes over, across, along and upon

the roadways which are included in the common elements of the Project (the "Roadway Areas"), (b) nonexclusive easements for mailbox purposes and for park purposes over and upon the Private Park (as defined in the Declaration), (c) nonexclusive easements 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) (the "Guest Parking Areas"), and (d) exclusive easements for parking purposes over and upon the Parking Easement Areas (as defined in the Declaration) (the Roadway Areas, the Private Park, the Guest Parking Areas, the Parking Easement Areas and all other easement areas subject to easements in favor of the Developer are herein collectively called the "Easement Areas"). The Association, and not the Developer, is responsible for the maintenance, repair, replacement and restoration of the Easement Areas and all other easement areas subject to easements in favor of the Developer; provided, however, that until the earlier of (a) the conveyance to one or more third parties (other than the Developer) of ninety percent (90%) of the apartments in Phase I or (b) the conveyance to one or more third parties (other than the Developer) of an apartment in Kumelewai Gardens - Phase II, the Developer shall be responsible for the maintenance of the Roadway Areas. In the event that the Developer, in its sole and absolute discretion, grants some or all of its rights in the Easement Areas in one or more conveyances to third parties of apartments in Kumelewai Gardens - Phase II, the Phase I apartment owners and the Kumelewai Gardens - Phase II apartment owners shall share in the cost of the maintenance, repair, replacement and restoration of the Easement Areas (herein called the "Easement Area Maintenance Costs"). The share of the Easement Area Maintenance Costs for each phase shall be as determined in the Declaration of Condominium Property Regime. Notwithstanding the foregoing, in the event the Project is merged with Kumelewai Gardens - Phase II, then, upon such merger, the responsibility for maintenance, repair, replacement and restoration of the Easement Areas will be determined in accordance with the provisions of the Declaration of Merger of Condominium Phases.

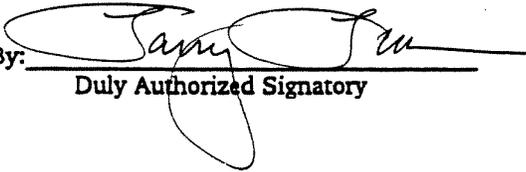
4. PARK DECLARATION. The Declaration of Condominium Property Regime provides that all present and future apartment owners, tenants and occupants of apartments shall be bound by and subject to the provisions of that certain Declaration of Restrictive Covenants (Private Park) filed in the Office of the Assistant Registrar of the Land Court of Hawaii (the "Park Declaration"). The Park Declaration provides, among other things, that the park area, as shown on the Condominium Map, shall be improved, maintained and used exclusively for private park, playground and recreational purposes by the owners, occupants and tenants of the apartments in the Project and in Kumelewai Gardens - Phase II. All owners of apartments in the Project shall be required to be

members of the Association and shall be obligated to the perpetual maintenance of the park area; provided, however, that if the Project and Kumelewai Gardens - Phase II are merged, all owners of apartments in the Project and Kumelewai Gardens - Phase II shall be required to be members of the merged association and shall be obligated to the perpetual maintenance of the park area.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

CASTLE & COOKE RESIDENTIAL, INC.

Name of Developer

By: 
Duly Authorized Signatory

January 15, 1993

Date

Larry K. S. Lum, Vice President

print name & title of person signing above

Distribution:

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

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI GARDENS - 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	12	2/1	729
AR	12	2/1	729
A1	12	2/1	729
A1R	12	2/1	729
B	6	1/1	497
BR	6	1/1	497
B1	12	1/1	497
B1R	12	1/1	497

Total Apartments: 84

*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 GARDENS - 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. 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 GARDENS - 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 install doors on the storage area 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.

An apartment owner or occupant may install air-conditioning units in accordance with (a) plans and specifications prepared by the Project architect, Architects Hawaii Ltd. (for which approval of the Board of Directors of the Association shall not be required) or (b) plans and specifications prepared by a licensed architect (if so required by the Board of Directors of the Association) that are submitted to and approved by the Board of Directors of the Association, all in accordance with all provisions of the Declaration.

No highly reflective finish, other than glass (which, however, may not be tinted or mirrored), shall be used on the exterior of any building in the Project; provided, however, that a gray film tint without visible purple tinge (as approved by the Board of Directors of the Association) may be installed by an apartment owner on the glass located along the perimeter of his apartment.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI GARDENS - 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, stairways, walkways, corridors, ramps, fences (if any), entrances, entryways and exits of all buildings of the Project;
- (c) All walkways, roadways, sidewalks, perimeter walls, retaining walls, fences (if any), gates (if any), driveways, parking areas, loading zones, yards, grounds, landscaping, storage areas, 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 sixty-six (66) regular size, uncovered parking stalls, and the ninety (90) compact size, uncovered parking stalls (sixteen (16) 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 trash enclosures and the pavilion;
- (g) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI GARDENS - 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 and the parking stalls located within the Parking Easement Areas (as defined in Section F of the Declaration), 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 storage areas within the Project, designated on the Condominium Map as Storage Areas S-1 to S-84, 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, stairway, 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 GARDENS - 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>Storage Area No.</u>	<u>Common Interest</u>
1	AR	1	1C & 2C	S-1	1.37849%
2	AR	1	3C & 4C	S-2	1.37849%
3	A1	1	5C & 6	S-3	1.37849%
4	A1	1	7 & 39C	S-4	1.37849%
5	A1R	1	8 & 38C	S-5	1.37849%
6	A1R	1	9 & 37C	S-6	1.37849%
7	A	1	10 & 36C	S-7	1.37849%
8	A	1	11 & 35C	S-8	1.37849%
9	BR	2	12	S-9	.93979%
10	BR	2	13 & 45C	S-10	.93979%
11	B1	2	16H	S-11	.93979%
12	B1	2	14	S-12	.93979%
13	B1R	2	33C	S-13	.93979%
14	B1R	2	15	S-14	.93979%
15	B1	2	34C	S-15	.93979%
16	B1	2	18	S-16	.93979%
17	B1R	2	19	S-17	.93979%
18	B1R	2	20	S-18	.93979%
19	B	2	21	S-19	.93979%
20	B	2	22 & 46C	S-20	.93979%
21	AR	3	23 & 30C	S-21	1.37849%
22	AR	3	24 & 31C	S-22	1.37849%
23	A1	3	17H & 32C	S-23	1.37849%
24	A1	3	25 & 40C	S-24	1.37849%
25	A1R	3	26 & 41C	S-25	1.37849%
26	A1R	3	27 & 42C	S-26	1.37849%
27	A	3	28C & 43C	S-27	1.37849%
28	A	3	29C & 44C	S-28	1.37849%
29	AR	4	60C & 95C	S-29	1.37849%
30	AR	4	61 & 96C	S-30	1.37849%
31	A1	4	62 & 57C	S-31	1.37849%
32	A1	4	63 & 56C	S-32	1.37849%
33	A1R	4	71H & 59C	S-33	1.37849%
34	A1R	4	64 & 58C	S-34	1.37849%

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Bldg. No.</u>	<u>Parking Stall No(s).</u>	<u>Storage Area No.</u>	<u>Common Interest</u>
35	A	4	65 & 91C	S-35	1.37849%
36	A	4	66 & 93C	S-36	1.37849%
37	BR	5	88C	S-37	.93979%
38	BR	5	89C & 97C	S-38	.93979%
39	B1	5	67	S-39	.93979%
40	B1	5	68	S-40	.93979%
41	B1R	5	69	S-41	.93979%
42	B1R	5	70 & 98C	S-42	.93979%
43	B1	5	73	S-43	.93979%
44	B1	5	74	S-44	.93979%
45	B1R	5	72H	S-45	.93979%
46	B1R	5	75	S-46	.93979%
47	B	5	76	S-47	.93979%
48	B	5	90C & 99C	S-48	.93979%
49	AR	6	77 & 92C	S-49	1.37849%
50	AR	6	78 & 94C	S-50	1.37849%
51	A1	6	79 & 85C	S-51	1.37849%
52	A1	6	80 & 86C	S-52	1.37849%
53	A1R	6	81 & 87C	S-53	1.37849%
54	A1R	6	82 & 100C	S-54	1.37849%
55	A	6	83C & 101C	S-55	1.37849%
56	A	6	84C & 109C	S-56	1.37849%
57	AR	7	110C & 121C	S-57	1.37849%
58	AR	7	114C & 120C	S-58	1.37849%
59	A1	7	112C & 123	S-59	1.37849%
60	A1	7	113C & 122C	S-60	1.37849%
61	A1R	7	125 & 155C	S-61	1.37849%
62	A1R	7	111C & 124	S-62	1.37849%
63	A	7	127 & 151C	S-63	1.37849%
64	A	7	126 & 153C	S-64	1.37849%
65	BR	8	150C	S-65	.93979%
66	BR	8	128	S-66	.93979%
67	B1	8	129	S-67	.93979%
68	B1	8	130	S-68	.93979%
69	B1R	8	131	S-69	.93979%
70	B1R	8	132	S-70	.93979%
71	B1	8	135	S-71	.93979%
72	B1	8	136	S-72	.93979%
73	B1R	8	133H	S-73	.93979%
74	B1R	8	137	S-74	.93979%
75	B	8	138	S-75	.93979%
76	B	8	139	S-76	.93979%

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Bldg. No.</u>	<u>Parking Stall No(s).</u>	<u>Storage Area No.</u>	<u>Common Interest</u>
77	AR	9	140 & 152C	S-77	1.37849%
78	AR	9	141 & 154C	S-78	1.37849%
79	A1	9	134H & 145C	S-79	1.37849%
80	A1	9	119C & 142	S-80	1.37849%
81	A1R	9	143 & 156C	S-81	1.37850%
82	A1R	9	118C & 144	S-82	1.37850%
83	A	9	146C & 147C	S-83	1.37850%
84	A	9	148C & 149C	S-84	1.37850%

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.

Parking stall nos. 115C, 116C and 117C are reserved for the exclusive use of the Developer and/or the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI GARDENS - 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, by and between Castle & Cooke, Inc. and Mililani Town, Inc., filed as Document No. 1645132.
3. Unilateral Agreement and Declaration for Conditional Zoning dated September 15, 1989, recorded in the Bureau of Conveyances in Liber 23653 at Page 571.
4. Designation of Easement 4917 as shown on Map 788 as set forth by Land Court Order No. 100009, filed October 31, 1990.
5. Said Easement 4917 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.
6. Designation of Easements 5016 and 5017 as shown on Map 810, as set forth by Land Court Order No. 102926, filed July 10, 1991.
7. Grant of easement dated October 14, 1991, filed as Document No. 1867290, in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated, to build, construct, reconstruct, rebuild, repair, maintain and operate pullboxes, handholes, etc., for the transmission and distribution of electricity, etc.
8. Grant of easement dated November 6, 1991, filed as Document No. 1885114, in favor of the City and County of Honolulu and the Board of Water Supply, to construct, install, maintain, operate, replace and remove an underground water pipeline or pipelines, etc. over, under, across and through Easement 5016.
9. Designation of Easements 5201, 5202, 5203, 5204 and 5205 as shown on Map 835, as set forth by Land Court Order No. 106947, filed May 12, 1992.
10. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions,

reservations, easements and other provisions set forth in Declaration of Covenants, Conditions and Restrictions for Mililani Town dated April 19, 1968, filed as Document No. 441561, as amended by instrument dated July 14, 1992, filed as Document No. 1932035, and as further supplemented and amended.

11. Declaration of Merger of Condominium Phases dated July 14, 1992, filed as Document No. 1932036, as amended by First Amendment to Declaration of Merger of Condominium Phases dated January 12, 1993, filed as Document No. 1989102, as amended from time to time.
12. Declaration of Restrictive Covenants (Private Park) dated January 21, 1992, filed as Document No. 1915884.
13. Agreement for Issuance of Conditional Use Permit Under Section 4.40-21 of the Land Use Ordinance (LUO) dated December 31, 1991, filed as Document No. 1915883.
14. Declaration of Condominium Property Regime dated July 14, 1992, filed as Document No. 1932037, as amended by First Amendment to Declaration of Condominium Property Regime dated January 12, 1993, filed as Document No. 1989103, as amended from time to time; Consent dated July 14, 1992, filed as Document No. 1932039.
15. By-Laws of the Association of Apartment Owners of Kumelewai Gardens - Phase I dated July 14, 1992, filed as Document No. 1932038, as amended by First Amendment to By-Laws of the Association of Apartment Owners of Kumelewai Gardens - Phase I dated January 12, 1993, filed as Document No. 1989101, as amended from time to time.
16. 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, now known as Dole Food Company, Inc., as Mortgagee, filed as Document No. 1780090.

KUMELEWAI GARDENS - PHASE I

DISCLOSURE ABSTRACT

1. (a) PROJECT: Kumelewai Gardens - 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: 84
 - (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; provided, further, however, that Buyer indemnifies and holds harmless the City and County of Honolulu (the "City") and the Department of Housing and Community Development ("DHCD"), its officers, employees and agents, against any claims arising from the purchase of the Apartment and against any damages resulting from workmanship and/or materials. Neither the City nor DHCD is a party to the development or sale of the Apartment. 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

UPDATED: SEPTEMBER 1992

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 September 15, 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 IM- *
* PROVEMENTS AGE. MAINTENANCE CHARGES CAN VARY DEPENDING ON *
* SERVICES DESIRED BY APARTMENT OWNERS. THE BUYER SHOULD EXAM- *
* INE 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 Gardens - 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 September 15, 1992, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 22nd day of September, 1992.

Mary Lou Nagi
MARY LOU NAGI
Vice President

Subscribed and sworn to before me this 22nd day of September, 1992.

Shirnette J. Wheeler
Notary Public, State of Hawaii

My commission expires: 7/30/96

EXHIBIT "A"

KUMELEWAI GARDENS - PHASE I

Estimated Annual Common Expenses

	<u>MONTHLY</u>	<u>ANNUAL</u>
<u>Utilities and Services</u>		
Electricity (common elements only)	\$ 400.00	\$ 4,800.00
Water and sewer	2,680.00	32,160.00
<u>Maintenance, Repairs and Supplies</u>		
Building	400.00	4,800.00
Grounds	2,385.00	28,620.00
<u>Management</u>		
Management fee	1,208.00	14,496.00
Office expenses	100.00	1,200.00
<u>Insurance</u>	1,200.00	14,400.00
<u>Reserves</u>	840.00	10,080.00
<u>Taxes and Government Assessments</u>	10.00	120.00
<u>Other</u>	225.00	2,700.00
<u>Audit and Tax Preparation</u>	<u>170.00</u>	<u>2,040.00</u>
TOTAL DISBURSEMENTS	<u>\$9,618.00</u>	<u>\$115,416.00</u>

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

- (1) The estimated monthly maintenance charge for each Type A, AR, A1 and A1R apartment is \$132.58 per month.
- (2) The estimated monthly maintenance charge for each Type B, BR, B1 and B1R apartment is \$90.39 per month.

CONDOMINIUM PUBLIC REPORT ON
KUMELEWAI GARDENS - PHASE I

EXHIBIT I

SUMMARY OF SALES AGREEMENT

A specimen Reservation and Sales Agreement, together with a specimen First Addendum to Reservation and Sales Agreement, a specimen Co-Mortgagor Addendum to Reservation and Sales Agreement [applicable only to certain buyers who require assistance from Co-Mortgagors for financing purposes] and 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 SALES AGREEMENT, INCLUDING THE APPLICABLE ADDENDA, 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 received 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; provided, further, however, that Buyer indemnifies and holds harmless the City and County of Honolulu (the "City") and the Department of Housing and Community Development ("DHCD"), its officers, employees and agents against any claims arising from the purchase of the

Apartment and against any damages resulting from workmanship and/or materials. Neither the City nor DHCD is a party to the development or sale of the Apartment. 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 City that Seller will offer certain apartments in the Project for sale initially only to eligible "Low Income Purchasers" as that term is defined below. The Developer has further agreed with the City that "Low Income Purchasers" will be eligible, based upon family size and income, to purchase selected apartments in the Project offered for sale within designated price ranges, in accordance with guidelines established by the City. Buyer represents to Seller that buyer is a "Low Income Purchaser". The term "Low Income Purchaser" as used herein means an owner-occupant whose income (including the income of the applicant and co-applicant/spouse) does not exceed 80% of the median income (adjusted for family size) for the City, as most recently determined by the United States Department of Housing and Urban Development. The following are such income limits (as of May 1992) by family size for the Project:

<u>Family Size</u>	<u>Median</u>	<u>80% Income Limit</u>
1	\$32,200	\$27,000
2	36,800	30,900
3	41,400	34,750
4	46,000	38,600
5	49,680	41,700

If Seller or the City shall determine that buyer is not a "Low Income Purchaser", as designated in Article II of the Sales Agreement, 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 ("Kumelawai Gardens - 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 Kumelawai Gardens - Phase II are shared, and the administration of the Project and Kumelawai Gardens - Phase II is unified under one association of apartment owners, but the ownership interests of the apartment owners of the Project and Kumelawai Gardens - Phase II are not altered or affected. The Declaration of Merger also gives the Seller the right to cause and effect an ownership merger of the Project and Kumelawai Gardens - Phase II, as an alternative to an administrative merger of the Project and Kumelawai Gardens - Phase II, to provide for the common ownership of the Project and Kumelawai Gardens - Phase II by all of the apartment owners of the Project and Kumelawai Gardens - Phase II all as set forth in the Declaration of Merger. Upon an ownership merger, all of the apartments in the Project and in Kumelawai Gardens - 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 Kumelawai Gardens - 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 Gardens - Phase II or to merge Kumelewai Gardens - 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 Apartment Deed will so provide) certain restrictions on use and transfer, including, without limitation, (a) a first option to purchase the Apartment at a designated price, in favor of the City (acting through its Department of Housing and Community Development), in the event buyer violates the covenant requiring buyer to occupy the Apartment for a period of 10 years, as more particularly described in the Apartment Deed, (b) a first option to purchase the Apartment at a designated price, in favor of the City, for a period of 10 years, in the event buyer desires to transfer title to the Apartment, as more particularly described in the Apartment Deed, (c) a requirement that after the end of the tenth year from the date of conveyance of the Apartment to buyer, under certain circumstances, the City shall have the first option to purchase the Apartment at a designated price if buyer decides to sell or transfer the Apartment, and (d) under certain circumstances, upon a sale or transfer of the apartment, buyer must pay to the City a share of the appreciation of the Apartment, as more particularly described in the Apartment Deed.

11. Seller has given to 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 the following:

(1) The Project is located in the vicinity of Wheeler Army Airfield (the "Base"), aircraft from the Base may fly in the proximity of or directly over the Property or the Project, military activities will be conducted on or near the Base, and such overflights and other military activities may result in noise, dust, vibration, and other nuisances, disturbances or hazards (collectively, the "Military Effects") to persons and property on or within the Property or the Project;

(2) 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, including night time activities, 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, and the buyer also acknowledges that the Hawaii Right to Farm Act (Chapter 165 of the Hawaii Revised Statutes) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance; and

(3) The Project is located adjacent to or in the vicinity of a proposed elementary school, a proposed commercial site, a proposed park and ride facility, a proposed day care facility, a proposed fire station, Kumelewai Gardens - Phase II, and other proposed construction 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, traffic, lights, noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Property or the Project may be generated from the Proposed Development (items (a) and (b) are hereinafter collectively called the "Development Effects").

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 the risks of the Military Effects, the Agricultural Effects and the Development Effects. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Military Effects and the Agricultural Effects. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Development Effects, for a period of ten (10) years after the date of recordation of the Apartment Deed. Buyer hereby covenants and agrees to assume all risks of impairment of buyer's 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 Military Effects, the Agricultural Effects and the Development Effects, and buyer, for the buyer and the buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Property through the buyer for an extended period of time (collectively, the "Occupants"), hereby waives any claims or rights of action or suits against Seller, its successors, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, arising from such impairment of the Occupants' 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 Military Effects, the Agricultural Effects and the Development Effects. Buyer shall indemnify and hold harmless and defend Seller, its successors and assigns, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the Occupants' 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 Occupants.

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 GARDENS - 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.