

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Waihuna Joint Venture
Address 220 S. King Street, Suite 680, Honolulu, Hawaii 96813

Project Name(*): The Ridge at Launani Valley
Address: 95-510, 95-510A through 95-510H, 95-510J through
95-510N, and 95-510Q Wikao Street, Mililani, Hawaii 96789

Registration No. 2828 Effective date: August 12, 1993
Expiration date: September 12, 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)
- FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 - No prior reports have been issued.
 - This report supersedes all prior public reports. (see page 2 for clarifying explanation)
 - This report must be read together with _____ explanation)
- 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 Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. This Final Public Report covers Phase 2 of The Ridge at Launani Valley condominium project (referred to as "Phase 2" or "Phase 2 of the Project"). The Project was created by the Declaration of Condominium Property Regime of The Ridge at Launani Valley dated December 10, 1992 (the "Declaration") and is shown on Condominium Map No. 942 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii. Phase 2 consists of 52 apartments situated in 4 buildings and certain common elements, including the land area designated on Condominium Map No. 942 as "Phase 2" (the "Phase 2 land"). The initial phase of the Project (referred to as "Phase 1" or "Phase 1 of the Project") is comprised of 130 apartments and is covered by a separate Final Public Report (Registration No. 2675). The term "Project" when it is used alone in this report shall mean both Phases 1 and 2.

Pursuant to rights reserved in Sections 16 and 17 of the Declaration, the Developer has added Phase 2 to Phase 1 of the Project and made the following changes to the Project:

(A) The land of the Project is now Lot 14235 which contains approximately 10.406 acres. Lot 1276-A (the land of Phase 1) has been consolidated with the Phase 2 land and other land and then resubdivided into Lot 14235, Lot 14236 (which consists of the remaining land of former Lot 1276-A that was not included in Lot 14235), and another lot.

(B) Lot 14236 (which was shown on the Condominium Map as "Area W") has been withdrawn from the existing condominium property regime by the Withdrawal of Property from Condominium Property Regime recorded as Land Court Document No. 203684.

(C) The land, apartments and common elements of Phase 2 of the Project has been added to Phase 1 of the Project by the Amended and Restated Declaration of Condominium Property Regime of The Ridge at Launani Valley dated June 22, 1993 (the "Amended and Restated Declaration") recorded as Land Court Document No. 2038686. The Amended and Restated Declaration also amended Condominium Map No. 942 to show Lot 14235 as the land of the Project and to depict the layout of the 182 apartments and other improvements of the Project following the addition of Phase 2.

(D) Lot 14235 has been submitted to the Declaration of Covenants, Conditions and Restrictions of Launani Valley by the Annexation of Additional Property and Amendment of Declaration of Covenants, Conditions and Restrictions of Launani Valley dated June 22, 1993 recorded as Land Court Document No. 2038685.

This Final Public Report and the exhibits attached hereto, contain various revisions to reflect the addition of Phase 2 to Phase 1 of the Project and the other above-described changes to the Project made by Developer pursuant to the exercise of Developer's reserved rights.

2. The street addresses of the Project have been changed to 95-510, 95-510A through 95-510H, 95-510J through 95-510N, and 95-510Q Wikao Street.

3. Part II, Paragraph A (page 6) describes the amendment of the Declaration by the Amended and Restated Declaration dated June 22, 1993.

4. Part II, Paragraph B (page 6) describes the amendment of the Condominium Map by the Amended and Restated Declaration dated June 22, 1993.

5. Part II, Paragraph C (page 6) describes the amendment of the By-Laws by instrument dated June 22, 1993 which corrected the description of the land of the Project to reflect the newly created Lot 14235.

6. The description of the land of the Project has changed. Part III, Paragraph B (page 9) has been revised accordingly: (a) to set forth the changed street addresses of the Project, (b) to describe the current tax map key numbers as (1) 9-5-2-Por.6, (1) 9-5-46-Por. 11 and 9-5-46-Por. 17, (c) to describe the land area as 10.406 acres, and (d) to delete the references to Phases 1 and 2 and the references to other lots and land areas.

7. Part III, Paragraph B (page 10) has been revised to delete references to Lots 9858-B and 12212 and to delete the reference to Castle & Cooke Properties, Inc. which does not own any of the land of the Project.

8. Part III, Paragraph C.2 (page 10) has been revised to refer only to Exhibit "C" for further explanations and to omit reference to Exhibit "B".

9. As set forth in Part III, Paragraph C.7 (page 12), the number of parking stalls in the various categories has changed although the total number of stalls remains the same.

10. Part III, Paragraph E (page 14) has been revised to state that Exhibit "J" describes the encumbrances against title contained in the title report dated June 14, 1993 which describes the newly created Lot 14235 of the Project and also describes that certain Mortgage and Security Agreement dated June 25, 1993 in favor of Bank of Hawaii recorded after the date of the title report.

11. Part III, Paragraph G (page 16) has been revised to state that the building permits for Phase 2 of the Project were issued on June 21, 1993.

12. Part III, Paragraph H (page 16) has been revised to state that the Developer at present has not reserved any rights to add to, merge, or phase this condominium.

13. Part V, Paragraph C (page 20) has been revised to identify the master planned community as "Launani Valley" instead of "Launani Valley Community" and to indicate that the Declaration of Covenants, Conditions and Restrictions of Launani Valley dated December 10, 1992 has been amended.

14. Part V, Paragraph C (page 20a) has been revised to state that twenty (20) affordable housing units in Phase 1 of the Project have been offered for sale by the Developer.

15. Exhibit "C" has been revised to identify the apartments in Phase 2 that are "accessible" and/or "adaptable" (as those terms are defined in 24 C.F.R. § 100 et seq.) for persons with disabilities and to indicate that the designation may change if in the course of construction the Developer determines that the topography of the Project requires the redesignation of such apartments.

16. Exhibit "I" has been revised to indicate a reassignment of the parking stalls appurtenant to certain apartments in Phase 2.

17. Exhibit "J" lists the encumbrances against title to Lot 14235.

TABLE OF CONTENTS

	page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer Attorney for Developer General Contractor	
Real Estate Broker Escrow Company Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A:	Schedule of Apartments (52 apartments)
EXHIBIT A-1:	Schedule of Apartments (182 apartments)
EXHIBIT B:	Developer's Reserved Rights
EXHIBIT C:	Description of Apartments
EXHIBIT D:	Boundaries of Apartments
EXHIBIT E:	Permitted Alterations to Apartments
EXHIBIT F:	Information Regarding Parking Stalls
EXHIBIT G:	Common Elements
EXHIBIT H:	Limited Common Elements
EXHIBIT I:	Common Interests/Parking Stalls (182 apartments)
EXHIBIT J:	Encumbrances Against Title
EXHIBIT K:	Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements
EXHIBIT L:	Summary of Sales Contract
EXHIBIT M:	Summary of Escrow Agreement

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: Waihuna Joint Venture Phone: 808-537-5976
Name (Business)
220 S. King St., Suite 680
Business Address
Honolulu, HI 96813

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

Waikalani Developers, Inc.
WRD Limited Partnership

Real Estate Broker: Towne Realty Brokerage Phone: 808-625-5880
Services, Inc. (Business)
Name
95-510 Wikao St.

Business Address
Mililani, HI 96789
Title Guaranty Escrow
Escrow: Services, Inc. Phone: 808-521-0211
Name (Business)
235 Queen St., First Floor

Business Address
Honolulu, HI 96813

Construction Manager:
~~General~~
~~Contractor:~~ Towne Realty of Hawaii, Inc. Phone: 808-625-1461
Name (Business)
P.O. Box 3247
Business Address
Mililani, HI 96789

Condominium Managing Agent: Certified Management Phone: 808-836-0911
Name (Business)
3179 Koapaka St., Second Floor
Business Address
Honolulu, HI 96819

Attorney for Developer: Rush Moore Craven Sutton Phone: 808-521-0400
Morry & Beh (Business)
Name
745 Fort St., 20th Floor
Business Address
Honolulu, HI 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. 1978662

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment of Declaration dated March 2, 1993 was recorded as Land Court Document No. 2004832. Amended and Restated Declaration dated June 22, 1993 was recorded as Land Court Document No. 2038686.

- 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. 942

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: The Amended and Restated Declaration dated June 22, 1993, recorded as Land Court Document No. 2038686, amended the Condominium Map by deleting pages 2 through 5 and by substituting in place thereof a new page 2 and a new page 5.

- 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. 1978663

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: Amendment of the By-Laws dated June 22, 1993 was recorded as Land Court Document No. 2039429.

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	Majority of Board of Directors of the <u>Association</u> of Apartment Owners

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

2. Developer:

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

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

See Exhibit "B"

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:

95-510, 95-510A through 95-510H, 95-510J
Address: through 95-510N, and 95-5100 Wikao Street Tax Map Key: (1) 9-5-2-Por.6;
Mililani, Hawaii 96789 (TMK) (1) 9-5-46-Por.11; and
(1) 9-5-46-Por.17

[] Address [X] TMK is expected to change because the property has been consolidated and resubdivided.

Land Area: 10.406 [] square feet [X] acre(s) Zoning: R-5

~~Lessor~~
 (Fee Owner): Waihuna Joint Venture
Name
220 S. King St., Suite 680
Address
Honolulu, HI 96813

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: 4 Floors Per Building 2 or 3

Exhibit C contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

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>52</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

5. Special Use Restrictions:

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

[X] Pets: Permitted with restrictions regarding, among other things, size and number

[] Number of Occupants: _____

[X] Other: See Declaration, By-Laws and House Rules, generally

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 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>
<u>A</u>	<u>12</u>	<u>2/1</u>	<u>703</u>	<u>58 or 77</u>
<u>B</u>	<u>16</u>	<u>2/2</u>	<u>782</u>	<u>59</u>
<u>C-1</u>	<u>12</u>	<u>2/2</u>	<u>833</u>	<u>58</u>
<u>D-1</u>	<u>4</u>	<u>3/2</u>	<u>895</u>	<u>60</u>
<u>D-2</u>	<u>8</u>	<u>3/2</u>	<u>895</u>	<u>60</u>

Total Apartments: 52 See Exhibit "A" for a listing of the 52 apartments in Phase 2 and the square footage of their lanais. Exhibit "A-1" lists all 182 apartments in Phase 1 and Phase 2 of the Project.

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

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

Boundaries of Each Apartment:
See Exhibit "D"

Permitted Alterations to Apartments:
See Exhibit "E"

7. Parking Stalls:

Total Parking Stalls: 109

	<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>49</u>	<u>16</u>	<u>6</u>	<u>31</u>	<u>0</u>	<u>0</u>	<u>102</u>
Guest	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>7</u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Extra for Purchase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Covered & Open	<u>65</u>		<u>44</u>		<u>0</u>		

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

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 located within Phase 2. In Phase 1, however, there is a swimming pool and pool building.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute

Other: _____

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):

N/A

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:

A variance was granted by the Zoning Board of Appeals on February 5, 1987 permitting, in relevant part, the construction of three-story buildings, 45 feet high, which exceed the maximum building height of 25 feet.

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 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 G.

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 H.

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 I.

as follows:

NOTE: The common interest for each apartment was calculated based on the floor area of the apartment divided by the aggregate floor area of all apartments in Phases 1 and 2 of the Project, with adjustments so that the total common interests for all apartments equal 100 percent.

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 J describes the encumbrances against the title contained in the title report dated June 30, 1993 and issued by Title Guaranty of Hawaii, Incorporated.

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	Buyer's contract will be cancelled and Buyer's deposit will be returned. Buyer may lose all rights to acquire the apartment.

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:

The Developer will give to each buyer a full and complete warranty of title to the particular apartment in the Apartment Deed. Other than that, the Developer will make no warranties, express or implied, about any apartment, the project or anything installed or contained in them. This includes, but is not limited to warranties of merchantability, habitability, workmanlike construction, fitness for a particular use or purpose or for sufficiency of design. The Developer will assign to the buyers any and all warranties given to the Developer by the contractor constructing the improvements and any manufacturer's or dealer's warranties covering any furnishings, fixtures or appliances. The Developer is not adopting any such warranties or acting as a co-warrantor, but simply attempting to pass through to the buyers the benefit of any such warranties.

2. Appliances:

See Section F.1 above.

G. Status of Construction and Estimated Completion Date:

Building permits for Phase 2 of the Project were issued on June 21, 1993. It is estimated that construction of both Phases 1 and 2 of the Project will be completed in January, 1994.

H. Project Phases:

The developer 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):

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:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit L contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated June 6, 1992
Exhibit M contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - 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 Declaration of Covenants, Conditions and Restrictions for Lanani Valley, 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. 2828 filed with the Real Estate Commission on March 2, 1993.

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

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

C. Additional Information Not Covered Above

Launani Valley

The Project is located within an area intended to be developed as a master planned community known as "LAUNANI VALLEY," described in that certain Declaration of Covenants, Conditions and Restrictions for Launani Valley dated December 10, 1992, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1978661, as amended by Annexation of Additional Property and Amendment of Declaration of Covenants, Conditions and Restrictions for Launani Valley dated June 22, 1993, recorded as aforesaid as Land Court Document No. 2038686 (the "Master Declaration"). Among other things, the Master Declaration provides:

(a) for the establishment of a Hawaii non-profit corporation known or to be known as the LAUNANI VALLEY COMMUNITY ASSOCIATION (the "Master Association");

(b) that every owner of a Lot (as defined in the Master Declaration) within Launani Valley, including all apartment owners of apartments in the Project, shall be a member of the Master Association by virtue of such ownership;

(c) that the Master Association shall have the power and authority to levy against each Lot, including apartments in the Project, an "Initiation Assessment," regular "Maintenance Assessments," and "Individual Special Assessments" which are separate from and in addition to the assessments for common expenses made by the Association of Apartment Owners of the Project; and

(d) that liens may be created on Lots, including apartments in the Project, for non-payment of assessments made by the Master Association.

All apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the Project, shall be bound by and comply strictly with the Master Declaration and the Articles of Incorporation, By-Laws and any duly adopted rules and regulations of the Master Association.

Wheeler Army Airfield

The Project is located within the vicinity of Wheeler Army Airfield and may be subject to noise, vibrations, nuisances, disturbances, or other hazards to persons or property caused by military and airfield operations at Wheeler Army Airfield, which operations are not subject to regulation by the Developer, the City and County of Honolulu or the State of Hawaii. The noise levels at the Project caused by military and airfield operations at Wheeler Army Airfield may exceed government noise level standards and there are some

individuals for whom these noise levels are not acceptable. The Association of Apartment Owners and all apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use or be present at the Project, by accepting ownership, possession or occupancy of any apartment in the Project or by the use of or presence at the Project, (i) acknowledge and understand that the military and airfield operations at Wheeler Army Airfield may result in noise, vibrations, nuisances, disturbances or hazards to persons or property on or at the Project; (ii) assume all risks of impairment of the use and enjoyment of the apartments and the Project, loss of market value of the apartments and the Project, and personal injury or property damage caused by such operations except for violations of law, gross negligence or willful misconduct; (iii) release and agree to not file any claim, action or lawsuit for any kind of relief, legal or equitable, against Declarant, the City and County of Honolulu or the State of Hawaii relating to military and airfield operations at Wheeler Army Airfield, including but not limited to claims, actions, or lawsuits for costs or damages resulting from aircraft noise and/or vibration, and (iv) shall each indemnify, forever hold harmless and defend the Developer, the City and County of Honolulu and the State of Hawaii from any and all liability, claims, losses, damages or expenses, including attorneys' fees, arising from the military and airfield operations at Wheeler Army Airfield.

Affordable Housing

Pursuant to Ordinance No. 86-72 of the City and County of Honolulu, the Developer, in conjunction with the Department of Housing and Community Development of the City and County of Honolulu (the "City"), will offer the following eight (8) apartments of Phase 2 of the Project for sale as affordable housing units: M-103, M-104, M-203, M-204, N-103, N-104, N-203 and N-204. In Phase 1 of the Project, the Developer, in conjunction with the City, has offered twenty (20) apartments for sale as affordable housing units.

The affordable housing units will be offered for sale initially to buyers who meet certain income qualifications and other eligibility requirements established by the City. The affordable housing units will be sold subject to restrictions on the use and transfer of the apartment including, but not limited to, a ten-year first option to purchase in favor of the City. These restrictions will be included in the Apartment Deed for these units.

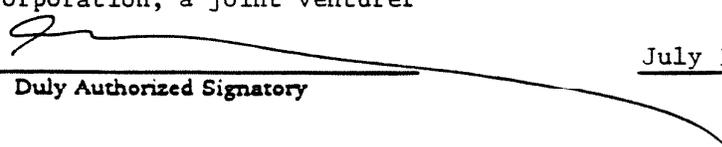
None of the apartments to be sold as affordable housing units in Phase 2 of the Project are included among the 26 apartments in Phase 2 which are being offered to owner-occupants pursuant to Part VI of the Hawaii Condominium Property Act (Hawaii Revised Statutes, Chapter 514A, as amended).

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.

WAIHUNA JOINT VENTURE

Name of Developer

By Waikalani Developers, Inc., a Hawaii
corporation, a joint venturer

By: 

Duly Authorized Signatory

July 14, 1993

Date

Christopher L. Lau, Vice President of Waikalani Developers, Inc.
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

EXHIBIT "A"

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Interior Floor Area</u>	<u>Lanai Floor Area</u>	<u>Total Floor Area</u>
<u>Building L (Type IIIS)</u>				
L-101	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-102	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-103	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
L-104	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
L-105	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-106	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-201	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-202	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-203	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
L-204	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
L-205	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-206	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
<u>Building M (Type I)</u>				
M-101	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-102	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-103	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
M-104	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
M-105	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-106	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-201	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-202	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-203	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
M-204	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
M-205	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-206	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-303	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
M-304	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
<u>Building N (Type I)</u>				
N-101	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-102	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-103	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
N-104	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
N-105	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-106	B	782 sq. ft.	59 sq. ft.	841 sq. ft.

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Interior Floor Area</u>	<u>Lanai Floor Area</u>	<u>Total Floor Area</u>
N-201	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-202	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-203	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
N-204	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
N-205	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-206	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-303	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
N-304	A	703 sq. ft.	58 sq. ft.	761 sq. ft.

Building Q (Type IIS)

Q-101	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
Q-102	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-103	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-104	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-105	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-106	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
Q-201	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
Q-202	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-203	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-204	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-205	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-206	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.

END OF EXHIBIT "A"

EXHIBIT "A-1"

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Interior Floor Area</u>	<u>Lanai Floor Area</u>	<u>Total Floor Area</u>
<u>Building A (Type IIM)</u>				
A-101	D	875 sq. ft.	83 sq. ft.	958 sq. ft.
A-102	C	813 sq. ft.	79 sq. ft.	892 sq. ft.
A-103	C	813 sq. ft.	79 sq. ft.	892 sq. ft.
A-104	C	813 sq. ft.	79 sq. ft.	892 sq. ft.
A-105	C	813 sq. ft.	79 sq. ft.	892 sq. ft.
A-106	D	875 sq. ft.	83 sq. ft.	958 sq. ft.
A-201	D	875 sq. ft.	60 sq. ft.	935 sq. ft.
A-202	C	813 sq. ft.	58 sq. ft.	871 sq. ft.
A-203	C	813 sq. ft.	58 sq. ft.	871 sq. ft.
A-204	C	813 sq. ft.	58 sq. ft.	871 sq. ft.
A-205	C	813 sq. ft.	58 sq. ft.	871 sq. ft.
A-206	D	875 sq. ft.	60 sq. ft.	935 sq. ft.
<u>Building B (Type I)</u>				
B-101	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
B-102	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
B-103	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
B-104	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
B-105	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
B-106	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
B-201	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
B-202	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
B-203	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
B-204	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
B-205	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
B-206	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
B-303	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
B-304	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
<u>Building C (Type I)</u>				
C-101	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
C-102	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
C-103	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
C-104	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
C-105	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
C-106	B	782 sq. ft.	59 sq. ft.	841 sq. ft.

7971M - Ex. A-1
The Ridge at Launani Valley (Phase 2)
Final Public Report

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Interior Floor Area</u>	<u>Lanai Floor Area</u>	<u>Total Floor Area</u>
C-201	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
C-202	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
C-203	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
C-204	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
C-205	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
C-206	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
C-303	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
C-304	A	703 sq. ft.	58 sq. ft.	761 sq. ft.

Building D (Type I)

D-101	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
D-102	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
D-103	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
D-104	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
D-105	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
D-106	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
D-201	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
D-202	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
D-203	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
D-204	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
D-205	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
D-206	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
D-303	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
D-304	A	703 sq. ft.	58 sq. ft.	761 sq. ft.

Building E (Type I)

E-101	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
E-102	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
E-103	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
E-104	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
E-105	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
E-106	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
E-201	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
E-202	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
E-203	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
E-204	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
E-205	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
E-206	B	782 sq. ft.	59 sq. ft.	841 sq. ft.

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Interior Floor Area</u>	<u>Lanai Floor Area</u>	<u>Total Floor Area</u>
E-303	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
E-304	A	703 sq. ft.	58 sq. ft.	761 sq. ft.

Building F (Type I)

F-101	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
F-102	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
F-103	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
F-104	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
F-105	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
F-106	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
F-201	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
F-202	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
F-203	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
F-204	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
F-205	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
F-206	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
F-303	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
F-304	A	703 sq. ft.	58 sq. ft.	761 sq. ft.

Building G (Type IIP)

G-101	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
G-102	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
G-103	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
G-104	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
G-105	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
G-106	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
G-201	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
G-202	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
G-203	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
G-204	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
G-205	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
G-206	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.

Building H (Type IIIP)

H-101	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
H-102	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
H-103	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
H-104	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
H-105	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
H-106	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.

7971M - Ex. A-1
 The Ridge at Launani Valley (Phase 2),
 Final Public Report

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Interior Floor Area</u>	<u>Lanai Floor Area</u>	<u>Total Floor Area</u>
H-201	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
H-202	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
H-203	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
H-204	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
H-205	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
H-206	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.

Building J (Type IIP)

J-101	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
J-102	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
J-103	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
J-104	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
J-105	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
J-106	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
J-201	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
J-202	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
J-203	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
J-204	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
J-205	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
J-206	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.

Building K (Type IIIP)

K-101	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
K-102	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
K-103	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
K-104	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
K-105	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
K-106	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
K-201	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
K-202	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
K-203	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
K-204	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
K-205	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
K-206	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.

7971M - Ex. A-1
The Ridge at Launani Valley (Phase 2)
Final Public Report

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Interior Floor Area</u>	<u>Lanai Floor Area</u>	<u>Total Floor Area</u>
<u>Building L (Type IIIS)</u>				
L-101	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-102	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-103	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
L-104	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
L-105	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-106	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-201	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-202	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-203	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
L-204	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
L-205	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
L-206	D-1	895 sq. ft.	60 sq. ft.	955 sq. ft.
<u>Building M (Type I)</u>				
M-101	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-102	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-103	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
M-104	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
M-105	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-106	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-201	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-202	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-203	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
M-204	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
M-205	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-206	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
M-303	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
M-304	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
<u>Building N (Type I)</u>				
N-101	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-102	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-103	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
N-104	A	703 sq. ft.	77 sq. ft.	780 sq. ft.
N-105	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-106	B	782 sq. ft.	59 sq. ft.	841 sq. ft.

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Interior Floor Area</u>	<u>Lanai Floor Area</u>	<u>Total Floor Area</u>
N-201	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-202	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-203	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
N-204	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
N-205	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-206	B	782 sq. ft.	59 sq. ft.	841 sq. ft.
N-303	A	703 sq. ft.	58 sq. ft.	761 sq. ft.
N-304	A	703 sq. ft.	58 sq. ft.	761 sq. ft.

Building Q (Type IIS)

Q-101	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
Q-102	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-103	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-104	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-105	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-106	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
Q-201	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.
Q-202	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-203	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-204	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-205	C-1	833 sq. ft.	58 sq. ft.	891 sq. ft.
Q-206	D-2	895 sq. ft.	60 sq. ft.	955 sq. ft.

END OF EXHIBIT "A-1"

EXHIBIT "B"

DEVELOPER'S RESERVED RIGHTS

A. RESERVED RIGHT TO OBTAIN VA APPROVAL

Notwithstanding any other provision in the Declaration to the contrary, the Developer reserves and shall have the right, but not the obligation, to amend the Declaration without the approval, consent or joinder of any person or group of persons, including without limitation, the Association, any apartment owner or any mortgagee, lien holder or any other person who may have an interest in the Project or any apartment, to satisfy any requirement of the Veterans' Administration ("VA") or the Federal Housing Administration ("FHA") which the Developer deems necessary or convenient in order to obtain the approval of the Project from the VA so that loans secured by mortgages on apartments in the Project can be guaranteed through the VA Home Loan Guarantee Program and other federal housing assistance programs, including those administered by the FHA, and may on behalf of the Association, execute and record as an amendment to the Declaration a Regulatory Agreement in the form and substance meeting FHA requirements and substantially identical to the form of Regulatory Agreement attached to the Declaration as Exhibit "D."

B. RESERVED RIGHT TO FILE AS-BUILT CERTIFICATE

Notwithstanding any other provision in the Declaration to the contrary, the Developer reserves and shall have the right to amend the Declaration without the consent or joinder of the persons then owning or leasing the apartments or their mortgagees by filing an amendment to the Declaration pursuant to the provisions of Section 514A-12, Hawaii Revised Statutes, as amended, after completion of construction of the buildings of the Project by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built.

EXHIBIT "C"

DESCRIPTION OF APARTMENTS

The apartments of Phase 2 of the Project are described as follows:

Fifty-two (52) separate condominium apartments are designated in the spaces within the perimeter and party walls, windows, doors, floors and ceilings of each of the fifty-two (52) apartments of the Project, contained in two (2) two-story buildings and two (2) two- and three-story buildings, all without basements, constructed principally of wood, concrete and glass, as shown on the Condominium Map.

(a) The buildings are designated as Buildings L, M, N and Q, as shown on the Condominium Map. Buildings L and Q each contain twelve (12) apartments, and Buildings M and N each contain fourteen (14) apartments. There are four (4) types of buildings as shown on the Condominium Map and described as follows:

(i) Buildings M and N are two- and three-story Type I buildings. Each Type I building contains six (6) Type A apartments, which have the numerical designations 103, 104, 203, 204, 303 and 304, and eight (8) Type B apartments which have the numerical designations 101, 102, 105, 106, 201, 202, 205 and 206.

(ii) Building L is a two-story Type IIIS building. A Type IIIS building contains four (4) Type C-1 apartments, which have the numerical designations 103, 104, 203 and 204, four (4) Type D-2 apartments, which have the numerical designations 102, 105, 202 and 205, and four (4) Type D-1 apartments, which have the numerical designations 101, 106, 201 and 206.

(iii) Building Q is a two-story Type IIS building. Each Type IIS building contains eight (8) Type C-1 apartments, which have the numerical designations 102, 103, 104, 105, 202, 203, 204 and 205, and four (4) Type D-2 apartments, which have the numerical designations 101, 106, 201 and 206.

(b) Each apartment has an alphabetical and numerical designation. The alphabetical letter preceding the three numerals of each designation corresponds to the building in which the apartment is located, the first numeral corresponds to the floor upon which the apartment is located, and the next two numerals correspond to the location of the apartment.

(c) The apartments are constructed according to several different floor plans as shown on the Condominium Map and described as follows:

(i) There are twelve (12) Type A apartments, each containing two bedrooms, one bathroom, a living/dining room, a kitchen and a storage room, with a net living area of approximately 703 square feet and an appurtenant lanai with a floor area of 77 square feet (for first floor apartments) or 58 square feet (for second and third floor apartments).

(ii) There are sixteen (16) Type B apartments, each containing two bedrooms, two bathrooms, a living room, a dining room, a kitchen, an entry hall and a storage room, with a net living area of approximately 782 square feet and an appurtenant lanai with a floor area of 59 square feet.

(iii) There are twelve (12) Type C-1 apartments, each containing two bedrooms, two bathrooms, a living/dining room, a kitchen and a storage room, with a net living area of approximately 833 square feet and an appurtenant lanai with a floor area of 58 square feet.

(iv) There are eight (8) Type D-2 apartments, each containing three bedrooms, two bathrooms, a living/dining room, a kitchen and a storage room, with a net living area of approximately 895 square feet and an appurtenant lanai with a floor area of 60 square feet.

(v) There are four (4) Type D-1 apartments, each containing three bedrooms, two bathrooms, a living/dining room, a kitchen and a storage room, with a net living area of approximately 895 square feet and an appurtenant lanai with a floor area of 60 square feet.

The numbering, type, and approximate floor areas of the apartments are set forth in Exhibit "A" to this Final Public Report.

(d) The floor areas of the apartments are measured from the interior surface of the perimeter walls of the respective apartments.

(e) The apartments have immediate access to the grounds of the Project or stairways leading to the grounds of the Project.

(f) Ten apartments in Phase 2 of the Project are "accessible" and/or "adaptable" (as those terms are defined in 24 C.F.R. § 100 et seq.) for persons with disabilities. These apartments are currently designated as Apartment Nos. M-101, M-102, M-103, M-104, M-105, M-106, Q-101, Q-102, Q-103, and Q-104, although this designation may change if in the course of construction the Developer determines that the topography of the Project requires the redesignation of such apartments.

END OF EXHIBIT "C"

EXHIBIT "D"

BOUNDARIES OF APARTMENTS

Fifty-two (52) separate condominium apartments are designated in the spaces within the perimeter and party walls, windows, doors, floors and ceilings of each of the fifty-two (52) apartments of Phase 2 of the Project. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements of the Project.

END OF EXHIBIT "D"

EXHIBIT "E"

PERMITTED ALTERATIONS TO APARTMENTS

1. Except as otherwise provided by the Fair Housing Act, 42 U.S.C. §3601, et seq., as amended by the Fair Housing Amendment Act of 1988, and the rules and regulations promulgated thereunder, as the same may be amended from time to time in the future, restoration or replacement of the Project or any building or other structure thereof or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map, shall be undertaken by the Association of Apartment Owners or any apartment owners only pursuant to an amendment of the Declaration of Condominium Property Regime (the "Declaration"), duly executed by or pursuant to a vote of at least seventy-five percent (75%) of the apartment owners and in accordance with complete plans and specifications therefor first approved in writing by the Board of Directors, and promptly upon completion of such restoration, replacement, construction, alteration or addition the Association of Apartment Owners shall duly record or 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. Notwithstanding the foregoing, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall require only the written approval thereof, including the apartment owner's plans therefor, by the institutional holders of mortgages covering such apartment (if the mortgagees require such approval), the Board of Directors, and all other apartment owners thereby directly affected (as determined by the Board of Directors), 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.

2. Non-material additions to the common elements, including, without limitation, the installation of solar energy devices as defined by Section 468B-1, Hawaii Revised Statutes, as amended, shall require approval only by the Board of Directors and by sixty-five percent (65%) of the apartment owners, together with the consent of all other apartment owners thereby directly affected (as determined by the Board of Directors). For so long as a statutory definition of "non-material structural additions to the common elements" shall be prescribed by Section 514A-89, Hawaii Revised Statutes, as amended, as it may be amended from time to time or

by any substitute or successor statute, said statutory definition shall be applied in interpreting the foregoing sentence.

3. Except as provided by law, the common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in a duly recorded amendment to the Declaration, which amendment shall contain the consent thereto by the institutional holders of mortgages on such apartments, as shown in the Association of Apartment Owners's record of ownership or who have given the Board of Directors notice of their interest through the Secretary of the Association of Apartment Owners or the Managing Agent. The common interest shall not be separated from the apartment to which it appertains and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof or the apartments except as provided by the Condominium Property Act; and, without limiting the provisions of Section 514A-21(a) of the Hawaii Revised Statutes, as amended, any such partition or division shall be subject to the prior written consent thereto by the institutional holders of mortgages, filed of record, covering the apartments.

END OF EXHIBIT "E"

EXHIBIT "F"

INFORMATION REGARDING PARKING STALLS

There will be a total of 109 parking stalls created as part of Phase 2 of the Project. 102 of the parking stalls will be assigned to apartments and there will be 7 guest parking stalls. 20 of the 278 parking stalls located within Phase 1 (parking stalls nos. 245, 246, 247, 250, 251, 252, 253, 254, 263, 264, 266, 267, 268, 269, 301, 302, 303, 304, 325 and 326) will be assigned to certain apartments in Phase 2. 18 of the 109 parking stalls created as part of Phase 2 (parking stalls nos. 306, 309, 310, 311, 312, 313, 315, 316, 317, 318, 319, 320, 321, 322, 348, 354, 355 and 356) will be assigned to certain apartments in Phase 1. Each apartment in the Project will have two (2) parking stalls as set forth on Exhibit "I" to this Final Public Report.

Section 19 of the Declaration provides in pertinent part that the owners of the respective apartments, with the consent of mortgagee(s) of the affected apartments, if any, shall have the right, subject to all applicable statutes, ordinances and rules and regulations of governmental agencies, to change the designation of the parking stalls which are appurtenant to their respective apartments solely by amendments to the Declaration, such amendments to be executed solely by the respective apartment owners of such apartments, and such mortgagee(s), if any, provided that such amendments shall be effective only upon the recording of the same in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, and provided further that at all times at least one (1) parking stall shall be appurtenant to each apartment in the Project.

END OF EXHIBIT "F"

EXHIBIT "G"

COMMON ELEMENTS

The common elements of the Project include the following:

1. The land in fee simple;
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, walkways, entrances and exits of said buildings;
3. All yards, grounds, landscaping and fences or walls, if any;
4. All roads, driveways and parking areas;
5. The swimming pool and the pool building;
6. The water heater rooms (except that the water heaters in the rooms shall be deemed a part of the apartments which they serve and are not a part of the common elements);
7. The fire extinguisher cabinets and electrical closets;
8. All pipes, cables, conduits, ducts, 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, water, sewer, telephone and television signal distribution, if any; and
9. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

END OF EXHIBIT "G"

EXHIBIT "H"

LIMITED COMMON ELEMENTS

The limited common elements of the Project include the following:

1. The lanai adjoining each apartment, as shown on the Condominium Map, shall be appurtenant to and for the exclusive use of such apartment.

2. The entry areas, as shown on the Condominium Map, shall be appurtenant to and for the exclusive use of the apartment or apartments to which such area is adjacent, subject to the right described in Section 3.5 of the Declaration of the apartment owners of access to the stairways leading to the grounds of the Project.

3. The water heater rooms, as shown on the Condominium Map, shall be appurtenant to and for the exclusive use of the apartments whose water heaters are located in the respective water heater rooms.

4. Two (2) parking spaces, the numbers of which are designated on the Condominium Map and set forth on Exhibit "I" to this Final Public Report shall be appurtenant to and for the exclusive use of such apartment.

5. One (1) mailbox bearing the same number as such apartment.

6. The stairways and ramps of each building shall be appurtenant to and for the exclusive use of the apartments located within the building.

END OF EXHIBIT "H"

EXHIBIT "I"

COMMON INTERESTS/PARKING STALLS

PHASES 1 & 2

<u>Apt. No.</u>	<u>Common Interest</u>	<u>Parking Stalls</u>
<u>Building A</u>		
A-101	0.6012%	31, 32
A-102	0.5587%	30, 33
A-103	0.5587%	14c, 27c
A-104	0.5587%	12c, 26
A-105	0.5587%	18c, 21
A-106	0.6012%	19c, 20
A-201	0.6012%	29, 34
A-202	0.5587%	28c, 35
A-203	0.5587%	13c, 25
A-204	0.5587%	15c, 24
A-205	0.5587%	16c, 23c
A-206	0.6012%	17c, 22
<u>Building B</u>		
B-101	0.5374%	93, 102c
B-102	0.5374%	92, 101c
B-103	0.4830%	79h, 111
B-104	0.4830%	109, 110
B-105	0.5374%	76, 324
B-106	0.5374%	75, 148c
B-201	0.5374%	91, 100c
B-202	0.5374%	90, 99c
B-203	0.4830%	107, 108
B-204	0.4830%	105c, 106
B-205	0.5374%	74, 323
B-206	0.5374%	73, 322
B-303	0.4830%	77, 98c
B-304	0.4830%	78, 97c

LEGEND:
c = Compact Stall
h = Handicapped Stall

NOTE: These notations are for reference only and are not a part of the parking stall numbers.

Building C

C-101	0.5374%	43,	67c
C-102	0.5374%	37,	66c
C-103	0.4830%	42,	81c
C-104	0.4830%	40,	80c
C-105	0.5374%	52c,	59
C-106	0.5374%	51c,	58
C-201	0.5374%	38,	65c
C-202	0.5374%	39,	64c
C-203	0.4830%	72c,	96c
C-204	0.4830%	41,	71c
C-205	0.5374%	54c,	60
C-206	0.5374%	53c,	61
C-303	0.4830%	55c,	62
C-304	0.4830%	56c,	63

Building D

D-101	0.5374%	316,	355
D-102	0.5374%	321,	356
D-103	0.4830%	45c,	306
D-104	0.4830%	44c,	49c
D-105	0.5374%	312,	314
D-106	0.5374%	46c,	311
D-201	0.5374%	315,	320
D-202	0.5374%	319,	354
D-203	0.4830%	265,	348c
D-204	0.4830%	248,	249
D-205	0.5374%	50c,	310
D-206	0.5374%	309,	313
D-303	0.4830%	47c,	317
D-304	0.4830%	48c,	318

LEGEND:

c = Compact Stall
h = Handicapped Stall

NOTE: These notations are for reference only and are not a part of the parking stall numbers.

Building E

E-101	0.5374%	244, 256
E-102	0.5374%	243, 255
E-103	0.4830%	223c, 234
E-104	0.4830%	222c, 257
E-105	0.5374%	232, 259
E-106	0.5374%	231, 260
E-201	0.5374%	242, 258
E-202	0.5374%	235, 241
E-203	0.4830%	236, 221c
E-204	0.4830%	220, 237
E-205	0.5374%	230, 261
E-206	0.5374%	229, 262
E-303	0.4830%	238, 240
E-304	0.4830%	233, 239

Building F

F-101	0.5374%	192c, 216
F-102	0.5374%	215, 219
F-103	0.4830%	198c, 212h
F-104	0.4830%	193c, 197c
F-105	0.5374%	202c, 207
F-106	0.5374%	201c, 208
F-201	0.5374%	214, 218
F-202	0.5374%	213, 217
F-203	0.4830%	194c, 195c
F-204	0.4830%	199c, 200c
F-205	0.5374%	203, 205
F-206	0.5374%	204, 206
F-303	0.4830%	209, 211
F-304	0.4830%	196c, 210

LEGEND:
c = Compact Stall
h = Handicapped Stall

NOTE: These notations are for reference only and are not a part of the parking stall numbers.

Building G

G-101	0.6150%	180, 228c
G-102	0.5724%	179, 186
G-103	0.5724%	176c, 227c
G-104	0.5724%	174, 187
G-105	0.5724%	172c, 184
G-106	0.6150%	170, 182
G-201	0.6150%	178, 224c
G-202	0.5724%	177c, 185
G-203	0.5724%	175, 225c
G-204	0.5724%	173, 226c
G-205	0.5724%	171, 183
G-206	0.6150%	169c, 181c

Building H

H-101	0.6149%	69c, 167
H-102	0.6150%	57, 166
H-103	0.5724%	161c, 165
H-104	0.5724%	157, 159c
H-105	0.6150%	70c, 155
H-106	0.6149%	151, 153
H-201	0.6149%	68c, 164
H-202	0.6150%	163, 168c
H-203	0.5724%	160, 162c
H-204	0.5724%	156, 158c
H-205	0.6150%	149, 154
H-206	0.6149%	150, 152c

LEGEND:
 c = Compact Stall
 h = Handicapped Stall

NOTE: These notations are for reference only and are not a part of the parking stall numbers.

Building J

J-101	0.6150%	82c, 147
J-102	0.5724%	84c, 146
J-103	0.5724%	86c, 145
J-104	0.5724%	88c, 141
J-105	0.5724%	94c, 138
J-106	0.6150%	103c, 137
J-201	0.6150%	83c, 144c
J-202	0.5724%	85c, 143c
J-203	0.5724%	87c, 142
J-204	0.5724%	89c, 139c
J-205	0.5724%	95c, 140
J-206	0.6150%	104c, 136

Building K

K-101	0.6149%	129c, 135
K-102	0.6150%	128, 134
K-103	0.5724%	127c, 133
K-104	0.5724%	115c, 126c
K-105	0.6150%	120c, 125
K-106	0.6149%	113, 121c
K-201	0.6149%	119c, 132
K-202	0.6150%	118c, 131
K-203	0.5724%	117c, 130c
K-204	0.5724%	116c, 123
K-205	0.6150%	112, 122
K-206	0.6149%	114c, 124

LEGEND:

c = Compact Stall
h = Handicapped Stall

NOTE: These notations are for reference only and are not a part of the parking stall numbers.

Building L

L-101	0.6149%	368,	376c
L-102	0.6150%	367,	378c
L-103	0.5724%	370,	380c
L-104	0.5724%	362,	377c
L-105	0.6150%	360,	361
L-106	0.6149%	357,	372c
L-201	0.6149%	369,	373c
L-202	0.6150%	371,	379c
L-203	0.5724%	364,	366
L-204	0.5724%	363,	365c
L-205	0.6150%	359,	374c
L-206	0.6149%	358,	375c

Building M

M-101	0.5374%	342c,	349c
M-102	0.5374%	341c,	346c
M-103	0.4830%	339h,	351c
M-104	0.4830%	338h,	350c
M-105	0.5374%	329,	337
M-106	0.5374%	328,	335
M-201	0.5374%	343c,	345c
M-202	0.5374%	331,	344h
M-203	0.4830%	347c,	352c
M-204	0.4830%	334,	353
M-205	0.5374%	326,	332
M-206	0.5374%	327,	333
M-303	0.4830%	325,	336
M-304	0.4830%	330,	340

LEGEND:
 c = Compact Stall
 h = Handicapped Stall

NOTE: These notations are for reference only and are not a part of the parking stall numbers.

Building N

N-101	0.5374%	301, 305c
N-102	0.5374%	279c, 303c
N-103	0.4830%	277c, 278c
N-104	0.4830%	250, 251
N-105	0.5374%	247, 299
N-106	0.5374%	245, 298
N-201	0.5374%	276c, 302c
N-202	0.5374%	275c, 304c
N-203	0.4830%	281c, 282c
N-204	0.4830%	252, 280c
N-205	0.5374%	254, 297
N-206	0.5374%	246, 296
N-303	0.4830%	274c, 300
N-304	0.4830%	253, 295

Building O

Q-101	0.6150%	288, 307
Q-102	0.5724%	268, 287
Q-103	0.5724%	269, 291
Q-104	0.5724%	266, 292
Q-105	0.5724%	273c, 283c
Q-106	0.6150%	271c, 284c
Q-201	0.6150%	286, 308
Q-202	0.5724%	264, 285
Q-203	0.5724%	267, 290
Q-204	0.5724%	263, 293
Q-205	0.5724%	272c, 289
Q-206	0.6150%	270c, 294

END OF EXHIBIT "I"

LEGEND:

c = Compact Stall
h = Handicapped Stall

NOTE: These notations are for reference only and are not a part of the parking stall numbers.

EXHIBIT "J"

The following are the encumbrances against title to the land of the Project, identified as Tax Map Key Nos. (1) 9-5-2-Por. 6, (1) 9-5-46-Por. 17, and (1) 9-5-46-Por. 11:

1. The terms and provisions, including the effect of any failure to comply with the covenants, conditions and reservations contained in Declaration dated July 19, 1976, filed as Land Court Document No. 773994.

2. Designation of Easement "3713" for flowage purposes, as shown on Map 618, as set forth by Land Court Order No. 67995, filed November 28, 1983.

3. Unilateral Agreement and Declaration for Conditional Zoning dated May 23, 1986, filed as Land Court Document No. 1373964.

4. Unilateral Agreement and Declaration for Conditional Zoning dated November 2, 1992, filed as Land Court Document No. 1967152.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in Declaration dated December 10, 1992, filed as Land Court Document No. 1978661. Said Declaration was amended by Annexation instrument dated June 22, 1993, filed as Land Court Document No. 2038685.

6. The terms and provisions, including the failure to comply with the covenants, conditions and reservations contained in Declaration of Condominium Property Regime of "THE RIDGE AT LAUNANI VALLEY" dated December 10, 1992, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1978662, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 942, as amended) Said Declaration was amended by instrument dated March 2, 1993, filed as Land Court Document No. 2004832 and by Amended and Restated Declaration of Condominium Property Regime of The Ridge at Launani Valley dated June 22, 1993 filed as Land Court Document No. 2038686.

7. The terms and provisions, including the failure to comply with the covenants, conditions and reservations contained in By-Laws of the Association of Apartment Owners of "THE RIDGE AT LAUNANI VALLEY" dated December 10, 1992, filed in the Office of the Assistant Registrar of the Land Court of the

State of Hawaii as Land Court Document No. 1978663, as the same may hereafter be amended. Said By-Laws were amended by instrument dated June 22, 1993 filed as Land Court Document No. 2039429.

8. Designation of Easement "5344" as shown on Map 861, as set forth by Land Court Order No. 112034, filed on June 4, 1993.

9. Designation of Easement "5345" as shown on Map 861, as set forth by Land Court Order No. 112034, filed on June 4, 1993.

10. Designation of Easement "5346" as shown on Map 861, as set forth by Land Court Order No. 112034, filed on June 4, 1993.

11. Grant in favor of Hawaiian Electric Company, Inc., dated May 13, 1993, filed as Land Court Document No. 2036296, granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate above-ground transformer sites, underground lines, etc. for the transmission and distribution of electricity.

12. Grant in favor of GTE Hawaiian Telephone Company, Incorporated, dated May 27, 1993, filed as Land Court Document No. 2036298, granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate above-ground transformer sites, underground lines, etc. for the transmission and distribution of electricity.

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in Declaration of Restrictive Covenants (Private Park) dated June 15, 1993, filed as Land Court Document No. 2038680.

14. Grant in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company, Incorporated, dated June 15, 1993, filed as Land Court Document No. 2038681, granting a perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove pull boxes, hand holes, transformer vault sites, underground power lines, etc. for the transmission and distribution of electricity.

15. Mortgage and Security Agreement dated May 21, 1992, by Waihuna Joint Venture, a Hawaii general partnership, as Mortgagor, in favor of Bank of Hawaii, a Hawaii corporation, and The Mitsubishi Bank, Limited, Los Angeles Branch, a Japan corporation, as Mortgagee, filed as Land Court Document No. 1918332, securing the amount of \$17,000,000.00 (covers said Lot 14235 besides other land).

16. Assignment of Sales Contracts and Sales Proceeds dated May 21, 1992, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-087891, by and between Bank of Hawaii, a Hawaii corporation, and The Mitsubishi Bank, Limited, Los Angeles Branch, a Japan corporation, "Lenders", and Waihuna Joint Venture, a Hawaii general partnership, "Borrower", hereby absolutely and unconditionally grants, transfers and assigns to the Lenders, all of the Borrower's right, title and interest in and to the Sales Contracts, all of the Sales Proceeds, and all of the Borrower's rights to waive or release any obligation, etc., to secure the payment of that certain promissory note, in the principal amount of \$17,000,000.00.

17. Mortgage and Security Agreement dated June 25, 1993, by Waihuna Joint Venture, a Hawaii general partnership, as Mortgagor, in favor of Bank of Hawaii, a Hawaii corporation, as Mortgagee, filed as Land Court Document No. 2039430, securing the amount of \$17,000,000.00 (covers said Lot 14235 besides other land).

18. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor City & County of Honolulu.

END OF EXHIBIT "J"

EXHIBIT "K"

THE RIDGE AT LAUNANI VALLEY
PHASE I & II

Estimate of Maintenance Fee Disbursements:

	Monthly times 12 mon =	Yearly Total
Utilities and Services		
Air Conditioning		
Electricity		
<input checked="" type="checkbox"/> common elements only	\$1,580.00	\$18,960.00
<input type="checkbox"/> common elements & apartments		
Elevator		
Gas		
Refuse Collection	\$1,650.00	\$19,800.00
Telephone		
Water and Sewer	\$4,500.00	\$54,000.00
Maintenance, Repairs, and Supplies		
Building	\$173.00	\$2,076.00
Grounds	\$3,250.00	\$39,000.00
Management		
Management Fee	\$1,875.00	\$22,500.00
Payroll and Payroll Taxes	\$3,192.00	\$38,304.00
Office Expenses	\$318.00	\$3,816.00
Insurance	\$1,165.00	\$13,980.00
Reserves	\$3,401.00	\$40,812.00
Taxes and Government Assessments	\$120.00	\$1,440.00
Audit Fees	\$150.00	\$1,800.00
Other	\$225.00	\$2,700.00
<hr/>		
TOTALS	\$21,599.00	\$259,188.00

I, STEVE PERMAIN as agent and employed by CERTIFIED MANAGEMENT the condominium managing agent of the developer, for the condominium project RIDGE AT LAUNANI VALLEY hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



(*) Mandatory reserves in effect January 1, 1993 Date: 12/10/92

THE RIDGE AT LAUNANI VALLEY, PHASE I & II

**ESTIMATE OF INITIAL MAINTENANCE FEES
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees;

APARTMENT	MONTHLY times 12 mon	YEARLY - TOTAL
TYPE A (.48300% COMMON INTEREST)	\$103.82	\$1,245.84
TYPE B (.53740% COMMON INTEREST)	\$115.51	\$1,386.12
TYPE C1 (.57240% COMMON INTEREST)	\$123.03	\$1,476.36
TYPE C (.55870% COMMON INTEREST)	\$120.09	\$1,441.08
TYPE D2 (.61500% COMMON INTEREST)	\$132.19	\$1,586.28
TYPE D1 (.61490% COMMON INTEREST)	\$132.17	\$1,586.04
TYPE D (.60120% COMMON INTEREST)	\$129.22	\$1,550.64

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

NOTE: Buyer(s) will not be responsible for paying maintenance fees for the project until notified by Developer.

END OF EXHIBIT "K"

EXHIBIT "L"

SUMMARY OF SALES CONTRACT

Copies of the forms of Condominium Reservation Agreement, Deposit Receipt and Sales Agreement ("Sales Contract") have been submitted to the Real Estate Commission and are available for inspection at the Seller's office. The following is a summary of some of the provisions of the Sales Contract. For those Apartments that will be sold as affordable housing units, the Sales Contract includes certain additional provisions. A summary of some of these additional provisions is also included below. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES CONTRACT IN FULL SINCE THIS SUMMARY IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF THE PROVISIONS THEREIN.

1. The Sales Contract does not become a binding contract until the Effective Date occurs. Until the Effective Date, the Sales Contract is only a reservation for the Apartment and is not legally binding on either Buyer or Seller. The Effective Date of the Sales Contract shall be the date on which all of the following conditions are fulfilled:

(a) The copy of the Final Public Report for the Project is mailed or otherwise delivered to the Buyer;

(b) Buyer has waived Buyer's right to terminate the agreement pursuant to Hawaii Revised Statutes, Section 514A-62, as amended; and

(c) The agreement has been accepted by Seller through execution of the agreement by Seller's officers or designated agents.

2. If the Apartment covered by a particular Sales Contract is an Owner-Occupant Designated Apartment, and Buyer has executed an affidavit stating Buyer's intent to become an owner-occupant of the Apartment, then Buyer agrees when signing the Sales Contract that Buyer will occupy the Apartment as Buyer's principal residence.

3. Seller makes no warranties regarding the Project, but any warranties given to Seller by the contractors retained by Seller will be passed through to Buyer upon closing. Seller will also assign to Buyer any unexpired manufacturer's or dealer's warranties covering any furniture, fixtures, and appliances in the Apartment.

4. Buyer agrees that all payments required by the Sales Contract will be deposited with Escrow and that all checks will be made payable to Escrow. Buyer also agrees that any money that Buyer deposits with Escrow may be deposited together with other Buyers' money in a federally insured interest bearing account, and that Escrow may distribute the money in this account according to an Escrow Agreement between Seller and Escrow. Buyer also agrees that all the interest earned from the funds deposited by Buyers will be credited to Seller.

In case Buyer is late in making payments to Escrow, the late payment will bear interest at the rate of one percent (1%) per month until paid.

5. All taxes, assessments, and charges of any kind assessable against the Apartment or the land of the Project will be prorated as of the Closing Date. This means that Buyer will have to pay Buyer's share of these taxes and assessments at the Closing Date. In addition, Buyer will be responsible for paying all closing costs in connection with the purchase of the Apartment, including all costs related to any mortgages, all notary fees, recording fees, escrow fees, title insurance, conveyance taxes and fees, and preparation of the Apartment Deed to Buyer.

6. In addition to all other funds due, Buyer must deposit with Escrow at Preclosing a nonrefundable "start-up" fee for the Condominium Association. This start-up fee is an initial contribution to the Association common expenses reserve. The minimum amount of the start-up fee will be equal to two (2) months of estimated assessments for common expenses. Also, Buyer must deposit with Escrow the amount of the Initiation Assessment required under the Declaration of Covenants, Conditions and Restrictions of the Launani Valley Community, which constitutes a non-refundable "start-up" fee for the Launani Valley Community Association. These amounts are separate from the purchase price and closing costs for the Apartment.

7. Buyer may not assign Buyer's rights under the Sales Contract without the prior written consent of Seller. Under no circumstances may Buyer assign Buyer's rights to the agreement after the Preclosing or the closing date. If Buyer attempts to assign the agreement without Seller's written consent, Buyer shall be in default under the Sales Contract.

8. The Seller may, at its option, preclose the sale of Apartments by requiring the Buyer to deliver all documents necessary for closing and certain funds to Escrow up to sixty (60) days prior to the closing date. Buyer will have ten (10)

days notice of such preclosing. Buyer must deposit all funds other than the proceeds of Buyer's first mortgage loan or the balance of the purchase price for a cash sale with Escrow, including the advanced payment for a maintenance assessment fund. Buyer must also sign all documents required for closing.

9. Buyer shall not be able to occupy the Apartment until the Closing Date for the sale of the Apartment. Seller or Escrow will notify Buyer of when the Closing Date will take place. Buyer will not be able to take occupancy until all payments required by the Sales Contract have been made. Keys will not be issued for the Apartment unless all payments have been made. If Buyer attempts to take occupancy of the Apartment prior to the Closing Date, then Buyer will be in default of the Sales Contract, and Seller has the right to remove Buyer from the Apartment using any lawful means.

10. Buyer agrees to accept an Apartment as suitable for occupancy even if there are defects or damage to the Apartment, as long as Seller promises to repair these defects within a reasonable time after Seller takes occupancy. If Buyer wrongfully refuses to take occupancy of a defective Apartment, Buyer may have to bear the cost of Seller's costs in any resulting legal action. Seller will notify Buyer that the Apartment is ready for inspection prior to occupancy. Buyer then has fifteen (15) days from the date Buyer receives notification to inspect the Apartment. If Buyer does not inspect the Apartment within this time, Seller may appoint an appropriate person to inspect the Apartment on Buyer's behalf and decide if it is acceptable.

11. The Seller reserves the right to change the Project and modify the condominium map and any other condominium documents for any reason up to the Effective Date of the agreement.

12. Seller will complete construction so that Buyer may occupy the Apartment within two (2) years of the Effective Date of the Sales Contract. However, this two (2) year period may be extended if construction is delayed by any matters beyond Seller's control.

13. By signing the Sales Contract, Buyer represents that Buyer is financially capable of paying the purchase price for the Apartment. Buyer also represents that any financial data he has given Seller is accurate. If Buyer does not notify Seller that Buyer's financial situation has changed as of the closing date, Seller will assume that the information Seller has is accurate. If the Seller discovers that any important financial data provided by Seller is not accurate and Buyer failed to notify Seller of this inaccuracy, Seller has the right to cancel the Sales Contract.

If Buyer intends to finance the purchase of an Apartment, Buyer must apply for financing within five (5) days of the Seller's acceptance of the Sales Contract. Buyer agrees to do everything possible and/or necessary to successfully obtain a loan once applied for. Buyer agrees to immediately provide Seller with a copy of any loan commitment Buyer receives.

If Buyer tries to obtain financing but is unsuccessful in doing so within forty-five (45) days after application, Seller may notify Buyer that Seller is cancelling the Sales Contract. Upon cancellation in this manner, Buyer is entitled to a refund from Escrow of Buyer's money, without interest and minus any costs incurred by Seller, Escrow, or any lending institution in processing the Sales Contract or the Buyer's loan application(s).

If Buyer is making a cash purchase of an Apartment, Seller may require Buyer to provide proof that Buyer is financially capable of making all payments under the Sales Contract. If this proof is required, Buyer must provide it within ten (10) days after Seller accepts the Sales Contract. Seller has the option to terminate the Sales Contract if Seller determines that Buyer is unable to make the required payments. If the Sales Contract is cancelled in this manner, Buyer is entitled to a refund from Escrow of Buyer's money, without interest and less an escrow cancellation fee and any other escrow charges incurred by Seller. Seller will give Buyer notice of any such cancellation.

14. As long as the Sales Contract is only a reservation, it may be terminated for any reason and at any time at the option of either Buyer or Seller, by giving written notice of termination to the other party. In the event of a termination, the Seller will instruct Escrow to refund all payments previously made by Buyer, without interest. Additionally, if the Buyer is terminating the Sales Contract pursuant to Hawaii Revised Statutes, Section 514A-63, as amended, then Escrow shall deduct an escrow cancellation fee and all costs incurred by Seller, escrow, or any lending institution in processing the Sales Contract or loan application.

15. If Buyer defaults, Seller may cancel the Sales Contract by notifying Buyer in writing. If the cancellation occurs after the Effective Date of the Sales Contract, the Seller may keep any amounts paid by Buyer thus far as compensation for Seller's damages. In addition, Seller may also pursue any other appropriate means in order to be compensated for damages incurred by Buyer's default.

If Seller defaults after the Effective Date of the Sales Contract, Buyer is entitled to cancel the Sales Contract and have all of Buyer's money refunded, if the Buyer cannot legally cause the Seller to fulfill Seller's obligations.

If, after the Closing Date for the sale of an Apartment, Buyer claims that Seller has violated certain federal or state securities or disclosure laws, Buyer may cancel the Sales Contract and is entitled to a refund from Escrow of all money Buyer paid to Escrow, together with a statutory rate of interest. Buyer may not recover what is considered the reasonable amount expended for use of the Apartment from Seller. Cancellation as described above will be Buyer's only remedy for violations of this nature.

17. If less than twenty-six (26) Apartments have been sold as of December 31, 1993, Seller has the option to cancel the Sales Contract. If Seller cancels the Sales Contract, Buyer will be entitled to a refund of any money Buyer has deposited with Escrow, without interest and minus an escrow cancellation fee. When Buyer has received this refund, Buyer and Seller will no longer have any obligations under the Sales Contract.

18. The Seller has the option to cancel the Sales Contract if unanticipated delays in construction cause the cost of development to increase to the point where the Project is no longer economically feasible for the Seller. In this case, Seller may cancel the Sales Contract and refund Buyer's money in the same way as for a cancellation due to lack of sales described above. However, Seller will offer Buyer a new Sales Contract for the same Apartment at the increased sales price. This offer will be mailed to Buyer, who has fifteen (15) days from the date when Seller mails the new Sales Contract to accept. If Buyer does not accept within the fifteen (15) day period, then Seller may offer the Apartment to another buyer at the increased sales price.

19. By entering into the Sales Contract, Buyer acknowledges that Buyer has never received any information of representations from Seller or any of Seller's agents regarding rental income from the Apartment or other economic or tax benefits that Buyer may receive from ownership of the Apartment. The Buyer further agrees that he or she will not participate in any rental pool for the renting of the Apartment. Buyer may be required to sign documents which satisfy the Seller that no such representations have been made.

20. The Seller may have made one or more construction loans to finance construction of the Project. Any rights which a Buyer may possess under a Sales Contract for one of the

Apartments in the Project are subject to and subordinate to the rights of the lender(s) of these construction loans.

21. Buyer acknowledges that the Project is located within the vicinity of Wheeler Army Airfield and may be subject to noise, vibrations, nuisances, disturbances or other hazards to persons or property caused by military and airfield operations at Wheeler Army Airfield. These operations are not subject to regulation by Seller, the City and County of Honolulu (the "City") or the State of Hawaii (the "State"). Buyer acknowledges that the noise level at the Project caused by these military and airfield operations may exceed government noise level standards and that there are some individuals for whom these noise levels are not acceptable. Buyer agrees to assume the risks of impairment to Buyer's use and enjoyment of the Apartment, loss of market value and injury or damage caused by the military and airfield operations, except for violations of law, gross negligence or willful misconduct, and agrees to indemnify, hold harmless and defend Seller, the City and the State from all claims by Buyer, damages, and costs arising from such operations. Buyer also releases and agrees not to file any claim or lawsuit against the Seller, the City or the State related to the military and airfield operations at Wheeler Army Airfield including but not limited to claims for costs or damages resulting from aircraft noise and/or vibration.

Affordable Housing Units

The Sales Contract for the affordable housing units includes all of the provisions described above and certain additional provisions. The following is a summary of some of these additional provisions:

1. In order to qualify to purchase an Apartment designated for sale as an affordable housing unit, the Buyer must meet the eligibility requirements set forth in the Owner-Occupant Affidavit for Affordable Housing Purchasers attached as Exhibit "A" to the Sales Contract. If the Seller or the City and County of Honolulu (the "City") determines that Buyer does not meet all of the eligibility requirements, Seller has the right to cancel the Sales Contract at any time.

2. The transfer to Buyer of an Apartment sold as an affordable housing unit will be subject to certain restrictions on use and transfer of the Apartment (the "City Restrictions"). These restrictions include, but are not limited to, a first option in favor of the City to purchase the Apartment for a period of ten years in the event that Buyer desires to transfer or lease the Apartment or in the event that Buyer violates the covenant requiring Buyer to occupy the Apartment. The City

Restrictions are attached as Exhibit "B" to the Sales Contract and are also incorporated in an exhibit to the Apartment Deed.

3. Neither the City nor the Department of Housing and Community Development ("DHCD") is a party to the development or sale of the Apartment or Project. Buyer agrees to indemnify and hold harmless the City and DHCD, its officers, employees, and agents against any of Buyer's claims, arising from the purchase of the Apartment and against any damages suffered by the Buyer resulting from workmanship and/or materials.

END OF EXHIBIT "L"

EXHIBIT "M"

SUMMARY OF ESCROW AGREEMENT

A copy of the Escrow Agreement between the Developer and Title Guaranty Escrow Services, Inc. ("Escrow"), has been submitted to the Real Estate Commission and is available for inspection at the Developer's office. The following is a summary of some of the provisions of the Escrow Agreement.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS IN 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.

1. A signed copy of each sales contract for an Apartment in the Project must be given to Escrow.

2. All money received by the Developer from buyers under sales contracts for apartments in the Project must be given to Escrow. Escrow, in accordance with written instructions from the Developer, shall deposit all money so received in accounts at a federally insured bank, savings and loan association or other financial institution which pays interest on deposits. Any interest earned on funds deposited into Escrow will accrue to the credit of the Developer unless otherwise provided.

3. Escrow may not make any disbursements of funds until certain conditions, including the issuance of a Final Public Report on the applicable phase of the Project by the Real Estate Commission, have been met.

4. Under certain conditions, a buyer shall be entitled to a refund. Escrow shall pay this refund to the buyer without interest less a reasonable escrow cancellation fee. However, no escrow cancellation fee will be deducted from refunds to individuals on the Developer's owner-occupant reservation list to whom no Sales Contract was ever offered.

5. If a buyer fails to claim a refund for a cancelled sales contract, Escrow shall deposit the refund in a special account in a bank or other depository selected by Escrow, in the name of the Developer as trustee for the benefit of the buyer. Escrow will then attempt to notify the buyer about the refund.

6. If a buyer is to make a payment under a sales contract directly to Escrow, Escrow shall promptly give the buyer notice of the amount and due date of the payment. If the buyer fails to make a payment to Escrow in a timely manner, Escrow will notify Developer. If the Developer subsequently notifies Escrow in writing that Developer has terminated the sales contract and provides Escrow with copies of all notices of termination sent to the buyer, Escrow will then treat any funds the buyer has already paid as though they belong to the Developer. Upon written request by the Developer, Escrow will pay all such sums to Developer minus any escrow cancellation fee.

END OF EXHIBIT "M"

