CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Waihuna Joint Venture
Address 220 S. King St., Suite 680, Honolulu, HI 96813

Project Name(*): The Ridge at Launani Valley
Address: 95-510 Wikao St., Mililani, Oahu, Hawaii

Registration No. 2828

Effective date: April 5, 1993
Expiration date: May 5, 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:

X PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
(See page 2 for clarifying explanation.)

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

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

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

[X] No prior reports have been issued by the developer for Phase 2 of this Project as defined and explained below.

[ ] Changes made are as follows:

The Ridge at Launani Valley is an existing condominium property regime established by the Developer comprised of 130 apartments for which a Final Condominium Public Report has been issued (Registration No. 2675). Both the Declaration of Condominium Property Regime for The Ridge at Launani Valley (the "Declaration") and the By-Laws of the Association of Apartment Owners for The Ridge at Launani Valley have been recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii and the Condominium Map for the project ("Condominium Map No. 942") has also been filed in the same office. For the sole purpose of avoiding confusion, this existing condominium property regime shall be referred to in this report as "Phase 1" or "Phase 1 of the Project."

The Developer reserved the right in Section 16 of the Declaration to add to Phase 1 of the Project the following: (a) the land area designated on Condominium Map No. 942 as "Phase 2" (the "Phase 2 land"), (b) fifty-two (52) apartments in four (4) buildings, and (c) such other common elements as determined by the Developer. The Developer has now decided to exercise this reserved right. Given that no condominium public report has yet been issued covering the Phase 2 land and the additional apartments, buildings and other common elements, this Preliminary Condominium Public Report is intended to cover such land, apartments, buildings and other common elements, all of which shall be collectively referred to in this report as "Phase 2" or "Phase 2 of the Project." Phase 2 is not being established as a separate, independent condominium property regime but rather is merely being added to the existing Phase 1 of the Project. As a result, Phase 2 does not have its own name. After Phase 2 is added to Phase 1 of the Project, the name of the condominium property regime shall remain "The Ridge at Launani Valley." The term "Project" when it appears alone in this report shall mean both Phase 1 and Phase 2 after Phase 2 has been added to the existing condominium property regime.

The Phase 2 land is comprised of portions of two lots (Lot 12212, as shown on Map 702 of Land Court Application No. 1000, and Lot 9858-B, as shown on Map 735 of Land Court Application No. 1000). These two lots will be consolidated with the land of Phase 1 (Lot 1276-A, as shown on Map 435 of Land Court Application No. 1000), and resubdivided into three new lots. One of the new lots, which will have an area of approximately 10.406 acres, will be the land of the Project. The other two new lots will not be a part of the Project.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Waihuna Joint Venture
Name
Phone: 808-537-5976 (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 Services, Inc.
Name
Phone: 808-625-5880 (Business)
95-510 Wikao St.
Business Address
Mililani, HI 96789

Escrow: Title Guaranty Escrow Services, Inc.
Name
Phone: 808-521-0211 (Business)
235 Queen St., First Floor
Business Address
Honolulu, HI 96813

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

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

Attorney for Developer: Rush Moore Craven Sutton Morry & Beh
Name
Phone: 808-521-0400 (Business)
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 _____
[X] 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]: An amendment of the Declaration was recorded as Land Court Document No. 2004832 to correct typographical errors and to attach an inadvertently omitted exhibit. Another amendment will be recorded upon the addition of Phase 2 which will describe all of the apartments and common elements of Phases 1 and 2 as a single condominium property regime.

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. _____
[X] 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]: An amendment of the Condominium Map will be filed upon the addition of Phase 2 which, among other things, will omit the descriptions of Phase 1 prior to the addition of Phase 2. The Condominium Map currently contains a description of Phases 1 and 2 together as a single condominium property regime.

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 _____
[X] 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]:

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:

[X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	—	Majority of Board of Directors of the Association 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.

[X] 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:

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

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

Leases for 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:**

Address: 95-510 Wikao Street
Mililani, Hawaii 96789

Phase 1
Tax Map Key: (1) 9-5-2-Por.6
(TMK) Phase 2: Lot 9858-B (1) 9-5-46-Por.1
Lot 12212 (1) 9-5-46-Por.1

[ ] **Address** [X] **TMK** ~~is expected to~~ may change because the property may be subdivided.
See Exhibit "B".

Phase 1
Land Area: 182.953 [ ] **square feet** [X] **acre(s)**

Phase 2
Land Area: Lot 9858-B 1.83 acres
Lot 12212 22.751 acres

Phases 1 and 2
Zoning: R-5

Lessor
(Fee Owner): Waihuna Joint Venture
Lot 9858-B Name
220 S. King St., Suite 680
Address
Honolulu, HI 96813

~~Sublessor:~~ Castle & Cooke Properties, Inc.
Fee Owner Name
Lot 12212 650 Iwilei Road
Address
Honolulu, HI 96817

C. Buildings and Other Improvements:

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

2. Number of Buildings: 4 Floors Per Building 2 or 3

[X] Exhibits B & C contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [X] Wood

[ ] Other

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	52	[X] Yes [ ] No	[ ] Ohana	____	[ ] Yes [ ] No
[ ] Commercial	____	[ ] Yes [ ] No	[ ] Industrial	____	[ ] Yes [ ] No
[ ] Mix Res/Comm	____	[ ] Yes [ ] No	[ ] Agricultural	____	[ ] Yes [ ] No
[ ] Hotel	____	[ ] Yes [ ] No	[ ] Recreational	____	[ ] Yes [ ] No
[ ] Timeshare	____	[ ] Yes [ ] No	[ ] Other:____	____	[ ] Yes [ ] No

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

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	12	2/1	703	58 or 77
B	16	2/2	782	59
C-1	12	2/2	833	58
D-1	4	3/2	895	60
D-2	8	3/2	895	60

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

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	41	24	11	26	0	0	102
Guest	0	0	0	7	0	0	7
Unassigned	0	0	0	0	0	0	0
Extra for Purchase	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0
Total Covered & Open	65		44		0		

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

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[X] 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

[X] There are no violations. [ ] Violations will not be cured.

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

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

N/A

11. Conformance to Present Zoning Code

a. [ ] **No variances to zoning code have been granted.**

[X] **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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

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

[X] **described in Exhibit** 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.

[X] The limited common elements and the apartments which use them, as described in the Declaration, are:

[X] 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:

[X] 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 reports dated February 9, 1993 (as revised on March 8, 1993 and on March 30, 1993) and February 11, 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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
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 are expected to be issued in June, 1993. The model building in Phase 1 of the Project is completed. 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 [X] has [ ] has not reserved the right to add to, merge, or phase this condominium.

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

See Exhibit "B"

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

B. Estimate of Initial Maintenance Fees:

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

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

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

C. Utility Charges for Apartments:

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

[ ] None
[X] Electricity (common areas only)
[ ] Gas
[X] Water
[X] Sewer
[ ] Television Cable
[ ] Other_____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit L contains a summary of the pertinent provisions of the sales contract.

[X] 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 Launani Valley.

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, 199

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

C. Additional Information Not Covered Above

Launani Valley Community

The Project is located within an area intended to be developed as a master planned community known as the "LAUNANI VALLEY COMMUNITY," described in that certain Declaration of Covenants, Conditions and Restrictions for the Launani Valley Community 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 (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 the Launani Valley Community, 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 I of the Project, the Developer, in conjunction with the City, will offer the following twenty (20) apartments for sale as affordable housing units: B-103, B-104, B-203, B-204, C-103, C-104, C-203, C-204, D-103, D-104, D-203, D-204, E-103, E-104, E-203, E-204, F-103, F-104, F-203, and F-204.

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).

Developer's Reserved Right to Remove Land

THE PURCHASER SHOULD BE AWARE THAT SINCE AREA W IS INCLUDED AS A COMMON ELEMENT OF PHASE 1 OF THE PROJECT THE ASSOCIATION WILL BE RESPONSIBLE FOR ANY AND ALL EXPENSES RELATED TO AREA W AND WILL NOT BE REIMBURSED FOR ANY EXPENDITURES WHEN THE DEVELOPER EXERCISES ITS RIGHT TO SUBDIVIDE OR FURTHER DEVELOP AREA W.

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: _____ March 2, 1993

Duly Authorized Signatory — 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"

Apt. No.	Apt. Type	Interior Floor Area	Lanai Floor Area	Total Floor Area
Building L (Type IIIS)				
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.
Building M (Type I)				
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.
Building N (Type I)				
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.

Apt. No.	Apt. Type	Interior Floor Area	Lanai Floor Area	Total Floor Area
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"

Apt. No.	Apt. Type	Interior Floor Area	Lanai Floor Area	Total Floor Area
Building A (Type IIM)				
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.
Building B (Type I)				
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.
Building C (Type I)				
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.

Apt. No.	Apt. Type	Interior Floor Area	Lanai Floor Area	Total Floor Area
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.

Apt. No.	Apt. Type	Interior Floor Area	Lanai Floor Area	Total Floor Area
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.

Apt. No.	Apt. Type	Interior Floor Area	Lanai Floor Area	Total Floor Area
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.

Apt. No.	Apt. Type	Interior Floor Area	Lanai Floor Area	Total Floor Area
Building L (Type IIIS)				
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.
Building M (Type I)				
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.
Building N (Type I)				
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.

Apt. No.	Apt. Type	Interior Floor Area	Lanai Floor Area	Total Floor Area
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 EXPAND PROJECT.

The Developer's reserved right to add Phase 2 to Phase 1 of the Project is set forth in Section 16 of the Declaration of Condominium Property Regime (the "Declaration"). The provisions of Section 16 are described more particularly below.

Section 16 of the Declaration provides that notwithstanding any other provision to the contrary contained in the Declaration, the Developer reserves and shall have the right, but shall not be obligated, to submit to the condominium property regime created by the Declaration the additional land area designated and approximately shown on the Condominium Map as "Phase 2" (hereinafter called the "Phase 2 land") and to construct and add to Phase 1 of the Project up to fifty-two (52) apartments in four (4) buildings, together with such other common elements as the Developer shall determine in its sole discretion, to be located principally on the Phase 2 land (all of which comprise Phase 2). These fifty-two (52) apartments and the common elements to be added to Phase 1 pursuant to the exercise of such reserved rights are referred to in Section 16 of the Declaration as the "additional apartments." The Developer also reserves and shall have the right, but shall not be obligated: (a) to change the location of Building D of Phase 1 before it is constructed to accommodate the construction of the Phase 2 apartments, (b) to add parking stalls on the land of Phase 1, and (c) to locate two of the buildings of Phase 2 in part on the land of Phase 1, all of the foregoing as generally shown on the Condominium Map, and (d) to reassign the parking stalls designated as limited common elements appurtenant to the apartments of Phase 1, provided that two parking stalls shall be assigned to each apartment as limited common elements.

1. Developer also reserves and shall have the right, but shall not be obligated: (a) to consolidate the land of Phase 1 of the Project with the Phase 2 land, (b) to consolidate the Phase 1 land with adjacent land including but not limited to the Phase 2 land and to resubdivide the same, and (c) to undertake a joint development agreement of the Phase 1 land and the Phase 2 land pursuant to Section 4.40-21 of the Land Use Ordinance of the City and County of Honolulu, as it may be amended. Developer may exercise the foregoing reserved

rights in connection with the exercise of its reserved rights in Section 17 of the Declaration.

2. The Developer may exercise its reserved rights at any time prior to August 1, 1999, without being required to obtain 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.

3. If the Developer exercises its reserved rights and adds Phase 2 to Phase 1 of the Project, then:

(a) There shall be one hundred eighty-two (182) apartments contained in the fourteen (14) buildings designated as Buildings A, B, C, D, E, F, G, H, J, K, L, M, N and Q. Buildings A, B, C, D, E, F, G, H, J and K of Phase 1 and Buildings L, M, N and Q of Phase 2 shall be the building types described in Exhibit "C" to this Preliminary Public Report. There shall be a total of forty-two (42) Type A apartments, fifty-six (56) Type B apartments, thirty-six (36) Type C-1 apartments, eight (8) Type C apartments, twenty-four (24) Type D-2 apartments, twelve (12) Type D-1 apartments, and four (4) Type D apartments, as set forth in Exhibit "A-1" to this Preliminary Public Report. The following apartments shall be "accessible" and/or "adaptable" (as those terms are defined in 24 C.F.R. § 100 et seq.) for persons with disabilities: Apartments Nos. B-103, B-104, C-105, C-106, D-101, D-102, E-101, E-102, F-103, F-104, F-105, F-106, M-101, M-102, M-103, M-104, M-105, M-106, Q-101, Q-102, Q-103, and Q-104.

(b) The common interest appurtenant to the one hundred eighty-two (182) apartments in Buildings A, B, C, D, E, F, G, H, J, K, L, M, N and Q shall be the undivided percentage interests set forth in Exhibit "I" to this Preliminary Public Report. Such percentage interests are calculated based upon the floor areas of the individual apartments divided by the aggregate floor area of the one hundred eighty-two (182) apartments, with adjustments so that the total percentage interests for the one hundred eighty-two (182) apartments shall equal one hundred percent (100%).

(c) The two (2) parking spaces that shall be appurtenant to and for the exclusive use of each of the one hundred eighty-two (182) apartments shall be the parking spaces set forth in Exhibit "I" to this Preliminary Public Report.

(d) The Developer shall record an amendment or amendments to the Declaration in the Office of the Assistant Registrar of the Land Court of the State of Hawaii to reflect the addition of Phase 2 which will contain, without limitation,

(i) an amended description of the land of Phases 1 and 2 of the Project; (ii) an amended description of the apartments and buildings of Phases 1 and 2 of the Project; (iii) the percentage common interest appurtenant to each apartment in Phases 1 and 2 of the Project; and (iv) an amendment or amendments to the Condominium Map showing any changes to Phases 1 and 2 of the Project together with the architect's "as built" certificate or certificates required by Section 514A-12, Hawaii Revised Statutes, as amended, reflecting that Buildings A, B, C, D, E, F, G, H, J, K, L, M, N and Q have been constructed. Such an amendment or amendments to the Declaration may be executed solely by the Developer and shall not require the consent or joinder of 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.

(e) The Developer shall have the right to execute, acknowledge and deliver any and all other instruments, including without limitation other amendments to the Project documents and petitions to the Land Court of the State of Hawaii, which are necessary or appropriate to effectuate the provisions of and to exercise the reserved rights. By accepting or acquiring any right, title or interest in the Project or any apartment, each apartment owner or mortgagee, lien holder or other person having any interest in the Project or any apartment agrees that such person shall, if required by law or by the Developer, execute and deliver any and all instruments necessary or convenient to effectuate the reserved rights. The Association of Apartment Owners and each apartment owner, mortgagee, lien holder or other person having any interest in the Project or any apartment hereby irrevocably appoints the Developer as their attorney-in-fact, with full power and authority to execute and record, in the name and on behalf of the Association of Apartment Owners and each apartment owner, mortgagee, lien holder or other person having any interest in the Project or any apartment, the amendment or amendments to the Declaration, petitions to the Land Court of the State of Hawaii, or any other document or instrument effectuating the reserved rights. The foregoing power of attorney is coupled with an interest and shall be irrevocable and shall not be affected by the disability of the party granting the power.

4. If the Developer does not exercise its right to add the additional apartments to Phase 1 of the Project by August 1, 1999, then the reserved rights shall be null and void and of no further effect.

5. The reserved rights in favor of the Developer shall be covenants running with the land and shall inure to the

benefit of and be binding upon the Developer and its successors and assigns, the Association and each apartment owner or any mortgagee, lien holder or any other person with an interest in the Project or any apartment and their respective heirs, personal representatives, successors, successors in trust and assigns. The Developer shall have the right to transfer, assign, hypothecate, mortgage or otherwise dispose of such reserved rights without the consent or approval of 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.

6. The reserved rights may not be impaired or affected by any amendment to the Declaration, except as specifically provided in Section 16 of the Declaration.

B. RESERVED RIGHT TO REMOVE LAND.

The Developer also reserved the right in Section 17 of the Declaration to remove certain land currently constituting a part of the land in Phase 1 of the Project. Section 17 of the Declaration provides that notwithstanding any other provision in the Declaration to the contrary, the Developer reserves and shall have the right, but shall not be obligated, without the consent, approval or joinder of any person or group of persons, including without limitation the Association of Apartment Owners, any apartment owner or any mortgagee, lien holder or any other person who may have an interest in the Project or any apartment: (a) to subdivide the land of the Project and to remove from the condominium property regime created by the Declaration that portion of the land designated and approximately shown on the Condominium Map as "Area W" or (b) to consolidate the land of the Project with adjacent land including but not limited to the Phase 2 land, to resubdivide the same, and then to remove from the condominium property regime created by the Declaration the land area designated and approximately shown on the Condominium Map as "Area W" and the adjacent land other than the Phase 2 land. The exact area of the land to be withdrawn pursuant to this reserved right shall be subject to an order of subdivision by the City and County of Honolulu authority having jurisdiction over the subdivision of land in the City and County of Honolulu, which order legally constitutes the land to be withdrawn as a legally separate lot or lots.

1. The Developer may exercise such reserved right at any time prior to August 1, 1999, without being required to obtain 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.

2. If the Developer exercises the foregoing reserved right, then:

(a) The Developer shall record in the Office of the Assistant Registrar of the Land Court of the State of Hawaii an instrument evidencing the removal of any land from the condominium property regime created by the Declaration.

(b) The Developer shall record an amendment to the Declaration in the Office of the Assistant Registrar of the Land Court of the State of Hawaii containing, without limitation, (i) an amended description of the land of the Project; and (ii) an amendment to the Condominium Map showing all changes to the land of the Project. Such an amendment to the Declaration may be executed solely by the Developer and shall not require the consent or joinder of 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.

(c) The Developer shall have the right to execute, acknowledge and deliver any and all other instruments, including without limitation other amendments to the Project documents and petitions to the Land Court of the State of Hawaii, which are necessary or appropriate to effectuate the provisions of and to exercise the reserved rights. By accepting or acquiring any right, title or interest in the Project or any apartment, each apartment owner or mortgagee, lien holder or other person having any interest in the Project or any apartment agrees that such person shall, if required by law or by the Developer, execute and deliver any and all instruments necessary or convenient to effectuate the reserved right. The Association of Apartment Owners and each apartment owner, mortgagee, lien holder or other person having any interest in the Project or any apartment hereby irrevocably appoints the Developer as their attorney-in-fact, with full power and authority to execute and record, in the name and on behalf of the Association and each apartment owner, mortgagee, lien holder or other person having any interest in the Project or any apartment, the amendment or amendments to the Declaration, petitions to the Land Court of the State of Hawaii, or any other document or instrument effectuating the reserved rights. The foregoing power of attorney is coupled with an interest and shall be irrevocable and shall not be affected by the disability of any such party.

3. Except as specifically provided in the Declaration, the reserved rights may not be impaired or affected by any amendment to the Declaration.

C. 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."

D. 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) Apartment Nos. M-103, M-104, M-204, N-103, N-104, N-203, and N-204 are "accessible" and/or "adaptable" (as those terms are defined in 24 C.F.R. § 100 et seq.) for persons with disabilities.

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 and in Sections 16 and 17 of the Declaration, 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. Except as provided in Sections 16 and 17 of the Declaration, 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 located within Phase 2 of the Project. 102 of the parking stalls will be assigned to apartments and there will be 7 guest parking stalls. Sheet 4 of the Condominium Map (Phase 2 Site Plan) indicates that there are 104 assigned parking stalls and 5 guest stalls in Phase 2 because, upon the addition of Phase 2 to Phase 1 of the Project, there will be a total of 102 assigned parking stalls and 7 guest stalls among the 109 parking stalls located within Phase 2. 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 located within 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 Preliminary Public Report.

Sheet 4 of the Condominium Map shows a total of 118 parking stalls because it includes parking stalls nos. 301, 302, 303, 304, 314, 323, 324, 325 and 326 which are a part of Phase 1 of the Project. These parking stalls are also shown on Sheet 3 (Phase 1 Site Plan) of the Condominium Map. Upon the addition of Phase 2 to Phase 1 of the Project, parking stall no. 314, which is designated as a handicapped stall on Sheet 3, will become a regular uncovered parking stall as shown on Sheet 4.

Section 21 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 which includes the portion of the land designated and approximately shown on the Condominium Map as "Area W" unless and until "Area W" is removed from the condominium property regime under the provisions of Section 17 of the Declaration;

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 Preliminary 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

Apt. No.	Common Interest	Parking Stalls
Building A		
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
Building B		
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%	366, 377c
L-105	0.6150%	360, 361
L-106	0.6149%	362, 372c
L-201	0.6149%	359, 373c
L-202	0.6150%	371, 379c
L-203	0.5724%	357, 369
L-204	0.5724%	358, 365c
L-205	0.6150%	363, 374c
L-206	0.6149%	364, 375c

Building M

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

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%	301c, 305
N-102	0.5374%	292, 303c
N-103	0.4830%	283c, 284c
N-104	0.4830%	250, 251
N-105	0.5374%	247, 299
N-106	0.5374%	245, 298
N-201	0.5374%	291, 302c
N-202	0.5374%	293, 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%	294, 300
N-304	0.4830%	253, 295

Building Q

Q-101	0.6150%	288, 307
Q-102	0.5724%	268, 287
Q-103	0.5724%	269, 276c
Q-104	0.5724%	266, 275c
Q-105	0.5724%	273c, 274c
Q-106	0.6150%	271c, 278c
Q-201	0.6150%	286, 308
Q-202	0.5724%	264, 285
Q-203	0.5724%	267, 290
Q-204	0.5724%	263, 279c
Q-205	0.5724%	272c, 289
Q-206	0.6150%	270c, 277c

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 Phase 2 of the Project, identified as Tax Map Key Nos. (1) 9-5-46-Por. 17 (Lot 9858-B) and (1) 9-5-46-Por. 11 (Lot 12212):

ITEM I - LOT 9858-B

1. Real Property Taxes, as may be due and owing. Refer to the Director of Finance, City and County of Honolulu for further information.

   Tax Key: 9-5-046-017 (1) Area Assessed: 1.830 acres

2. DESIGNATION OF EASEMENT "3712"

   PURPOSE: drainage
   SHOWN: on Map 618, as set forth by Land Court Order No. 67995, filed November 28, 1983

3. DESIGNATION OF EASEMENT "3713"

   PURPOSE: flowage
   SHOWN: on Map 618, as set forth by Land Court Order No. 67995, filed November 28, 1983

4. Easement rights for access, electrical, gas, communications and other utility purposes and for sewer, drainage and water facilities, over, under, across, along and through Lot 9858-B and Easement "3712" affecting Lot 9858-B appurtenant to Lots 12208, 12209, 12210, 12212, 12213 and 12215; pursuant to Land Court Order No. 67995, filed November 28, 1983, as amended by Land Court Order No. 87670, filed December 23, 1987, and confirmed by Land Court Order No. 94580, filed August 2, 1989.

5. MORTGAGE AND SECURITY AGREEMENT

   MORTGAGOR: WAIHUNA JOINT VENTURE, a Hawaii general partnership

   MORTGAGEE: BANK OF HAWAII, a Hawaii corporation, and THE MITSUBISHI BANK, LIMITED, LOS ANGELES BRANCH, a Japan corporation

DATED: May 21, 1992
FILED: Land Court Document No. 1918332
AMOUNT: $17,000,000.00 - covers the land described herein, besides other land

6. ASSIGNMENT OF SALES CONTRACTS AND SALES PROCEEDS dated May 21, 1992, recorded 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.

7. UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated November 2, 1992, filed as Land Court Document No. 1967152.

ITEM II - LOT 12212

1. Real Property Taxes, as may be due and owing. Refer to the Director of Finance, City and County of Honolulu for further information.

   Tax Key: 9-5-046-011 (1) Area Assessed: 22.751 acres
   Covers Parcel First

2. Certificate and Authorization dated September 13, 1984, recorded in Liber 18184 at Page 272, made by and between CASTLE & COOKE, INC., a Hawaii corporation, and OCEANIC PROPERTIES INC., a Hawaii corporation, re: Lots 9855 and 11320, as shown on Map 618, filed with Land Court Application No. 1000 be reclassified from the Agricultural District to the Urban District and said incremental districting of the lands as described in Decision and Order shall he subject to the conditions stated in said instrument.

   Said Certificate and Authorization was amended by instrument dated June 10, 1991, recorded as Document No. 91-112407.

3. UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated July 7, 1986, recorded in Liber 19645 at Page 668, as amended by instrument dated October 11, 1988, recorded in Liber 22452 at Page 418.

4. Easement "4694" (area 3,434 square feet) for drainage purposes, as shown on Map 702, as set forth by Land Court Order No. 87670, filed December 23, 1987.

5. UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated November 2, 1992, filed as Land Court Document No. 1967152.

6. DESIGNATION OF EASEMENT "4698" (area 41,600 square feet)

PURPOSE:	utility and access
SHOWN:	on Map 702, as set forth by Land Court Order No. 87670, filed December 23, 1987

7. Right-of-way in favor of Lot 12209 over Easement 4698, as set forth by Land Court Order No. 87670, filed December 23, 1987.

8. Rights of access in favor of Lot 12306 and Lot 12586, as set forth by Land Court Order No. 92369, filed January 19, 1989 and Land Court Order No. 95188, filed September 22, 1989.

9. GRANT

TO:	HAWAIIAN ELECTRIC COMPANY, INC.
DATED:	October 17, 1988
FILED:	Land Court Document No. 1588862
GRANTING:	a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain, operate and remove pole and wire lines, guy wires and anchors, etc. and/or underground power lines, for the transmission and distribution of electricity, etc.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Deed dated September 24, 1991, filed as Land Court Document No. 1854479.

11. Claims arising out of rights customarily and traditionally exercised for subsistence, cultural, religious, access or gathering purposes as provided for in the Hawaii Constitution or Sections 1-1 or 7-1 of the Hawaii Revised Statutes.

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		
[X] common elements only	$1,580.00	$18,960.00
[ ] 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
TOTALS	$21,599.00	$259,188.00

I, STEVE PERRAIN, as agent and employed by CERTIFIED MANAGEMENT, the condominium managing agent or 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"