CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: Terry Ann Semerad & A. Larry Wharton, co-personal representatives of the estate of T. Jack Bennington, Rita Bennington, John W. Parten, Michael G. Miller, Philip S. Ferrara & June R. Ferrara

Address: P.O. Box 39, Kilauea, Kauai 96754

Project Name(*): Puukumu Agricultural Condominium Project

Address: 2952 Kalihiwai Road, Kalihiwai, Hanalei, Kauai, Hawaii 96714

Registration No. 2975 (conversion)

Effective date: March 23, 1994

Expiration date: April 23, 1995

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 o 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 th 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 orde a copy of which is attached to this report, extending the effective date for the report.

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

Type of Report:

___ **PRELIMINARY:** (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.

X **FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.

- [X] 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 Commission.
[ ] Changes made are as follows:

SPECIAL NOTICE

This is a CONDOMINIUM PROJECT, not a subdivision. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.

1. This public report does not constitute an approval of the project by the Real Estate Commission or any other government agency, nor does it warrant that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

2. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and is not a legally subdivided lot. The dotted lines on the Site Plan (Exhibit A) bounding the

SPECIAL NOTICE (CONT.')

designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines or legally subdivided lots.

3. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc. may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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Generai 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 compiied 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: Terry Ann Semerad & A. Larry Wharton, co-personal representatives of the estate of T. Jack Bennington, Rita Bennington, John W. Parten, Michael G. Miller, Philip S. Ferrara & June R. Ferrara
Phone: (808) 828-1312 (Business)
Name
P.O. Box 39
Business Address
Kilauea, Kauai 96754

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

N/A

Real Estate Broker: Beta Pacific, Inc.
Phone: (808) 828-1312 (Business)
Name
P.O. Box 39
Business Address
Kilauea, Kauai 96754

Escrow: Title Guaranty Escrow Services, Inc.
Phone: (808) 245-3381 (Business)
Name
4290 Rice Street
Business Address
Lihue, Kauai 96766

General Contractor: N/A
Phone: N/A (Business)
Name

Business Address

Condominium Managing Agent: Sell-managed by Association of Apartment Owners
Phone: N/A (Business)
Name

Business Address

Attorney for Developer: William C. Byrns/Jason T. Higa
Phone: (808) 523-9000 (Business)
Name BAYS DEAVER HIATT KAWACHIKA & LEZAK
1099 Alakea Street, Alii Place, Suite 1600
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances: Document No. 93-150349
Book_____ Page _____

[ ] Filed - Land Court: Document No._____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Declaration of Condominium Property Regime of Puukumu Agricultural Condominium Project dated January 26, 1994 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 94-017778.

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

[X] Recorded - Bureau of Conveyances Condo Map No. 1926

[ ] Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

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

The Bylaws for this condominium are:

[ ] Proposed

[X] Recorded - Bureau of Conveyances: Document No. 93-150350
Book_____ Page _____

[ ] Filed - Land Court: Document No._____

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:

[ ] Proposed [ ] Adopted [X] 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	---	N/A

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

2. Developer:

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

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

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: LOT 11-B-4, being a portion of Lot 11-B, situate at Kalihiwai, Hanalei, Kauai Tax Map Key: (4) 5-2-10:29 (TMK)

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

Land Area: 16.302 [ ] square feet [X] acre(s) Zoning: Agricultural

Lessor (Fee Owner): Terry Ann Semerad & A. Larry Wharton, co-personal representatives of the estate of T. Jack Bennington, Rita Bennington, John W. Parten, Michael G. Miller, Philip S. Ferrara and June R. Ferrara

Name

P.O. Box 39

Address

Kilauea, Kauai 96754

Sublessor: N/A

Name

Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 5 Floors Per Building A,B:1; C:2; D:3

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [ ] Wood

[ ] Other_____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	4	[X] Yes [ ] No	[ ] Ohana	____	[ ] Yes [ ] No
[ ] Commercial	____	[ ] Yes [ ] No	[ ] Industrial	____	[ ] Yes [ ] No
[ ] Mix Res/Comm	____	[ ] Yes [ ] No	[X] Agricultural	____	[X] Yes [ ] No
[ ] Hotel	____	[ ] Yes [ ] No	[ ] Recreational	____	[ ] Yes [ ] No
[ ] Timeshare	____	[ ] Yes [ ] No	[X] Other: See P. 20 for further explanation of agricultural residence		[ ] 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:

[ ] Pets: _____

[ ] Number of Occupants: _____

[X] Other: Families occupying a farm dwelling must derive income from agricultural use of the property

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: C:2; D:4 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Deck (sf)
A	1	2/1	826	304
B	1	2/2	2850	208 (terrace)
C	1	2/2 1/2	3216	800
		1/1	1015	169
D	1	2/4	3400	1270 (terraces)

Total Apartments: 4

*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 C.

Permitted Alterations to Apartments: As noted in Section 18 of the Declaration, individual apartment owners may, at their sole discretion and at their own expense, remodel, expand or otherwise alter their apartment, provided said alterations are done in complete accordance with all applicable ordinances, codes, rules, regulations and other requirements in force at the time of said construction. All alterations shall be completed expeditiously and in the manner set forth in said Section 18.

7. Parking Stalls: * At least two parking stall areas must be provided in each unit's limited common elements.

Total Parking Stalls:

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	____	2	____	____	____	____	8
Guest	____	____	____	____	____	____	____
Unassigned	____	____	____	____	____	____	____
Extra for Purchase	____	____	____	____	____	____	____
Other:	____	____	____	____	____	____	____
Total Covered & Open	8		____		____		

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

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [X] 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 _____

The Project is a conversion of fully constructed and existing buildings to condominium status. Said buildings are in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of their construction. No variance has been granted from any ordinance, code, rule, regulation or other requirement in force at the time of their construction or from any other ordinance, code, rule, regulation or other requirement.

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):

Based on a report prepared by an independent professional engineer, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the individual condominium apartments appear to be sound and in satisfactory working condition. However, no representations of any kind are made as to the expected useful life, if any, of the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartment(s).

11. Conformance to Present Zoning Code

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

[ ] Variance(s) to zoning code was/were granted as follows:

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

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

	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 D.

[ ] as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[ ] There are no limited common elements in this project.

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

[X] described in Exhibit D.

[X] as follows: The portion of land that is a limited common element for the exclusive use of each owner of a Unit as set forth in Exhibit A, subject to any utility and other easements. THE BROKEN LINES ARE NOT BOUNDARIES OF LEGALLY SUBDIVIDED LOTS.

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 B.

[ ] as follows:

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

Exhibit E describes the encumbrances against the title contained in the title report dated Sept. 13, 1993 and issued by Title Guaranty of Hawaii, Inc., and which encumbrances have been placed on the property since the date of such title policy.

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
Unrecorded Agreement for Use of Property, as amended	This Agreement will be cancelled prior to the conveyance of the first 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:

None.

2. Appliances:

None.

G. Status of Construction and Estimated Completion Date:

Unit A	-	October, 1982
Unit B	-	August, 1982
Unit C	-	December, 1988
Unit D	-	September, 1982

H. Project Phases:

The developer [ ] has [X] 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):

IV. CONDOMINIUM MANAGEMENT

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

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

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

[ ] not affiliated with the Developer
[X] 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 F contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

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

[ ] None [ ] Electricity [ ] Gas [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 I contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated July 6, 1993
Exhibit H 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 Farm Dwelling Agreements; SMA Single Family Residence Agreement

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. 2975 filed with the Real Estate Commission on Oct. 8, 1993

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

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

C. Additional Information Not Covered Above

Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner, A. Larry Wharton (RB-8814) is a current and active Hawaii-licensed real estate broker. Further, pursuant to Section 16-99-11(c), HAR, "(n)o licensee shall advertise `For Sale by Owner, . . .'"

When applying for zoning permits with the Planning Department, each owner or assignee is required to have 75% of the owners in the project sign the permit form(s).

All new wastewater disposal systems (currently by way of cesspools) will be subject to new State of Hawaii, Department of Health Regulations referred to as Hawaii Administrative Rules, Title 11, Department of Health Chapter 62-Waste Water Systems. It is the Buyer's responsibility to speak directly with the Health Department and request a copy of such regulations and to review said regulations. Should Buyer have any questions, Buyer is to seek additional information from a qualified sanitation engineer.

Except as limited specifically by the Declaration of Condominium Property Regime, the Bylaws and the encumbrances listed below, all uses permitted in the agricultural zone are permitted. Such uses include, but are not limited to, growing crops, raising animals, residence, diversified agriculture, forestry, orchards and nurseries, and wildlife management. See Kauai County Comprehensive Zoning Ordinance, Article 8.7.

An agricultural residence may not be constructed, unless the unit demonstrates to the County its ability to derive income and/or agricultural products from its property. Agricultural use must be established and verified prior to any building permit approval. The Developer has signed Farm Dwelling Agreements with the County of Kauai acknowledging this.

The land dedicated to the Condominium Property Regime is encumbered as set forth in Exhibit E.

PURCHASERS ARE ADVISED THAT THE ABOVE INFORMATION IS VERY MATERIAL TO THE USE AND ENJOYMENT OF THE PROPERTY, AND UPON REQUEST BY PURCHASERS, DEVELOPER IS TO PROVIDE A TRUE COPY OF THESE AGREEMENTS FOR INSPECTION AND APPROVAL.

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.

Terry Ann Semerad & A. Larry Wharton, co-personal representatives of the estate of T. Jack Bennington, Rita Bennington, John W. Parten, Michael G. Miller, Philip S. Ferrara & June R. Ferrara

Name of Developer

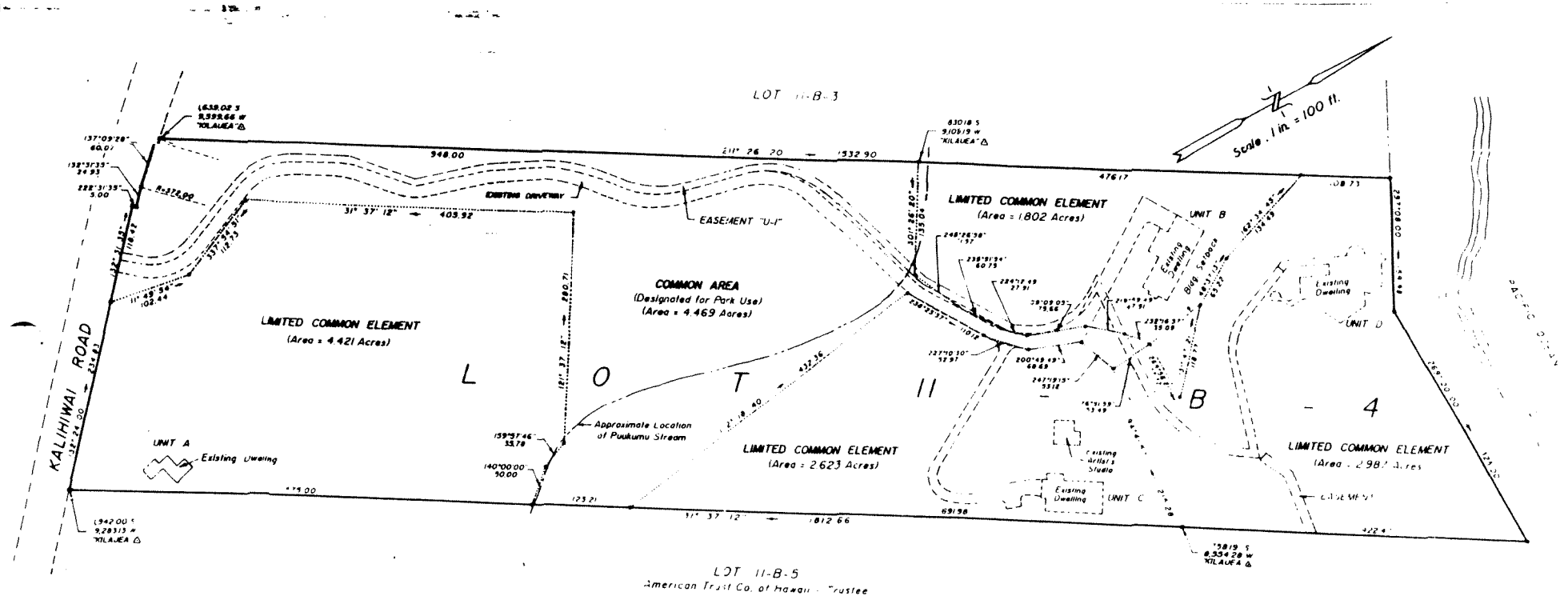
By: _____
Duly Authorized Signatory

3/11/94
Date

_____
print name & title of person signing above

Distribution:

Department of Finance, County of Kauai
Planning Department, County of Kauai
Federal Housing Administration



CONDOMINIUM MAP
PUUKUMU AGRICULTURAL CONDOMINIUM
UNITS A, B, C, D
and COMMON AREA

All Being Lot 11-B-4,
The Same Being Portion of L.C. Aw. 8559-B : 39

Situated at Kalihiwai, Hanalei, Kauai, Hawaii

Owners : John W. Parten, et. al

CEDAR C. PORTUGAL
REGISTERED PROFESSIONAL ENGINEER AND SURVEYOR
No. 2225-S
HAWAII, U.S.A.

This work was prepared by me or under my supervision

Reg. Prof. Engineer & Land Surveyor
Certificate Number 2225-SE

For : PORTUGAL & ASSOCIATES, INC.
Lihue, Kauai, Hawaii

July 31, 1992

Exhibit A

Tax Map Key : 5-2-10:24

Ish No. 2302

EXHIBIT "B"

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR PUUKUMU AGRICULTURAL CONDOMINIUM

Qty.	Apt. No.	Area of Limited Common Element*	% Common Interest
1	A	4.421 acres	25
1	B	1.802 acres	25
1	C	2.623 acres	25
1	D	2.987 acres	25

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use his unit, alter or add to its farm structure in any manner he deems desirable. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration together with their respective signatures and acknowledgements by the Association of Unit Owners that such change is being made.

*NOTE: Land area referenced are not legally subdivided lots.

END OF EXHIBIT B

EXHIBIT C

INDIVIDUAL UNIT DESCRIPTIONS

The Puukumu Agricultural Condominium Project consists of four condominium apartments, each apartment comprising a separate single-family structure. The apartments are described as follows:

A. "Apartment A" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living/family room, and kitchen -- all containing a net interior living area of approximately 826 square feet. Parking spaces are provided for said unit as shown on the Condominium Map.

B. "Apartment B" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, two baths, living room, dining room, laundry room, kitchen, recreational deck -- all containing a net interior living area of approximately 2,850 square feet. Parking spaces are provided for said Apartment as shown on the Condominium Map.

C. "Apartment C" consists of a separate two-story wood-frame structure, without basement, containing two bedrooms, two and one half baths, living room, family room, dining room, laundry room, kitchen, and recreational deck, -- all containing a net interior living area of approximately 3,216 square feet. "Apartment C" also consists of a separate two-story wood-frame artist's studio, without basement, containing one bedroom, one bath, and recreational deck -- all containing a net interior living area of approximately 1,105 square feet. Parking spaces are provided for said Apartment as shown on the Condominium Map.

D. "Apartment D" consists of a separate three-story, masonry structure, without basement, containing two bedrooms, four baths, living room, dining room, laundry room, kitchen, library, recreational deck, swimming pool -- all containing a net interior living area of approximately 3,400 square feet. Parking spaces are provided for said Apartment as shown on the Condominium Map.

END OF EXHIBIT C

EXHIBIT D

Common Elements and Limited Common Elements of Project

The common elements of the project are the land designated as "common elements" as shown on the Site Plan (Exhibit A).

Certain parts of the common elements, herein called the "limited common elements" are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

(a) The area of each agricultural unit specified in Exhibit C and as shown on Site Plan (Exhibit A).

(b) The broken lines delineate the limits of land area (limited common elements) appurtenant to each unit. These are the boundaries of the limited common elements and they are NOT boundaries of legally subdivided lots. The lines are for illustration purposes only.

END OF EXHIBIT D

EXHIBIT E

ENCUMBRANCES AGAINST TITLE

1. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the land described herein.

2. 100-year flood building setback line, as shown on survey map prepared by Masao Fujishige, Surveyor, dated January 11, 1977.

3. RIGHT-OF-ENTRY in favor of Citizens Utilities Company dated October 16, 1978, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13263 at Page 90; granting a right-of-entry and temporary easement for construction and maintenance of power and communication lines over and across the land described therein.

4. FARM DWELLING AGREEMENT dated January 30, 1980, recorded in said Bureau in Liber 14485 at Page 49, by and between T. JACK BENNINGTON, "Applicant", and the COUNTY OF KAUAI Planning Department, "Department".

5. SMA SINGLE FAMILY RESIDENCE AGREEMENT dated April 9, 1980, recorded in said Bureau in Liber 14868 at Page 506, by and between JAMES RAYMOND SMART, "Applicant", and the COUNTY OF KAUAI Planning Department, "Agency".

6. FARM DWELLING AGREEMENT dated April 9, 1980, recorded in said Bureau in Liber 14868 at Page 510, by and between JAMES RAYMOND SMART, "Applicant", and the COUNTY OF KAUAI Planning Department, "Department".

7. FARM DWELLING AGREEMENT dated June 12, 1981, recorded in said Bureau in Liber 15861 at Page 239, by and between T. JACK BENNINGTON, husband of Rita Bennington, JAMES RAYMOND SMART, unmarried, MARTHA DEAN SMART, unmarried, JOHN W. PARTEN, unmarried, and TERRY T. BUYSSE, unmarried, "Applicants", and the COUNTY OF KAUAI Planning Department, "Department".

8. RIGHT-OF-ENTRY in favor of Citizens Utilities Company, and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, dated July 15, 1982, recorded in said Bureau in Liber 16506 at Page 551; granting a right-of-entry and easement over and across the land described herein.

9. Grant in favor of Citizens Utilities Company and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, dated June 20, 1984, recorded in said

Bureau in Liber 18241 at Page 46; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission and distribution of electricity over, under, upon, across and through the subject property.

Consent thereto given by T. JACK BENNINGTON, JAMES RAYMOND SMART, MARTHA DEAN SMART, JOHN W. PARTEN, and TERRY T. BUYSSE.

10. Grant in favor of Citizens Utilities Company dated October 10, 1984, recorded in said Bureau in Liber 18251 at Page 322; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission and distribution of electricity over, under, upon, across and through the land described herein; consent thereto given by T. JACK BENNINGTON, JAMES RAYMOND SMART, MARTHA DEAN SMART, JOHN W. PARTEN, and TERRY T. BUYSSE.

11. DESIGNATION OF EASEMENT dated March 29, 1985, recorded in said Bureau in Liber 18735 at Page 99, in favor of John L. Koster and Ruth O. Koster, husband and wife; re: designation of a vehicular access easement which shall encumber Lot 11-B-4 in favor of Lot 11-B-3.

12. Grant in favor of American Trust Co. of Hawaii, Inc., as Trustee under that certain unrecorded Trust Agreement No. 90-01810 dated August 16, 1984, as amended, dated October 17, 1985, recorded in said Bureau in Liber 19598 at Page 477; granting a non-exclusive, perpetual easement for the installation, construction, maintenance and repair of underground water lines and television cable lines, etc., being Easements "U-1" and "U-2".

13. FARM DWELLING AGREEMENT dated August 27, 1986, recorded in said Bureau in Liber 20097 at Page 196, by and between S. PHILIP FERRARA, D.D.S. and JUNE R. FERRARA, "Applicants", and COUNTY OF KAUAI PLANNING DEPARTMENT, "Department".

14. Declaration of Condominium Property Regime of Puukumu Agricultural Condominium Project recorded in said Bureau as Document No. 93-150349.

15. First Amendment to Declaration of Condominium Property Regime of Puukumu Agricultural Condominium Project dated January 26, 1994 recorded in said Bureau as Document No. 94-017778.

16. By-Laws of Puukumu Agricultural Condominium Project recorded in said Bureau as Document No. 93-150350.

17. Condominium Map No. 1926.

18. *UNRECORDED AGREEMENT FOR USE OF PROPERTY dated August 7, 1979 by and between T. Jack Bennington, James Raymond Smart, Martha Dean Smart, John W. Parten and Terry T. Buysse; said Agreement for Use of Property amended by that certain UNRECORDED AMENDMENT TO AGREEMENT FOR USE OF PROPERTY dated January 28, 1983.

* To be released prior to the conveyance of any apartment to a purchaser.

END OF EXHIBIT E

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x 12 months	=	Yearly Total
A-D	$100.00	x 12	=	$1,200

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

Estimate of Maintenance Fee Disbursements:

	Monthly Fee	x 12 months =	Yearly Total
Utilities and Services			
Air Conditioning			
Electricity			
[ ] common elements only			
[ ] common elements and apartments			
Gas			
Refuse Collection			
Telephone			
Water and Sewer (only if common metering)	$35	x 12 =	$420
Maintenance, Repairs and Supplies			
Building	$50	x 12 =	$600
Grounds			
Management			
Management Fee	----		
Payroll and Payroll Taxes	----		
Office Expenses	----		
Insurance	$ 5	x 12 =	$ 60
Reserves	$ 0	x 12 =	$ 0
Taxes and Government Assessments	$10	x 12 =	$120
Audit Fees	0	x 12 =	$ 0
Other			
TOTAL	**$100**		**$1,200**

Terry Ann Semerad and A. Larry Wharton, co-personal representatives of the estate of T. Jack Bennington, and Rita Bennington, as tenants in common; John W. Parten; Michael G. Miller; and Philip S. Ferrara and June R. Ferrara, as joint tenants, as managing agents for the condominium project, hereby

certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with general accepted accounting principles.

DATE: March 11, 1994

Terry Ann Semerad
TERRY ANN SEMERAD, co-personal representative of the estate of T. Jack Bennington

A. Larry Wharton
A. LARRY WHARTON, co-personal representative of the estate of T. Jack Bennington

Rita Bennington
RITA BENNINGTON

John W. Parten
JOHN W. PARTEN

CHRISTOPHER ~~CHRIS~~ D. FERRERA, as Agent and Attorney-in-Fact for Michael G. Miller

Philip S. Ferrera
PHILIP S. FERRERA

June R. Ferrara
JUNE R. FERRERA

End of Exhibit F

EXHIBIT G

AUG 18 1993

JOANN A. YUKIMURA
MAYOR

JEFFREY LACY
PLANNING DIRECTOR

DEE M. CROWELL
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 241-6677
FAX (808) 241-6699

COUNTY OF KAUAI
PLANNING DEPARTMENT
4444 RICE STREET, SUITE 473
BUILDING "A"
LIHUE, KAUAI, HAWAII 96766

August 16, 1993

COPY

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission, Real Estate Branch
250 South King Street, Suite 702
Honolulu, Hawaii 96813

Subject: Certification of Inspection of Existing Buildings for Puukumu Agricultural Condominium at Kilauea, Kauai
TMK:5-2-10:29

The developer of the above-mentioned condominium project ("project") has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai (Section 514A-39, HRS). Subject to the disclosures and waiver (item "c" below) specified herein, we certify the following:

a. The developer has contracted a private engineer to certify that the existing buildings on the proposed project referred to as Units A, B, C, and D are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the condition of waiver herein, the Planning Department adopts that certification as it pertains to our requirements.

b. We have no record of any zoning variances that have been granted on the subject property.

c. WAIVER

The foregoing certification is not a warranty as to any aforementioned compliance, nor a representation as to the condition of the property in question. No rights against the County of Kauai shall arise as a result of

this certification. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulation of condominiums under Subsection 514(A), HRS. This certification shall not be construed to guarantee that all County Codes and Ordinances have been complied with. Subsequent development and use shall comply to all applicable County Codes and Ordinances. It should also be noted that the Condominium Property Regime (CPR) does not mean that all County requirements pertaining to subdivision of lands have been met. Therefore, such facilities/ improvements that are normally associated with County approved subdivisions such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., will not be provided. Further, such services as County street maintenance and trash collection will not be available for interior roads and driveways, if any.

The number of limited common elements or CPR units proposed for this parcel should not exceed the number of dwelling units, including Additional Dwelling Units (ADU), permitted by the respective zoning district. It is recommended that the developer resolve the allowable density with the Planning Department prior to the filing of the Notice of Intention for the proposed condominium with the Real Estate Commission.

If you have any questions, please contact Bryan Mamaclay of my staff at 245-3919.

for JEFFREY LACY
Planning Director

cc: Jason T. Higa

END OF EXHIBIT G

EXHIBIT H

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC. ("Escrow"), and TERRY ANN SEMERAD and A. LARRY WHARTON, co-personal representatives of the estate of T. JACK BENNINGTON, RITA BENNINGTON, JOHN W. PARTEN, MICHAEL G. MILLER, AND PHILIP S. FERRARA and JUNE R. FERRARA, as Tenants by the Entirety ("Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project.

3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Where sales contracts are entered into, Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Final Public Report and with notification by Seller that all of the requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under any sales contract.

4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned to Buyer less

Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive an amount to be determined by Escrow for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional sum.

* * * * * * * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

END OF EXHIBIT H

EXHIBIT I

SUMMARY OF SALES CONTRACT

The intended sales contract for the Project is the Hawaii Association of Realtors' Deposit Receipt, Offer and Acceptance ("DROA") form. The DROA contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Evidence of Title. Seller shall furnish Buyer evidence of Seller's marketable title to the interest which is to be conveyed to Buyer. If Seller fails to deliver title as herein provided, Buyer has the option to terminate this agreement and have any of Buyer's deposits returned to Buyer. The foregoing shall not exclude any other remedies available to Buyer. Buyer will receive an Owner's standard coverage policy of title insurance at closing: (a) Seller shall pay 60% of the premium to be charged for an Owner's standard coverage policy of title insurance to be issued to the Buyer in the amount of the sales price; and, (b) Buyer shall pay 40% of such premium and any additional costs relating to the issuance of any extended coverage policy, including a Lender's policy.

2. Risk of Loss. Risk of loss passes to Buyer upon transfer of title or occupancy whichever occurs first.

3. Default. It is expressly understood and agreed: First: In the event Buyer fails to pay the balance of the purchase price or complete the purchase as herein provided, Seller may (a) bring an action for damages for breach of contract; (b) retain the initial deposit and all additional deposits provided for herein, as liquidated damages; and (c) Buyer shall be responsible for any cost incurred in accordance with this contract. Second: In the event Seller fails to perform his obligations as herein provided, Buyer not being in default, Buyer may (a) bring an action against Seller for damages for breach of contract; (b) file and maintain an action against Seller for specific performance of this contract; and (c) Seller shall be responsible for any cost incurred in accordance with this contract. The foregoing shall not exclude any other remedies available to either Seller or Buyer. In the event of default and/or a lawsuit arising out of this contract (including a suit by a REALTOR for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees. All expenses incurred by escrow shall be deducted from deposited funds prior to any disbursement to the prevailing party.

4. Consent. The obligations of Buyer or Seller hereunder are conditioned upon obtaining those necessary consents of vendors, existing mortgagees, lessors and/or condominium, co-op or other such associations, Buyer or Seller agree to cooperate and take all reasonable action to obtain such consents.

5. Time is of the Essence. If either Buyer or Seller for reasons beyond his control cannot perform his obligation to purchase or sell the property by the closing date, then such party by giving escrow written notice prior to the closing date called for in this contract with copies to all parties to this contract, can extend closing for no longer than 30 calendar days to allow performance. Thereafter time is of the essence and the default provisions of paragraph 5 apply. Any further extension must then be agreed to in writing by both parties. There is no automatic right to extend. This provision relates only to the extension of the closing date.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE DROA. THE BUYER MUST REFER TO THE BUYER'S DROA TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DROA, THE DROA WILL CONTROL, NOT THIS SUMMARY.

END OF EXHIBIT I