CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by: Developer WEST BEACH ESTATES
Address 91-100 Kamoana Place, Kapolei, Oahu, Hawaii 96707

Project Name(*): KO OLINA FAIRWAYS
Address: Lot 4594, Ko Olina, Kapolei, Oahu, Hawaii

Registration No. 3095

Effective date: December 22, 1994
Expiration date: January 22, 1996

Preparation of this Report:

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

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

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

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

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

Type of Report:

___ PRELIMINARY: (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.
[ ] No prior reports have been issued.
[x] 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:

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

Summary of Changes from Earlier Public Reports:

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

[ ] No prior reports have been issued by the developer.

[X] Changes made are as follows:

1. The Declaration of Condominium Property Regime, By Laws of the Association of Apartment Owners, and Condominium Map have been filed at the Office of the Assistant Registrar, Land Court, State of Hawaii.

2. Unit Types C, F, G and H will have enclosed privacy yards as a limited common element.

3. The Developer has made a provision for the installation of split-air type air conditioning systems. See paragraph 6.7 of Declaration of Condominium Property Regime.

4. The construction of the Project has commenced.

5. The Developer has expanded its rights to amend the Declaration of Condominium Property Regime. See paragraph 23.0 of said Declaration.

6. All of the Type C apartments are handicap "accessible" units except for the unit in Building 25 which is a handicap unit.

SPECIAL NOTICE:

1. This project is located within the Ko Olina Resorts consisting of 620 acres of land located along the Ewa shoreline and makai of Farrington Highway on the island of Oahu, State of Hawaii.

2. All of the development parcels including the project except the Hawaiian Cultural Center are governed by the Declaration of Conditions, Covenants and Restrictions executed by the Trustees of the Campbell Estate and the Declaration of Covenants and Restrictions for the Ko Olina Community Association executed by West Beach Estates.

3. The master plan envisions a major visitor destination area and residential community with development guidelines, restrictions as to use and the participation in the Ko Olina Community Association.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE DOCUMENTS FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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EXHIBIT A: Description of Apartment and Parking
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EXHIBIT J: Other Disclosures

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:

WEST BEACH ESTATES
Name

Phone: (808)673-7678 **(Business)**

91-100 Kamoana Place
Business Address
Kapolei, Hawaii 96707

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

HORITA CORPORATION, General Partner
SKG PROPERTIES, General Partner

Real Estate Broker:

Herbert K. Horita Realty, Inc.
Name

Phone: (808)847-4241 **(Business)**

2024 N. King Street, Room 200
Business Address
Honolulu, Hawaii 96819

Escrow:

Developers Escrow Services, Inc.
Name

Phone: (808)848-2340 **(Business)**

2024 N. King Street, Room 201
Business Address
Honolulu, Hawaii 96819

General Contractor:

Horita Construction, Inc.
Name

Phone: (808)677-5547 **(Business)**

92-1480 Aliinui Drive
Business Address
Kapolei, Hawaii 96707

Condominium Managing Agent:

Realty Management Corporation
Name

Phone: (808)848-2373 **(Business)**

2024 N. King Street, Room 201
Business Address
Honolulu, Hawaii 96819

Attorney for Developer:

Hiroshi Sakai
Michael H. Sakai
Name

Phone: (808)531-4171 **(Business)**

201 Merchant Street, Suite 902
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
Book_____ Page _____
[X] Filed - Land Court: Document No. 2187975

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 Ko Olina Fairways dated November 30, 1994, filed in Land Court as Document No. 2202932/ TCT #289487.

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. 1046

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

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

The Bylaws for this condominium are:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
Book_____ Page _____
[X] Filed - Land Court: Document No. 2187976

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 [X] 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

* 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:

The Developer has reserved the right to grant, relocate, or extinguish easements necessary for any public utilities. See paragraph 8.0(c) of the Declaration of Condominium Property Regime. It also has the right to conduct sales activities and to use an apartment for models or management operations. Furthermore, the Developer has reserved the right to develop and construct the buildings in increments and to amend the Declaration by filing an "as built" verified statement together with an amendment to the Condominium Map upon completion of the improvements. See paragraph H, page 16 hereof, for additional information regarding the incremental development.

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 4594, Ko Olina, Kapolei
Oahu, Hawaii

Tax Map Key: (1)9-1-56:14
(TMK)

[X] **Address** [ ] **TMK is expected to change because** each building will be assigned a street number and address.

Land Area: 19.621 [ ] **square feet** [X] **acre(s)** **Zoning:** A-1

~~Lessor~~
(Fee Owner): West Beach Estates
Name
91-100 Kamoana Place
Address
Kapolei, Hawaii 96707

Sublessor: N/A
Name

Address

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: 37 Floors Per Building 2 [residential]; 1 [recreational are

[X] Exhibit "A" contains further explanations.

3. Principal Construction Material:

[X] Concrete [X] Hollow Tile [ ] Wood

[X] Other glass, aluminum shake

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	280	[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: No more than 2 household pets. (dogs, cats household)

[X] Number of Occupants: Limited to restrictions provided by the City and County of Honolulu Ordinances.

[X] Other: Guest permitted up to 14 days provided occupancy limit is not exceeded; no timeshare

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: F, G, & H: 1 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
See Exhibit "A" attached hereto				

Total Apartments: 280

*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:

Interior surface of the apartment perimeter walls.

Permitted Alterations to Apartments:

None.

7. Parking Stalls:

Total Parking Stalls: 626

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	560						560
Guest		64*					64
Unassigned							
Extra for Purchase							
Other: (loading)		2					2
Total Covered & Open	626						

(*7 of the guest stalls are handicap stalls)

Each apartment will have the exclusive use of at least two 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.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[X] Swimming pool [X] Storage Area [X] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute

[X] Other: Office, pavilion, spa, barbecue facilities, trash collection areas

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):

Not applicable.

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	Yes		
Structures	Yes		
Lot	Yes		

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 B.

[ ] 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 B.

[ ] 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 C.

[ ] 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 D describes the encumbrances against the title contained in the title report dated October 15, 199
and issued by Long & Melone, Ltd.

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, Security Agreement and Financing Statement	There will be a partial release. Otherwise Buyer's deposits to be returned if partial release cannot be secured.

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:

One year warranty for the construction.

2. Appliances:

The manufacturer's warranty.

G. **Status of Construction and Estimated Completion Date:**

The construction of the first building in the Project was completed in August 1994. Completion of the last building in the Project is expected to occur in April 1996.

Physical construction of the building will occur in phases or stages.

H. **Project Phases:**

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

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

The Developer has reserved the right to develop and construct the buildings in increments and by rewriting the Declaration of Condominium Property Regime to reflect such incremental development. The reservation also includes redesignating the common interest appurtenant to an apartment. See paragraphs 6.0(b) and (c) and 7.1 of the Declaration of Condominium Property Regime. The Developer has also reserved the right to remove any portion of the property that is not developed. In the event the Project is developed in increments, the Developer will remain liable for the real property taxes, insurance and maintenance of the undeveloped portions of the property. See paragraph 7.3 of the Declaration of Condominium Property Regime. There are no assurances as to whether or not the Project will be developed in increments or developed as a single Project.

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
[ ] self-managed by the Association of Apartment Owners
[X] 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.

Sub Exhibit "1" to Exhibit "G" 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 elements only)
[ ] Gas
[X] Water
[X] Sewer
[ ] Television Cable
[X] Other refuse collection; non-potable water

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 E contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated April 26, 1994
Exhibit F 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; Declaration of Covenants for Ko Olina Community Association

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. 3095 filed with the Real Estate Commission on 5/6/94.

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C. Additional Information Not Covered Above

CONDITIONAL ZONING

1. A Unilateral Agreement and Declaration for Conditional Zoning dated February 21, 1986 was filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, executed by West Beach Estates and the Trustees of the Campbell Estate was for the purpose of securing a zoning change from AG-1 Restricted Agricultural District to A-1 Low Density Apartment, A-2 Medium Density Apartment, H-1 Resort Hotel, B-2 Community Business and P-1 Preservation Districts. The agreement sets forth the conditions under which the properties will be developed by the Developer together with the conditions established by the State Land Use Commission in relation to the approval of the State Land Use Boundary Change for West Beach on July 23, 1985.

AGREEMENT ON WATER USAGE

2. Notice of Lis Pendens dated March 30, 1993 filed March 31, 1993 as Land Court Order 111178. This is a petition to place on recorded the Water Use Agreement of December 1, 1986 between the Trustees of Campbell Estate and the West Beach Estates. This agreement controls the amount of water that can be drawn form the properties as well as the digging of wells on and the withdrawal of water from the properties.

OTHER DISCLOSURES

3. a) There are additional items which prospective purchasers should be aware of. Your attention is directed to Exhibit "J" attached hereto.

b) Pursuant to §§16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that one of the Developers, (Herbert K. Horita [RB-4385] is RBS for Herbert K. Horita Realty, Inc., Ronald K. Watase [RS-14731] is RS for Herbert K. Horita Realty, Inc., are current and active Hawaii-licensed real estate broker/salespersons, and Hideki Hayashi [RS-37019] is a current and inactive Hawaii licensed real estate salesperson). Further, pursuant to §16-99-11(c), HAR, "(n)o licensee shall advertise 'For Sale by Owner, ...'"

c) The general contractor for the construction of the Project is Horita Construction, Inc. Horita Construction Inc. and Horita Corporation, general partner of the Developer, are related corporations.

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.

WEST BEACH ESTATES

Name of Developer

HORITA CORPORATION

By: _____ 12/15/94

Duly Authorized Signatory Date

Ronald K. Watase

Vice President & Treasurer

print name & title of person signing above

SKG PROPERTIES

TSK, INC.

By: _____ 12/15/95

Hideki Hayashi

Vice President

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

Federal Housing Administration

EXHIBIT "A"

Description of Apartments and Parking

There are 280 apartments in the Project. There are eight (8) typical apartment types being apartments A through H inclusive located in each of the 35 two-story buildings. The eight apartment types are described as follows:

a. Apartment A (Links). There are 35 two-bedroom apartments one of which is located on the second floor of each building. Each apartment is typical and consists of a living - dining room, kitchen, two bedrooms and two bathrooms with a net living area of 886 square feet and a limited common element lanai entry porch of 60.5 square feet. There is an appurtenant enclosed two car parking garage designated for the apartment which shall be deemed a part of the apartment. The garage has a door which leads to an exterior walkway.

b. Apartment B (Niblick). There are 35 two-bedroom apartments one of which is located on the second floor of each building. Each apartment is typical and consists of a living - dining room, kitchen, two bedrooms and two bathrooms with a net living area of 886 square feet and a limited common element lanai entry porch of 60.5 square feet. There is an appurtenant enclosed two car parking garage designated for the apartment which shall be deemed a part of the apartment. The garage has a door which leads to an exterior walkway. The apartment also has a storage closet located on the ground level which contains the water heater for the apartment.

c. Apartment C (Greens). There are 35 two-bedroom apartments one of which is located on the first floor of each building. Each apartment is a handicap accessible unit, except for the apartment in Building 25 which is a handicap unit. Each apartment is typical and consists of a living - dining room, kitchen, two bedrooms and two bathrooms with a net living area of 900 square feet and a limited common element entry lanai of 102 square feet. There is an appurtenant enclosed two car parking garage designated for the apartment which shall be deemed a part of the apartment. The garage has an interior door which leads to the apartment.

d. Apartment D (Woods). There are 35 two-bedroom apartments one of which is located on the second floor of each building. Each apartment is typical and consists of a living - dining room, kitchen, two bedrooms and two bathrooms with a net living area of 900 square feet and a limited common element lanai entry porch of 102 square feet. There is an appurtenant enclosed two car parking garage designated for the apartment which shall be deemed a part of the apartment. The garage has a door which leads to an exterior walkway.

e. Apartment E (The Club). There are 35 three-bedroom apartments one of which is located on the second floor of each

building. Each apartment is typical and consists of a living - dining room, kitchen, three bedrooms and two bathrooms with a net living area of 1,021 square feet and a limited common element lanai entry porch of 60.5 square feet. There is an appurtenant enclosed two car parking garage designated for the apartment which shall be deemed a part of the apartment. The garage has a door which leads to an exterior walkway.

f. Apartment F (Fairways). There are 35 three-bedroom apartments one of which is located on the first and second floors of each building. Each apartment is typical and consists of a living - dining room, kitchen and a one half bathroom on the first floor and three bedrooms and two bathrooms on the second floor with a total net living area of 1,220 square feet. There is an appurtenant enclosed two car parking garage designated for the apartment which shall be deemed a part of the apartment. The garage has a door which leads to an exterior walkway.

g. Apartment G (Champion). There are 35 three-bedroom apartments one of which is located on the first and second floors of each building. Each apartment is typical and consists of a living - dining room, kitchen and a one half bathroom on the first floor and three bedrooms and two bathrooms on the second floor with a total net living area of 1,293 square feet. There is an appurtenant enclosed two car parking garage designated for the apartment which shall be deemed a part of the apartment. The garage has an interior door which leads to the apartment.

h. Apartment H (Masters). There are 35 three-bedroom apartments one of which is located on the first and second floors of each building. Each apartment is typical and consists of a living - dining room, kitchen and a one half bathroom on the first floor and three bedrooms and two bathrooms on the second floor with a total net living area of 1,293 square feet. There is an appurtenant enclosed two car parking garage designated for the apartment which shall be deemed a part of the apartment. The garage has an interior door which leads to the apartment.

i. Floor Area. The floor area of the living area of a residential apartment is the net area of the living area and is measured from the interior surface of the apartment perimeter walls.

Type and Location of Apartments.

The number and location of the apartments are as shown on the Condominium Map. In all of the buildings of the Project the number, which is first, indicates the building number and the letter, which is second, indicates the apartment type. To illustrate Apartment 5A the number corresponds to building number 5 and the second letter corresponds to apartment A in building 5.

EXHIBIT "B"

Common Elements

The common elements of the Project will include the common elements and limited common elements described below and in paragraphs 6.4, 6.5 and 6.6 of the Declaration of Condominium Property Regime for the Project other than the condominium apartments, including specifically, but not limited to:

a. The land described in Exhibit "A", attached to the Declaration of Condominium Property Regime, the landscaped area, driveway areas and exterior of buildings.

a. The Land described in Exhibit "A", the landscaped area, driveway areas and exterior of buildings.

b. The pavilion, office and storage building, restroom building, barbecue facilities, swimming pool, spa, recreational area, guest parking stalls and loading zone areas that are located within the Project.

c. The exterior walls, foundations, columns, beams, floor slabs, roofs, supports and load bearing walls (except for the inner finished surfaces within each apartment).

d. All structural elements, stairways, walkways, walls, fences and railings.

e. The trash collection areas for the Project.

f. The central water and heater system, sewer lines, electrical equipment, transformer vault, pipes, wiring and other central and appurtenant transmission facilities and installations which serve the entire Project or more than one apartment for services such as power, light, water, gas, refuse, cable televisions and telephone, save and except that through the use of separate meter and/or check meters the usage of such power, electricity, water, sewer, light, gas, refuse and telephone may be separately allocated among the apartments.

g. Any and all other structures, apparatus and installations of common use, and all other parts of the project necessary or convenient to the existence, maintenance and safety of the Project, or normally in common use.

Limited Common Elements

Certain parts of the common elements, herein called the "Limited Common Elements" are hereby designated and set aside for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements.

The use of the Limited Common Elements shall be subject to any restrictions and/or guidelines contained in this Declaration, the By Laws, and the House Rules, and any uniform guidelines which may be adopted by the Board. The Limited Common Elements are as follows:

a. Driveway Aprons. The driveway aprons leading to each apartment's parking garage from the common element roadway shall be a Limited Common Element for the exclusive use of such Apartment Owner, excluding however the planting areas which separate the driveways. The planting areas and the area between such area and the common element roadway are a common element of the Project and the use of any such driveways shall be further subject to the right of an Owner for ingress and egress necessary to or from his apartment, an adjacent garage, or for sidewalk and pedestrian use.

b. Lanai Entry Porch and Exterior Stairways for Apartment Types A, B, D and E. The exterior stairways leading to the second floor of a Building and the lanai entry porch areas on the second floor of each Building which services apartment types A, B, D, and E, respectively, are Limited Common Elements of each respective apartment and shall be for the exclusive use of such Apartment Owner.

c. Entry Lanai for Apartment Type C. The exterior entry lanai area on the first floor of a building which services apartment type C is a Limited Common Element of such apartment and shall be for the exclusive use of such Apartment Owner.

d. Privacy Yards. The privacy yard areas on the ground level for apartment types C, F, G, and H are Limited Common Elements of each respective apartment and shall be for the exclusive use of such Apartment Owner. The boundary for each respective privacy yard is the boundary established by the fence surrounding such area and the exterior surface of the respective apartments. The location of the Building will determine the size of the privacy yard and whether such privacy yard will have a gate leading to the common elements and/or entry through the apartment. All landscaping within the privacy yards shall be subject to the guidelines established for such area. No Apartment Owner may back-fill or change or alter the finished grade of the privacy yard.

e. Uniform Appearance. It is intended that all exterior doors, garage doors, lanais, stairways, railings, patios, and any other parts of an exterior of an apartment that are visible from another apartment maintain a uniform appearance. Therefore, in the event any repainting or repairs need to be undertaken, such shall be done in order to maintain the uniform appearance of all apartments and Buildings in the Project notwithstanding whether such painting or repairs is conducted on a limited common element.

EXHIBIT "C"

Common Interest

Apartment	Percentage Interest	Apartment	Percentage Interest
1A	0.3014	1B	0.3014
2A	0.3014	2B	0.3014
3A	0.3014	3B	0.3014
4A	0.3014	4B	0.3014
5A	0.3014	5B	0.3014
6A	0.3014	6B	0.3014
7A	0.3014	7B	0.3014
8A	0.3014	8B	0.3014
9A	0.3014	9B	0.3014
10A	0.3014	10B	0.3014
11A	0.3014	11B	0.3014
12A	0.3014	12B	0.3014
13A	0.3014	13B	0.3014
14A	0.3014	14B	0.3014
15A	0.3014	15B	0.3014
16A	0.3014	16B	0.3014
17A	0.3014	17B	0.3014
18A	0.3014	18B	0.3014
19A	0.3014	19B	0.3014
20A	0.3014	20B	0.3014
21A	0.3014	21B	0.3014
22A	0.3014	22B	0.3014
23A	0.3014	23B	0.3014
24A	0.3014	24B	0.3014
25A	0.3014	25B	0.3014
26A	0.3014	26B	0.3014
27A	0.3014	27B	0.3014
28A	0.3014	28B	0.3014
29A	0.3014	29B	0.3014
30A	0.3014	30B	0.3014
31A	0.3014	31B	0.3014
32A	0.3014	32B	0.3014
33A	0.3014	33B	0.3014
34A	0.3014	34B	0.3014
35A	0.3014	35B	0.3014

Apartment	Percentage Interest	Apartment	Percentage Interest
1C	0.3062	1D	0.3062
2C	0.3062	2D	0.3062
3C	0.3062	3D	0.3062
4C	0.3062	4D	0.3062
5C	0.3062	5D	0.3062
6C	0.3062	6D	0.3062
7C	0.3062	7D	0.3062
8C	0.3062	8D	0.3062
9C	0.3062	9D	0.3062
10C	0.3062	10D	0.3062
11C	0.3062	11D	0.3062
12C	0.3062	12D	0.3062
13C	0.3062	13D	0.3062
14C	0.3062	14D	0.3062
15C	0.3062	15D	0.3062
16C	0.3062	16D	0.3062
17C	0.3062	17D	0.3062
18C	0.3062	18D	0.3062
19C	0.3062	19D	0.3062
20C	0.3062	20D	0.3062
21C	0.3062	21D	0.3062
22C	0.3062	22D	0.3062
23C	0.3062	23D	0.3062
24C	0.3062	24D	0.3062
25C	0.3062	25D	0.3062
26C	0.3062	26D	0.3062
27C	0.3062	27D	0.3062
28C	0.3062	28D	0.3062
29C	0.3062	29D	0.3062
30C	0.3062	30D	0.3062
31C	0.3062	31D	0.3062
32C	0.3062	32D	0.3062
33C	0.3062	33D	0.3062
34C	0.3062	34D	0.3062
35C	0.3062	35D	0.3062

Apartment	Percentage Interest	Apartment	Percentage Interest
1E	0.3473	1F	0.4150
2E	0.3473	2F	0.4150
3E	0.3473	3F	0.4150
4E	0.3473	4F	0.4150
5E	0.3473	5F	0.4150
6E	0.3473	6F	0.4150
7E	0.3473	7F	0.4150
8E	0.3473	8F	0.4150
9E	0.3473	9F	0.4150
10E	0.3473	10F	0.4150
11E	0.3473	11F	0.4150
12E	0.3473	12F	0.4150
13E	0.3473	13F	0.4150
14E	0.3473	14F	0.4150
15E	0.3473	15F	0.4150
16E	0.3473	16F	0.4150
17E	0.3473	17F	0.4150
18E	0.3473	18F	0.4150
19E	0.3473	19F	0.4150
20E	0.3473	20F	0.4150
21E	0.3473	21F	0.4151
22E	0.3473	22F	0.4151
23E	0.3473	23F	0.4151
24E	0.3473	24F	0.4151
25E	0.3473	25F	0.4151
26E	0.3473	26F	0.4151
27E	0.3473	27F	0.4151
28E	0.3473	28F	0.4151
29E	0.3473	29F	0.4151
30E	0.3473	30F	0.4151
31E	0.3473	31F	0.4151
32E	0.3473	32F	0.4151
33E	0.3473	33F	0.4151
34E	0.3473	34F	0.4151
35E	0.3473	35F	0.4151

Apartment	Percentage Interest	Apartment	Percentage Interest
1G	0.4398	1H	0.4398
2G	0.4398	2H	0.4398
3G	0.4398	3H	0.4398
4G	0.4398	4H	0.4398
5G	0.4398	5H	0.4398
6G	0.4398	6H	0.4398
7G	0.4398	7H	0.4398
8G	0.4398	8H	0.4398
9G	0.4398	9H	0.4398
10G	0.4398	10H	0.4398
11G	0.4398	11H	0.4398
12G	0.4398	12H	0.4398
13G	0.4398	13H	0.4398
14G	0.4398	14H	0.4398
15G	0.4398	15H	0.4398
16G	0.4398	16H	0.4398
17G	0.4398	17H	0.4398
18G	0.4398	18H	0.4398
19G	0.4398	19H	0.4398
20G	0.4398	20H	0.4398
21G	0.4398	21H	0.4398
22G	0.4398	22H	0.4398
23G	0.4398	23H	0.4398
24G	0.4398	24H	0.4398
25G	0.4398	25H	0.4398
26G	0.4398	26H	0.4398
27G	0.4398	27H	0.4398
28G	0.4398	28H	0.4398
29G	0.4398	29H	0.4398
30G	0.4398	30H	0.4398
31G	0.4398	31H	0.4398
32G	0.4398	32H	0.4398
33G	0.4398	33H	0.4398
34G	0.4398	34H	0.4398
35G	0.4398	35H	0.4398

ko-fair\dec.exc

EXHIBIT "D"

Encumbrances Against Title

1. Grant of easement in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, dated August 28, 1962, filed as Land Court Document No. 297129 for electric and communication purposes as shown on Hawaiian Electric Company, Inc.'s Map No. 1950-100A.

NOTE: By letter dated May 31, 1994 to West Beach Estates, Hawaiian Electric Company, Inc., has agreed to relocate the easement upon the acceptance of the proposal and the payment of funds.

2. Certification and Authorization dated October 8, 1985, filed as Land Court Document No. 1328029, relating to conditions imposed by the Land Use Commission, State of Hawaii, in connection with reclassification of land.

3. Unilateral Agreement and Declaration for Conditional Zoning dated February 21, 1986, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1354687, relating to conditions imposed by the City and County of the City and County of Honolulu, State of Hawaii, in connection with rezoning of land.

Condition number four of the above Unilateral Agreement was partially satisfied by West Beach Estates as set forth in instrument dated November 12, 1993, filed as Land Court Document No. 2090355.

4. Declaration of Conditions, Covenants and Restrictions dated December 1, 1986, filed as Land Court Document No. 1419771, as amended by instruments dated December 7, 1989, filed as Land Court Document Nos. 1702235 and 1702236, respectively.

5. Declaration of Covenants for Ko Olina Community Association dated December 1, 1986, filed as Land Court Document No. 1419773.

6. Easement 1895 (28 feet wide) as shown on Map 450, filed with said Application No. 1069 for roadway access and utility purposes located along the easterly boundary of said Lot as set forth by Land Court Order No. 92805, filed December 3, 1988.

7. Easement 1896 (5 feet wide) as shown on Map 450, filed with said Application No. 1069 for communication lines and electrical purposes located along the northerly boundary of said Lot as set forth by Land Court Order No. 92805, filed December 3, 1988.

8. Easement 2668 as shown on Map 559, filed with said Application No. 1069 for electrical purposes as set forth by Land Court Order No. 102081, filed April 19, 1991.

9. Mortgage, Security Agreement and Financing Statement dated March 27, 1990, filed in said Office, as Document No. 1717513, and also recorded in said Bureau, as Document No. 90-044352.

Said Mortgage was amended by the following instruments:

DATED:	DOCUMENT NO.:	DOCUMENT NO.:
November 8, 1991	1867785	91-161726
March 26, 1993	2016132	93-061704

10. Financing Statement by and between West Beach Estates, a Hawaii general partnership, as Debtor and The Industrial Bank of Japan, Limited, Los Angeles Agency, as Secured Party, recorded in said Bureau, as Document No. 90-044353.

11. The non-competition restrictions and non-interference covenants in that certain Option Agreement the Trustees under the Will and of the Estate of James Campbell, deceased ("Campbell Estate") and Lone Star Hawaii Cement Corporation (then known as Hawaiian Cement Corporation), dated October 16, 1959 and on file in the offices of Campbell Estate, as certified and restated in that certain Agreement and Certification among Campbell Estate, West Beach Estates and Hawaiian Cement (as the successor in interest of Lone Star Hawaii Cement Corporation), dated December 18, 1991 and filed in the Office of the Assistant Registrar of the Land Court as Document No. 1913651.

Note: The right to operate and maintain a quarrying and cement production (calcium carbonate) operation by Hawaiian Cement Corporation under the Option agreement, as amended, in the lot concerned has been removed and expired. The non-competition and non-interference covenants still remain in effect.

12. Notice of Pendency of Action dated March 30, 1993, filed March 31, 1993 as Land Court Order No. 111178, re: Notation of Agreement on Water Usage dated as of December 1, 1986, recorded in Book 20098, Page 424, as amended, on Transfer Certificate of Title No. 289,487, and others.

Note: West Beach Estates may request the Campbell Estate to release lots from this water usage agreement which limits the right of water withdrawal as determined by the Board of Water Supply and the State Department of Land and Natural Resources.

13. Financing Statement by and between West Beach Estates, a Hawaii general partnership as Debtor and The Industrial Bank of Japan, Limited, Los Angeles Agency, as Secured Party, recorded in said Bureau, as Document No. 94-098435.

14. Additional Charge Real Property Mortgage dated June 9, 1994, filed in said Office, as Document No. 2154240, and also recorded in said Bureau, as Document No. 94-098436. Additional Charge to Mortgage dated March 27, 1990, filed in said Office, as Document No. 1717513, and also recorded in said Bureau, as Document No 90-044352.

15. Grant of Easement in favor of Ko Olina Community Association, a Hawaii non-profit corporation, dated June 6, 1994, filed as Land Court Document No. 2173046, granting an easement for access and related purposes, in, over, under and across Easement 1895 and easement for any and all underground electrical and related purposes, over, under and across Easement 1896.

16. Mortgage, Security Agreement, Assignment of Rents, and Financing Statement in favor of The Industrial Bank of Japan, Limited, Los Angeles Agency, a corporation formed under the laws of Japan, dated June 9, 1994, filed in said Office, as Document No. 2154239.

17. Financing Statement by and between West Beach Estate, as Debtor, and The Industrial Bank of Japan, Los Angeles Agency, as Secured Party, recorded in said Bureau, as Document No. 94-098435.

18. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, limitations on title, and all other provisions contained in or incorporated by reference in the Declaration of Condominium Property Regime dated August 1, 1994, filed in said Office, as Document No. 2187975, and By-Laws adopted August 1, 1994, filed in said Office, as Document No. 2187976, Condominium Map No. 1046; any instrument creating the estate or interest herein set forth; and in any other allied instrument referred to in any of the instruments aforesaid.

19. For real property taxes, your attention is directed to the Director of Finance, City and County of Honolulu, State of Hawaii.

EXHIBIT "E"

Summary of Sales Contract

The sales contract contains the purchase price, description and location of the apartment and other terms and conditions under which a Buyer will agree to buy an apartment in the Project.

Among other things, the sales contract:

1. Provides a section for financing to be completed and agreed to by the parties which wills et forth how Buyer will pay the purchase price.

2. Identities the escrow agent and states that Buyer's deposit will be held in escrow until the sales contract is closed or canceled.

3. Requires that Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. Provides the following remedies, in the event of default under the sales contract:

by Buyer:

a. Seller may bring an action against Buyer for breach of contract;
b. Seller may retain Buyer's initial deposit;
c. Buyer shall be responsible for expenses incurred.

by Seller:

a. Buyer may bring an action against Seller for breach of Contract;
b. Buyer may bring an action compelling Seller to perform under contract;
c. Seller shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

5. Allocation of payment of closing costs.

The sales contract contains various other provisions which Buyer should become acquainted with.

EXHIBIT "F"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is Developer's Escrow Services, Inc. Under the Escrow Agreement these things will or may happen:

(a) Developer or Escrow will let purchasers know when payments are due.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.

(d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "G"

KO OLINA FAIRWAYS

REGISTRATION NO. 3095

DISCLOSURE STATEMENT AS OF April 26, 1994

1. Name and Address of Project: KO OLINA FAIRWAYS at Lot 4594, Ko Olina, Kapolei, Oahu, Hawaii.

2. Name, Address and Telephone Number of Developer: WEST BEACH ESTATES, 91-100 Kamoana Place, Kapolei, Hawaii 96707. Telephone: (808) 673-7678.

3. Managing Agent of Project: Realty Management Corporation.

4. Maintenance Fees: The Operating Budget effective April 25, 1994, as certified to by Realty Management Corporation, a management company, is attached hereto as Exhibit "1", the breakdown of the various apartment types and apartments are as set forth in Exhibit "2", all of which are attached hereto and incorporated herein by reference.

5. Warranties: The apartments and the common elements of the Project shall have the benefit of a one-year warranty against defects in materials and workmanship, which warranty shall commence as of the date of the substantial completion for such apartments and common elements which is estimated to be 18 months after commencement of construction in the last quarter of 1994.

6. Use: The project will consist of 280 residential apartments, swimming pool, pavilion, barbecue facilities, office and storage area. The uses permitted is for Apartment use as provided under the zoning ordinances of the City and County of Honolulu.

DATED: Honolulu, Hawaii, this 26th day of April, 1994.

WEST BEACH ESTATES, a Hawaii general partnership

By HORITA CORPORATION

BY _____

Its Vice President/Treasurer

General Partner

SKG PROPERTIES, a Hawaii general partnership

By TSK, INC.

By _____

Its Vice-President

General Partner

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SUB-EXHIBIT "1" of EXHIBIT "G"

KO OLINA FAIRWAYS TOWNHOMES*

	MONTHLY	ANNUAL
Utilities		
Electricity	700	8,400
Water	5,100	61,200
Sewer	7,500	90,000
Non-Potable Water	1,500	18,000
Refuse	3,500	42,000
Insurance (Property, Liability, D & O, Bond, Etc.)	23,000	276,000
Management/Accounting	3,073	36,876
Audit & Tax Return	218	2,580
Legal	100	1,200
Maintenance/Repair - Buildings	250	3,000
Maintenance/Repair - Grounds	3,200	38,400
Maintenance/Repair - Pool	450	5,400
Supplies - Buildings	250	3,000
Supplies - Grounds	300	3,600
Supplies - Pool	200	2,400
Reserve - Insurance Deductible	5,000	60,000
Reserve - Operating	5,000	60,000
Miscellaneous Project Expense	300	3,600
Dues - Ko Olina Community Association	8,400	100,800
*TOTAL	68,038	816,456

*This proposed budget is only an estimate, based on limited information available at the time of preparation. The budget does not include funds for a manager, security, janitorial or maintenance personnel, nor does it include replacement reserve which will begin the second year of operation. The budget is subject to change.

We, REALTY MANAGEMENT CORPORATION, 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 generally accepted accounting principles.

Date: 4-25-94

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

SUB-EXHIBIT "2" of EXHIBIT "G"

Maintenance Per Unit Type

Unit Type	Monthly Maintenance Fee	Annual Maintenance Fee
A	$205.06	$2,460.72
B	$205.06	$2,460.72
C	$208.33	$2,499.96
D	$208.33	$2,499.96
E	$236.30	$2,835.60
F (0.4150%)	$282.36	$3,388.32
F (0.4151%)	$282.42	$3,389.04
G	$299.23	$3,590.76
H	$299.23	$3,590.76

Each unit type above has a unit in each of the 35 buildings in the Project. In other words, there are 35 type A units being unit numbers 1A through 35A, inclusive. However, for the type F units, 20 of the units will have an appurtenant 0.4150% common interest and 15 will have an appurtenant 0.4151% common interest. The difference in the common interest for the type F units causes the difference of $0.06 per month in maintenance fees for the two type F units.

EXHIBIT "H"

Summary of Declaration of Covenants, Conditions and Restrictions

INTRODUCTION

The Declaration of Covenants, Conditions and Restrictions dated December 1, 1986 filed in the Office of the Assistant Registrar, Land Court, State of Hawaii as Document No. 1419771 by the Trustees of the Campbell Estate ("Campbell Estate") is to have the West Beach Estates develop the parcels of land that the Campbell Estate is selling to West Beach Estates into a first class destination resort residential community. The conditions, covenants and restrictions that govern the development of the land runs with the land. The Declaration was amended on December 7, 1989 by documents filed as Document Nos. 1702235 and 1702236.

ARTICLE I DEFINITIONS AND FORMAL PROVISIONS

This Article sets forth the defined terms and the formal provisions relating to this Declaration. Among the definitions "term" is defined under this Declaration to mean the period commencing on the date of this Declaration and continuing until (i) the later of December 31, 2025, or the date that the construction of all of the building structures and all other improvements described in the Master Plan is completed or (ii) the date that the Declaration is earlier terminated.

ARTICLE II PROJECT DESIGN AND DEVELOPMENT

This Article sets forth the Master Plan and the Development Map for the development of the land and sets forth the submission and approval procedure by the Estate and the follow up procedure with respect to compliance with the Master Plan and Development Map. It also deals with the existing uses and the reservation of easements and the relocation of such easements by West Beach Estates.

ARTICLE III PROJECT PROPERTY RESTRICTIONS AND REQUIREMENTS

The Declaration provides that if constructed West Beach Estates and the Association shall maintain for the term two 18-hole golf course, tennis facilities, a beach club and a marina within the Ko Olina Resorts. There is also provision made that prior to the completion of the second golf course one round of golf per day is permitted for each twenty (20) hotel guest rooms for each hotel built on parcels 21, 26, 52, 54 or 55 and upon completion of the second golf course they shall be available one round of golf per day is permitted for each fifteen (15) hotel guest rooms at such golf courses for each hotel built.

The West Beach Estates and the Association shall be responsible for the observance of laws and require the owners of hotel and commercial property to operate such properties in accordance with reasonable business practices. That any undeveloped property to be free from debris and continuously maintained in its natural condition.

ARTICLE IV RESORT ADMINISTRATION

The Declaration provides for West Beach Estates to create an Association for all of the owners of property in Ko Olina and insure the continuous operation of the Association during the term of the Declaration.

NOTE: Lot 4594 on which the Ko Olina Fairways project is located is a lot that was subdivided from Lot 4016 described as one of the parcels of land subject to the Declaration described above. The provisions of the above Declaration are therefore applicable to the Project. **THE FOREGOING IS A SUMMARY OF THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND IS FOR THE CONVENIENCE OF THE READER AND IF THERE IS ANY QUESTION THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND SUCH ORIGINAL DOCUMENT CONTROLS OVER THIS SUMMARY.**

EXHIBIT "I"

Summary of Declaration of Covenants for Ko Olina Community Association

SCOPE

The Declaration of Covenants for Ko Olina Community Association dated December 1, 1986 filed in the Office of the Assistant Registrar, Land Court, State of Hawaii as Document No. 1419773 by the WEST BEACH ESTATES, a Hawaii general partnership ("Declarant") is a follow up of the Declaration of Covenants, Conditions and Restrictions executed by the Trustees of the Campbell Estate ("Campbell Estate") which required the West Beach Estates to form an association to further the administration of the Ko Olina Resorts which includes the land conveyed to West Beach Estates by the Campbell Estate.

The Declaration is to provide a flexible and reasonable procedure for the overall development of the Ko Olina Resort as a first class destination resort community and for the interrelationship of the component resort, residential and commercial developments and to establish a method for the administration, maintenance, preservation, use, regulation and enjoyment of such properties.

PROPOSED RESTATEMENT

The Declarant is in the process of restating and amending the Declaration in its entirety. The Declarant believes that such restatement and amendment will not be a material change of any provision as it relates to or affects individual owners in the Ko Olina Fairways project. There are no assurances that the Declaration will in fact be amended, however, if it is amended, the restated Declaration will be available for review at the Declarant's office or managing agent's office. See Article XVI General Provisions below for further information.

ARTICLE I DEFINITIONS

This Article sets forth the defined terms that are used throughout this Declaration. The Ko Olina Resort is defined to include all of the properties described in Exhibit "A" which is the same as described in the Campbell Estate Declaration. The voting member is the representative of each subdistrict (each separately developed lot) on matters relating to voting under this Declaration. The Common Area shall mean all real property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of the Owners.

ARTICLE II PROPERTY RIGHTS

Every owner shall have a right and easement of use and enjoyment in and to the Common Area only for the purposes for which

it is intended. Declarant reserves the right to unilaterally at any time without prior notice and consent of any person or entity remove certain portion of the properties then owned by the Declarant or its affiliates so long as it owns properties described in Exhibits "A" or "B" for development of the properties and so long as the amendment has no material adverse effect upon any right of any Owner. The Golf Course shall be privately owned and access to it is subject to the rules and procedures of the Golf Course.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Every owner shall be deemed to have a membership in the Association. The Class "A" members shall be all owners with the exception of the Class "B" member who is the Declarant. The Class "A" members are divided into subclasses identified as "resort", "residential" and "commercial". The Class "B" membership shall terminate and become converted to Class "A" membership within 120 days of the happening of the earlier of the following; (i) when the total acreage for construction is completed; (ii) January 1, 2016; or (iii) when the Declarant decides to terminate subject to the Campbell Estate's prior written approval.

ARTICLE IV MAINTENANCE

The Association shall be responsible for the Area of Common Responsibility. The Unit Owner shall be responsible for the maintenance of what comprises its own unit, including any structure and parking area, except to the extent that it is made the responsibility of the subdistrict. The common area of the subdistrict shall be the responsibility of the subdistrict.

ARTICLE V INSURANCE AND CASUALTY LOSSES

The Board of Directors of the Association shall have the authority to and shall obtain all risk insurance, if reasonably available for all insurable improvements on the Area of Common Responsibility. Each owner shall carry blanket all risk casualty insurance on his unit and structures constructed thereon unless the subdistrict carries such insurance. Each owner further agrees to reconstruct the damaged unit consistent with the original construction or in such other manner as may be approved by the Modification Committee. How proceeds of insurance will be disbursed is provided for, how damage and destruction and how the repair and reconstruction shall take place. There is indemnification of the Campbell Estate and the Declarant.

ARTICLE VI NO PARTITION

No partition is permitted unless the properties are removed from the provisions of the Declaration.

ARTICLE VII CONDEMNATION

How the proceeds of the Common Area shall be disbursed is provided for in this Article.

ARTICLE VIII ANNEXATION OF ADDITIONAL PROPERTY

The Declarant shall have the unilateral right to annex all or any portion of the real property described in Exhibit "B" which is a map showing real property that is adjacent to the Ko Olina Resort. Subject to the consent of the owner thereof the Association may annex real property other than that shown on Exhibit "B" upon the affirmative majority vote of other than the Declarant. The Declarant may convey to the Association additional real estate located within the properties described in Exhibit "B" which the Association shall accept and maintain at its expense for the benefit of the members.

ARTICLE IX RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

The Association shall be responsible for the exclusive management and control of the Area of Common Responsibility and all improvements thereon. The Association may acquire and dispose of personal and real property. The Association may make and enforce reasonable rules and regulations governing the use of the properties which rules and regulations shall be consistent with the right and duties established by this Declaration.

The Association shall have the power without obligation to enforce any provision benefitting the Association or its members contained in any other covenant affecting the properties and act as the arbiter between 2 or more subdistricts. The Association's decision acting as arbiter shall be final and binding on all parties.

Upon termination of the Declarant's membership, the Association shall assume full and complete responsibility for fulfilling the duties and responsibilities of Declarant and/or the properties imposed by the governmental authorities for permits and licenses affecting the use of the properties.

ARTICLE X ASSESSMENTS

There is created assessments for Common Expenses as from time to time may be specifically authorized by the Board of Directors of the Association. The general assessments are allocated on the basis of equivalent units and Declarant may elect to pay as an owner for units that it owns or pay to the Association in the form of a subsidy the difference received in assessments from all owners and the amount of the actual expenditures required to operate the Association for the year.

Common expenses which benefit a subdistrict or subdistricts shall be levied against such subdistrict or subdistricts. There is provision for late charge, default interest rate, lien rights, costs and attorney's fees against the unit which the assessment is made.

The Board of Directors shall prepare the budget including the capital budget and if not disapproved by a majority of the total Class "A" votes and Class "B" votes shall become effective.

Special assessments may be levied by following the same procedure as a general assessment. Special assessments may be levied against a member or against a subdistrict to bring them in compliance with the provisions of this Declaration.

Upon the filing of a notice of lien with the Office of the Assistant Registrar, Land Court, State of Hawaii, there shall be a perfected lien for unpaid assessments on the respective Unit. The lien when delinquent may be enforced by the Association through foreclosure.

The lien of assessments including interest, late charges, and costs shall be subordinate to the lien of any first mortgage upon any unit. Upon acquisition of record title to any unit, the first owner shall contribute a 2 month installment of the annual general assessment for that type of unit as determined by the Board.

The following property are exempt from the payment of any assessments: (a) all Common Area; and (b) all property dedicated to and accepted by any governmental authority or public utility.

The failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver or release of any Owner from the obligation to pay the assessments. The Owner shall continue to pay annual assessments on the same basis as for the last year when an assessment was made.

ARTICLE XI ARCHITECTURAL STANDARDS

The Board of Directors shall enforce the decisions of the New Construction Committee and the Modifications Committee. No construction shall take place except in strict compliance with this Article and a reasonable fee may be assessed for the services of the committees including a pass-through of any processing fee which the Campbell Estate may charge.

The New Construction Committee shall promulgate Design Guidelines to be followed by all builders, developers and others who desire to improve any of the properties, the initial guidelines of which are attached as Exhibit "D" to the Declaration. Until 100% of the properties have been developed and conveyed to

purchasers the Declarant retains the right of appoint all members of the Committee which shall contain at least 3 but nor more than 5 persons.

The Modification Committee of 3 but not more than 5 persons shall be appointed by the Board and there jurisdiction is over modifications, additions, or alterations made on or to the existing residential or commercial units or structures containing residential or commercial units and the open spaces, if any, appurtenant thereto. The Modification Committee shall promulgate standards and procedures which must be consistent with the Design Guidelines.

There is no waiver of approvals in the future as to any similar proposals, plans and specifications and drawings. Both committees may grant variances when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration requires, but only in accordance with its duly adopted rules and regulations.

There is limitation of liability to the Campbell Estate, the Declarant and the committees or any agent thereof for the work done in review or any defects in the plans or work done by any person submitting matters for review and approval.

Upon the written request of the Declarant or the Board of any violation of this Article, the Owner at their own cost and expense shall remove any nonconforming work and restore it to the same condition as it existed prior to the work being done. Should the Owner fail to do so the Board or its designee shall have the right to enter the property and remove the violation and restore the property to its original condition.

ARTICLE XII USE RESTRICTIONS

The properties shall be used for commercial, residential, recreational and related purposes as set forth in the Declaration. The Association shall have the power to enforce the use restrictions set forth in this Declaration.

The Board shall have the authority to make and enforce standards and restrictions governing the use of units and Common Area and impose reasonable user fees. Such regulations and use restrictions shall be binding upon all owners and occupants until and unless overruled, canceled or modified in a regular or special meeting of the Association by voting members representing a majority of the total Class "A" votes in the Association and by the vote of the Class "B" member.

The use restrictions set forth in the Declaration covers the following subject matters: Signs, parking and garages, occupants bound, animals and pets, offensive activity, unsightly or unkempt

conditions, timeshare prohibited except resort areas identified in Exhibit "G", antennas, clotheslines, garbage cans, tanks, etc. subdivision of unit, guns, pools, irrigation, tents, trailer and temporary structures, site distance at intersections, tree removal, utility lines, air conditioning units, lighting, artificial vegetation, exterior sculpture and similar items, energy conservation equipment, wells, preservation zone, trailer courts, mobile home parks and campgrounds, oil drilling, water drilling, oil refining, quarrying, or mining operations, junk yards and recycling facilities and commercial excavation of building or construction materials except in the usual course of construction of improvements.

Each Owner shall observe and comply with all laws, ordinances, rules and regulations made by any governmental authority.

ARTICLE XIII KO OLINA BEACH CLUB

There may be included in the Common Area owned by the Association a Beach Club for a recreational and social amenity for the exclusive use and enjoyment of those owners of residential units in the low density and medium density apartments. The Board shall be authorized to add, but not remove any property to use this Beach Club. The Declarant or Association make no representation that the Beach Club will exist or continue in operation nor that the facility will be sufficient to serve all eligible users at the same time.

The costs of operating the Beach Club will be defrayed through the collection of assessments, reasonable user fees and consumer charges.

The Declarant has reserved rights in relation to the Beach Club to: (a) have reasonable access for the purposes of promotion, marketing and sale of the properties; and (b) develop the air rights over or any loft area within any structure including the right at its sole cost and expense to construct and to operate or to contract or lease for operation a restaurant and the right to reasonable use at reasonable times of parking facilities in support thereof.

The majority vote of the Board shall have the right to enter into a commercially reasonable lease agreement with any person to serve as a commercial operator of the Beach Club subject to the use rights of the residential units. The Board to make rules and regulations to govern and to control the use and operation of the Beach Club.

The ownership or operational duties of the Beach Club may change at any time by the Declarant: (a) by sale or assumption of operations of the Beach Club by and independent contractor, (b) the conversion of the Beach Club membership structure to an "equity"

club or similar structure where the members become the owners of the Beach Club, or (c) the conveyance to one or more of its affiliates, shareholders, employees or independent contractors of Declarant. independent contractors of Declarant.

As to any of the foregoing no consent of the Association, any subdistrict, or any owner shall be required to effectuate such change or transfer for or without consideration and subject to or not subject to any mortgage, or other encumbrance on the applicable land and other property.

ARTICLE XIV LAGOONS AND SHORELINE

The Association (the Ko Olina Community Association, Inc. and not the Ko Olina Fairways Association) shall have the maintenance and repair responsibility for the lagoons as shown on Exhibit "J" of the Declaration. The Association's Board of Directors shall annually prepare a budget and shall collect the funds necessary therefor as a subdistrict assessment imposed only upon those subdistricts adjacent to the lagoon being maintained as depicted in Exhibit "J". The Ko Olina Fairways may be one of the 9 properties comprising the Beach Club. The Beach Club being parcel 19, shall share in a 4.2% assessment for the lagoon located on parcel 12.

NOTE: The foregoing means that the Ko Olina Fairways would share in a portion of the responsibility for the Beach Club which in turn has a 4.2% share in the responsibility for the lagoon on parcel 12. This is true whether or not any of the properties are developed.

The Board of Directors shall promulgate rules and regulations pertaining to, use of the beaches and lagoons and water safety. Declarant reserves the right to grant blanket easements to the public for the use of improvements located on or adjacent to the shoreline or beachfront property.

ARTICLE XV MARINA

The marina shall be a separate entity owned and controlled by the Declarant. The Declarant shall have the option to dispose of any marina in any way it sees fit, including the sale or lease to a third party operator. The Association shall not have any ownership interest in any such marina unless such marina is conveyed to it.

The marina will serve as a siltation basin for the properties and the Association will bear 85% of the cost of dredging the marina on a schedule mutually agreeable to the Association and the owner of the marina. If the Association and Owner cannot agree then it shall be submitted to a professional engineer familiar with dredging and siltation control, who shall serve as an arbitrator shall be binding on the parties. Notwithstanding the foregoing

dredging shall be conducted at any time if requested by the U.S. Army Corps of Engineers. The Association shall include within its allocation reserves for such amounts as are necessary to establish a sinking fund for dredging on a regular schedule.

ARTICLE XVI GENERAL PROVISIONS

The term of this Declaration is for 30 years from December 1, 1986 after which time is shall be automatically extended for successive periods of 10 years unless an instrument in writing signed by a majority of the then Owners has been recorded within the year preceding the beginning of each successive period of 10 years agreeing to change said covenants and restrictions in whole or in part or to terminate them.

The Declarant may amend the Declaration prior to filing with the Assistant Registrar, Land Court, State of Hawaii the first fully improved residential unit conveyance or agreement of sale.

After the filing of such an instrument, the Declarant may amend this Declaration so long as it still owns property described in Exhibits "A" or "B" for development and the amendment has no material adverse effect upon any right of any owner; thereafter this Declaration may be amended only by the affirmative vote or written consent or any combination thereof of Voting Members representing 75% of the vote held by Owners other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant of such right or privilege.

The Campbell Estate must approve any amendment to this Declaration or termination of the regime created by this Declaration prior to it becoming effective until the later of (i) December 31, 2025; (ii) the completion of construction of improvements described in the Master Plan; or (iii) the termination of the Campbell Declaration.

There shall be reciprocal easements for encroachment as between units and the adjacent common areas to a distance of not more than one foot from the common boundary between each unit and common area. The Declarant reserves for itself, the City and County of Honolulu and any utility blanket easements upon, across and under all of the Common Area for water, sewer, and utilities and for ingress and egress to service the same.

The Declarant reserves for itself and for future owners in all future phases a perpetual easement and right-of-way access over,

upon and across the properties, ingress and egress, and for use of the Common Area.

The Association shall have the right of entry to enter into any portion of the properties for inspection, maintenance, emergency, security and safety which may be exercised by the directors, officers, agents, employees, managers and all policeman, fireman and other emergency personnel.

Each owner understands and agrees that his unit is adjacent to or near the golf course and other resort related facilities and assumes the risks associated with such activities or facilities and indemnify and hold harmless the Association, the Declarant and the Campbell Estate.

No person may use the words "Ko Olina", "Ko Olina Resort", "West Beach Estates" or "Aloha Open" without the prior written consent of the Declarant.

Upon prior approval of the Board, guests and business invitees of the Owners may be permitted to park their vehicles on the roadways within the Properties at reasonable times before, during and after special functions.

The Association may but shall not be obligated to maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. The Association, Declarant and the Campbell Estate shall in no way be considered insurers or guarantors of security within the properties and shall be held liable for any loss or damage by reason of failure to provide adequate security.

ARTICLE XVII MORTGAGEES' RIGHTS

The mortgagees, insurers, or guarantors of first mortgages on residential units in the properties shall have to the extent applicable be given notice of matters affecting their security. Any restoration or repair of properties after a partial condemnation or damage and election to terminate the Association after substantial destruction or a substantial taking in condemnation should require fifty-one per cent of the votes of the mortgagees holding the first liens.

Any amendments resulting from destruction, damage or condemnation or annexation of land the requirements of which are set forth in this Article as well as the special Federal Home Loan Mortgagee Corporation requirements.

ARTICLE XVIII DECLARANT'S RIGHTS

The Declarant may transfer any or all of the special rights and obligations to other persons or entities. Nothing in this

Declaration shall require Declarant to develop any of the property set forth in Exhibit "B".

The Declarant in its sole opinion may maintain and carry on such facilities and activities as it may be reasonably required for the construction of units.

The Declarant reserves the right to vary the timing, mix, type, use, style and number of units, materials, phasing and other details for the construction of units. The additional uses as permitted by zoning the Declarant shall have the right to add to this Declaration.

No person or entity shall record any declaration of covenants, conditions and restrictions or declaration of condominium or similar instrument affecting any portion of the properties without Declarant's review and written consent thereto.

This Article may not be amended without the express written consent of the Declarant. The right of Declarant shall terminate upon the earlier of (a) 25 years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

To secure a necessary governmental approval for the on going development of the resort it is necessary to modify an existing roadway or utility or other item of infrastructure any affected owner and the Association shall take all steps necessary to com ply with the required modifications and shall not be entitled to any payment on account of the modifications.

The Declarant primarily and the Association secondarily during the period of Declarant control shall use its best efforts to discharge such duties and accomplish such objectives set forth herein. Until December 31, 2025 Campbell Estate shall have the right but not the obligation to enforce the provisions of the sections set forth in this paragraph and by written request to Declarant or the Association require the exercise of best efforts to enforce the provisions within a reasonable time. Should the efforts not achieve results reasonably satisfactory to the Campbell Estate, they may enforce and secure indemnification from the Declarant and the Association. The sections are enumerated in the Article.

ARTICLE XIX THE GOLF COURSE

The golf course may be conveyed by the Declarant and the owners and the Association have no rights in the golf course, its operations and the use thereof. The golf course members, employees, agents, contractor or designers shall have a non-exclusive easement of access and use over all roadways located within the properties to/from the golf course. The members of the

golf course and permitted members of the public shall have the right to park their vehicles on the roadways located within the Common Areas at reasonable times before during and after golf tournaments and other approved functions held by/at the golf course.

Golf course play is provided for hotel guest on the basis of one round of golf per day for each 15 hotel rooms for each hotel built on parcels 21, 26, 52, 54 or 55.

The golf course operator shall have 15 days prior notice to voice its approval or disapproval of any construction, addition, alteration or installation to any portion of the properties which is adjacent to the golf course or in the direct line of sight from the golf course for the depth of one building lot, which opinion shall be considered but shall not be binding in the final decision.

Golf car path easements shall not be interfered with by placing or maintaining any obstruction and any landscaping and other improvements within the golf cart easement shall require the approval of the New Construction Committee.

ARTICLE XX KO OLINA OPERATORS ASSOCIATION

All owners of property shown on Exhibit M which includes the commercial, golf course, marina, resort and medium density apartments shall be automatic and mandatory members of the Ko Olina Operators Association to be established for the purpose of promoting the Ko Olina Resort. The owners shall be obligated to pay a portion of the common expenses in accordance with its by laws which assessments shall constitute a lien against the units of a delinquent owner. The Association is authorized to cooperate with but shall not be obligated to contribute financially and otherwise to support its activities.

ARTICLE XXI KO OLINA MERCHANTS ASSOCIATION

All owners and occupants of any Commercial Unit who derives income from the goods and services to the general public except owners and occupants of property described on Exhibit "M" shall be mandatory members of a merchants' association established for the purpose of promoting the interests of merchants in the Ko Olina Resort. The membership shall be subject to the charter and by laws of the merchants' association including, but not limited to the obligation to pay assessments for common expenses levied in accordance with its by laws. Any owner of commercial unit who is subject to membership in the merchants association shall provide in any lease or sales agreement that the lessee or purchaser is subject to membership in the merchants association pursuant to this Article and such provision shall be deemed to be contained therein whether or not expressly so provided. Exemptions may be provided by the board of directors of the merchants association to such

person who demonstrates that he or she derives no substantial income from the general public.

ARTICLE XXII HOTEL AND COMMERCIAL PROPERTY

Improvements constructed as a hotel on Parcels 21, 26, 52, 54 or 55 may be submitted to a Condominium (Horizontal) Property Regime or operated as a co-op or planned unit development provided (a) all owners of apartments are required to place their apartments in a rental pool at all times (b) the hotel has full hotel amenities and (c) and has a first class hotel operator who is experienced in the management of a first class resort facility. In the case of parcel 52 the standard of quality and experience shall be deemed to be at least comparable to the Kahala Hilton, Honolulu, Hawaii in 1983. Such operating agreement shall be subject to written consent of Declarant and shall not be terminated without 60 days prior notice thereto. The owners are not obligated to construct hotels thereon or limit the use to hotels. Provided, however, the Declarant shall have a right of substitution of alternative parcels taken from the resort parcels so long as the number of first class hotel room available on the five parcels in the aggregate is not less than 2,000. Campbell Estate shall have a right of approval of any substitution which consent shall not be unreasonably withheld.

The use of the property for hotel, commercial and open space shall be for such purpose and no other purpose than maintaining and operating a hotel, shopping center, or other commercial operation as the case may be or open space in accordance with reasonable business practices and compliance with laws, ordinance and regulations as set forth on the Master Plan.

Whenever an owner of property operated as a hotel or for commercial purposes does not have demonstrated experience in the successful operation of comparable hotel or other commercial operations, it shall enter into an operating agreement for the management and operations of the property by a person qualified and capable of such management and operation.

NOTE: THE FOREGOING IS A SUMMARY OF THE DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION AND IS FOR THE CONVENIENCE OF THE READER AND IF THERE IS ANY QUESTION THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND SUCH ORIGINAL DOCUMENT CONTROLS OVER THIS SUMMARY.

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EXHIBIT "J"

Other Disclosures

1. Agricultural Activities. Purchasers should be aware that the Trustees under the Will and of the Estate of James Campbell ("Campbell Estate") and/or its lessee may conduct active agricultural and processing operations on lands near the Ko Olina Fairways, and that such activities in the normal course may from time to time bring about on the Ko Olina Fairways smoke, heat, agriculture chemicals, particulates and similar substances. The apartments in the Ko Olina Fairways is subject to any effect that the presence of such substances may from time to time have upon the lots or the operations and activities conducted thereon and is subject to full assumption of the risks, and consequences thereof, of said operations (which operations may include but are not limited to the growing of sugarcane), including but not limited to, dust caused as a result thereof, quality of water and the property damages as a result thereof, burning of sugarcane, use of equipment and use of chemicals normally used in said operations.

2. Aircraft Noise and Overflights. Purchasers should be aware that the Ko Olina Fairways is located within the vicinity of the Honolulu International Airport and Barbers Point Naval Air Station (hereinafter referred to as the "Airport"), and aircraft may fly in the proximity of or directly over the Ko Olina Fairways. The overflights and other airport-related activities may result in noise, vibrations, nuisances, disturbances or hazards to persons and property on or within the Ko Olina Fairways as a result of such overflights and other airport-related activities. Purchasers will assume all risks of impairment of the use and enjoyment of the Ko Olina Fairways, loss of market value of the property, and property damage or personal injury arising from such overflights and from other airport-related activities and a Purchaser will indemnify and hold the Developer harmless from any and all liability, claims, losses, damages, or expenses, use and enjoyment of the apartment and the Ko Olina Fairways, loss of market value of the property, or property damage or personal tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, or other persons who may use the property.

3. Sugar Cane Cultivation and Diversified Agricultural Operations. Purchasers should be aware that the property is located near or adjacent to land and easements used for and in connection with the cultivation of sugar cane and diversified agricultural operations, including, but not limited to , open burning, percolating, evaporating, milling, generating power, trucking, plowing. hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigating, and all other activities incidental to the planting, cultivating, harvesting and processing of crops, which may from time to time cause surface water runoff, noise, soot, smoke, dust,

light, heat, vapors, odors, chemicals, vibrations, and other substances and phenomena of every description (collectively the "Agricultural Effects") to be discharged, emitted, or transmitted over and upon the Property which may bother or be a nuisance to the owners of apartments and any person occupying or using the Property. Purchasers of apartments will be required to release and hold harmless the Developer, Campbell Estate, the Master Community Association and their respective officers, directors, employees, trustees, agents, successors and assigns, from any and all actions, claims for damages and costs (whether brought in nuisance, trespass, or any other area of law or equity, but excluding negligence), including attorneys' fees arising directly or indirectly out of or from the Agricultural Effects.

4. Grant of Easements. Purchasers should be aware that the Developer has reserved the right to grant additional easements to the State of Hawaii, the City and County of Honolulu, governmental agency, public or private utility, and/or any other corporation, partnership, entity, or individual, of such easement rights as reserved and provided in the Declaration of Condominium Property Regime.

5. Designation of Easements. The Developer has reserved the right to grant such easements not presently designated on existing maps filed with Land Court Application No. 1069, for drainage and drainline purposes, waterline purposes, electrical purposes, flowage purposes, sanitary sewer purposes other utility purposes, access purposes and all other purposes, over, under, across, along, upon and through the Project as may be required by and designed by the State of Hawaii, the City and County of Honolulu, The United States of America, the owners of any of the lots within the Ko Olina Resort, any appropriate governmental agency, public or private utility, and/or any other corporation, partnership, entity, or individual.

6. Golf Course Activities. The Ko Olina Fairways is adjacent or near to one or more golf courses and that the use of the golf courses and the maintenance and related activities in the normal course may cause a nuisance or hazards or from time to time bring about on the Ko Olina Fairways golf balls, agriculture chemicals, use of non-potable water systems, particulates and similar substances. The Ko Olina Fairways is subject to any effect that may be caused by golfing activities (including tournaments) and the presence of such substances may from time to time have upon the apartments in the Ko Olina Fairways and that the Purchasers will be required to assume all risks, and consequences thereof, of said operations and activities (which operations may include but are not limited to the regular maintenance of the golf course), including but not limited to, risk of property damage or personal injury arising from stray golf balls, noise, golf balls, and the property damages as a result thereof, use of equipment and use of chemicals normally used in said operations. Purchasers will also be required to indemnify and hold harmless the Developer, Campbell Estate, and Master Association from all liability, claims, or

expenses, including reasonable attorney's fees, arising form such property damage or personal injury.

7. Campbell Estate Reservation. Campbell Estate, their successor and assigns reserve the right to (i) use all other real property owned by Campbell Estate situate or adjacent to the Ko Olina Resort project area in any manner they determine and for any purpose whatsoever including, without limitation, quarrying activities, the development and operation of a deep water harbor, refinery, power plant, industrial park, the operation of a sugar plantation, the burning of sugarcane, and milling and other activities incidental to the operation of a sugar plantation, and such other uses as may be permitted by law within the areas adjacent to the Ko Olina Resort project area and (ii) perpetually discharge, emit, diffuse and inflict over and upon the Ko Olina project area noise, smoke, soot, dust, lights, noxious vapors, odors and other nuisances of every description arising from or incidental to the operation of the foregoing activities, subject only to zoning and other legal restrictions on the use of the adjacent lands.

8. Resort Related Activities. The Ko Olina Fairways is adjacent to or near one or more resort facilities and that resort-related activities, including tournaments, luaus, and concerts may be held within the Ko Olina Resort properties. The location of the apartment may result in nuisances or hazards to person and property on the apartment as a result of such resort-related activities. Purchasers will assume all risk associated with such location, including but not limited to property damage or personal injury arising from such resort-related activities and will be required to indemnify and hold harmless the Developer, Campbell Estate, and Master Association from all liability, claims, or expenses, including reasonable attorney's fees, arising form such property damage or personal injury. In connection with such activities, parking may be permitted on the roadways as provided by the Declaration of Covenants, Conditions and Restrictions.