CONDOMINIUM PUBLIC REPORT

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

Project Name(*): KULANA KNOLLS - PHASE II
Address: 94-520, 94-522, 94-524, 94-526, 94-528, 94-530, 94-532, 94-534, 94-536, 94-538, 94-540, 94-542, 94-544 and 94-546 Kupuohi Street, Waipahu, Hawaii 96797

Registration No. 3125

Effective date: August 30, 1994
Expiration date: September 30, 1995

Preparation of this Report:

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

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or 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.
- [x] No prior reports have been issued.
- [ ] This report supersedes all prior public reports.
- [ ] This report must be read together with _____

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

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

SUMMARY OF CHANGES FROM EARLIER PUBLIC REPORTS:

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

[X] No prior reports have been issued by the developer.
[ ] Changes made are as follows:

****
* SPECIAL ATTENTION: *
*
* The Developer has disclosed the following: *
*
* 1. Developer has agreed with the City and County of Honolulu *
* (acting through its Department of Housing and Community Development) *
* (the "City") that the apartments in the Project will be offered *
* initially to buyers whose income does not exceed 120% of the median *
* income (adjusted for family size) for the City and County of Hono- *
* lulu. Apartments purchased by these buyers will have certain owner- *
* occupancy requirements and certain restrictions on use and transfer *
* after purchase. These apartments must be occupied by the buyer at *
* all times for a 5-year period after the purchase, and the buyer *
* shall not rent the apartment to any other person. If the buyer *
* violates the covenant requiring the buyer to occupy the apartment, *
* the City shall have a first option to purchase the apartment at a *
* designated price. If, during the 5-year period after the purchase, *
* the buyer desires to transfer title to the apartment, the City shall *
* have a first option to purchase the apartment at a designated price. *
* Buyers of these apartments should be aware of such restrictions in *
* the Apartment Deed (With Reservations, Covenants, Conditions and *
* Restrictions) (120% Income Limit), which are more particularly *
* described in Section 9 of Exhibit I (Summary of Sales Agreement) of *
* this Public Report and in the "Specimen Apartment Deed (With *
* Reservations, Covenants, Conditions and Restrictions) (120% Income *
* Limit)" filed at the Developer's Sales Office. *
*
* 2. After certain periods of time have expired, the Developer may *
* offer certain of the apartments in the Project to buyers whose *
* income does not exceed 140% of the median income (adjusted for *
* family size) for the City and County of Honolulu. Apartments *

purchased by these buyers will have certain owner-occupancy requirements and certain restrictions on use and transfer after purchase. These apartments must be occupied by the buyer at all times for a 2-year period after purchase, and the buyer shall not rent the apartment to any other person. If the buyer violates the covenant requiring the buyer to occupy the apartment, the City shall have a first option to purchase the apartment at a designated price. If, during the 2-year period after the purchase, the buyer desires to transfer title to the apartment, the City shall have a first option to purchase the apartment at a designated price. Buyers of these apartments should be aware of such restrictions in the Apartment Deed (With Reservations, Covenants, Conditions and Restrictions) (140% Income Limit), which are more particularly described in Section 9 of Exhibit I (Summary of Sales Agreement) of this Public Report and in the "Specimen Apartment Deed (With Reservations, Covenants, Conditions and Restrictions (140% Income Limit) filed at Developer's Sales Office.

3. After certain additional periods of time have expired, the Developer may offer certain of the apartments in the Project to the general public, without restrictions on use and transfer after purchase.

The prospective Buyer is cautioned to carefully review this Public Report and the documents filed at the Developer's Sales Office in connection with the Project for further information in connection with the foregoing.

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eneral Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the ondominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain equirements 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 re leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment wners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that he lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for y the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments ften require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any mprovements 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 our 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 wned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the uilding or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your ndivided 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 ertain apartments. These common elements are called "limited common elements" and may include parking stalls, atios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be ndividually 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:

Kunia Residential Partners
Name

Phone: 548-4811 **(Business)**

650 Iwilei Road, P. O. Box 2780
Business Address

Honolulu, Hawaii 96817

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

Castle & Cooke Kunia, Inc. - General Partner
Halekua Development Corporation - Limited Partner

Real Estate Broker:

Herbert K. Horita Realty, Inc.
Name

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

2024 N. King Street
Suite 200
Business Address

Honolulu, Hawaii

Escrow:

Long & Melone Escrow, Ltd.
Name

Phone: 523-2358 **(Business)**

810 Richards St., Suite 644
Business Address

Honolulu, Hawaii 96813

General Contractor:

Coastal Construction Company, Inc.
Name

Phone: 847-3277 **(Business)**

1900 Hau Street
Business Address

Honolulu, Hawaii 96819

Condominium Managing Agent:

Certified Management, Inc.
Name

Phone: 836-0911 **(Business)**

3179 Koapaka St., 2nd Floor
Business Address

Honolulu, Hawaii 96819

Attorney for Developer:

Goodsill Anderson Quinn & Stifel
(Robert F. Hirano & Judith A. Carrithers)
Name

Phone: 547-5600 **(Business)**

1099 Alakea Street, 18th Floor
Business Address

Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 94-096690
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Declaration of Condominium Property Regime of Kulana Knolls - Phase II dated August 5, 1994, recorded in said Bureau as Document No. 94-131062; Second Amendment to Declaration of Condominium Property Regime of Kulana Knolls - Phase II dated August 12, 1994, recorded in said Bureau as Document No. 94-138626.

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances Condo Map No. 2042
[ ] Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: Second Amendment to Declaration of Condominium Property Regime of Kulana Knolls - Phase II dated August 12, 1994, recorded in said Bureau as Document No. 94-138626.

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

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 94-096691
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

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

The House Rules for this condominium are:

[ ] Proposed [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 the Board of Directors

**The Developer's written consent also is required to amend any provision that gives the Developer any right or authority.

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

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

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

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

The Developer may amend the Declaration, By-Laws and Condominium Map (a) at any time prior to the recording of the first apartment conveyance to a party not signatory to the Declaration; (b) to make any amendments required by law, by the Real Estate Commission of the State of Hawaii, by any title insurer issuing title insurance on the Project or any of the apartments, by any institutional lender lending funds on the security of the Project or any of the apartments, or by any governmental agency; (c) to file the "as built" verified statement required by Section 514A-12, HRS; (d) at any time to effect the changes provided in the Declaration of Merger of Condominium Phases referred to in Section S of the Declaration, including the right to merge the Project with "Kulana Knolls - Phase I" (as said term is defined in the Declaration of Merger).

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: 94-520, 94-522, 94-524, 94-526, 94-528, 94-530, 94-532, 94-534,
Address: 94-536, 94-538, 94-540, 94-542, 94-544 and 94-546 Kupuohi Street, Waipahu, Hawaii 96797 Tax Map Key: (1) 9-4-146-6 (TMK)

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

Land Area: 6.134 [ ] square feet [X] acre(s) Zoning: A-1

Lessor (Fee Owner): Kunia Residential Partners
Name
650 Iwilei Road, P. O. Box 2780
Address
Honolulu, Hawaii 96817

Sublessor: _____
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: 14 Floors Per Building 2

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[x] Concrete [ ] Hollow Tile [x] Wood

[x] Other Gypsum board, glass and other allied construction material

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	132	[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 animals allowed, except that dogs, cats and other commonly recognized household pets in reasonable number and size (as determined *

[X] **Number of Occupants:** No more than 3 persons per one-bedroom apartment, no more than 5 persons per two-bedroom apartment, and no more than 7 persons per three-bedroom apartment.

[X] **Other:** No waterbeds allowed without approval of Board of Directors. Special restrictions apply regarding the floor surfaces and/or floor materials of apartments located on the second floor of the residential buildings, as provided in Section H.5 of the Declaration.

[ ] **There are no special use restrictions.**

6. Interior (fill in appropriate numbers): 2 in Buildings 14, 16, 18, 20, 21, 23, 24, 25 and 27
4 in Buildings 15, 17, 19, 22 and 26

Elevators: 0 **Stairways:** _____ **Trash Chutes:** 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
SEE EXHIBIT A				

Total Apartments: 132

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

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

Boundaries of Each Apartment:

SEE EXHIBIT B

Permitted Alterations to Apartments:

SEE EXHIBIT C

*by the Board of Directors but not to exceed a total of two (2) such animals) may be kept by owners and occupants. Special limitations apply to dogs, as set forth in the Rules and Regulations.

7. Parking Stalls:

Total Parking Stalls: 269

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)		152		105			257
Guest		4		8			12
Unassigned							
Extra for Purchaser:							
Total Covered & Open	156		113				

Each apartment will have the exclusive use of at least 1 parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

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

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

[x] Other: A pavilion is located on land adjacent to the Project that is part of Kulana Knolls - Phase I. The pavilion is available for use of the apartment owners in the Project pursuant to easement rights over the pavilion in favor o apartment owners in the Project. The pavilion structu is used for mailbox and office purposes.

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	X		
Structures	X		
Lot	X		

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

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

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

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

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

[X] described in Exhibit D.

[ ] as follows:

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

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

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

[X] described in Exhibit E.

[ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

[X] described in Exhibit F.

[ ] as follows:

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

Exhibit G describes the encumbrances against the title contained in the title report dated May 27, 1994 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 lien(s) of Developer's lender(s)	Buyer's interest is specifically made subject and subordinate to such liens. See Section 11 of Exhibit I (Summary of Sales Agreement). Buyer may lose his or her deposit if the Developer defaults and such lien(s) are foreclosed prior to conveying the apartment to Buyer.

Note: The Developer has notified the Commission that at the time of the first conveyance of each apartment, each of Developer's lender(s)' lien(s) will be paid and satisfied of record, or the apartment being conveyed and its common interest shall be released therefrom.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

SEE SECTION 3 OF EXHIBIT H (THE DISCLOSURE ABSTRACT)

2. Appliances:

SEE SECTION 3 OF EXHIBIT H (THE DISCLOSURE ABSTRACT)

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

The Developer estimates that construction of the Project, which commenced in June 1994, will be completed in February 1995.

H. **Project Phases:**

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

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

The Developer, at its option, has the right, but not the obligation, to expand the Project by merging, either through an administrative merger or an ownership merger, the Project with a condominium project located or to be located on lands (or a portion or portions thereof) adjacent to the Project site, and to amend the Declaration to provide for such merger without obtaining the approval, consent or joinder of any owner, mortgagee or purchaser of any apartment, all as set forth in that certain Declaration of Merger of Condominium Phases referred to in Section S of the Declaration.

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

B. Estimate of Initial Maintenance Fees:

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

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

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

C. Utility Charges for Apartments:

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract Specimen Co-Mortgagor Addendum to Sales Agreement
Specimen V.A. Addendum to Sales Agreement
Exhibit I contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated March 29, 1994
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Eligibility and Owner-Occupant Affidavit

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of 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 Merger of Condominium Phases; Royal Kunia Covenants (Exhibit K contains a summary of the pertinent provisions of the Royal Kunia Covenants)

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. 3125 filed with the Real Estate Commission on June 17, 1994.

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[ ] yellow paper stock [x] white paper stock [ ] pink paper stock

C. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. ROYAL KUNIA COVENANTS. The Declaration of Condominium Property Regime provides that all present and future apartment owners, tenants and occupants of apartments shall be bound by and subject to the provisions of that certain Amended and Restated Declaration of Protective Covenants for Royal Kunia Community dated March 18, 1994, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 94-049225, as amended from time to time (the "Royal Kunia Covenants"). The Royal Kunia Covenants provide, among other things, that each apartment owner, by virtue of being such an owner, shall be a member of the Royal Kunia Community Association and shall pay assessments to the Royal Kunia Community Association, as set forth in the Royal Kunia Covenants.

2. RESTRICTIONS ON USE AND TRANSFER OF THE APARTMENT.

(a) As to Buyers Under Sales Agreements (120% Income Limit) Only: The transfer of the apartment to buyer will be made subject to (and the respective Apartment Deed will so provide) the condition that the buyer will use and occupy the apartment at all times for a 5-year period after the purchase, and that if buyer fails to do so, the City and County of Honolulu (acting through its Department of Housing and Community Development) (hereinafter called the "City") shall have the right, in the nature of an option (but shall not be obligated to), repurchase the apartment at a price established as set forth in the respective Apartment Deed. The transfer of the apartment to buyer also will be made subject to (and the respective Apartment Deed will so provide) certain restrictions on transfer of the apartment, including without limitation, a first option to purchase (at a price established as set forth in the respective Apartment Deed) the apartment in favor of the City, for a period of five (5) years after the purchase, in the event that buyer attempts to transfer title to the apartment.

(b) As to Buyers Under Sales Agreements (140% Income Limit) Only: The transfer of the apartment to buyer will be made subject to (and the respective Apartment Deed will so provide) the condition that the buyer will use and occupy the apartment at all times for a 2-year period after the purchase, and that if buyer fails to do so, the City shall have the right, in the nature of an option (but shall not be obligated to), repurchase the apartment at a price established as set forth in the respective Apartment Deed. The transfer of the apartment to buyer also will be made subject to (and the respective Apartment Deed will so provide) certain restrictions on transfer of the apartment, including without limitation, a first option to

purchase (at a price established as set forth in the respective Apartment Deed) the apartment in favor of the City, for a period of two (2) years after the purchase, in the event that buyer attempts to transfer title to the apartment.

3. RESERVATION OF EASEMENTS AND MAINTENANCE OF EASEMENT AREAS. The apartments in the Project have certain easements over, under, across, along, upon and through portions of Kulana Knolls - Phase I. These easements include (a) nonexclusive easements for roadway access, drainage, water and other utility purposes over, under, across, along and upon the roadways which are included in the common elements of the Project (the "Roadway Areas"), and (b) nonexclusive easements for access purposes and for common use purposes over and upon the Pavilion Area (as defined in Section S.6 of the Declaration of Condominium Property Regime) (the Roadway Areas, the Pavilion Area and all other easement areas subject to easements in favor of the Developer are herein collectively called the "Easement Areas"). The Kulana Knolls - Phase I association of apartment owners, and not the Developer, is responsible for the maintenance, repair, replacement and restoration of the Easement Areas; provided, however, that until the earlier of (a) the conveyance to one or more third parties (other than the Developer) of ninety percent (90%) of the apartments in Kulana Knolls - Phase I or (b) the conveyance to one or more third parties (other than the Developer) of an apartment in Kulana Knolls - Phase II, the Developer shall be responsible for the maintenance of the Roadway Areas. In the event that the Developer, in its sole and absolute discretion, grants some or all of its rights in the Easement Areas in one or more conveyances to third parties of apartments in Kulana Knolls - Phase II, the Kulana Knolls - Phase I apartment owners and the Kulana Knolls - Phase II apartment owners shall share in the cost of the maintenance, repair, replacement and restoration of the Easement Areas (herein called the "Easement Area Maintenance Costs"). The share of the Easement Area Maintenance Costs for each phase shall be as determined in the Declaration of Condominium Property Regime. Notwithstanding the foregoing, in the event the Project is merged with Kulana Knolls - Phase I, then, upon such merger, the responsibility for maintenance, repair, replacement and restoration of the Easement Areas will be determined in accordance with the provisions of the Declaration of Merger.

4. REPAIR AND MAINTENANCE OF APARTMENTS AND COMMON ELEMENTS. The By-Laws provide that every apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his apartment, including without limitation all doors, sliding glass doors (if any), windows, window fixtures, and all internal installations within the apartment such as water, electricity, gas (if any), telephone, sanitation, lights, and all other fixtures and accessories belonging to such apartment, if

any, the interior decorated or finished surfaces of all walls, partitions, floors, ceilings and roofs of such apartment, if any, with all necessary reparations and amendments whatsoever in good order and condition, except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Directors or the Managing Agent.

In addition, each apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep the yard area, if any, appurtenant to and reserved for the exclusive use of such owner's apartment, in good order and condition, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work, and in case of such owner's failure after reasonable notice to keep the yard area, if any, as aforesaid, the Association (through the Board of Directors or the Managing Agent) shall have the right (but not the obligation) to perform any such work and the cost thereof shall be charged to such apartment owner as a special assessment constituting a lien against his interest in his apartment which may be foreclosed by the Board or Managing Agent in the same manner as provided in the Condominium Property Act for unpaid common expenses.

Except as hereinabove expressly provided to the contrary, all maintenance, repairs and replacements to the common elements, whether located inside or outside of the apartments, shall be made by the Board and be charged to all the owners as a common expense or a limited common expense; provided, however, that any such maintenance, repair or replacement necessitated by the negligence, misuse or neglect of an apartment owner or occupant or any person under either of them, shall be charged to such apartment owner or the apartment owner of the apartment of such occupant, as a special assessment constituting a lien against his interest in his apartment which may be foreclosed by the Board or Managing Agent in the same manner as provided in the Condominium Property Act for unpaid common expenses.

5. <u>ADDITIONAL DISCLOSURES</u>. A CMU, fully grouted, reinforced retaining wall (the "Retaining Wall") has been constructed on the Property along the boundary of Easement U-1, as shown on File Plan 2114 recorded in said Bureau. Portions of the reinforced concrete footing for the Retaining Wall will be partially within the designated easement area. The Association will have the responsibility to repair and maintain the Retaining Wall and footing.

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.

KUNIA RESIDENTIAL PARTNERS
Name of Developer

By Castle & Cooke Kunia, Inc.
Its General Partner
By: Roland Kim
Duly Authorized Signatory

6/2/94
Date

Roland Kim, Vice President
print name & title of person signing above

Distribution:

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

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT A

APARTMENT DESCRIPTION

Apt. Type	Quantity	Bedroom/ Bath	Approx. Net Living Floor Area in Sq. Ft.*	Approx. Net Lanai Floor Area in Sq. Ft.
A	5	2/1	714	56
AR	5	2/1	714	56
B	5	1/1	620	96
BR	5	1/1	620	96
C	5	2/1	735	56
CR	5	2/1	735	56
D	10	2/1	714	53
DR	10	2/1	714	53
E	5	1/1	662	86
ER	5	1/1	662	86
F	9	2/2	759	72
FR	9	2/2	759	72
G	9	3/2	857	72
GR	9	3/2	857	72
H	9	2/2	759	66
HR	9	2/2	759	66
I	9	3/2	857	66
IR	9	3/2	857	66

Total Apartments: 132

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

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

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT B

BOUNDARIES OF EACH APARTMENT

Each apartment consists of the spaces within the perimeter walls, floors and ceilings of the respective apartment as shown on the Condominium Map. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, footings, supports, roofs and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls; the inner decorated or finished surfaces of all walls, floors, roofs and ceilings; all windows, window frames, louvers (if any), shutters (if any), doors and door frames along the perimeter of the apartment; the lanai as shown on the Condominium Map; and all of the fixtures and appliances originally installed therein.

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT C

PERMITTED ALTERATIONS TO APARTMENTS

Except as otherwise provided in the Declaration, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with all of the requirements of Paragraph 6 of Section I of the Declaration, and promptly upon completion of such restoration, replacement or construction, the Association shall duly file of record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any other provision in the Declaration to the contrary, the owner of an apartment may make any alterations or additions within an apartment and the owner of any two adjoining apartments may alter or remove all or portions of the intervening walls, at such owner's expense, if such alterations or additions are not visible from the exterior of the apartments and if the structural integrity of the building is not thereby affected. The alterations or additions permitted by the immediately preceding proviso shall require only the written approval thereof, including approval of the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartment (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors of the Association) and such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any two adjoining apartments, if the intervening walls shall have been altered or removed pursuant to the foregoing provision and any entrances sealed, the owner of such apartment shall restore such intervening walls and entrances to substantially the same condition in which they existed prior to such alteration or removal.

Notwithstanding any other provision in the Declaration to the contrary, prior to (a) the time that all apartments in the Project have been sold and recorded and (b) the filing by the Developer of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of said Condominium Property Act (but in no event later than December 31, 2004), the Developer shall have the right to make alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; or to make other alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which make minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 3 of Section T of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of apartments in the Project, and the recordation in the Bureau of Conveyances of the State of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatory to the Declaration.

An apartment owner or occupant may install air-conditioning units in accordance with (a) plans and specifications prepared by the Project architect, KOP Hawaii, Inc. (for which approval of the Board of Directors of the Association shall not be required) or (b) plans and specifications prepared by a licensed architect (if so required by the Board of Directors of the Association) that are submitted to and approved by the Board of Directors of the Association, all in accordance with all provisions of the Declaration. Condensate from air conditioning units installed in second floor apartments should be drained via an exterior mounted tube, covered with a wooden channel painted the same color(s) as the exterior of the building in which the air conditioning unit is located, and the flow of the condensate should be directed away from the limited common elements, including without limitation, the yard areas, appurtenant to the ground floor apartments of the building in which the air conditioning unit is located.

No highly reflective finish, other than glass (which, however, may not be tinted or mirrored), shall be used on the exterior of any building in the Project; provided, however, that a gray film tint without visible purple tinge (as approved by the

Board of Directors of the Association) may be installed by an apartment owner on the glass located along the perimeter of his apartment.

An apartment owner or occupant may install a front screen door in accordance with (i) plans and specifications prepared by the Project architect, KOP Hawaii, Inc. (for which Board approval shall not be required) or (ii) plans and specifications prepared by a licensed architect (if so required by the Board) that are submitted to and approved by the Board, all in accordance with all provisions of the Declaration.

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT D

COMMON ELEMENTS

The common elements consist of all portions of the Project other than the apartments, including specifically, but not limited to:

(a) The Land in fee simple;

(b) All foundations, columns, girders, beams, footings, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, roofs, stairways, walkways, corridors, ramps, fences (if any), entrances, entryways and exits of all buildings of the Project;

(c) All walkways, roadways, sidewalks, perimeter walls, retaining walls, fences (if any), gates (if any), yard areas, water heater room areas (excluding the water heaters, if any, located within the water heater room areas), driveways, parking areas, loading zones, yards, grounds, landscaping, refuse areas and mailboxes;

(d) All pipes, cables, conduits, ducts, sewer lines, drainlines, sewage treatment equipment and facilities (if any), electrical equipment, electrical rooms, telephone equipment rooms, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas (if any), sewer, drainage, water, telephone and television signal distribution (if any);

(e) The one hundred fifty-six (156) regular size, uncovered parking stalls (four (4) of which are designated as guest parking stalls) and the one hundred thirteen (113) compact size, uncovered parking stalls (eight (8) of which are designated as guest parking stalls) located in the parking areas of the Project, all as shown on the Condominium Map;

(f) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT E

LIMITED COMMON ELEMENTS

(a) Each of the parking stalls, other than the parking stalls designated on the Condominium Map as guest parking stalls, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit F attached hereto;

(b) Each of the yard areas within the Project, designated on the Condominium Map as Yard Areas Y59 to Y124, inclusive, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit F attached hereto;

(c) Each of the water heater room areas within the Project, designated on the Condominium Map as Water Heater Room Areas W79 to W162, inclusive, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartments to which it is assigned, as set forth in Exhibit F attached hereto;

(d) Any walkway, stairway, entrance, exit, or steps which would normally be used only for the purposes of ingress to and egress from a specific apartment or apartments shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment or apartments;

(e) Any mailbox assigned to an apartment by the Developer or the Association of Apartment Owners of the Project shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT F

COMMON INTERESTS AND LIMITED COMMON ELEMENTS

Apt. No.	Apt. Type	Bldg. No.	Parking Stall No(s).	Yard Area No.	Water Heater Room Area No.	Common Interest
14-101	G	14	236 & 314	Y59	WH80	.85901%
14-102	GR	14	237 & 305	Y60	WH84	.85901%
14-103	F	14	235 & 316	Y61	WH79	.76078%
14-104	FR	14	238 & 285	Y62	WH82	.76078%
14-201	I	14	312C & 315	--	WH83	.85902%
14-202	IR	14	304 & 307C	--	WH84	.85902%
14-203	H	14	313C & 317	--	WH81	.76078%
14-204	HR	14	303 & 306C	--	WH82	.76078%
15-101	A	15	272 & 282	Y63	WH87	.71567%
15-102	B	15	276 & 309C	Y64	WH87	.62145%
15-103	AR	15	280 & 283	Y65	WH85	.71567%
15-104	C	15	269 & 281	Y68	WH89	.73672%
15-105	BR	15	274 & 311C	Y67	WH89	.62145%
15-106	CR	15	279 & 286	Y66	WH86	.73672%
15-201	DR	15	271 & 291C	--	WH88	.71567%
15-202	E	15	275 & 308C	--	WH88	.66355%
15-203	D	15	278 & 290C	--	WH85	.71567%
15-204	D	15	270 & 300C	--	WH90	.71567%
15-205	ER	15	273 & 310C	--	WH90	.66355%
15-206	DR	15	277 & 301C	--	WH86	.71567%
16-101	FR	16	268 & 292C	Y69	WH94	.76078%
16-102	F	16	261 & 299C	Y70	WH91	.76078%
16-103	GR	16	267 & 294C	Y71	WH96	.85901%
16-104	G	16	262 & 297C	Y72	WH92	.85901%
16-201	HR	16	265 & 293C	--	WH94	.76079%
16-202	H	16	263 & 298C	--	WH93	.76078%
16-203	IR	16	266 & 295C	--	WH96	.85902%
16-204	I	16	264 & 296C	--	WH95	.85902%
17-101	A	17	244C & 250	Y73	WH99	.71567%
17-102	B	17	241C & 287	Y74	WH99	.62145%
17-103	AR	17	239 & 254	Y75	WH97	.71567%
17-104	C	17	246C & 252	Y76	WH101	.73672%
17-105	BR	17	258	Y77	WH101	.62145%
17-106	CR	17	240 & 253	Y78	WH98	.73672%

Apt. No.	Apt. Type	Bldg. No.	Parking Stall No(s).	Yard Area No.	Water Heater Room Area No.	Common Interest
17-201	DR	17	245C & 251	--	WH100	.71567%
17-202	E	17	242C & 256	--	WH100	.66355%
17-203	D	17	248 & 289C	--	WH97	.71567%
17-204	D	17	247C & 255	--	WH102	.71567%
17-205	ER	17	243C & 257	--	WH102	.66355%
17-206	DR	17	249 & 288C	--	WH98	.71567%
18-101	FR	18	353C & 417	Y79	WH108	.76078%
18-102	F	18	399C & 406	Y80	WH104	.76078%
18-103	GR	18	419 & 407C	Y81	WH106	.85901%
18-104	G	18	401C & 404	Y82	WH103	.85901%
18-201	HR	18	352C & 418	--	WH108	.76079%
18-202	H	18	400C & 405	--	WH107	.76078%
18-203	IR	18	420 & 408C	--	WH106	.85902%
18-204	I	18	402C & 403	--	WH105	.85902%
19-101	A	19	427 & 413C	Y83	WH110	.71567%
19-102	BR	19	425 & 229C	Y84	WH110	.62145%
19-103	AR	19	423 & 409C	Y85	WH114	.71567%
19-104	C	19	429 & 415C	Y86	WH109	.73672%
19-105	B	19	431 & 231C	Y87	WH109	.62145%
19-106	CR	19	422 & 411C	Y88	WH112	.73672%
19-201	DR	19	428 & 414C	--	WH113	.71567%
19-202	ER	19	426 & 228C	--	WH113	.66355%
19-203	D	19	424 & 410C	--	WH114	.71567%
19-204	D	19	430 & 416C	--	WH111	.71567%
19-205	E	19	432 & 230C	--	WH111	.66355%
19-206	DR	19	421 & 412C	--	WH112	.71567%
20-101	FR	20	335 & 349C	Y89	WH117	.76078%
20-102	F	20	333 & 347C	Y90	WH115	.76078%
20-103	GR	20	339 & 351C	Y91	WH119	.85901%
20-104	G	20	337 & 345C	Y92	WH116	.85901%
20-201	HR	20	334 & 348C	--	WH118	.76079%
20-202	H	20	332 & 346C	--	WH115	.76078%
20-203	IR	20	338 & 350C	--	WH120	.85902%
20-204	I	20	336 & 344C	--	WH116	.85902%
21-101	G	21	356 & 391C	Y93	WH121	.85901%
21-102	GR	21	343 & 361C	Y94	WH123	.85901%
21-103	F	21	358 & 392C	Y95	WH122	.76078%
21-104	FR	21	341 & 355C	Y96	WH125	.76078%
21-201	I	21	357 & 390C	--	WH121	.85902%
21-202	IR	21	342 & 360	--	WH124	.85902%
21-203	H	21	359 & 362C	--	WH122	.76078%
21-204	HR	21	340 & 354C	--	WH126	.76079%

Apt. No.	Apt. Type	Bldg. No.	Parking Stall No(s).	Yard Area No.	Water Heater Room Area No.	Common Interest
22-101	A	22	381 & 386C	Y97	WH127	.71567%
22-102	BR	22	379	Y98	WH127	.62145%
22-103	AR	22	378 & 393C	Y99	WH130	.71567%
22-104	C	22	383 & 398C	Y100	WH128	.73672%
22-105	B	22	376	Y101	WH128	.62145%
22-106	CR	22	373 & 387C	Y102	WH132	.73672%
22-201	DR	22	382 & 385C	--	WH129	.71567%
22-202	ER	22	363 & 380	--	WH129	.66355%
22-203	D	22	377 & 394C	--	WH130	.71567%
22-204	D	22	384 & 397C	--	WH131	.71567%
22-205	E	22	372 & 375	--	WH131	.66355%
22-206	DR	22	374 & 388C	--	WH132	.71567%
23-101	FR	23	364 & 368	Y103	WH135	.76078%
23-102	F	23	465 & 473	Y104	WH133	.76078%
23-103	GR	23	366 & 370	Y105	WH137	.85901%
23-104	G	23	463 & 471C	Y106	WH134	.85901%
23-201	HR	23	365 & 369	--	WH136	.76079%
23-202	H	23	464 & 472C	--	WH133	.76078%
23-203	IR	23	367 & 371	--	WH138	.85902%
23-204	I	23	462 & 470C	--	WH134	.85902%
24-101	FR	24	474 & 483C	Y107	WH143	.76078%
24-102	F	24	469 & 479C	Y108	WH140	.76078%
24-103	GR	24	477 & 481C	Y109	WH141	.85901%
24-104	G	24	467 & 510C	Y110	WH139	.85901%
24-201	HR	24	475 & 482C	--	WH144	.76079%
24-202	H	24	468 & 478	--	WH140	.76078%
24-203	IR	24	476 & 480C	--	WH142	.85902%
24-204	I	24	466 & 509C	--	WH139	.85902%
25-101	G	25	458 & 508C	Y111	WH145	.85901%
25-102	GR	25	456 & 507C	Y112	WH147	.85901%
25-103	F	25	460 & 504C	Y113	WH146	.76078%
25-104	FR	25	457 & 503C	Y114	WH149	.76078%
25-201	I	25	459 & 506C	--	WH145	.85902%
25-202	IR	25	455 & 505C	--	WH148	.85902%
25-203	H	25	461 & 501C	--	WH146	.76078%
25-204	HR	25	454 & 502C	--	WH150	.76079%
26-101	A	26	450 & 497C	Y115	WH153	.71567%
26-102	B	26	448	Y116	WH153	.62145%
26-103	AR	26	442 & 496C	Y117	WH151	.71567%
26-104	C	26	452 & 500C	Y118	WH155	.73672%
26-105	BR	26	446	Y119	WH155	.62145%
26-106	CR	26	444 & 494C	Y120	WH152	.73672%

Apt. No.	Apt. Type	Bldg. No.	Parking Stall No(s).	Yard Area No.	Water Heater Room Area No.	Common Interest
26-201	DR	26	451 & 498C	--	WH154	.71567%
26-202	E	26	449	--	WH154	.66355%
26-203	D	26	443 & 495C	--	WH151	.71567%
26-204	D	26	453 & 499C	--	WH156	.71567%
26-205	ER	26	447	--	WH156	.66355%
26-206	DR	26	445 & 493C	--	WH152	.71567%
27-101	G	27	438 & 489C	Y121	WH157	.85901%
27-102	GR	27	436 & 486C	Y122	WH159	.85901%
27-103	F	27	440 & 491C	Y123	WH158	.76078%
27-104	FR	27	434 & 488C	Y124	WH161	.76078%
27-201	I	27	439 & 490C	--	WH157	.85902%
27-202	IR	27	435 & 487C	--	WH160	.85902%
27-203	H	27	441 & 492C	--	WH158	.76078%
27-204	HR	27	433 & 437	--	WH162	.76079%

NOTE: All parking stall numbers ending with the letter "C" are compact size stalls.

All other parking stalls are regular size or larger.

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor of the City and County of Honolulu.

2. Title to all mineral and metallic mines reserved to the State of Hawaii.

3. Designation of Easement 2, as shown on File Plan 2115 recorded in the Bureau of Conveyances of the State of Hawaii.

4. Designation of Easement U-1, as shown on File Plan 2114 recorded in said Bureau.

5. Certificate and Consent dated December 1, 1986, recorded in the Bureau of Conveyances of the State of Hawaii in Book 20114, Page 517, by Waitec Development, Inc., a Hawaii corporation; Consent thereto given by Bishop Trust Company, Limited, Trustee of the J. L. P. Robinson Limited Partnership Trust, et al.

6. Covenants, conditions and restrictions set forth in Declaration dated April 17, 1989, recorded in said Bureau in Book 23083, Page 509. Said Declaration was amended by instruments dated August 10, 1989, recorded in said Bureau in Book 23530 at Page 506, dated January 29, 1990, recorded in said Bureau as Document No. 90-013425, dated February 13, 1992, recorded in said Bureau as Document No. 92-032688, dated August 3, 1992, recorded in said Bureau as Document No. 92-125987, and dated March 18, 1994, recorded in said Bureau as Document No. 94-049225, and as further amended from time to time.

   By Assignment of Declarant's Rights dated August 3, 1992, recorded in said Bureau as Document No. 92-125990, the interest of Halekua Development Corporation, a Hawaii corporation, in said Declaration was assigned to Kunia Residential Partners, a Hawaii limited partnership.

7. Unilateral Agreement and Declaration for Conditional Zoning dated February 8, 1991, recorded in said Bureau as Document No. 91-019058, by Halekua Development Corporation, a Hawaii corporation.

8. Mortgage, Security Agreement and Financing Statement dated August 3, 1992, recorded in said Bureau as Document No. 92-125992, made by Kunia Residential Partners, a Hawaii limited partnership, as Mortgagor, in favor of Castle & Cooke Residential, Inc., a Hawaii corporation, as Mortgagee.

9. Additional Charge Mortgage and Amendment of Mortgage dated March 1, 1993, recorded in the Bureau of Conveyances as Document No. 93-032967, made by Kunia Residential Partners, a Hawaii limited partnership, as Mortgagor, in favor of Castle & Cooke Residential, Inc., a Hawaii corporation, as Mortgagee.

10. Collateral Assignment of Notes and Mortgages dated March 4, 1993, recorded in said Bureau as Document No. 93-036481, Castle & Cooke Residential, Inc., a Hawaii corporation, to Bank of Hawaii, individually and as Agent for The First National Bank of Boston, First Hawaiian Bank, Bank of America National Trust and Savings Association, CIBC Inc., Kredietbank N.V. and Societe Generale. Assigns a security interest in and to Mortgage, Security Agreement and Financing Statement dated August 3, 1992, recorded in said Bureau as Document No. 92-125992 and Additional Charge Mortgage dated March 1, 1993, recorded in said Bureau as Document No. 92-032967.

11. Financing Statement, recorded in said Bureau as Document No. 92-125993, made by Kunia Residential Partners, a Hawaii limited partnership, as Debtor, in favor of Castle & Cooke Residential, Inc., a Hawaii corporation, as Secured Party.

12. Mortgage, Security Agreement and Financing Statement dated March 4, 1993, recorded in said Bureau as Document No. 93-036477, made by Kunia Residential Partners, a Hawaii limited partnership, as Mortgagor, in favor of Bank of Hawaii, a Hawaii banking corporation, as Mortgagee.

13. Subordination Agreement dated March 4, 1993, recorded in said Bureau as Document No. 93-036478, by and between Castle & Cooke Residential, Inc., a Hawaii corporation, Bank of Hawaii, The First National Bank of Boston, First Hawaiian Bank, Bank of America National Trust and Savings Association, CIBC Inc., Kredietbank, N.V. and Societe Generale, subordinating Mortgage recorded in said Bureau as Document No. 92-125992, as amended by instrument dated March 1, 1993, recorded in said Bureau as Document No. 93-032967 to Mortgage recorded in said Bureau as Document No. 93-036477.

14. Financing Statement recorded in said Bureau as Document No. 93-036482, made by Castle & Cooke Residential, Inc., a Hawaii corporation, Debtor, in favor of Bank of Hawaii, Secured Party.

15. Agreement for Issuance of Conditional Use Permit Under Section 4.40-21 of the Land Use Ordinance (LUO) dated February 11, 1994, recorded in said Bureau as Document No. 94-090278.

16. Declaration of Merger of Condominium Phases dated June 8, 1994, recorded in said Bureau as Document No. 94-096687, as amended from time to time.

17. Declaration of Condominium Property Regime of Kulana Knolls - Phase II dated June 8, 1994, recorded in said Bureau as Document No. 94-096690, as amended by First Amendment to Declaration of Condominium Property Regime of Kulana Knolls - Phase II dated August 5, 1994, recorded in said Bureau as Document No. 94-131062, by Second Amendment to Declaration of Condominium Property Regime of Kulana Knolls - Phase II dated August 12, 1994, recorded in said Bureau as Document No. 94-138626, and as further amended from time to time.

18. By-Laws of the Association of Apartment Owners of Kulana Knolls - Phase II dated June 8, 1994, recorded in said Bureau as Document No. 94-096691, as amended from time to time.

CONDOMINIUM PUBLIC REPORT ON

KULANA KNOLLS - PHASE II

EXHIBIT H

DISCLOSURE ABSTRACT

1. (a) PROJECT: KULANA KNOLLS - Phase II
Hoaeae, Ewa, Oahu, Hawaii

(b) DEVELOPER: Kunia Residential Partners
650 Iwilei Road, P. O. Box 2780
Honolulu, Hawaii 96817
Telephone: (808) 548-4811

(c) PROJECT MANAGER: Certified Management, Inc.
3179 Koapaka Street, 2nd Floor
Honolulu, Hawaii 96819
Telephone: (808) 836-0911

2. USE OF APARTMENTS:

(a) Number of Apartments in Project for Residential Use: 132

(b) Proposed Number of Apartments in Project for Hotel Use: -0-

(c) Extent of Commercial or Other Nonresidential Development in Project: None

3. WARRANTIES:

(a) Developer warrants that the Apartment is constructed in substantial conformity with the plans and specifications (including any amendments thereof, of changes and variations therein) and against any defects in equipment, material, or workmanship and materials of the Apartment resulting in noncompliance with standards of quality as measured by acceptable trade practices. This warranty shall continue for a period of one (1) year from the date of original conveyance of title to buyer. The Developer shall remedy, at the Developer's expense, any substantial nonconformity or such defects and shall restore any work damaged in fulfilling the terms and conditions of this warranty. Notwithstanding the generality of the foregoing, Developer's

warranty shall not cover defects in any appliances or floor coverings within the Apartment. All appliances and floor coverings within the Apartment shall be covered solely by the warranties of the respective manufacturers thereof and the warranty periods of such warranties may vary.

(b) Developer has contracted or will contract with a licensed soil treatment applicator (the "Applicator") for the pre-construction soil treatment process for the control of subterranean termites and the Developer will require the Applicator to warrant that if termite infestation should occur within five (5) years from the date of treatment of the building in which the Apartment is located, the Applicator will re-treat the soil under the building in which the Apartment is located using the standards in effect at the time of re-treatment. The Applicator shall further agree to repair all construction damage by subterranean termites within the one-year warranty period. Developer will transfer to Buyer any warranty from the Applicator or the Applicator shall issue the warranty directly to Buyer. Developer further agrees without incurring any legal liability, to cooperate with Buyer to have the Applicator perform all warranties for which the Applicator is responsible. Buyer understands that the Developer does not promise that the Applicator will honor his warranties. This warranty shall be in addition to, and not in derogation of any other warranty that Buyer may have from the Developer under the Termite Soil Treatment Guarantee Form HUD-92052/VA 26-8375, for a FHA/VA guaranteed or insured mortgage on the Apartment.

(c) Developer's obligations under the foregoing warranties are expressly conditioned on written notification by Buyer to Developer of substantial non-conformity, defects or ground termite infestation within the warranty periods set forth above.

(d) Developer warrants against defects in equipment, material, or workmanship and materials of the common elements of the Project resulting in noncompliance with standards of quality as measured by acceptable trade practices for a period of one (1) year from the date of original conveyance of title for the first apartment in the Project that is conveyed by the Developer to one or more third parties other than the Developer and shall apply only to such instances of defects as to which the Association shall have given written notice to the Developer within said period of one (1) year.

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Disclosure Abstract as Exhibit "A" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by Certified Management, Inc., a Hawaii corporation, for the one-year period commencing June 1, 1994 and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Abstract does not include the Buyer's obligation for the payment of the Royal Kunia Community Association initiation assessment of approximately $100.00 or the Royal Kunia Community Association dues (anticipated to be $38.00 per month) or real property taxes, and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

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*****************************************************************
* NOTE:  THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF       *
* MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE VERY   *
* DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH MAINTENANCE  *
* CHARGES HAVE BEEN ACCURATELY ESTIMATED, SUCH CHARGES WILL     *
* TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IM-    *
* PROVEMENTS AGE.  MAINTENANCE CHARGES CAN VARY DEPENDING ON    *
* SERVICES DESIRED BY APARTMENT OWNERS.  THE BUYER SHOULD EXAM- *
* INE THE MAINTENANCE CHARGE SCHEDULE TO SEE WHAT SERVICES      *
* ARE INCLUDED IN THE SCHEDULE.                                 *
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5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer will assume all the actual common expenses of the Project (and therefore an apartment owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states that after a date certain, the respective apartment owner shall thereafter be obligated to pay for his respective

share of common expenses that is allocated to his apartment; provided, however, that such amended Disclosure Abstract shall be filed at least 30 days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the apartment owners whose maintenance expenses were assumed by the Developer. The Developer shall have no obligation to pay for any cash reserves or any other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

6. ROYAL KUNIA COMMUNITY ASSOCIATION DUES:

Each apartment owner will be required to be a member of the Royal Kunia Community Association. As such member, each apartment owner will be required to pay Royal Kunia Community Association an initiation assessment of approximately $100.00 and monthly dues, which are anticipated to be $38.00 per month.

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the Director of Marketing of Certified Management, Inc., a Hawaii corporation, designated by the Developer of the Kulana Knolls, Phase II condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, as set forth in Exhibit "A" attached hereto and hereby incorporated herein by reference, are reasonable estimates for the one-year period commencing June 1, 1994, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 1st day of June, 1994.

EILEEN M. CARTER
DIRECTOR OF MARKETING

Subscribed and sworn to
before me this 1st day
of June, 1994.

Notary Public, State of Hawaii

My Commission expires: 7/19/97

EXHIBIT "A"
KULANA KNOLLS, PHASE II
Estimated Annual Common Expense

	Monthly	Annual
Utilities and Services		
Electricity (common elements only)	$520.00	$6,240.00
Water and Sewer	$6,000.00	$72,000.00
Maintenance, Repairs, and Supplies		
Building	$275.00	$3,300.00
Grounds	$1,900.00	$22,800.00
Management		
Management Fee	$1,220.00	$14,640.00
Payroll and Payroll Taxes	$3,047.00	$36,564.00
Office Expenses	$398.00	$4,776.00
Insurance	$2,010.00	$24,120.00
Reserves	$3,138.00	$37,656.00
Taxes and Government Assessments	$10.00	$120.00
Professional Services	$145.00	$1,740.00
TOTAL	$18,663.00	$223,956.00

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

(1) The estimated monthly maintenance charge for each type B, BR apartment is $115.98 per month.

(2) The estimated monthly maintenance charge for each type E & ER apartment is $123.84 per month.

(3) The estimated monthly maintenance charge for each type A, AR, D, & DR apartment is $133.57 per month.

(4) The estimated monthly maintenance charge for each type C & CR apartment is $137.49 per month.

(5) The estimated monthly maintenance charge for each type F, FR, H, & HR* apartment is $141.98 per month.

(6) The estimated monthly maintenance charge for each type HR** apartment is $141.99 per month.

(7) The estimated monthly maintenance charge for each type G, GR, I & IR apartment is $160.32 per month.

*Applies only to HR Unit 14-204

**Applies to all HR Units except Unit 14-204

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT I

SUMMARY OF SALES AGREEMENT

A specimen Sales Agreement (120% Income Limit), a specimen Sales Agreement (140% Income Limit), a specimen Sales Agreement (Market Housing), together with a specimen Co-Mortgagor Addendum to Sales Agreement (120% Income Limit) and a specimen Co-Mortgagor Addendum to Sales Agreement (140% Income Limit) [applicable only to certain buyers who require assistance from Co-Mortgagors for financing purposes], and a specimen V.A. Addendum to Sales Agreement [applicable only to buyers who are eligible and apply for Veterans' Administration guaranteed loans] (collectively the "Sales Agreement"), have been submitted to the Real Estate Commission and are available in the Sales Office of the Seller. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT, INCLUDING THE APPLICABLE ADDENDA, IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of their provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. (a) Seller warrants that the Apartment is constructed in substantial conformity with the plans and specifications (including any amendments thereof, of changes and variations therein) and against any defects in equipment, material, or workmanship and materials of the Apartment resulting in non-compliance with standards of quality as measured by acceptable trade practices. This warranty shall continue for a period of one (1) year from the date of original conveyance of title to buyer. The Seller shall remedy, at the Seller's expense, any substantial nonconformity or such defects and shall restore any work damaged in fulfilling the terms and conditions of this warranty. Notwithstanding the generality of the foregoing, Seller's warranty shall not cover defects in any appliances or floor coverings within the Apartment. All appliances and floor coverings within the Apartment shall be covered solely by the warranties of the respective manufacturers thereof and the warranty periods of such warranties may vary.

(b) Seller has contracted or will contract with a licensed soil treatment applicator (the "Applicator") for the pre-construction soil treatment process for the control of subterranean termites and the Seller will require the Applicator to warrant that if termite infestation should occur within five (5) years from the date of treatment of the building in which the Apartment is located, the Applicator will re-treat the soil under

the building in which the Apartment is located using the standards in effect at the time of re-treatment. The Applicator shall further agree to repair all construction damage by subterranean termites within the one-year warranty period. Seller will transfer to buyer any warranty from the Applicator or the Applicator shall issue the warranty directly to buyer. Seller further agrees without incurring any legal liability, to cooperate with buyer to have the Applicator perform all warranties for which the Applicator is responsible. Buyer understands that the Seller does not promise that the Applicator will honor his warranties. This warranty shall be in addition to, and not in derogation of any other warranty that buyer may have from the Seller under the Termite Soil Treatment Guarantee Form HUD-92052/VA 26-8375, for a FHA/VA guaranteed or insured mortgage on the Apartment.

(c) Seller's obligations under the foregoing warranties are expressly conditioned on written notification by buyer to Seller of substantial non-conformity, defects or ground termite infestation within the warranty periods set forth above.

(d) Seller warrants against defects in equipment, material, or workmanship and materials of the common elements of the Project resulting in noncompliance with standards of quality as measured by acceptable trade practices for a period of one (1) year from the date of original conveyance of title for the first apartment in the Project that is conveyed by the Seller to one or more third parties other than Seller and shall apply only to such instances of defects as to which the Association shall have given written notice to the Seller within said period of one (1) year.

(e) <u>As to Buyers Under Sales Agreements (120% Income Limit) and Buyers Under Sales Agreements (140% Income Limit) Only</u>: Buyer indemnifies and holds harmless the City and County of Honolulu (the "City") and the Department of Housing and Community Development ("DHCD"), its officers, employees and agents against any claims arising from the purchase of the Apartment and against any damages resulting from workmanship and/or materials. Neither the City nor DHCD is a party to the development or sale of the Apartment.

2. Buyer understands and agrees that (a) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (b) installation of the plant materials and irrigation system may be completed after the Closing Date; (c) full maturity of the plant materials will only be reached over an

extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; and (d) the Association will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity.

3. Seller may (but does not have to) cancel the Sales Agreement (a) if the buyer's mortgage loan application is rejected or not approved within 60 days after application, or (b) if the buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the buyer's ability to make the cash payments.

4. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED IN THE SALES AGREEMENT. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

5. Buyer will pay for the following closing costs: all of the Escrow fee, all notary fees, all appraisal fees, all recording costs, all charges for buyer's credit report, all costs of preparing any mortgages and promissory notes, and all title insurance costs. Buyer will also pay all mortgage costs. Buyer will also pay a nonrefundable start-up fee which will be held and used by the Seller and the first Managing Agent of the Association as a working capital fund for the benefit of all the apartment owners. Buyer agrees that Seller does not have to pay any start-up fee for any apartment in the Project even if it is owned by Seller. Proration of Royal Kunia Community Association assessments, maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date.

6. The buyer agrees that buyer may not transfer the Sales Agreement or any of buyer's rights or interests under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

7. (a) Buyer understands that Seller has agreed with the City that Seller will offer apartments in the Project for sale initially to eligible "Moderate Income Purchasers" as that term is defined below. The Seller has further agreed with the City that "Moderate Income Purchasers" will be eligible, based upon family size, to purchase selected apartments in the Project offered for sale by the Seller. Buyer represents to Seller that buyer is a "Moderate Income Purchaser". The term "Moderate Income Purchaser"

as used herein means an owner-occupant whose income, including the income of all members of such buyer's household, does not exceed 120% of the median income, adjusted for family size, for the City and County of Honolulu, as most recently determined by the United States Department of Housing and Urban Development. The following are such income limits (as of December 1993) by family size for the Project:

Family Size	Median	120% Income Limit
1	$34,930	$41,920
2	39,920	47,900
3	44,910	53,890
4	49,900	59,880
5	53,890	64,670
6	57,880	69,460
7	61,880	74,250

If Seller or the City shall determine that buyer is not a "Moderate Income Purchaser", as designated in Article II of the Sales Agreement, Seller shall have the right to cancel the Sales Agreement at any time. If Seller cancels the Sales Agreement as aforesaid, Seller will tell Escrow to give buyer back all of buyer's payments, without interest, and neither party will have any other obligations under the Sales Agreement or relating to the Project. Buyer shall be responsible for the escrow cancellation fee and all other costs associated with the purchase, up to a maximum of $250.00.

(b) Buyer understands that Seller has agreed with the City that, after certain periods of time have expired, Seller may offer certain apartments in the Project for sale to eligible "140% Income Purchasers" as that term is defined below. The Seller has further agreed with the City that "140% Income Purchasers" will be eligible, based upon family size, to purchase selected apartments in the Project offered for sale by the Seller. Buyer represents to Seller that buyer is a "140% Income Purchaser". The term "140% Income Purchaser" as used herein means an owner-occupant whose income, including the income of all members of such buyer's household, does not exceed 140% of the median income, adjusted for family size, for the City and County of Honolulu, as most recently determined by the United States Department of Housing and Urban Development. The following are such income limits (as of December 1993) by family size for the Project:

Family Size	Median	140% Income Limit
1	$34,930	$48,900
2	39,920	55,890
3	44,910	62,870
4	49,900	69,860
5	53,890	75,450
6	57,880	81,040
7	61,880	86,630

If Seller or the City shall determine that buyer is not a "140% Income Purchaser", as designated in Article II of the Sales Agreement, Seller shall have the right to cancel the Sales Agreement at any time. If Seller cancels the Sales Agreement as aforesaid, Seller will tell Escrow to give buyer back all of buyer's payments, without interest, and neither party will have any other obligations under the Sales Agreement or relating to the Project. Buyer shall be responsible for the escrow cancellation fee and all other costs associated with the purchase, up to a maximum of $250.00.

8. That certain Declaration of Merger of Condominium Phases recorded or to be recorded in the Bureau of Conveyances of the State of Hawaii (hereinafter called the "Declaration of Merger"), among other things, gives Seller the right, in its sole and absolute discretion, to cause and effect an administrative merger of the Project with a condominium project located or to be located on lands (or a portion or portions thereof) adjacent to the Project, as part of the same incremental plan of development of the Project, such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the Project and the additional phase are shared, and the administration of the Project and the additional phase is unified under one association of apartment owners, but the ownership interests of the apartment owners of the Project and the additional phase are not altered or affected. The Declaration of Merger also gives the Seller the right, in its sole and absolute discretion, to cause and effect an ownership merger of the Project and the additional phase, as an alternative to an administrative merger of the Project and the additional phase, to provide for the common ownership of the Project and the additional phase by all of the apartment owners of the Project and the additional phase all as set forth in the Declaration of Merger. Upon an ownership merger, all of the apartments in the merged phases shall be treated as though they were all included in a single condominium project (the "Merged Project"), all common elements of the merged phases will become the common elements of the Merged Project, and the common interest appurtenant to the Apartment shall be altered from the percentage set forth in Article I of the Sales Agreement to a percentage as set forth in

the "Certificate of Ownership Merger" filed by the Seller, in accordance with the Declaration of Merger. Nothing herein will be deemed to require Seller to develop the additional phase or to merge the additional phase into the Project, or to prohibit Seller from dealing with any lands adjacent to the Project not merged with the Project, including without limitation, developing all or any part of such lands for purposes inconsistent with the merger of such lands into the Project.

9. (a) As to Buyers Under Sales Agreements (120% Income Limit) Only: The transfer of the Apartment to buyer will be made subject to (and the respective Apartment Deed will so provide) certain restrictions on use and transfer, including, without limitation, (a) a first option to purchase the Apartment at a designated price, in favor of the City (acting through its Department of Housing and Community Development), in the event buyer violates the covenant requiring buyer to occupy the Apartment for a period of 5 years, as more particularly described in the respective Apartment Deed, and (b) a first option to purchase the Apartment at a designated price, in favor of the City, for a period of 5 years, in the event buyer desires to transfer title to the Apartment, as more particularly described in the respective Apartment Deed.

(b) As to Buyers Under Sales Agreements (140% Income Limit) Only: The transfer of the Apartment to buyer will be made subject to (and the respective Apartment Deed will so provide) certain restrictions on use and transfer, including, without limitation, (a) a first option to purchase the Apartment at a designated price, in favor of the City (acting through its Department of Housing and Community Development), in the event buyer violates the covenant requiring buyer to occupy the Apartment for a period of 2 years, as more particularly described in the respective Apartment Deed, and (b) a first option to purchase the Apartment at a designated price, in favor of the City, for a period of 2 years, in the event buyer desires to transfer title to the Apartment, as more particularly described in the respective Apartment Deed.

10. Seller has given to and/or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual apartments. All of the rights and interests which Seller gives to the lender or lenders will have priority over the buyers' rights and interests under the Sales Agreements. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The buyers give up and subordinate the priority of their rights and interests

under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed apartment deeds to the buyers. If Seller's lender or lenders ask the buyers to do so, the buyers will sign other documents to confirm the promises and agreements mentioned above.

11. Conditions Affecting the Property and Project. The buyer understands, acknowledges, covenants and agrees to the following:

(a) Military Effects. The Project is located in the vicinity of Barbers Point Naval Air Station and the Department of Navy - Naval Magazine Waikele Branch Blast Zone (collectively, the "Military Facilities"), aircraft from the Military Facilities may fly in the proximity of or directly over the Property or the Project, military activities will be conducted on or near the Military Facilities, and such overflights and other military activities may result in noise, dust, vibration, and other nuisances, disturbances or hazards (collectively, the "Military Effects") to persons and property on or within the Property or the Project;

(b) Agricultural Effects. The Project is located on or is near or adjacent to lands and easements used for or in connection with the cultivation of sugar and pineapple and diversified agricultural operations, which may include, but are not limited to, open burning, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigation, millwash, all other activities incidental to the planting, cultivating, harvesting and processing of crops, including night time activities, and the grazing and raising of livestock, poultry and other animals, which may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, insects, rodents and other pests and other substances and phenomena of every description (collectively, the "Agricultural Effects") to be discharged, emitted, dispersed or transmitted over and upon the Property or the Project which may bother or be a nuisance to the buyer and any person occupying or using the Property, and the buyer also acknowledges that the Hawaii Right to Farm Act (Chapter 165 of the Hawaii Revised Statutes) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance;

(c) Utility Effects. The Property is or may be located adjacent to or in the vicinity of electric, water and other utilities and public roads and thoroughfares, including, without limitation, such things as electrical substations, high-powered electrical transmission lines, water pump stations, water tanks, reservoirs, abandoned fuel lines, freeways and exit ramps

which may result in nuisances, such as lights, noise and dust, disturbances or hazards (collectively, the "Utility Effects") to persons and to property on or within the Property;

(d) Development Effects. (i) The Project is or may be located adjacent to or in the vicinity of a proposed park-and-ride facility, a proposed child care facility, a proposed Times store, a proposed Wal-Mart store, two rental apartment sites, two proposed golf course sites, a proposed park, Kulana Knolls - Phase I, and various construction activities, including, but not limited to, ongoing residential and related construction, proposed construction of future residential subdivisions and roads, commercial and office buildings, land development activities, one or more recreational centers and facilities, one or more golf courses and facilities and other construction and development projects (collectively, the "Proposed Development"); (ii) construction of the Proposed Development will or may result in noise, dust, vibration and other nuisances, disturbances or hazards to buyer and to persons and property on or within the Property or the Project, and may limit buyer access to the Project; (iii) when completed, traffic, lights, noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Property or the Project may be generated from the Proposed Development; (iv) no representations or warranties are made by Seller, its employees or agents concerning plans, or the absence of plans, by Seller or others for future development of adjacent or nearby properties, and any plans for the future development of adjacent and nearby properties by Seller are subject to change in the sole and absolute discretion of the Seller or its successors and assigns; and (v) Seller makes no representations regarding the view from the Property or any view easements or rights, and the views from the Property are not guaranteed and may be altered, diminished, eliminated or blocked entirely by the future development of adjacent or surrounding properties (items (i) through (v) are hereinafter collectively called the "Development Effects");

(e) As to Buyers Under Sales Agreements (120% Income Limit) and Buyers Under Sales Agreements (140% Income Limit) Only: Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh the risks of the Military Effects, the Agricultural Effects, the Utility Effects and the Development Effects (collectively, the "Property Conditions"). Buyer irrevocably agrees to suffer and permit all actions and consequences incidental to the Military Effects, the Agricultural Effects and the Utility Effects. Buyer irrevocably agrees to suffer and permit all actions and consequences incidental to the Development Effects, for a period of ten (10) years after the date of recordation of the respective Apartment

Deed. Buyer covenants and agrees to assume all risks of impairment of buyer's use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from the Property Conditions, and buyer, for the buyer and the buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Property through the buyer for an extended period of time (collectively, the "Occupants"), waives any claims or rights of action or suits against Seller, its successors and assigns, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from one or more of the Property Conditions. Buyer shall indemnify, hold harmless and defend Seller, its successors and assigns, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, or property damage or personal injury to the property or person of the Occupants as a result of one or more of the Property Conditions. Buyer further covenants that buyer will notify all Occupants and transferees of the Property of the risks of the Property Conditions.

(f) <u>As to Buyers Under Sales Agreements (Market Housing) Only</u>: Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh the risks of the Military Effects, the Agricultural Effects, the Utility Effects and the Development Effects (collectively, the "Property Conditions"). Buyer irrevocably agrees to suffer and permit all actions and consequences incidental to the Military Effects, the Agricultural Effects and the Utility Effects. Buyer irrevocably agrees to suffer and permit all actions and consequences incidental to the Development Effects. Buyer covenants and agrees to assume all risks of impairment of buyer's use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from the Property Conditions, and buyer, for the buyer and the buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Property through the buyer for an extended period of time (collectively, the "Occupants"), waives any claims or rights of action or suits against Seller, its successors and assigns, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from one or more of the

Property Conditions. Buyer shall indemnify, hold harmless and defend Seller, its successors and assigns, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, or property damage or personal injury to the property or person of the Occupants as a result of one or more of the Property Conditions. Buyer further covenants that buyer will notify all Occupants and transferees of the Property of the risks of the Property Conditions; and

(g) Additional Disclosures.

(i) During the normal course of soils investigations on the Property and on lands adjacent to the Property, test borings indicated the presence of organic and metal materials in some areas. Organic materials, agricultural waste and debris found under certain portions of the Property and/or lands adjacent to the Property were removed and replaced with compacted fill.

(ii) An underground concrete and rock structure located within the Property or on lands adjacent to the Property was uncovered during construction. The structure was filled with gravel and concrete and covered with compacted fill.

(iii) The Project is located adjacent to or in the vicinity of a park. The Seller does not intend to construct a fence along the boundary of the park. If the park is dedicated to the City and County of Honolulu, it may construct a fence around the park in the future; however, the Seller makes no representations that such a fence will be constructed. Lights, noise and other nuisances, disturbances or hazards to persons or property within the Property or the Project may be generated from the park.

(iv) Illumination from street lights and other exterior lights may result in nuisances to persons within the Property or the Project.

(v) Low volume flush capacity toilets required under current building codes and the location of the plumbing within the Project may generate noise which disturbs persons within the Property or the Project. In addition, the low volume flush capacity toilets may require additional flushing.

(vi) The underground drainage structure which is used by the Association and by the owner(s) of Lot 1, as shown on

File Plan 2104 filed in the Bureau of Conveyances of the State of Hawaii, is substantially within the designated easement area; however, a portion of the underground drainage structure lies within the Property outside of the designated easement area.

(vii) Seller has agreed with the City and County of Honolulu (acting through its Department of Housing and Community Development) (i) that Seller will offer certain apartments in the Project initially to eligible owner-occupants whose income does not exceed 120% of the median income (adjusted for family size) for the City and County of Honolulu, with certain restrictions on use and transfer of such apartments, (ii) after certain periods of time have expired, Seller may offer certain apartments in the Project to eligible owner-occupants whose income does not exceed 140% of the median income (adjusted for family size) for the City and County of Honolulu, with certain restrictions on use and transfer of such apartments, and (iii) after certain additional periods of time have expired, Seller may offer certain apartments in the Project to the general public, without restrictions on use and transfer of such apartments.

12. If buyer fails to make any payment when it is due or fails to keep any of buyer's other promises or agreements contained in the Sales Agreement, then Seller will have the right, at Seller's sole option and in addition to any other rights contained in the Sales Agreement, to do any one or more of the following:

(a) Seller may cancel the Sales Agreement by giving buyer written notice of cancellation and Seller may keep all sums paid by buyer under the Sales Agreement as liquidated damages. If Seller cancels the Sales Agreement, buyer agrees that it will be difficult and expensive to determine the amount of loss or damage Seller will suffer. This is because of, among other things, Seller's commitments relating to the financing of the Project, the effect of default and cancellation of one sale on other apartment sales, and the nature of the real estate market in Hawaii. Buyer agrees that the sums paid by buyer under the Sales Agreement are a reasonable estimate of a fair payment to Seller for Seller's loss or damage resulting from buyer's default.

(b) Seller may file a lawsuit for damages.

(c) Seller may file a lawsuit for "specific performance" (in other words, a lawsuit to make buyer keep all of buyer's promises and agreements).

(d) Seller may take advantage of any other rights which the law allows or which Seller may have under the Sales Agreement.

Buyer also agrees to pay for all costs, including Seller's reasonable lawyers' fees (for both in-house and outside counsel) and the escrow cancellation fee, which are incurred because of buyer's default.

13. If Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, buyer may require Seller to go through with the Sales Agreement or buyer may cancel the Sales Agreement. If buyer cancels the Sales Agreement because of Seller's default, Seller will repay to buyer all sums paid by buyer to Seller or Escrow under the Sales Agreement, without interest.

BUYER AGREES THAT IF SELLER DEFAULTS UNDER THE SALES AGREEMENT AT ANY TIME, BUYER WILL ONLY HAVE THE RIGHTS MENTIONED IN THIS SECTION. BUYER GIVES UP ANY OTHER RIGHTS BUYER MIGHT OTHERWISE HAVE.

NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

Copies of the Escrow Agreement between the Seller and Long & Melone Escrow, Ltd. have been submitted to the Real Estate Commission and are available for inspection in the Sales Office of the Seller. The Escrow Agreement, among other things, covers in more detail the following items:

1. All monies received by Escrow under the Escrow Agreement will be deposited within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sums in a special account or accounts with a federally insured bank or savings and loan association in Honolulu, Hawaii. The accounts must provide for interest at the prevailing interest rate, and all interest paid on the accounts will belong to Seller.

2. Disbursements from the buyer's escrow fund shall be made by Escrow in accordance with the respective sales contracts upon the direction of Seller.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.

CONDOMINIUM PUBLIC REPORT ON
KULANA KNOLLS - PHASE II

EXHIBIT K

SUMMARY OF ROYAL KUNIA COVENANTS

Apartment owners, tenants and occupants of apartments in the Project are subject to the Declaration of Protective Covenants for Royal Kunia Community dated April 17, 1989, recorded in the Bureau of Conveyances of the State of Hawaii in Book 23083 at page 509, as amended by instrument dated January 29, 1990, recorded in said Bureau as Document No. 90-013425, by instrument dated February 13, 1992, recorded in said Bureau as Document No. 92-032688, by instrument dated August 3, 1992, recorded in said Bureau as Document No. 92-125987, by instrument dated August 3, 1992, recorded in said Bureau as Document No. 92-125990 and by Amended and Restated Declaration of Protective Covenants for Royal Kunia Community dated March 18, 1994, recorded in said Bureau as Document No. 94-049225, and as further amended from time to time (the "Royal Kunia Covenants"). ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE ROYAL KUNIA COVENANTS IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Royal Kunia Covenants, among other things, cover in more detail the following items:

1. All buyers automatically become a member of the Royal Kunia Community Association upon issuance of the Apartment Deed to buyer, and buyer must pay dues to the Royal Kunia Community Association. At this time, it is anticipated that these dues will be payable monthly in the amount of $38.00. An initiation assessment must also be paid to the Royal Kunia Community Association.

2. All buyers and future owners of the Property are bound by various restrictions, including, but not limited to, restrictive covenants pertaining to the use of areas within Royal Kunia and the construction of improvements.

3. A Declarant under the Royal Kunia Covenants ("Declarant") may annex additional property owned by such Declarant in the Hoaeae and Waikele area to Royal Kunia. The Royal Kunia Community Association may also annex adjacent property subject to certain approval rights of voting members. Kunia Residential Partners and Halekua Development Corporation are currently the Declarants under the Royal Kunia Covenants.

4. A Declarant may also (i) amend, repeal, add to or limit the effect of any covenants, conditions, limitations or restrictions set forth in Articles III and IV of the Royal Kunia Covenants (concerning land classifications and restrictions on use and improvements) with respect to property in Royal Kunia owned by the Declarant, and (ii) add additional covenants, conditions, limitations and restrictions to any property owned by the Declarant.

5. Each Declarant has reserved the right to exclude from the operation and effect of the provisions of the Royal Kunia Covenants (i) areas which are isolated and separated from the rest of Royal Kunia by natural features such as cliffs, ravines, gullies and streams, including any Condominium Apartment Area, abandoned park sites and phases along the fringe areas of Royal Kunia, or areas determined to be economically not feasible for inclusion within the development, (ii) areas owned by the Declarant, (iii) areas owned by certain agencies, institutions and other organizations, and (iv) areas designated for non-residential development such as commercial, industrial and golf course use.

6. All land within Royal Kunia is classified by area type. Each Declarant has the right to designate and redesignate the areas it develops into the land classifications described in the Royal Kunia Covenants. Each Declarant has reserved the right to change its development plans and land classifications from time to time.

7. The Declarants reserve the right to increase the number of Design Committee members and the Declarant with the most votes may appoint Design Committee members for a specified period of time.

8. Each Declarant is a member of the Royal Kunia Community Association and has voting rights as described in the Royal Kunia Covenants so long as the Declarant owns property within Royal Kunia.

9. The Declarants have the right to convey property to the Royal Kunia Community Association.

10. A Declarant has the right to transfer some or all of its rights under the Royal Kunia Covenants to the Royal Kunia Community Association or anyone who acquires undeveloped land in Royal Kunia.

11. The Royal Kunia Covenants may be amended or repealed as provided in Section 7.04 thereof.

12. The Royal Kunia Community Association has the authority to levy special assessments as set forth in the Royal Kunia Covenants, including, without limitation, special assessments for special projects, services, events, or programs sponsored or managed by the Association and for unbudgeted expenses.

13. The Royal Kunia Community Association may adopt, amend and repeal rules and regulations governing and regulating the activities in Royal Kunia.