CONDOMINIUM PUBLIC REPORT

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

Project Name(*): Streamside at Launani Valley, Phase I
Address: 95-781 (Building A), 95-797 (Building B), 95-833 (Building C), 95-877 (Building D), 95-895 (Building E) and 95-919 (Building F) Wikao Street, Mililani, Hawaii 96789

Registration No. 3190

Effective date: February 5, 1996
Expiration date: March 5, 1997

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

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

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

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] 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.

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

[X] Changes made are as follows:

1. On page 3, the list of exhibits has been changed. There is no longer an Exhibit "F-1" and there is now an Exhibit "M".

2. The Declaration, By-Laws and Condominium Map have been recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii ("Land Court"). The recordation information is noted on page 6.

3. The House Rules have been adopted. See page 7.

4. The description of the underlying land of the Project on page 9 has been revised due to the subdivision of Lot 14595 into five lots. As a result of the subdivision, the underlying land of the Project has a new Tax Map Key number. The land of Project is generally shown on the Condominium Map as the Phase I Area and is comprised of an unsubdivided 28.57% interest in the Property, which Property has an area of 14.046 acres.

5. The description of the apartments on page 11 has been changed. Three (3) new apartment types (L2, M1 and M2) have been created. The quantity of each apartment type has been changed. The net living area of each apartment type has been changed to indicate that the outdoor storage area is no longer included in computing the net living area of an apartment. All of units, excluding K units, have outdoor storage areas of eleven (11) square feet and all K units have outdoor storage areas of thirteen (13) square feet. The net living area of apartment type L1 has been increased three square feet. The above-mentioned changes have also been made to Exhibits "A" and "C", where appropriate.

6. On page 12, the number of the various types of parking stalls have been changed. Exhibit "F" has been revised accordingly.

7. On page 16, the estimated date of completion of the project has been changed to June of 1997.

8. On page 17, the cost of refuse collection is now included as part of the monthly maintenance fees.

9. In Exhibit "B", the developer's reserved rights have been changed.

10. In Exhibit "F", the common interest allocated to each apartment and the parking stalls assigned to each apartment have been changed.

11. Exhibit "H" has been revised to add certain fenced-in yard areas as limited common elements appurtenant to the first floor apartments located adjacent to such yard areas. Due to field conditions, the locations and dimensions of the fenced-in yard areas, as shown on the Condominium Map, may change.

12. The House Rules have been revised to include requirements for the landscaping and maintenance of the fenced-in yard areas and to set forth certain restrictions on use.

13. Exhibit "I" has been revised to list the encumbrances against title set forth in the current title report dated January 5, 1996.

14. The estimate of initial maintenance fees in Exhibit "J" has been changed.

15. In Exhibit "K", the date by which the Seller can cancel the sales contract due to insufficient sales has been changed.

16. The Developer is offering to owner-occupant buyers who purchase an apartment in the Project a "Worry Free Home Ownership Program" (the "Program") at no extra cost to the buyer. Under the Program, if a buyer loses his or her full-time job, through no fault of his or her own, during the first full year following the date of purchase of the apartment, the Developer will make the monthly principal and interest payments on the buyer's first mortgage loan covering the apartment for up to six (6) months. The Program is subject to the terms and conditions set forth in Exhibit "M" attached hereto and made a part hereof.

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EXHIBIT A:	Schedule of Apartments
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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer:

Waihuna Joint Venture
Name
220 S. King St., #680
Business Address
Honolulu, HI 96813

Phone: (808)537-5976
(Business)

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

Waikalani Developers, Inc.
WRD Limited Partnership

Real Estate Broker:

Towne Realty Brokerage Services, Inc.
Name
220 S. King St., #680
Business Address
Honolulu, HI 96813

Phone: (808)537-5976
(Business)

Escrow:

Title Guaranty Escrow Services, Inc.
Name
235 Queen St., 1st Floor
Business Address
Honolulu, HI 96813

Phone: (808)521-0211
(Business)

~~General Contractor:~~ Construction Manager:

Towne Realty of Hawaii, Inc.
Name
P.O. Box 3247
Business Address
Mililani, HI 96789

Phone: (808)625-1461
(Business)

Condominium Managing Agent:

Certified Management
Name
3179 Koapaka St., 2nd Fl.
Business Address
Honolulu, HI 96819

Phone: (808)836-0911
(Business)

Attorney for Developer:

Rush Moore Craven Sutton Morry & Beh
Name
745 Fort St., 20th Fl.
Business Address
Honolulu, HI 96813

Phone: (808)521-0400
(Business)

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed

[ ] Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____

[X] Filed - Land Court: Document No. 2285200

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

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

The Condominium Map for this condominium project is:

[ ] Proposed

[ ] Recorded - Bureau of Conveyances Condo Map No. _____

[X] Filed - Land Court Condo Map No. 1135

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

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

The Bylaws for this condominium are:

[ ] Proposed

[ ] Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____

[X] Filed - Land Court: Document No. 2285201

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

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

The House Rules for this condominium are:

[ ] Proposed [X] Adopted [ ] Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

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

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

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

2. Developer:

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

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

See Exhibit "B"

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer,

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

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

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

For Subleaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] Individual Apartments in Fee Simple: Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually
Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the. buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 95-781 (Building A), 95-797 (Building B), 95-833 (Building C), 95-877 (Building D), 95-895 (Building E), and 95-919 (Building F), Wikao Street, Mililani, Hawaii 96789

Tax Map Key: (1) 9-5-2-por. 25 (TMK)

[ ] Address [X] TMK is expected to change because the property will be subdivided.

Land Area: 14.046* [ ] square feet [X] acre (s) Zoning: R-5

*14.046 acres is the area of the parcel of land comprising the Property. The land of the Project will be comprised of an unsubdivided 28.57% interest in the Property (herein referred to as the "Land") that will be submitted to the condominium property regime created by the Declaration. See Exhibit "B" to this public report for a summary of the Developer's reserved rights to subdivide the Property.

Fee Owner: Waihuna Joint Venture
Name
220 S. King St., #680
Address
Honolulu, HI 96813

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: 6 Floors Per Building 3

[X] Exhibit "C" contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [X] Wood

[ ] Other _____

4. Permitted Uses by Zoning

	No. of Apts.	Use Permitted By Zoning	No. of Apts.	Use Determined By Zoning
[X] Residential	84	[X] Yes [ ] No [ ] Ohana	____	[ ] Yes [ ] No
[ ] Commercial	____	[ ] Yes [ ] No [ ] Industrial	____	[ ] Yes [ ] No
[ ] Mix Res/Comm	____	[ ] Yes [ ] No [ ] Agricultural	____	[ ] Yes [ ] No
[ ] Hotel	____	[ ] Yes [ ] No [ ] Recreational	____	[ ] Yes [ ] No
[ ] Timeshare	____	[ ] Yes [ ] No [ ] Other: _____	____	[ ] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No

5. Special Use Restrictions:

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

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

[ ] Number of Occupants: _____

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

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath.	Net Living Area (sf)*	Lanai/Patio (sf)	Outdoor Storage Area (sf)
J	6	2/1	713	58	11
K	8	2/2	797	59	13
L	16	2/2	834	58	11
L1	24	2/2	873	58	11
L2	6	2/2	834	58	11
M	16	3/2	927	60	11
M1	4	3/2	927	60	11
M 2	4	3/2	927	60	11

Total Apartments: 84

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

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

Boundaries of Each Apartment:
See Exhibit "D"

Permitted Alterations to Apartments:
See Exhibit "E"

7. Parking Stalls:

Total Parking Stalls: 182

	Regular		Compact		Tandem		
	covered	open*	covered	open	covered	open	TOTAL
Assigned (for each unit)	50	48*	20	50	0	0	168
Guest	0	5	0	9	0	0	14
Unassigned	0	0	0	0	0	0	0
Extra for Purchase	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0
Total Covered & Open	103		79		0		

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

[ ] 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.

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

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

[X] Other: Tot Lot

9. Compliance With Building Code and Municipal Regulations: Cost to Cure Violations

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

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

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

N/A

11. Conformance to Present Zoning Code

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

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

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

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

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

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

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

[X] described in Exhibit "G" .

[ ] as follows:

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

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

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

      [X] described in Exhibit "H".

      [ ] as follows:

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

   [X] described in Exhibit "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 "I" describes the encumbrances against the title contained in the title report dated January 5, 1996 and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Buyer's contract will be cancelled and Buyer's deposit will be returned. Buyer may lose all rights to acquire the apartment.

F. Construction Warranties:

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

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

2. Appliances:

See Section F.1 above.

G. Status of Construction and Estimated Completion Date:

Site work for the Project has commenced. It is estimated that construction on this Project will be completed on or before June, 1997.

H. Project Phases:

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

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

See Exhibit "B".

IV. CONDOMINIUM MANAGEMENT

A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, an 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 developers 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 "J" 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 area only)	[ ] Gas	[X] Water
[X] Sewer	[ ] Television Cable	[x] Other Refuse Collection	

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[X] Notice to Owner Occupants

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

[X] Escrow Agreement dated September 12, 1994
Exhibit "L" contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

   A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
   B) Declaration of Condominium Property Regime.
   C) Bylaws of the Association of Apartment Owners.
   D) House Rules.
   E) Condominium Map.
   F) Escrow Agreement.
   G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
   H) Other Declaration of Covenants, Conditions and Restrictions for Launani Valley, as amended, Articles of Association of Launani Valley Community Association and By-Laws of Launani Valley Community Association

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. 0. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3190 filed with the Real Estate Commission on 10/7/94.

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

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

C. Additional Information Not Covered Above

Launani Valley

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

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

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

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

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

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

Wheeler Army Airfield

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

Affordable Housing

Pursuant to Ordinance No. 86-72 of the City and County of Honolulu, the Developer, in conjunction with the Department of Housing and Community Development of the City and County of Honolulu (the "City"), will offer the following fourteen (14) apartments of the Project for sale as affordable housing units: C-103, C-104, C-203, C-204, C-303, C-304, F-102, F-103, F-104, F-201, F-203, F-204, F-303 and F-304.

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

None of the apartments to be sold as affordable housing units in the Project are included among the 70 apartments which are being offered to owner-occupants pursuant to Part VI of the Hawaii Condominium Property Act (Hawaii Revised Statutes, Chapter 514A, as amended).

Affiliations

Waikalani Developers, Inc. (one of the partners of Waihuna Joint Venture, the developer of the project), Towne Realty of Hawaii, Inc. (the construction manager), and Towne Realty Brokerage Services, Inc. (the real estate broker) are each wholly owned subsidiaries of Towne Development of Hawaii, Inc.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

WAIHUNA JOINT VENTURE
Name of Developer

By: _____ Jan. 12, 1996
Duly Authorized Signatory — Date

Christopher L. Lau, Vice President of Waikalani Developers, Inc.
print name & title of person signing above

Distribution:

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

EXHIBIT "A"

Apt. No.	Apt. Type	Interior Area	Storage Area	Lanai Area	Total Area
Building A (Type IV)					
A-101	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
A-102	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
A-103	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	942 sq. ft.
A-104	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	942 sq. ft.
A-105	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
A-106	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
A-201	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
A-202	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
A-203	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
A-204	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
A-205	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
A-206	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
A-303	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
A-304	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
Building B (Type IV)					
B-101	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
B-102	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
B-103	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
B-104	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
B-105	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
B-106	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
B-201	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
B-202	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
B-203	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
B-204	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
B-205	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
B-206	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
B-303	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
B-304	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
Building C (Type III)					
C-101	M1	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
C-102	M2	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
C-103	L2	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
C-104	L2	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
C-105	M2	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
C-106	M1	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.

Apt. No.	Apt. Type	Interior Area	Storage Area	Lanai Area	Total Area
C-201	M1	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
C-202	M2	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
C-203	L2	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
C-204	L2	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
C-205	M2	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
C-206	M1	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
C-303	L2	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
C-304	L2	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
Building D (Type IV)					
D-101	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
D-102	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
D-103	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
D-104	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
D-105	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
D-106	M	927 sq. ft.	11 squ ft.	60 sq. ft.	998 sq. ft.
D-201	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
D-202	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
D-203	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
D-204	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
D-205	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
D-206	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
D-303	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
D-304	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
Building E (Type IV)					
E-101	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
E-102	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
E-103	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
E-104	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
E-105	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
E-106	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
E-201	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
E-202	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
E-203	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
E-204	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
E-205	L	834 sq. ft.	11 sq. ft.	58 sq. ft.	903 sq. ft.
E-206	M	927 sq. ft.	11 sq. ft.	60 sq. ft.	998 sq. ft.
E-303	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.
E-304	L1	873 sq. ft.	11 sq. ft.	58 sq. ft.	939 sq. ft.

Apt. No.	Apt. Type	Interior Area	Storage Area	Lanai Area	Total Area
Building F (Type I)					
F-101	K	797 sq. ft.	13 sq. ft.	59 sq. ft.	869 sq. ft.
F-102	K	797 sq. ft.	13 sq. ft.	59 sq. ft.	869 sq. ft.
F-103	J	713 sq. ft.	11 sq. ft.	58 sq. ft.	782 sq. ft.
F-104	J	713 sq. ft.	11 sq. ft.	58 sq. ft.	782 sq. ft.
F-105	K	797 sq. ft.	13 sq. ft.	59 sq. ft.	869 sq. ft.
F-106	K	797 sq. ft.	13 sq. ft.	59 sq. ft.	869 sq. ft.
F-201	K	797 sq. ft.	13 sq. ft.	59 sq. ft.	869 sq. ft.
F-202	K	797 sq. ft.	13 sq. ft.	59 sq. ft.	869 sq. ft.
F-203	J	713 sq. ft.	11 sq. ft.	58 sq. ft.	782 sq. ft.
F-204	J	713 sq. ft.	11 sq. ft.	58 sq. ft.	782 sq. ft.
F-205	K	797 sq. ft.	13 sq. ft.	59 sq. ft.	869 sq. ft.
F-206	K	797 sq. ft.	13 sq. ft.	59 sq. ft.	869 sq. ft.
F-303	J	713 sq. ft.	11 sq. ft.	58 sq. ft.	782 sq. ft.
F-304	J	713 sq. ft.	11 sq. ft.	58 sq. ft.	782 sq. ft.

END OF EXHIBIT "A"

EXHIBIT "B"

DEVELOPER'S RESERVED RIGHTS

A. RESERVED RIGHT TO DEVELOP, CONSTRUCT AND MERGE ADDITIONAL RESIDENTIAL CONDOMINIUM PROJECTS

The Developer reserved rights to develop, construct and merge additional residential condominium projects with the Project in Section 20 of the Declaration of Condominium Property Regime (the "Declaration"). The provisions of Section 20 are summarized below.

1. Reserved Right to Develop Additional Residential Condominium Projects. Notwithstanding any other provision in the Declaration to the contrary, the Developer, its successors and assigns, reserves the right, but shall not be obligated, at any time and from time to time prior to December 31, 2002, to develop such additional residential condominium projects as the Developer may desire, to the extent permitted by applicable law, in the areas designated and approximately shown on the Project Location Map as the "Phase II Area" and the "Phase III Area". Specifically, but not in limitation of the generality of the foregoing, the Developer presently plans: (i) to develop up to one hundred twelve (112) additional residential apartments and related common elements in the Phase II Area, and (ii) to develop up to ninety-eight (98) additional residential apartments and related common elements in the Phase III Area (said additional residential condominium projects are herein referred to, respectively, as "Phase II" and "Phase III"). The Developer further reserves the right to modify the present plan of project development by varying the mix and/or number of apartments in any additional condominium project; by modifying, deleting and/or adding apartment types; and/or by modifying, deleting and/or adding types of common elements. Developer shall further have the reserved right to execute and file a declaration of condominium property regime (herein referred to as "declaration") and condominium map to create any additional condominium projects.

2. Subdivision of Property. The Developer may (but shall not be obligated to) subdivide the Property so that the Project and/or any other condominium project developed on the Property will be located on a parcel of land that constitutes a separate, legally subdivided lot. The Developer may exercise the reserved rights contained in Section 20.2 of the Declaration in

connection with the exercise of its reserved rights in Section 21 of the Declaration.

3. No Obligations Regarding Phase II or Phase III. Nothing in the Declaration shall be construed as a representation or warranty by Developer that Phase II or Phase III will be developed, nor shall anything herein require the Developer to develop Phase II or Phase III.

4. Construction of Additional Projects. Developer, its contractors and subcontractors, and their respective employees and agents, shall have the right, and an easement in favor of the Developer and its successors and assigns is hereby granted at any time, and from time to time prior to December 31, 2002 to enter upon and use the common elements of the Project, the Phase II Area and the Phase III Area and to engage in certain activities described herein reasonably necessary, desirable or useful for designing, developing, constructing or completing any additional condominium project located within the Phase II Area or the Phase III Area, connecting the same to the utility installations of the Project, and selling the apartments contained within said additional condominium project(s), upon and subject to the following terms and conditions:

(a) Any additional condominium project, if constructed, shall be constructed in accordance with plans and specifications prepared by a licensed architect and, with respect to quality of construction, shall be consistent with the Project in terms of quality of construction.

(b) Developer shall have the right to designate, delete, relocate, realign, reserve, and to grant easements and rights-of-way for the use of any additional condominium project over, across, under and through the common elements of the Project for electrical, gas, telephone, water, sewer, drainage, and other public services and utilities and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof; provided, that such easements and rights-of-way do not materially and adversely interfere with the use, nor materially and adversely impair the value of the Project or any apartment in it; provided further that in connection with the installation, maintenance, repair, alteration, or removal of such lines and facilities pursuant to rights-of-way and other easements granted hereunder, the Developer must require that the common elements be restored promptly at the expense of the party owning and exercising such easement right.

(c) The Developer, its contractors and subcontractors, and their respective employees and agents, shall not, in their pursuit of the development of any additional condominium project, cause any interruption other than a temporary interruption in the service of utilities to the Project and shall use reasonable efforts, without additional cost to the Developer and consistent with maintaining the progress of the design, development, construction, completion and sale, to minimize interference with the apartment owners' use and enjoyment of the Project.

(d) Each and every person acquiring an interest in any apartment of the Project acknowledges, accepts and agrees that construction and sales activity for the Project and/or for any additional condominium projects may continue within the Phase I Area, the Phase II Area, and the Phase III Area, as well as on adjacent land, after such person has taken occupancy or after such person has acquired his or her interest, that such activity or activities may result in noise, dust or other annoyances to him, as well as hazards and potentially dangerous conditions, and such persons agree to stay out of any areas that are under development or construction or being used for sales activities and which are fenced or posted to exclude, restrict or otherwise control access; and also waives, releases and discharges any rights, claims or actions he may acquire against the Developer, its lenders and contractors and their respective subcontractors and agents, and their respective successors and assigns, as a result of any such activity or any failure to stay out of such restricted areas, and does further hereby waive any rights, claims or actions that such person may have or acquire against the Developer, its contractors, subcontractors and their respective agents and employees as a result of such activity or activities.

(e) The Developer, its brokers, sales agents, employees and other related persons shall have an easement over the Property and any common element areas of the Project created thereon, to conduct sales activities with respect to any apartment developed within the Phase I Area, Phase II Area or Phase III Area or within any land located near or adjacent to the Project. This right shall include, without limitation, showing the Project to potential buyers, operating model apartments, sales and sales administration offices, conducting lotteries at the Project and placing signs or banners at the Project. Each and every party acquiring an interest in the Project hereby acknowledges that such activity may result in noise and nuisances, and consents to such activity by the Developer, and further waives, releases and discharges any rights, claims or actions such person may acquire

against the Developer, its brokers, sales agents, employees and lenders, and their respective successors and assigns as a result of any such activity or activities.

5. Merger and Consequences of Merger. At any time or times prior to December 31, 2002, Developer reserves the right, but shall not be obligated, to merge the Project and any additional condominium project(s) including, without limitation, Phase II and/or Phase III, as though the projects had been developed as a single project. Developer may effect said merger as follows:

Each such merger shall take effect with respect to a particular additional condominium project upon the occurrence of all of the following conditions with respect thereto:

(a) Recordation in the Land Court by the Developer of a declaration and by-laws covering the additional project in a form substantially similar hereto (except for the descriptions of apartments, the common elements and the percentage of common interest appurtenant to each apartment and except for such matters as may be required to conform to any amendments of the Act enacted subsequent to the recordation hereof) and a condominium map depicting the plot and floor plans and elevations of the additional project, all complying with the requirements of the Act; and

(b) Recordation in the Land Court by the Developer of a "Certificate of Merger", which certificate shall contain:

(i) A certification by a Hawaii registered architect or professional engineer, in the manner required by Section 514A-12 of the Act, that the plans theretofore filed for the condominium projects being merged, or being filed simultaneously with such certificate, accurately depict the layout, location, apartment numbers, dimensions and elevations of the apartments of said projects being merged, as built;

(ii) A certification by the Developer that the additional condominium project has been substantially completed, that a notice of completion has been filed, and that the period for filing of mechanics' and materialmen's liens has expired or, if not expired, that the Developer has obtained a title policy insuring against all such liens or the Developer has guaranteed the payment of all liens which may be filed prior to the expiration of the period;

(iii) A certification by the Developer that all real property taxes and assessments due from the additional condominium project being merged and for which the Developer is liable have been paid;

(iv) The revised common interest of each apartment of the merged project after completion of the merger of the Project with the additional condominium project(s); and

(v) Such other matters as the Developer deems necessary or appropriate or as are required by law to effectuate the merger of said projects and/or the operation of the merged projects as a single condominium project.

The Developer expressly reserves the right to file a Certificate of Merger and/or any amendment to the Declaration and/or the Condominium Map for the Project and to the declaration and/or condominium map for any additional condominium project(s) being merged to describe any changes to the apartments or common elements therein described at any time or times prior to December 31, 2002, notwithstanding the lease, sale or conveyance of any or all of the apartments in any of the projects being merged, and Developer may execute, file and deliver any such Certificate of Merger and/or any amendment to the Declaration and/or the Condominium Map for the Project and any amendment to the declaration and/or the condominium map for any additional condominium project(s) and to such apartment deeds as may have been issued, and any and all other instruments necessary or desirable for the purpose of carrying out the provisions or exercising the rights, powers, or privileges herein reserved to the Developer. Each and every party acquiring an interest in the Project by such acquisition, consents to all such mergers of the Project with such additional condominium project(s), and to the execution, filing and delivery of such documents as may be necessary to effect the same.

The Developer expressly reserves the right to grant to the owners of apartments in Phase II and Phase III, if and when such projects are constructed, and to such owners' families, tenants, and guests, a temporary license to use the swimming pool and pool building of this Project during the interim period starting from the completion and occupancy of such apartments and ending upon the recordation of said Certificate of Merger merging this Project with Phase II and/or Phase III.

6. Consequences of Merger. Developer is under no obligation by the terms hereof to develop any condominium project

in addition to this Project or to merge any additional condominium project with this Project. If the Developer should, however, in its sole discretion, elect to develop any additional condominium project(s) and to merge the same with this Project, then, from and after the date of the recordation of said Certificate of Merger with respect to the Project and the additional condominium project(s), the following consequences shall ensue:

(a) Condominium Documentation. Unless and until the Developer exercises its right to record one amended declaration and by-laws to govern all of the merged projects as provided for in Section 20.7 of the Declaration, the Declaration, the By-Laws and the House Rules promulgated thereunder, and any declaration, by-laws and house rules pertaining to any additional condominium project shall continue in effect and shall continue to apply to the respective project, provided that in any event of conflict, the provisions of the declaration and by-laws, and the house rules promulgated thereunder, for Streamside at Launani Valley, Phase I, shall control. All rights reserved in favor of Developer set forth in the Declaration shall apply to the merged projects to the same extent as though the merged projects had been developed initially as a single project.

(b) Ownership of Apartments. Except to the extent that the same may have been previously conveyed by the Developer, the Developer shall for all purposes be deemed the owner of the newly merged apartments and the common interest and other rights and easements appurtenant to such apartments prior to and from the time the merger takes effect until the apartments have been conveyed to other parties.

(c) Use of Common Elements. The owners of apartments in each of the merged projects shall have the right to use the common elements in each project to the same extent and subject to the same limitations as are imposed upon an owner of an apartment in each project as though the merged projects had been developed initially as a single project.

(d) Common Interests. The percentage of common interest appurtenant to each apartment in the merged projects shall be recalculated so that such percentage is equal to a fraction, the numerator of which is the net living area of the apartment (excluding the storage area and lanai) and the denominator of which is the total net living area of all apartments (excluding the storage areas and lanais) in the merged projects, which percentage shall then be rounded off and/or adjusted in such a manner that each common interest will be

reflected as a number having no more than five digits following the decimal point and so that the sum of the common interests of all apartments in the merged projects shall total one hundred percent (100%).

Each apartment's common interest shall constitute such apartment's proportionate share in the common elements, profits and common expenses of the merged project following the merger, and such apartment's proportionate representation for all other purposes, including voting in said merged project; provided, however, that the apartments in any new project being merged into a previously completed project shall not be assessed nor shall they have any obligation with respect to debts or obligations that are incurred for the exclusive benefit of such previously completed project and that are incurred prior to the recordation in the Land Court of the Certificate of Merger merging said projects, all such debts or obligations not being "common expenses" of the merged project, but rather, obligations of the owners of apartments in the previously completed project as constituted prior to merger.

(e) Association and Board of Directors. There shall be only one association of apartment owners, one board of directors, one managing agent and one (except as provided in subparagraph d above) common fund, in the manner provided for in the By-Laws. Any contract for the Managing Agent shall provide: (i) that the Managing Agent shall act for the merged projects on the same terms and conditions and for the same or lesser fee per apartment; and (ii) that if at the time of any merger and the filing of the necessary documents to effect the same, the Managing Agent should be unable or unwilling to act as the managing agent for the merged projects, such contract shall automatically terminate; provided however that the Managing Agent shall continue in its capacity as the managing agent for such period, not exceeding 60 days, as determined in the sole discretion of the Board of Directors to be necessary to effect an orderly transition of duties and authority to the new managing agent.

Notwithstanding any provision in any document, within 60 days following each merger and the filing of the necessary documents to effect the same, a special meeting of the single association of all of the merged projects shall be held to elect a new board of directors to replace the existing board(s) of directors. The procedure for calling and holding such meeting shall be as provided in the By-Laws. During the 60-day interim period the existing boards of directors of the projects that have

been merged shall have full authority to conduct the affairs of their respective associations of apartment owners.

(f) Name of Projects. All merged projects shall also take the name "Streamside at Launani Valley".

7. Amended Declaration and By-Laws Covering Merged Projects. After completion of the merger of the Project with an additional project, the Developer shall have the irrevocable right, but shall not be obligated, to amend the declaration and by-laws for each project in their entirety so that there shall be one amended declaration and by-laws for the merged projects for the purpose of setting forth a consolidated description of the land, buildings, apartments, common elements, limited common elements and common interests of the project following the merger, and of incorporating into such amended declaration and by-laws any statutory requirements enacted subsequent to the recordation of this Declaration and the By-Laws of the Project, without materially changing the form or content of such Declaration and By-Laws. After the last additional condominium project is merged with the Project, the amended declaration shall omit the provisions of Section 20.

8. Reserved Rights and Power of Attorney. The Developer may exercise any of its reserved rights set forth in Section 20 without being required to obtain the approval, consent or joinder of any person or group of persons, including, without limitation, the Association, any apartment owner, lien holder or any other person who may have an interest in any apartment or in the Project. Every apartment owner and all holders of liens affecting any of the apartments of the Project and each and every other party acquiring an interest in the Project, or any part thereof, by acquiring any such apartment, lien or other interest, consent and agree that they shall, if required by law or by the Developer, join in, consent to, execute, deliver and file the following: (i) all instruments and documents necessary or desirable to effect the creation of any additional condominium projects as provided for in Section 20, including the execution, delivery and filing of a separate declaration and condominium map therefor and/or an amendment to the Declaration and the Condominium Map for the Project and/or petitions to the Land Court of the State of Hawaii; (ii) all instruments and documents necessary or desirable to effect the granting of easements and/or rights-of-way as provided for in Section 20; (iii) all instruments and documents as may be necessary or desirable to effect the merger of the Project with any additional condominium project(s) including, but not limited to, a Certificate of Merger and/or

amendment of the declaration of each project to be merged and/or an amended declaration covering the merged projects and which Certificate of Merger, amendment and/or amended declaration shall change the percentage of common interest appurtenant to each apartment in the merged projects as provided for in Section 20; and (iv) any and all other instruments and documents as may be necessary or convenient to effectuate any other reserved right in favor of the Developer provided for in Section 20. The Association and each apartment owner, lien holder and other person having any interest in any apartment or in the Project hereby appoint the Developer and its assigns their attorney-in-fact with full power of substitution to execute, deliver and file such documents and to do such things on their behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by the disability of any such party; and which grant of such power shall be binding upon any assign of or successor-in-interest to any such party and shall be deemed to be automatically granted anew by any assign or successor-in-interest upon the transfer of any such apartment, lien or interest, whether by deed, mortgage, or any other instrument of conveyance.

The rights reserved to the Developer in Section 20 shall be covenants running with the land and shall inure to the benefit of and be binding upon the Developer and its successors and assigns, the Association and each apartment owner or any lien holder or any other person with an interest in the Project or any apartment and their respective heirs, personal representatives, successors, successors in trust and assigns. The Developer shall have the right to transfer, assign, hypothecate, mortgage or otherwise dispose of such reserved rights without the consent or approval of the Association, any apartment owner or any lien holder or any other person who may have an interest in the Project or any apartment.

The rights reserved to the Developer in Section 20 may not be impaired or affected by any amendment to the Declaration, except as specifically provided in Section 20 and with the prior written consent of Developer.

B. RESERVED RIGHT TO SUBDIVIDE AND WITHDRAW LAND

1. The Developer also reserved the right in Section 21 of the Declaration to subdivide and withdraw from the condominium property regime certain land currently constituting a part of the Property. Section 21 provides that notwithstanding any other provision in the Declaration to the contrary, the Developer

reserves the right, but shall not be obligated, to subdivide and withdraw from the operation of the Declaration all or any portion of the land designated and approximately shown on the Project Location Map as the Phase II Area and the Phase III Area, which right shall be exercisable at any time or times up to but not later than December 31, 2002. The Developer may exercise its reserved right contained in Section 21 in connection with the exercise of its reserved rights in Section 20 of the Declaration.

2. The Developer, its successors and assigns, also reserves the right to enter and go upon the Property to do all things necessary to effectuate such subdivision and withdrawal of the Phase II Area and/or the Phase III Area or portions thereof, including (without limitation) making surveys to undertake a reasonable realignment of the boundaries of the Phase I Area, Phase II Area and Phase III Area (it being understood that the Developer shall have the reserved right to effect any such realignment), and to facilitate the granting, reserving, adding, deletion, reception, realignment and/or relocating of easements and/or rights of ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways, and of all other required easements. The subdivision and withdrawal of the Phase II Area or the Phase III Area, or portions thereof, shall be subject to, and the Developer shall, at its own expense, comply with, all of the then-applicable governmental laws and rules and regulations, including subdivision requirements.

3. In connection with the exercise of its right to subdivide and withdraw hereunder, Developer reserves the right at its expense and for the benefit of this Project and/or the Phase II Area and/or the Phase III Area, to (i) grant, reserve, add, delete, receive, realign and/or relocate over, across and under the Phase I Area and/or the Phase II Area and/or the Phase III Area, as appropriate, easements and/or rights of ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, access, driveways, parking areas and roadways, and walkways, and (ii) relocate or realign any existing easements and rights of way over, across and under the Phase I Area and/or the Phase II Area and/or the Phase III Area, as appropriate, including, without limitation, any existing utilities, sanitary and storm sewer lines and cable television lines and connect the same over, across and under the Phase I Area and/or the Phase II Area and/or the Phase III Area, provided that such easements and such relocations and connections of lines shall not materially and adversely impair or interfere with the use of any apartment in the Project.

4. Upon each exercise of said reserved right to subdivide and withdraw, Developer shall, at Developer's expense and without being required to obtain the consent or joinder of the Association, any apartment owner, lienholder, or any other person who may have an interest in the Project, execute and file in the Land Court, a Petition for Subdivision (and, to the extent deemed necessary or approved by Developer, for Designation of Easements) and an amendment to the Declaration and Condominium Map: (i) describing the withdrawn land and any Improvements thereon; (ii) describing the realigned boundaries of the Property and the Land; and (iii) where applicable and appropriate, granting, reserving or relocating easements over, under and on the common elements as permitted by Section 21.3 of the Declaration.

Each and every party acquiring an interest in the Project, by such acquisition, consents to the subdivisions and withdrawals provided for in Section 21 of the Declaration, and/or the granting, reserving or relocation of easements and/or rights of ways, and to the amendment or amendments of the Declaration and the Condominium Map and the filing thereof in the Land Court to effect the same; agrees to join in, consent to, execute, deliver and file such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its assigns such party's attorney-in-fact with full power of substitution to execute, deliver and file such documents and instruments and to do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties; and which grant of such power shall be binding upon any assign of or successor-in-interest to any such party and shall be deemed to be automatically granted anew by any assign or successor-in-interest upon any transfer of an apartment in the Project or any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

5. The exercise by Developer of the right to subdivide and withdraw all or any portion of the Property shall not in any way limit or be deemed to limit Developer's full use of the Phase II Area and/or the Phase III Area upon withdrawal, including developing the Phase II Area and/or the Phase III Area and constructing thereon any apartment, affordable housing, condominium or other buildings and structures permitted by the governmental laws and ordinances then in effect. Notwithstanding any such subdivision and withdrawal, the Developer will retain the reserved right to construct any additional project and to merge

any additional project to the Project in accordance with the procedures set forth in Section 20 of the Declaration.

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

The foregoing rights reserved to the Developer may not be impaired or affected by any amendment to the Declaration, except as specifically provided in Section 21 of the Declaration and with the prior written consent of the Developer.

C. RESERVED RIGHT TO OBTAIN VA APPROVAL

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

D. RESERVED RIGHT TO FILE AS-BUILT CERTIFICATE

Notwithstanding any other provision in the Declaration to the contrary, the Developer reserves and shall have the right to amend the Declaration without the consent or joinder of the

persons then owning or leasing the apartments or their mortgagees by filing an amendment to the Declaration pursuant to the provisions of section 514A-12, Hawaii Revised Statutes, as amended, after completion of construction of the buildings of the Project by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built.

END OF EXHIBIT "B"

EXHIBIT "C"

DESCRIPTION OF APARTMENTS

The apartments of the Project are described as follows:

Eighty-four (84) separate condominium apartments are designated in the spaces within the perimeter and party walls, windows, doors, floors and ceilings of each of the eighty-four (84) apartments of the Project, contained in six (6) three-story buildings, all without basements, constructed principally of wood, concrete and glass, which spaces are referred to herein as "apartments", as shown on the Condominium Map and more particularly described below.

(a) The buildings are designated as Buildings A, B, C, D, E and F, as shown on the Condominium Map. Each building contains fourteen (14) apartments. There are three (3) types of buildings as shown on the Condominium Map and described as follows:

(i) Building F is a three-story Type I building. A Type I building contains six (6) Type J apartments, which have the numerical designations 103, 104, 203, 204, 303 and 304, and eight (8) Type K apartments which have the numerical designations 101, 102, 105, 106, 201, 202, 205 and 206.

(ii) Building C is a three-story Type III building. A Type III building contains six (6) Type L2 apartments, which have the numerical designations 103, 104, 203, 204, 303 and 304, four (4) Type M1 apartments, which have the numerical designations 101, 106, 201 and 206 and four (4) Type M2 apartments, which have the numerical designations 102, 105, 202 and 205.

(ii) Buildings A, B, D and E are three-story Type IV buildings. Each Type IV building contains four (4) Type L apartments, which have the numerical designations 102, 105, 202 and 205, six (6) Type L1 apartments, which have the numerical designations 103, 104, 203, 204, 303 and 304 and four (4) Type M apartments, which have the numerical designations 101, 106, 201 and 206.

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

(c) The apartments are constructed according to eight (8) different floor plans as shown on the Condominium Map and described as follows:

(i) There are six (6) Type J apartments, each containing two bedrooms, one bathroom, a living/dining room and a kitchen, with a net living area of approximately 713 square feet, an outdoor storage area of approximately 11 square feet and an appurtenant lanai with a floor area of approximately 58 square feet.

(ii) There are eight (8) Type K apartments, each containing two bedrooms, two bathrooms, a living room, a dining room and a kitchen, with a net living area of approximately 797 square feet, an outdoor storage area of approximately 13 square feet and an appurtenant lanai with a floor area of approximately 59 square feet.

(iii) There are sixteen (16) Type L apartments, each containing two bedrooms, two bathrooms, a living/dining room and a kitchen, with a net living area of approximately 834 square feet, an outdoor storage area of approximately 11 square feet and an appurtenant lanai with a floor area of approximately 58 square feet.

(iv) There are twenty-four (24) Type L1 apartments, each containing two bedrooms, two bathrooms, a living/dining room and a kitchen, with a net living area of approximately 873 square feet, an outdoor storage area of approximately 11 square feet and an appurtenant lanai with a floor area of approximately 58 square feet.

(v) There are six (6) Type L2 apartments, each containing two bedrooms, two bathrooms, a living/dining room and a kitchen, with a net living area of approximately 834 square feet, an outdoor storage area of approximately 11 square feet and an appurtenant lanai with a floor area of approximately 58 square feet.

(vi) There are sixteen (16) Type M apartments, each containing three bedrooms, two bathrooms, a living/dining room and a kitchen, with a net living area of approximately 927 square feet, an outdoor storage area of approximately 11 square feet and an appurtenant lanai with a floor area of approximately 60 square feet.

(vii) There are four (4) Type M1 apartments, each containing three bedrooms, two bathrooms, a living/dining room and a kitchen, with a net living area of approximately 927 square feet, an outdoor storage area of approximately 11 square feet and an appurtenant lanai with a floor area of approximately 60 square feet.

(viii) There are four (4) Type M2 apartments, each containing three bedrooms, two bathrooms, a living/dining room and a kitchen, with a net living area of approximately 927 square feet, an outdoor storage area of approximately 11 square feet and an appurtenant lanai with a floor area of approximately 60 square feet.

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

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

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

(f) Two (2) of the apartments are "accessible" and "adaptable" (as those terms are defined in 24 C.F.R. § 100 et seq.) for persons with disabilities.

END OF EXHIBIT "C"

EXHIBIT "D"

BOUNDARIES OF APARTMENTS

Eighty-four (84) separate condominium apartments are designated in the spaces within the perimeter and party walls, windows, doors, floors and ceilings of each of the eighty-four (84) apartments of the Project. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements of the project. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

END OF EXHIBIT "D"

EXHIBIT "E"

PERMITTED ALTERATIONS TO APARTMENTS

1. Except as otherwise provided by the Fair Housing Act, 42 U.S.C. §3601, et seq., as amended by the Fair Housing Amendments Act of 1988, and Chapter 515, Hawaii Revised Statutes, and the rules and regulations promulgated thereunder, as the same may be amended from time to time in the future, restoration or replacement of the Project or any building or other structure thereof or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map, shall be undertaken by the Association of Apartment Owners or any apartment owners only pursuant to an amendment of the Declaration of Condominium Property Regime (the "Declaration"), duly executed by or pursuant to a vote of at least seventy-five percent (75%) of the apartment owners and in accordance with complete plans and specifications therefor first approved in writing by the Board of Directors, and promptly upon completion of such restoration, replacement, construction, alteration or addition the Association of Apartment Owners shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. Notwithstanding the foregoing, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall require only the written approval thereof, including the apartment owner's plans therefor, by the institutional holders of mortgages covering such apartment (if the mortgagees require such approval), the Board of Directors, and all other apartment owners thereby directly affected (as determined by the Board of Directors), and such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered.

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

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

END OF EXHIBIT "E"

EXHIBIT "F"

COMMON INTERESTS/PARKING STALLS

Apt. No.	Common Interest	Parking Stalls
Building A		
A-101	1.2839%	481 , 502c
A-102	1.1551%	478 , 485
A-103	1.2091%	479 , 505c
A-104	1.2091%	483c, 484
A-105	1.1551%	491c, 498
A-106	1.2839%	494 , 497
A-201	1.2839%	480 , 503c
A-202	1.1551%	482c, 504c
A-203	1.2091%	489c, 500
A-204	1.2091%	490c, 499
A-205	1.1551%	492c, 496
A-206	1.2839%	493 , 495
A-303	1.2091%	486 , 501c
A-304	1.2091%	487 , 488c
Building B		
B-101	1.2839%	473 , 519c
B-102	1.1551%	517c, 520c
B-103	1.2091%	515c, 521
B-104	1.2091%	467c, 512
B-105	1.1551%	470c, 509
B-106	1.2839%	472 , 507
B-201	1.2839%	474 , 518c
B-202	1.1551%	475 , 516c
B-203	1.2091%	476 , 514c
B-204	1.2091%	468c, 511
B-205	1.1551%	471c, 508
B-206	1.2839%	477 , 506
B-303	1.2091%	466c, 513
B-304	1.2091%	469c, 510

Apt. No.	Common Interest	Parking Stalls
Building C		
C-101	1.2839%	538 , 540
C-102	1.2840%	458c, 536
C-103	1.1551%	459c, 534c
C-104	1.1551%	461c, 526c
C-105	1.2840%	463c, 524
C-106	1.2839%	465c, 522
C-201	1.2839%	535 , 537
C-202	1.2840%	457c, 539
C-203	1.1551%	529c, 533c
C-204	1.1551%	460c, 527c
C-205	1.2840%	462c, 525
C-206	1.2839%	464c, 523
C-303	1.1551%	528c, 532c
C-304	1.1551%	530c, 531c
Building D		
D-101	1.2839%	554 , 557
D-102	1.1551%	621 , 626
D-103	1.2091%	546c, 622
D-104	1.2091%	543c, 623
D-105	1.1551%	447c, 624
D-106	1.2839%	541 , 549
D-201	1.2839%	555 , 558c
D-202	1.1551%	556 , 620
D-203	1.2091%	547c, 553
D-204	1.2091%	544c, 550
D-205	1.1551%	446c, 625
D-206	1.2839%	542 , 548
D-303	1.2091%	552 , 627c
D-304	1.2091%	545c, 551

Apt. No.	Common Interest	Parking Stalls
Building E		
E-101	1.2839%	606c, 612
E-102	1.1551%	567 , 608c
E-103	1.2091%	611 , 614
E-104	1.2091%	610c, 615
E-105	1.1551%	560c, 616
E-106	1.2839%	561c, 618
E-201	1.2839%	607c, 613
E-202	1.1551%	568 , 609c
E-203	1.2091%	565 , 603c
E-204	1.2091%	564 , 569
E-205	1.1551%	559c, 617
E-206	1.2839%	562c, 619
E-303	1.2091%	566 , 604c
E-304	1.2091%	563 , 605c
Building F		
F-101	1.1038%	577 , 590
F-102	1.1038%	576 , 591
F-103	.9875%	571h, 597c
F-104	.9875%	570h, 602c
F-105	1.1038%	572 , 584
F-106	1.1038%	574 , 585
F-201	1.1038%	578 , 580
F-202	1.1038%	579 , 581
F-203	.9875%	582 , 599c
F-204	.9875%	583 , 598c
F-205	1.1038%	573 , 586
F-206	1.1038%	575 , 587
F-303	.9875%	588 , 601c
F-304	.9875%	589 , 600c

Guest Stalls (14): 448c, 449c, 450c, 451c, 452c, 453c, 454c, 455c, 456c, 592, 593, 594, 595 and 596

LEGEND:
c = Compact Stall
h = Handicapped Stall

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

END OF EXHIBIT "F"

EXHIBIT "G"

COMMON ELEMENTS

The common elements of the Project include the following:

1. The Land in fee simple;

2. The swimming pool and the pool building;

3. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, walkways, entrances and exits of said buildings;

4. All yards, grounds, landscaping and fences or walls, if any;

5. All roads, driveways and parking areas;

6. The water heater rooms (except that the water heaters in the rooms shall be deemed a part of the apartments which they serve and are not a part of the common elements);

7. The fire extinguisher cabinets and electrical closets;

8. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any; and

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

END OF EXHIBIT "G"

EXHIBIT "H"

LIMITED COMMON ELEMENTS

The limited common elements of the Project include the following:

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

2. The entry areas, as shown on the Condominium Map, shall be appurtenant to and for the exclusive use of the apartment or apartments to which each such area is adjacent, subject to the right described in Section 4.5 of the Declaration of the apartment owners of access to the stairway(s) leading to the grounds of the Project.

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

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

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

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

7. The fenced-in yard area adjoining each first floor apartment, as shown on the Condominium Map, shall be appurtenant to and for the exclusive use of such apartment.

END OF EXHIBIT "H"

EXHIBIT "I"

The following are the encumbrances against title to the land of the Project, identified as Tax Map Key (1) 9-5-2-por. 25:

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

1. Grant in favor of Hawaiian Electric Company, Inc., dated August 21, 1957, filed as Land Court Document No. 209937; granting a perpetual right and easement to build, construct, reconstruct, repair, and operate pole and wire lines, etc., for the transmission and distribution of electricity, etc.

2. Easement "219" (5 feet wide), Easement "226" (25 feet wide) and Easement "228" (44 feet wide), as shown on Maps 100 and 884, as set forth by Land Court Order No. 17866, filed February 19, 1960.

3. Easement over, under and across Easement "228" for roadway purposes, in favor of Lot 1278, as set forth by Land Court Order No. 42633, filed August 13, 1975, and in favor of Lot 12307, as set forth by Land Court Order No. 92369, filed January 19, 1989.

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in DEED dated April 1, 1960, filed as Land Court Document No. 254783.

The foregoing includes but is not limited to, the following:

"Reserving and excepting, however, unto the Grantor, its successors and assigns, a perpetual easement to lay, construct, maintain, renew, repair and remove water pipelines along and under Easement 219 (within said Lot 1276-A), said Easement to be appurtenant to other lands of the Grantor described in said Certificate of Title No. 51,587.

"Reserving and excepting, however, unto the Grantor, its successors and assigns, a perpetual nonexclusive easement for road purposes over, along, across and upon Easement 228 (within said Lots 1276-A & 1276-B), as shown on said Map 435, provided, however, that this Easement shall automatically cease as to any portion or portions of said road or roads if and when the same are dedicated to public use by conveyance thereof to the State of Hawaii or the City and County of Honolulu for road purposes, and also over, along, across and upon the present road running the length of said Lots 1276-A & 1276-B to the extent that said present road does not presently lie within the

boundaries of said Easement 228 so long as said present road shall be maintained in its present location, said Easement over said present road outside of the boundaries of said Easement 228 to cease and terminate in the event that said present road shall be relocated within said Easement 228, or any other alignment that shall be dedicated to public use, said Easement affecting Easement 228 and said present road to be appurtenant to Lots 1287, 1286, 1285, 1284, 1283, 1288, 1289, 1277, 1278 and 1279, being also portions of the lands described in Certificate of Title No. 51,587 and being the Easements for access to a public highway in favor of said Lots referred to in Land Court Order No. 17,866, dated February 16, 1960 and filed February 19, 1960, and being also appurtenant to other lands of the Grantor mauka of said Easement 228. Said Easement as to road purposes shall be limited as to vehicular use to vehicles not exceeding two and one-half (2-1/2) tons in weight.

"And the Grantees, in consideration of the premises, for themselves and their respective heirs and assigns, as owner or owners from time to time of said Lot 1276, hereby covenant and agree to and with the Grantor, its successors and assigns, as owner or owners from time to time of Lots 1287, 1288, 1289, 1277 and other Lots North and East of said Lot 1288, that in the event that the Grantees shall build and construct a road from said Easement 228 to said Lot 1288, they will grant to the Grantor, its successors and assigns, as aforesaid, a perpetual nonexclusive easement not less than 44 feet in width for road purposes."

"And, in further consideration of the premises, it is hereby mutually covenanted and agreed, as covenants running with the land, with respect to each and all Easements hereinabove granted to the Grantees, and with respect to each and all Easements hereinabove reserved to the Grantor, appurtenant to the Lot or Lots granted to the Grantees and appurtenant to the premises owned and retained by the Grantor as hereinabove set forth, that the owner or owners from time to time of the land or portion thereof to which said Easements are appurtenant will indemnify and hold harmless the owner or owners from time to time of the fee title to the parcel or parcels of land affected by said Easements, from and against property damage, personal injury and/or death arising out of such exercise by such owner or owners of said land, or portion thereof, to which said easements are appurtenant and by his, her, its or their tenants, servants, agents, invitees and/or licensees."

"And the Grantees, in consideration of the premises, for themselves and their respective heirs and assigns,

as owners of said Easement for bridges in Easements 220, 221, 222, 223, and 224, hereby covenant and agree to and with the Grantor, its successors and assigns, as owner or owners from time to time of the servient property, that they will so build, construct, repair and maintain said bridges as not to interfere with the use of said existing ditch and any successor ditch, and as not to prevent the free passage of water through said existing ditch and any successor ditch."

Subject, further, however, as to all easements herein and hereby granted or reserved, to all rights of other parties existing as of the date hereof.

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

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated May 23, 1986, filed as Land Court Document No. 1373964.

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated November 2, 1992, recorded as Land Court Document No. 1967152.

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in DECLARATION dated December 10, 1992, recorded as Land Court Document No. 1978661, as amended by Annexation of Additional Property and Amendment of Declaration of Covenants, Conditions and Restrictions of Launani Valley dated June 22, 1993, filed as Land Court Document No. 2038685.

9. Unrecorded AGREEMENT dated July 9, 1993, by and between WAIHUNA JOINT VENTURE, a Hawaii general partnership, "WAIHUNA", and HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation, "HECO", a Short Form of which is dated July 9, 1993, recorded as Land Court Document No. 2049045; re: to provide electrical service.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in AGREEMENT dated November 9, 1994, made by and between WAIHUNA JOINT VENTURE, a Hawaii general partnership, and HAWAIIAN

ELECTRIC COMPANY, INC., recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 94-190579; re: electrical service.

11. MORTGAGE AND SECURITY AGREEMENT from WAIHUNA JOINT VENTURE, a Hawaii general partnership, in favor of BANK OF HAWAII, a Hawaii corporation, and THE MITSUBISHI BANK, LIMITED, Los Angeles Branch, a Japan corporation, dated March 14, 1995, recorded as Land Court Document No. 2225266.

12. ASSIGNMENT OF SALES CONTRACTS AND SALES PROCEEDS dated March 14, 1995, recorded in said Bureau of Conveyances as Document No. 95-037117, made by WAIHUNA JOINT VENTURE, a Hawaii general partnership, to THE MITSUBISHI BANK, LIMITED, a Japan corporation, assigning all of the right, title and interest in and to the Sales Contracts, the Sales Proceeds, and all of the rights to waive or release any obligation, to be observed and performed by any Purchaser under any Sales Contract.

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in WAIVER AND HOLD HARMLESS AGREEMENT dated March 14, 1995, made by and between WAIHUNA JOINT VENTURE and HAWAIIAN ELECTRIC COMPANY, INC., recorded in said Bureau of Conveyances as Document No. 95-044034.

14. Designation of the following easements, all as shown on Map 941, as set forth by Land Court Order No. 122426, filed November 7, 1995, to-wit:

(a) Easement "5636" (area 0.004 acre) for switching pad purposes;

(b) Easement "5637" (area 0.080 acre) for drainline purposes;

(c) Easement "5641" (area 0.008 acre) for FM meter purposes;

(d) Easement "5642" (area 0.004 acre) for telephone switch pad purposes; and

(e) Easement "5643" (area 0.001 acre) for electrical purposes.

END OF EXHIBIT "I"

STREAMSIDE AT LAUNANI VALLEY, Ph I
Estimated Annual Common Expense

	Monthly	Annual
Utilities and Services		
Electricity (common elements only)	$891.00	$10,692.00
Water and Sewer	$2,700.00	$32,400.00
Refuse Collection	$870.00	$10,440.00
Maintenance, Repairs, and Supplies		
Building	$34.00	$408.00
Grounds	$1,650.00	$19,800.00
Management		
Management Fee	$885.00	$10,620.00
Payroll and Payroll Taxes	$608.00	$7,296.00
Office Expenses	$149.00	$1,788.00
Insurance	$3,195.00	$38,340.00
Reserves	$1,624.00	$19,488.00
Taxes and Government Assessments	$60.00	$720.00
Professional Services - Audit	$75.00	$900.00
Amenities	$200.00	$2,400.00
TOTAL	$12,941.00	$155,292.00

I, STEVE PEARMAIN, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project Streamside at Launani Valley, Ph I, hereby certify that the above estimates of initial maintenance fee assessements and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Preparer

EXHIBIT "J"

STREAMSIDE AT LAUNANI VALLEY, Ph I
ESTIMATE OF INITIAL MAINTENANCE FEE
ESTIMATE OF MAINTENANCE FEE DISTRIBUTION

APARTMENT TYPE		Monthly	Yearly
J	0.9875	$126.67	$1,520.04
K	1.1038	$141.58	$1,698.96
L	1.1551	$148.16	$1,777.92
L1	1.2091	$155.09	$1,861.08
L2	1.1551	$148.16	$1,777.92
M	1.2839	$164.69	$1,976.28
M1	1.2839	$164.69	$1,976.28
M2	1.2840	$164.70	$1,976.40

[ ] Revised on _____

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

END OF EXHIBIT "J"

EXHIBIT "K"

SUMMARY OF SALES CONTRACT

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

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

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

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

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

2. If the Apartment covered by a particular Sales Contract is an Owner-Occupant Designated Apartment, and Buyer has executed an affidavit stating Buyer's intent to become an owner-occupant of the Apartment, then Buyer agrees when signing the Sales Contract that Buyer will occupy the Apartment as Buyer's principal residence. Any such Buyer shall be required to reaffirm his or her intent to be an owner-occupant no earlier than the Buyer's receipt of the Final Public Report and no later than the Closing Date. Failure to sign the reaffirmation upon the reasonable request of Seller shall constitute a default under the Sales Contract by such Buyer and Seller shall have the remedies provided in the Sales Contract.

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

warranties covering any furnishings, fixtures, and appliances in the Apartment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

legally cause the Seller to fulfill Seller's obligations.

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

17. If less than forty-two (42) Apartments have been sold as of December 31, 1996, Seller has the option to cancel the Sales Contract. If Seller cancels the Sales Contract, Buyer will be entitled to a refund of any money Buyer has deposited with Escrow, without interest and minus an escrow cancellation fee. When Buyer has received this refund, Buyer and Seller will no longer have any obligations under the Sales Contract.

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

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

20. The Seller may have made one or more construction loans to finance construction of the Project. Any rights which a Buyer may possess under a Sales Contract for one of the Apartments in the Project are subject to and subordinate to the rights of the lender(s) of these construction loans.

21. Buyer acknowledges that the Project is located within the vicinity of Wheeler Army Airfield and may be subject to noise, vibrations, nuisances, disturbances or other hazards to

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

Affordable Housing Units

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

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

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

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

of the Apartment and against any damages suffered by the Buyer resulting from workmanship and/or materials.

END OF EXHIBIT "K"

EXHIBIT "L"

SUMMARY OF ESCROW AGREEMENT

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

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

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

2. All purchasers who are to be owner-occupants as defined in Section 514A-103, Hawaii Revised Statutes, must submit an affidavit to Escrow affirming their owner-occupant status. The affidavit setting forth the purchasers' intent to be owner-occupants must be reaffirmed no earlier than their receipt of the final public report but no later than the closing of escrow for the Apartment and all prospective owner-occupants must submit the reaffirmed affidavit and proof of receipt of the final public report to Escrow.

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

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

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

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

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

END OF EXHIBIT "L"

EXHIBIT "M"

TERMS AND CONDITIONS OF
STREAMSIDE AT LAUNANI VALLEY, PHASE I
WORRY FREE HOME OWNERSHIP PROGRAM

The Worry Free Home Ownership Program (the "Program") offered by Waihuna Joint Venture, a Hawaii general partnership (the "Developer") is subject to the following terms and conditions:

1. Only individuals who have closed the purchase of one of the apartments in the Project from the Developer shall be eligible for the Program. Corporations, partnerships, trusts or any other entities are not eligible for the Program.

2. Only owner-occupant purchasers are eligible for the Program. The Buyer must occupy the apartment as the Buyer's principal residence. The Buyer's rights under the Program are non-assignable and cannot be transferred to any other person.

3. Only one person from any apartment shall be eligible for the Program. In the event there is more than one Buyer, the person with the higher or highest annual salary shall be eligible for the Program.

4. The Program covers only the principal and interest payments on the Buyer's first mortgage loan which the Buyer obtained to purchase the Apartment (the "Loan"). The Program does not cover any real property taxes, assessments, and maintenance fees for the Apartment or mortgage insurance for the Loan.

5. The Buyer shall be eligible for the Program for one (1) year after the closing of the purchase of the Apartment. If the Buyer qualifies for payments under the Program, the Developer will make the principal and interest payments on the Loan, but in no event will the Developer make more than six (6) payments on the Loan.

6. At the time the Buyer closes the purchase of the Apartment, the Buyer must be employed full time and not have received any notice from the Buyer's employer that the Buyer's employment will be terminated. Persons who are self-employed (including but not limited to persons who are shareholders of a closely held corporation) or only employed part-time are not eligible for the Program.

7. If the Buyer wishes to be eligible for the

Program, the Buyer must sign and give to the Developer, on the date of the closing of the purchase of the Apartment, an affidavit stating that the Buyer is bonafide employed full time, the name, address and telephone number of the Buyer's employer, and that the Buyer has not received any notice that the Buyer's employment will be terminated.

8. To be eligible for payments under the Program, the Buyer must be "laid off" or have otherwise lost the Buyer's job due to the employer's economic or other business decision and not because of any action or failure to act by the Buyer or any other reason within the Buyer's control. The Program does not apply if the Buyer leaves the Buyer's job voluntarily or if the Buyer loses the Buyer's job for cause.

9. To receive payments under the Program, the Buyer must provide the Developer with the Buyer's signed affidavit stating that (a) the Buyer is qualified to participate in the Program, (b) the date on which the Buyer lost the Buyer's job, (c) that the Buyer became unemployed due to the employer's economic or other business decision and not through any fault of the Buyer's, (d) the amount of the principal and interest payments under the Loan, (e) the name and address of the lender under the Loan, (f) the loan number for the Loan, (g) the date the next mortgage payment is due and the date late charges are assessed, and (h) that the Buyer has and will continue to make a good faith effort to find other full time employment. The affidavit must be accompanied by a written statement from the Buyer's employer verifying that the Buyer has lost the Buyer's job due to the employer's economic or other business decision and not because of any fault of the Buyer.

10. The Developer will make the principal and interest payments on the Loan directly to the Buyer or the lender, commencing with the monthly payment next due after the Developer's receipt of the Buyer's affidavit and the written statement from the Buyer's employer. The Developer will endeavor to make any payments before the date late charges are incurred, but shall not be responsible to the Buyer or the Buyer's lender for any late charges that may be imposed.

11. If the Buyer finds other employment, the Buyer must immediately notify the Developer of that fact and must resume making the monthly principal and interest payments on the Loan, commencing with the next payment which is due following the date the Buyer finds other employment. After the Developer receives notice that the Buyer has found other employment, the Developer will not make any further payments on the Loan. The Buyer shall provide to the Developer such further affidavits and other documentation that the

Developer deems necessary to verify the Buyer's good faith effort to find other employment and that the Buyer has not found other employment.

12. If it is determined that any statements made in any of the Buyer's affidavits provided to the Developer in connection with the Program are false, the Developer may immediately stop making any payments under the Program without any responsibility or liability to the Buyer or the Buyer's lender.

13. The Program is subject to all applicable laws.

14. The Buyer is responsible for any taxes which may be due on any payments the Buyer receives under the Program. The Buyer should consult the Buyer's attorney, accountant or tax advisor for appropriate advice on tax matters.

15. This Program is being offered by the Developer for a limited time period of one (1) year commencing from the original effective date of this Final Public Report, _____, 1996. However, any qualified Buyer who enters into a binding contract for the purchase of an apartment in the Project from the Developer during this one year period will be eligible for the Program. The Developer, in its sole discretion, may choose to extend the Program. Any Buyer entering into a binding contract after the Program's scheduled expiration should inquire with the Developer as to whether the Program is still being offered.

END OF EXHIBIT "M"